



City Council Meeting Agenda

June 4, 2024
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 SESSION AND CLOSED SESSION:

ROLL CALL BY THE CITY CLERK:

PUBLIC COMMENT:

*Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. 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. Council review of candidates for the upcoming District B vacant seat and Interviews of selected applicants.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (GC 54956.9)(d)(1))
Claim for Damages.
- B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (54956.9 (d)(2))
Potential litigation over right-of-way abandonment.
- C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (54956.9 (d)(2))
Litigation threatened over development project site claim.

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

FLAG SALUTE:

RECOGNITION:

- A. Badge Pinning Ceremony and oath of office for the promotion of Sergeant Raymond Dias, Sergeant Jarred Cotta, Corporal Edgar Aguayo, Corporal Troy Smith and Corporal Rolando Jaime.

CLOSED SESSION ACTION REPORT:

COUNCIL REPORTS/GENERAL REPORTS:

Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City expenses (AB1234).

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters 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. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). 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. City Clerk: Approval of the appointment of Santiago Rodriguez to the Parks and Rec Commission Alternate seat with an unexpired term ending on 12/31/2026.
- C. City Clerk: Adoption of Resolutions 24-14-R and 24-15-R, authorizing the Consolidation of the Regular Municipal Election for Hanford City Council Districts B and C on Tuesday, November 5, 2024, and request the Kings County Board of Supervisors to authorize the Kings County Registrar of Voters to conduct the election.
- D. City Attorney: Approval of the First Amendment to the lease between the City of Hanford and Consolidated Electrical Distributors, Inc., also known as MSI, for the property located at 426 W. Lacey Blvd.
- E. Human Resources: Approval of the annual City of Hanford Salary Schedules, pursuant to the California Code of Regulations (CCR) 570.5.
- F. Community Development:
Approval of the second reading and Adoption of Ordinance No. 24-05, amending Chapter 3.28 of the Hanford Municipal Code to allow for the reestablishment of the Central Parking and Business Improvement Area Advisory Board as required by the Hanford Municipal Code in order to bring the Board's make-up in line with other City Committees/Commissions.
- G. Parks and Community Services: Approval of the naming and dedication of the Freedom

Park Playground in memory of Dan Chin, consistent with the Council Adopted Naming Policy.

- H. Public Works: Authorization to advertise for bids for the FY25 Annual Concrete Improvement Project and pre-authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder for an amount not to exceed \$130,000.00
- I. Public Works: Public Works: Approval of a Purchase Order change order (PO 22400342) in the amount of \$4,000 with Corcoran Sawtelle & Rosprim, Inc to replace stainless steel sheet on a water truck; for a Purchase Order grand total of \$53,995.
- J. Public Works: Approval of the Notice of Completion for the FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project.
- K. Utilities and Engineering: Approval of a Grant Deed from San Joaquin Valley Homes Tract 881 Unit 1, Lots 45 & 46 and Authorization for the City Clerk to record said documents with the Kings County Recorder's Office for the purpose of accepting Landscape Lot dedications.
- L. Utilities and Engineering: Authorization to enter into a Reimbursement Agreement for \$25,000 in Preliminary Engineering Services with Union Pacific Railroad Company for design of the at-grade crossing on East Lacey Boulevard.
- M. Utilities and Engineering: Approval of two (2) Change Orders, totaling \$84,340, for East Lacey Boulevard Preliminary Engineering Services with QK to provide NEPA and Traffic Analysis services as required by new state and federal funding secured for the project.
- N. Finance: Approval of a professional services agreement with Meeder Public Funds, Inc. to provide investment management services at an annual fee of approximately \$58,000 annually for up to five years.
- O. Finance: Presentation of the Report on the City of Hanford's Audit of the Financial Statements for the year ending June 30, 2023 (Fiscal Year 2023)
- P. Finance: Approve a change order request in the amount of \$6,800 for the purchase of supplies from HD Supply, Inc in Fiscal Year 2023/2024 (FY 23/24).

PUBLIC HEARING:

- A. Finance: Public Hearing and Adoption of Resolution 24-13-R to approve the comprehensive Master Fee Schedule for Fiscal Year 2024-25 which includes proposed new fees, deletions of fees and increases/adjustments to existing fees.

GENERAL BUSINESS:

- A. Utilities and Engineering: Adoption of Resolution No. 24-12-R, designating a "Project List" for Road Maintenance and Rehabilitation Account (RMRA) gas tax funding for Fiscal Year 2024/25; and Appropriation of Hanford's estimated RMRA funding projection of \$1,507,211.
- B. Utilities and Engineering: Approval of Net Energy Metering (NEM) and Interconnection Agreement(s) with Southern California Edison Company (SCE) and Authorization of payment of up to \$350,000 to SCE for the design and construction of SCE-owned

facilities to accept power generated from a proposed City-owned Solar Energy Generating Facility at the City's Wastewater Treatment Facility (WWTF) located at 10555 Houston Avenue and Appropriation of \$350,000 from the Wastewater Treatment Plant/Sewer Fund.

- C. Administration: Adoption of Resolution No. 24-16-R appointing a replacement council member to the District B City Council Seat for the remainder of the unexpired term.
- D. Administration: Recognition of Departing Council Member Kalish Morrow

ITEMS FOR FUTURE AGENDAS:

At this time, any Council Member may ask a question for clarification or may request a matter, which is not otherwise scheduled on a City Council agenda, to be placed on a future agenda. The Council Member referring the item shall provide sufficient information as to the nature of the item. The City Council, by concurrence of a majority, may direct the City Manager to put the item on a future agenda. (GOV. CODE SEC. 54954.2)

- A. Council Future Agenda Items
- B. Upcoming Events and Important Dates:
 - June 11: Special City Council Meeting
 - June 18: Regular City Council Meeting
 - June 19: General Election Candidate Information Night, presented by the Kings County Elections Department [More Info](#)
 - July 2: Regular City Council Meeting
 - July 16: Regular City Council Meeting

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: 6/4/2024	AGENDA SECTION: STUDY SESSION
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SUBJECT:

Council review of candidates for the upcoming District B vacant seat and Interviews of selected applicants.

RECOMMENDATION:

Recommendation: Staff recommends that the City Council select candidates to be interviewed and conduct interviews of the selected candidates for the purpose of making a recommendation for appointment of the preferred candidate for the District B seat via resolution during the General Business Item.

BACKGROUND:

At the May 23, 2024, special meeting of the City Council, the council elected to engage in a process to consider appointing a resident from District B to fill the pending vacancy and directed staff to move forward with the approved process. The City Clerk listed the vacancy on the City's website and social media accounts soliciting resumes. The application period closed at 4pm on May 31, 2024. A total of nine (9) resumes were received by the deadline. During the Clerk review of the resumes, it was determined that two (2) of the candidates did not live within the District B boundaries or meet the requirements to be a Council member. The Clerk confirmed that the seven (7) remaining applicants met the requirements to serve on the City Council and represent District B.

At the opening of Council discussion on this item, each Council member has the option of selecting up to two (2) applicants to be interviewed. Once the pool of candidates is selected by the Council, the interview portion of the process will commence.

For the interview process, the applicants will then be called in alphabetical order, by last name, and given up to five (5) minutes to introduce themselves and describe why they should be selected to fill the vacant seat, and provide the City Council with any additional information that they feel relevant. The City Council will ask the same questions of the applicants for which applicants will have 90 seconds to respond to each question.

At the conclusion of the interviews, the Study Session will adjourn and Council will undertake a process of nominating candidates and voting on the nominations until a majority vote is reached on a candidate during the General Business section later in the evening. The recommended candidate will be appointed during the General Business section of the June 4, Regular Meeting when the City Council adopts a resolution Confirming the appointment of the new City Councilmember, and the City Clerk administers the Oath of Office.

FISCAL IMPACT:

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the appointment of Santiago Rodriguez to the Parks and Rec Commission Alternate seat with an unexpired term ending on 12/31/2026.

RECOMMENDATION:

Recommendation: That the Mayor, with approval of the full City Council, appoint Satiago Rodriguez to the Parks and Rec Commission to fill an unexpired term ending 12/31/2026.

BACKGROUND:

A Parks and Rec Commission vacancy occurred on November 1, 2023. After recruitment efforts and Council direction, the Mayor and the Parks & Community Services Director conducted interviews on May 9, 2024. The Mayor recommends appointing Mr. Santiago Rodriguez to the Parks and Rec Commission with an unexpired term ending on 12/31/2026.

Section 2.20.030 of the City of Hanford Municipal Code states that:

"Members of all commissions shall be appointed by the mayor with the approval of a majority of the members of the city council."

FISCAL IMPACT:

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Adoption of Resolutions 24-14-R and 24-15-R, authorizing the Consolidation of the Regular Municipal Election for Hanford City Council Districts B and C on Tuesday, November 5, 2024, and request the Kings County Board of Supervisors to authorize the Kings County Registrar of Voters to conduct the election.

RECOMMENDATION:

Recommendation: That the Council, by motion, adopt, Resolutions 24-14-R and 24-15-R authorizing the Consolidation of the Regular Municipal Election for Hanford City Council Districts B and C on Tuesday, November 5, 2024, and request the Kings County Board of Supervisors to authorize the County Registrar of Voters to conduct the election.

BACKGROUND:

The City of Hanford consolidates its municipal elections with the statewide general election, and the Kings County Department of Elections will canvas the returns and certify the results. The Elections Department has done an efficient and effective job for the City of Hanford in previous Elections. They have the appropriate equipment to prepare and mail the ballots, count the results, and certify the election. The Elections Department also proposed to assume the candidate filing responsibilities and duties for any person interested in filing for Districts B and C seats, except for the FPPC requirements. In past practice, the City Clerk was responsible for the nomination paperwork for candidates.

- Resolution 24-14- R calls for the holding of a General Municipal Election to be held on Tuesday, November 5, 2024, for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities and requesting the Board of Supervisors of the County of Kings to consolidate with the Statewide General Election.
- Resolution 24-15-R is the request to approve the Kings County Registrar of Voters' provision of specific services to the City of Hanford. These services are crucial for a more streamlined November 5, 2024, Municipal Election process and include specific services.

The nomination period for the November 5, 2024, election begins on Monday, July 15, 2024, and closes on Friday, August 9, 2024, unless an incumbent eligible for re-election does not file nomination documents before 5:00 p.m. on August 9, 2024. Should an incumbent not file nominating documents, such as will be the case in both City of Hanford districts, the filing period will be extended to August 14, 2024, at 5:00 p.m. **Candidates will obtain and file nomination documents at the Kings County Elections Department.**

FISCAL IMPACT:

The County incurs the cost of the election, but will be reimbursed by the City for the services performed. The cost for the November election is estimated to be \$44,750 - \$57,250. This estimate is based on historical election data and current rates for supplies and services that are subject to change. It does not factor in the tax and shipping cost for supplies.

ATTACHMENTS:

1. Kings County General Election Estimate
2. Resolution 24-14-R
3. Resolution 24-15-R



COUNTY OF KINGS
ELECTIONS DEPARTMENT

1-800-289-9981 ext. 4401 / 559-852-4401
FAX: (559) 585-8453

Lupe Villa
Registrar of Voters
1400 W. Lacey Blvd. Bldg. #7
Hanford, California 93230
Elections@CountyofKings.com

May 16, 2024

City of Hanford
ATTN: City Clerk, Natalie Corral
319 N. Douty St.
Hanford, CA 93230

Dear Natalie,

On May 14, 2024, the City of Hanford requested an estimated cost from the Kings County Elections Department to conduct the regular election to be held on November 5, 2024, for Areas B and C within the City of Hanford.

The estimate for the regular election for Areas B and C for the City of Hanford will be \$44,750.00 to \$57,250.00. **Please be advised that this is an estimate only.** It is based on historical election data and current rates for supplies and services that are subject to change. It does not factor in the tax and shipping costs for supplies. The actual cost to conduct the election may be more or less than this amount.

Sincerely,

Emily Oliveira
Elections Supervisor

RESOLUTION NO. 24-14-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD,
CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL
ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, FOR THE ELECTION
OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISION OF THE LAWS OF
THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES AND
REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF KINGS TO
CONSOLIDATE WITH THE STATEWIDE GENERAL ELECTION**

WHEREAS, under the provision of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 5, 2024, for the election of Municipal Officers;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HANFORD, CALIFORNIA, DOES RESOLVE, DECLARE DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, the Board of Supervisors of the County of Kings is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 5, 2024, for the purpose of electing two (2) members of the City Council for the full term of four years, which ends November 2028 for the following districts:

DISTRICT B
DISTRICT C

SECTION 2. That the Board of Supervisors is requested to issue instruction to the County Election Department to take all steps necessary for the holding of the consolidated election. The consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418.

SECTION 3. That the County Election Department is hereby authorized and requested to canvass the returns of said General Municipal Election and to certify such canvass of the votes so cast, to the City Clerk. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 4. That the City of Hanford recognizes that additional costs will be incurred by the County and shall reimburse the County for services performed when the work is completed and upon presentation to the City of properly approved bill.

SECTION 5. The County Registrar of Voters is hereby authorized and directed to give all Notices and perform all advertising as required by law and perform or cause to be performed all the duties and functions in the conduct of the election as required by State law.

SECTION 6. The City Clerk is hereby authorized and directed to certify the adoption of this Resolution, transmit to and file with the Board of Supervisors and the County Election Department of the County of Kings.

PASSED, ADOPTED, AND APPROVED this 4th day of June, 2024 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Travis Paden
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 ____ day of _____, 2024.

Date: _____

City Clerk

RESOLUTION NO. 24-15-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
REQUESTING THE KINGS COUNTY REGISTRAR OF VOTERS TO RENDER
SPECIFIC SERVICES TO THE CITY OF HANFORD**

WHEREAS, pursuant to the Elections Code, the governing body of any City may, by Resolution, request the Board of Supervisors of the County to permit the County Elections Official to render specified services to the City relating to the conduct of an election; and

WHEREAS, the City of Hanford has ordered an election be held for Districts B and C.

NOW, THEREFORE, BE IT RESOLVED

The Board of Supervisors of Kings County is hereby requested to permit the County Registrar of Voters to render services to the City of Hanford relating to the conduct of the November 5, 2024, Municipal Election as follows:

1. Distribute and file nomination papers and candidate statements for City offices.
2. Make all required publications.
3. Prepare, print, and mail to the qualified electors of the City of Hanford sample ballots and voter pamphlets.
4. Provide vote by mail ballots for said Municipal Election for use by the qualified electors who may be entitled to vote by mail ballots in the manner provided by law.
5. Order consolidation of precincts, appoint precinct boards, designate polling places, and instruct election officer concerning their duties.
6. Conduct and canvass the returns of the election and certify the votes cast to the City.
7. Receive and process Vote by Mail voter applications.
8. Prepare, print, and deliver to the polling places supplies, including the official ballots and a receipt for said supplies.
9. Recount votes, if requested, in accordance with State law.
10. Conduct the above election duties in accordance with the Voting Right Act of 1975.
11. Perform all other pertinent services required to perform for said election other than the requirements of the Fair Political Practices Commission; said Fair Political Practices Commission requirements to be performed by the City Clerk.

The City Clerk is hereby authorized and directed to transmit certified copies of this Resolution to the Board of Supervisors and to the County Registrar of Voters.

PASSED, ADOPTED, AND APPROVED this 4th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Travis Paden
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 ____ day of _____, 2024.

Date: _____

City Clerk



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the First Amendment to the lease between the City of Hanford and Consolidated Electrical Distributors, Inc., also known as MSI, for the property located at 426 W. Lacey Blvd.

RECOMMENDATION:

Recommendation: It is recommended that the City Council approve the Consolidated Electrical Distributors, Inc. First Lease Amendment.

Recommended Motion: I move to approve the Consolidated Electrical Distributors, Inc. First Lease Amendment.

BACKGROUND:

The City and Consolidated Electrical Distributors, Inc. (CED) previously entered into a Lease Agreement (Lease) for CED's lease of the 426 W. Lacey Blvd. property owned by the City. A copy of Lease is attached.

CED has requested that the insurance provisions of the Lease be modified. CED explained that it is a billion-dollar company that has over 1,100 sites nationwide, and it maintains \$500 million in property coverage for its owned and leased properties. CED informed the City that it has endured significant changes to the insurance industry and that those changes have caused CED to maintain a \$100,000.00 deductible on its property coverage insurance, which exceeds \$25,000.00 deductible limit established in the Lease. The tenant has requested that the insurance provisions of the Lease be modified to match the insurance that it maintains.

The provisions that CED seeks to change were carried over from the prior tenant, Goodwill Enterprises.

CED has requested the following significant changes to the Lease:

- Eliminate the \$25,000 deductible for property insurance.
- Delete requirements for business interruption insurance and coverage for debris removal and enforcement of laws regarding reconstruction or replacement of undamaged portions of the premises required to be demolished or removed due to enforcement of any laws arising from a covered loss.

The tenant will indemnify, defend, and hold the City harmless with respect to such occurrences in lieu of maintaining this additional coverage under its property insurance. In other words, the tenant will continue to maintain property coverage, but the insurance will not cover the breadth of issues that are identified in the Lease's original provisions.

A copy of the existing Lease and CED's letter to the City explaining its desire to amend the Lease are attached.

FISCAL IMPACT:

Non

ATTACHMENTS:

1. 24-0522 Transmittal letter to City of Hanford for First Lease Amendment (426 W Lacey Blvd, Hanford, CA)
2. 2024.05.24 1st Lease Amendment (426 W Lacey Blvd, Hanford, CA)
3. Lease agreement 10.3.2023



MAY 22, 2024

City of Hanford
319 N. Douty Street
Hanford, CA 93230

RE: Amendment to Lease with Consolidated Electrical Distributors, Inc. ("CED") for 426 W Lacey Blvd, Hanford, CA ("Premises")

Dear City of Hanford City Council,

CED has leased the referenced Premises for an initial term of ten years pursuant to a Lease Agreement, dated October 5, 2023. CED is excited to relocate its business to this City of Hanford owned property. As evidence of its commitment to this location, CED intends to invest approximately \$700,000 in upgrades and improvements to the Premises over time.

As part of the Lease for the Premises, CED has certain obligations to provide general liability insurance and fire and extended insurance on the Premises. After the Lease was executed, CED renewed its very large master liability and property insurance policies. As has been widely reported, premiums for property insurance have increased dramatically across the country, and many of CED's smaller landlords have experienced premium increases up to 400%. In its efforts to renew its policies in late 2023 without incurring large rate increases, CED agreed to some changes to its policies, such as increased deductibles. Therefore, CED respectfully requests that the proposed Lease Amendment be approved so that CED complies with its Lease obligations while allowing the flexibility needed for its large master insurance policy renewals which cover hundreds of locations and leases. Please also note that the CED master insurance policies cover CED's own Pension owned buildings and affiliate owned buildings and as such, CED is confident of the coverage afforded by these policies.

In exchange for modifying some of the insurance clauses in the Lease, in the proposed First Amendment, CED has expanded its indemnity obligations to ensure the City of Hanford is not subject to any losses due to the change in the Lease language.

CED has hundreds of operating locations, and each location contributes monthly to CED's insurance reserves which are set aside for insurance deductibles or uninsured losses. CED's financial stability and creditworthiness is demonstrated by the reports attached to Exhibit A from CED's auditors. Of particular interest is the Management Assertion at the end of the first attachment stating CED's total debt with third parties of \$0.00. CED is privately owned by the same family since the 1950's. This family ownership group is very private and does not release financial statements. However, CED's stellar trade references and the reports attached as Exhibit A have allowed CED to sign more than 900 real estate leases with many types of landlords, including REITS and other large institutional owners. Please be assured that CED has the financial standing to meet its indemnity and insurance obligations under the Lease.

We respectfully request your approval of the First Amendment to Lease as submitted.

If you have any questions, please contact the undersigned at email Jeremy.McDonald@CED.com or 972-582-5453.

Sincerely,

Consolidated Electrical Distributors, Inc.

By: 
Jeremy McDonald
Real Estate Manager



Exhibit A
Reports from CED's Auditors attached

1. Financial ratios and Total Debt
2. Z-Score report



Report of Independent Accountants

To the Board of Directors of Consolidated Electrical Distributors, Inc.

We have examined the accompanying management assertion of Consolidated Electrical Distributors, Inc. ("CED") that CED's current ratio, quick ratio, and total debt as of December 31, 2022 are calculated using inputs from the Company's audited consolidated balance sheet as of December 31, 2022 and that the calculations are mathematically accurate. CED's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

In our opinion, management's assertion that CED's current ratio, quick ratio, and total debt as of December 31, 2022 are calculated using inputs from the Company's audited consolidated balance sheet as of December 31, 2022 and that the calculations are mathematically accurate is fairly stated, in all material respects.

PricewaterhouseCoopers LLP

Dallas Texas
June 28, 2023



Management Assertion

The inputs utilized by the Consolidated Electrical Distributors, Inc. ("CED") to each of the below calculations were obtained from the audited consolidated balance sheet of CED and its subsidiaries as of December 31, 2022 and the calculations are mathematically accurate.

CED's current ratio, quick ratio, and total debt as of December 31, 2022 are as follows:

1. Current Ratio = 1.61, calculated as Total Current Assets / Total Current Liabilities
2. Quick Ratio = 0.89, calculated as (Total Current Assets – Inventories, Net) / Total Current Liabilities
3. Total Debt = \$0. Total debt refers to debt with third parties and does not include notes payable to related parties.



Report of Independent Accountants

To the Board of Directors of Consolidated Electrical Distributors, Inc.

We have examined the accompanying management assertion of Consolidated Electrical Distributors, Inc. ("CED") that CED's Altman Z-score calculation as of December 31, 2022 is presented in accordance with the Altman Z-score formula as set forth in Attachment A. CED's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

In our opinion, management's assertion CED's Altman Z-score calculation as of December 31, 2022 is presented in accordance with the Altman Z-score formula as set forth in Attachment A is fairly stated, in all material respects.

PricewaterhouseCoopers LLP

Dallas, Texas
June 28, 2023



Management Assertion

For the year ended December 31, 2022, CED's Altman Z-Score is 3.98.

Altman Z-Score is defined as follows:

$$\text{Altman Z-Score} = 0.717A + 0.847B + 3.107C + 0.420D + 0.998E$$

Where:

A = Working Capital/Total Assets

B = Retained Earnings/Total Assets

C = Earnings Before Interest & Tax/Total Assets

D = Book Value of Equity/Total Liabilities

E = Sales/Total Assets

CED's Altman Z-Score Inputs:

Working capital is defined as the difference between current assets and current liabilities. Current assets and current liabilities were obtained from the Company's 2022 Consolidated Balance Sheet audited by PricewaterhouseCoopers LLP.

Total assets, total liabilities, retained earnings and book value of equity were obtained from the Company's 2022 Consolidated Financial Statements audited by PricewaterhouseCoopers LLP.

Earnings before interest and tax is calculated using the Company's 2022 Consolidated Statement of Income audited by PricewaterhouseCoopers LLP. Earnings is defined as net income. Interest is defined as the interest expense and interest income line items included in the Company's 2022 Consolidated Financial Statements audited by PricewaterhouseCoopers LLP. Tax is defined as the provision for income taxes line item included in the Company's 2022 Consolidated Statement of Income audited by PricewaterhouseCoopers LLP.

Sales is defined as net sales. Net sales were obtained from the Company's 2022 Consolidated Statement of Income audited by PricewaterhouseCoopers LLP.

The Company's Altman Z-score calculation as of December 31, 2022 is presented in conformity with the Altman Z-score formula using inputs derived from the Company's audited consolidated financial statements as of and for the year ended December 31, 2022.



Attachment A

CED's Altman Z-Score:

Altman Z-Score is defined as follows:

$$\text{Altman Z-Score} = 0.717A + 0.847B + 3.107C + 0.420D + 0.998E$$

Where:

A = Working Capital/Total Assets

B = Retained Earnings/Total Assets

C = Earnings Before Interest & Tax/Total Assets

D = Book Value of Equity/Total Liabilities

E = Sales/Total Assets

FIRST LEASE AMENDMENT

This FIRST LEASE AMENDMENT (the “Amendment”) is made and entered into on this _____ day of _____, 2024 (the “Effective Date”) by and between CITY OF HANFORD, a municipal corporation (the “Landlord”) and CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC., a Delaware corporation (the “Tenant”), with respect to that certain Lease Agreement, dated October 5, 2023 (the “Lease”), for premises located at 426 W. Lacey Blvd., Hanford, California, consisting of approximately 17,382 square feet of building area and exterior fenced and parking area (the “Premises”), to which Lease, Landlord and Tenant are parties:

WITNESSETH

WHEREAS, Landlord and Tenant wish to amend the Lease to clarify Tenant’s insurance requirements;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, Landlord and Tenant agree that the Lease shall be modified and amended as follows:

1. TENANT’S INSURANCE.

1.1 Tenant’s obligations to maintain insurance coverage under Paragraphs 8.1 and 8.2 of the Lease may be satisfied by providing a current Acord Form Certificate of Insurance and endorsements evidencing such required coverage, in lieu of the specific ISO Forms specified in such paragraphs.

1.2 Paragraph 8.1(B)(3) shall be deleted and replaced with the following:

“Tenant agrees not to cancel each insurance policy required herein, except with written notice to Landlord.”

1.3 Paragraph 8.2(A) shall be deleted and replaced with the following:

“Tenant shall maintain on the office/retail and warehouse building located on the Premises (“Building”) a policy or policies of fire and extended coverage insurance, to the extent of at least one hundred percent (100%) of the full replacement value thereof, without deduction for depreciation. Landlord shall be listed as Loss Payee and Additional Insured on the Evidence of Commercial Property Insurance Acord form.”

1.4 Paragraph 9(A) of the Lease shall be modified and the following shall be appended to the end of such paragraph:

(7) “Any loss occurring at the Premises, Property, or Building related to Tenant’s requirement to insure the Premises or Building under Paragraph 8.2(A) due to Tenant’s self-insurance, under-insurance or un-insured losses, as well as deductibles related to any insurance described in Paragraphs 8.1 and 8.2, business interruption, or additional cost resulting from debris removal and for the enforcement of any ordinance or

law regulating the reconstruction or replacement of any undamaged portion of the Building or other improvements required to be demolished or removed as a result of the enforcement of any building, zoning, safety or land use laws.”

2. CONFIRMATION. Landlord and Tenant hereby agree that, as of the Effective Date of this Amendment, both parties have dutifully fulfilled all of their respective obligations due under the Lease and that neither party is in default thereunder.

All other provisions, conditions and agreements contained and referred to in said Lease, except to the extent modified herein shall remain in full force and effect.

LANDLORD:

CITY OF HANFORD,
a municipal corporation

By: _____
Name: Mario Cifuentez, II
Title: City Manager

TENANT:

CONSOLIDATED ELECTRICAL
DISTRIBUTORS, INC.,
a Delaware corporation

By: _____
Jeremy McDonald,
Real Estate Manager

LEASE AGREEMENT

* * * * *

This Lease Agreement ("**Lease**") is made effective on the 5th day of October 2023, by and between the CITY OF HANFORD, a municipal corporation ("**Landlord**"), CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC., a Delaware corporation, ("**Tenant**").

In consideration of the terms contained in this Lease, Landlord and Tenant agree to the following:

1. PREMISES

A. Landlord owns the real property ("**Landlord Property**") located at 426 W. Lacey Blvd., Hanford, California, that is more particularly described in the attached Exhibit "A," which is incorporated herein by reference.

B. Landlord hereby leases to Tenant and Tenant rents from Landlord the portion of the Landlord Property ("**Premises**"), totaling 17,382 square feet of building area in addition to the exterior fenced and parking area, that is generally described as follows:

- (1) The office/retail building located at Landlord Property, consisting of approximately 5,382 square feet;
- (2) The fenced areas on the parcel;
- (3) The entirety of the paved parking areas; and
- (4) The entire eleven thousand (12,000) square feet of the metal warehouse located at the Landlord Property; all as further shown by the enclosed areas on Exhibit B.

The Premises are more particularly depicted on the attached Exhibit "B," which is incorporated herein by reference.

2. TERM OF LEASE

A. The initial term ("**Initial Term**") of this Lease shall be ten (10) years commencing upon full execution and delivery of possession of the Premises to Tenant (the "**Commencement Date**") and ending at 11:59 p.m., on the last day of the one hundred twentieth month. ("**Expiration Date**"). After established, Landlord and Tenant will confirm Commencement and Expiration Date in writing.

B. Tenant shall have the option to extend the term of this Lease by five (5) additional years (the "**Option**") at the expiration of the Initial Term if Tenant is not in default, beyond any notice and cure period, at the time of the exercise of the option. If Tenant elects to

exercise the option to extend, Tenant shall notify Landlord in writing at least one hundred eighty (180) calendar days prior to the expiration of the Initial Term. The Option shall be upon the same terms and conditions, including Rent which shall continue to increase annually by five percent (5%).

C. If Tenant continues to occupy the Premises after this Lease expires, the Lease shall continue on a month-to-month basis on the terms set forth in this document.

3. RENT

A. Monthly Rent:

- (1) During the first year of the Lease's term, Tenant will pay to Landlord \$3,600.00 per month ("**Rent**") in advance on or before the first (1st) day of each calendar month; provided however that the first rental payment shall be due on January 1, 2024.

(2) The Rent shall be increased annually by five percent (5%). Each annual adjustment shall occur on the first (1st) day of the month immediately following the anniversary of the Effective Date (e.g., if the Commencement Date is September 20, the annual rental rate adjustment shall occur on October 1 of each year).

B. Security Deposit:

Upon request by Landlord, Tenant will provide information to establish its creditworthiness.

C. Late Charge and Interest:

If Rent is not received by Landlord within ten (10) days of a date due, Tenant shall pay: (i) ten percent (10%) of the overdue amount as a late charge; and (ii) interest on the unpaid amount at the rate of one and one-half percent (1.5%) per month.

4. TAXES AND UTILITIES

A. Tenant understands and agrees that: (1) this Lease may create a possessory interest in Tenant which may be subject to property taxes; (2) the personal property of Tenant may be subject to property taxes; and (3) this Lease may be subject to property taxes. Tenant shall pay all such taxes before they become delinquent.

B. If any taxes are charged to Landlord or Landlord's Property as a result of Tenant's personal property, trade fixtures, or possessory interest in the Premises, or if the assessed value of the Premises is increased due to the value of Tenant's property or trade fixtures, Tenant shall, on demand, immediately pay Landlord amounts equal to the increased or new taxes caused by Tenant. Tenant's duty to pay increased or new taxes charged to Landlord or Landlord's property shall continue as long as this Lease remains in effect.

C. Tenant shall timely pay all charges for water, gas, electricity, sewer service, telephone service, refuse removal and all other utilities and services supplied to the Premises during the term of this Lease.

5. USE OF PREMISES

A. Permitted Use:

The Premises may be used and occupied for the retail and wholesale sale, distribution, and storage of electrical supplies and related activities, warehouse and general office use, and related activities, or any other lawful purpose.

B. Prohibited Uses:

When using the Premises for the permitted purpose stated in Section 5.A. above, Tenant shall not: (i) use the Premises in violation of any law, ordinance, or regulation; or (ii) use the Premises in a way that creates a nuisance or which causes damage to the Premises or any other property.

C. Sublease. Upon written approval by Landlord, which shall not be unreasonably withheld, Tenant may sublease all or any portion of the Lease.

6. TENANT IMPROVEMENTS

A. Tenant may install or construct improvements at the Premises and modify the Premises only after receiving Landlord's written approval, which shall not be unreasonably withheld. Work approved by Landlord must be done in full compliance with all laws, ordinances, and regulations.

B. Improvements installed at the Premises by Tenant will not be removed by Tenant at the expiration or termination of this Lease unless Landlord agrees with the request from Tenant, in writing, at or prior to the expiration or termination of this Lease, to remove Tenant's improvements. Approval will not be arbitrarily withheld. If Landlord requires the removal of Tenant-installed improvements, Tenant will, following removal work, promptly repair any damage to the Premises and will return the Premises to the condition that existed on the Effective Date, reasonable wear and tear excepted.

C. Tenant will be solely responsible for maintaining, repairing, and improving the Premises so the Premises comply with the Americans with Disabilities Act of 1990 (ADA) and similar accessibility regulations. Landlord will not be required to modify the Premises or install any improvements that may be required to cause the Premises to be ADA-compliant.

(i) The Premises have NOT been inspected by a Certified Access Specialist (CAsp). The following Notice is hereby given to Tenant, and Tenant hereby acknowledges receipt of such Notice:

NOTICE TO PRIVATE PROPERTY OWNER/TENANT:

YOU ARE ADVISED TO KEEP IN YOUR RECORDS ANY WRITTEN INSPECTION REPORT AND ANY OTHER DOCUMENTATION CONCERNING YOUR PROPERTY SITE THAT IS GIVEN TO YOU BY A CERTIFIED ACCESS SPECIALIST.

IF YOU BECOME A DEFENDANT IN A LAWSUIT THAT INCLUDES A CLAIM CONCERNING A SITE INSPECTED BY A CERTIFIED ACCESS SPECIALIST, YOU MAY BE ENTITLED TO A STAY (TEMPORARY STOPPAGE) OF THE CLAIM AND AN EARLY EVALUATION CONFERENCE.

IN ORDER TO REQUEST THE STAY AND EARLY EVALUATION CONFERENCE, YOU WILL NEED TO VERIFY THAT A CERTIFIED ACCESS SPECIALIST HAS INSPECTED THE SITE THAT IS THE SUBJECT OF THE CLAIM. YOU WILL ALSO BE REQUIRED TO PROVIDE THE COURT AND THE PLAINTIFF WITH THE COPY OF A WRITTEN INSPECTION REPORT BY THE CERTIFIED ACCESS SPECIALIST, AS SET FORTH IN CIVIL CODE SECTION 55.54. THE APPLICATION FORM AND INFORMATION ON HOW TO REQUEST A STAY AND EARLY EVALUATION CONFERENCE MAY BE OBTAINED AT <http://www.courtinfo.ca.gov/selfhelp/>.

YOU ARE ENTITLED TO REQUEST, FROM A CERTIFIED ACCESS SPECIALIST WHO HAS CONDUCTED AN INSPECTION OF YOUR PROPERTY, A WRITTEN INSPECTION REPORT AND OTHER DOCUMENTATION AS SET FORTH IN CIVIL CODE SECTION 55.53. YOU ARE ALSO ENTITLED TO REQUEST THE ISSUANCE OF A DISABILITY ACCESS INSPECTION CERTIFICATE, WHICH YOU MAY POST ON YOUR PROPERTY.

D. Tenant shall keep the Premises and all improvements on the Premises free from liens.

E. All of Tenant's improvement work will be done at Tenant's sole cost. Landlord will not be responsible for any costs associated with Tenant's improvements.

F. Tenant shall not place on the windows, doors, exterior walls, walkways, or roof of the Premises any signs, advertisements, banners, or any other similar item without Landlord's prior written consent, which will not be unreasonably withheld.

7.1 MAINTENANCE AND REPAIR

A. Tenant shall, at Tenant's sole cost and expense, keep the outdoor areas of the Premises free of weeds and debris.

B. Except as otherwise provided herein, Tenant shall be responsible for maintenance and minor repair of the Premises that does not exceed five hundred dollars (\$500.00) per occurrence.

C. If Tenant or Tenant's agents, directors, officers, employees, customers, invitees, or contractors causes damage to the Premises, Tenant will promptly notify Landlord in writing. In such case, the five hundred dollar (\$500.00) per occurrence limit described in subsection B. above shall not apply, and Tenant will be responsible for promptly repairing such damage at its sole cost.

D. With the exception of Tenant's responsibilities described in subsection C. above and the provisions of Section 7.2 below, Landlord shall be responsible for the repair of structural components of the office/retail building located on the Premises, including the repair of the roof, HVAC, and plumbing systems, if costs do not exceed twenty thousand dollars (\$20,000.00) per occurrence. Any repair exceeding the twenty thousand dollar (\$20,000.00) limit shall be considered destruction of the Premises for purposes of Section 7.2 below. Landlord shall have no obligation to maintain, repair, or improve the warehouse structure, and Tenant leases that portion of the Premises in an AS-IS, WHERE-IS condition.

E. After thirty (30) days prior written notice to Tenant, except in the case of an emergency in which case no prior notice is necessary, Landlord or Landlord's contractor may enter the Premises to conduct the necessary work for which Tenant is responsible if Tenant fails to satisfy its duties under this Section 7.1. For purposes of this Section 7.1, an emergency shall exist if the Premises pose an imminent threat to the safety of people or structures. Tenant will, in accordance with Section 12.B. below, pay Landlord for any costs incurred by Landlord for such work performed on Tenant's behalf.

F. The systems, including mechanical, plumbing, electrical, and HVAC, for the office/retail building on the Premises shall be in good working order at the commencement of this Lease.

G. At the expiration of this Lease, Tenant shall return the Premises to Landlord in broom clean condition.

7.2 DAMAGE AND DESTRUCTION

A. Destruction Due to Insured Risk. If, during the term of this Lease, the Premises are totally or partially damaged or destroyed from any risk covered by the insurance maintained or required to be maintained by Tenant pursuant to Section 8.2 below, Tenant shall, subject to the provisions of this section, at its sole cost and expense, forthwith repair and restore the same to substantially the same condition existing immediately prior to said damage or destruction

with all reasonable dispatch and diligence. Except as otherwise provided herein, if applicable laws do not permit the repair and restoration, Tenant may, but shall not be obligated to, terminate this Lease by giving notice to Landlord, whereupon this Lease shall terminate and Landlord and Tenant shall be released from all liabilities and obligations under this Lease, except for such as have accrued prior to the date of termination. Provided that the insurance required herein has been maintained in full force and effect, if the cost of repair and restoration exceeds the amount of the proceeds received from such insurance, Tenant may, except as otherwise provided herein, elect to terminate this Lease by giving notice to Landlord within fifteen (15) calendar days after determining that the cost of repair and restoration will exceed the amount of insurance proceeds. If Tenant so elects to terminate this Lease, Landlord, within fifteen (15) calendar days after receiving Tenant's notice to terminate, can elect to contribute the difference between the amount of insurance proceeds and the cost of the repair and restoration, in which case Tenant shall repair and restore the Premises as herein required. Tenant shall give Landlord satisfactory evidence that all sums contributed by Landlord as provided in this section have been expended by Tenant in paying the cost of repair and restoration. If Tenant elects to terminate this Lease and Landlord does not elect to contribute toward the cost of repair and restoration as provided in this section, this Lease shall terminate and Landlord and Tenant shall be released from all liabilities and obligations under this Lease, except for such as have accrued prior to the date of termination, and Landlord shall be entitled to all insurance proceeds payable with respect to the Premises, and Tenant shall be entitled to all insurance proceeds payable with respect to lost income and its trade fixtures, furniture, equipment, inventory and other personal property. Tenant shall possess no right to terminate this Lease if the damage or destruction results from the negligence or willful misconduct of Tenant or its agents, directors, officers, employees, customers, invitees, or contractors; in such case, Tenant will be responsible for the difference between the amount of insurance proceeds and the cost to repair and restore the Premises (or for the damages incurred by Landlord if applicable laws do not permit the repair and restoration of the Premises).

B. Destruction Due to Uninsured Risk. If, during the term of this Lease, the Premises are totally or partially damaged or destroyed and such risk is not covered by the insurance maintained or required to be maintained hereunder, Tenant may, except as otherwise provided herein, elect to terminate this Lease by giving notice ("**Termination Notice**") to Landlord within sixty (60) calendar days after it has been determined that such damage or destruction is from a risk not covered by such insurance. If Tenant gives a Termination Notice, Landlord, within fifteen (15) calendar days after receiving such Termination Notice, can agree to contribute the full amount necessary to repair and restore the Premises, in which case Landlord shall forthwith repair and restore the Premises to substantially the same condition existing immediately prior to said damage or destruction with all reasonable dispatch and diligence. If Tenant gives a Termination Notice and Landlord does not elect to contribute toward the cost of repair and restoration as provided in this Section 7.2, this Lease shall terminate and Landlord and Tenant shall be released from all liabilities and obligations under this Lease, except for those that are identified herein as ongoing and those that have accrued prior to the date of termination. If Tenant does not give a Termination Notice, this Lease shall continue in full force and effect. Except as otherwise provided, if applicable laws do not permit the repair and restoration, either Landlord or Tenant may, but shall not be obligated to, terminate this Lease by giving notice to the other, whereupon this Lease shall terminate and Landlord and Tenant shall be released from all liabilities and obligations under this Lease, except for those that are identified herein as ongoing and those that have accrued prior to the date of termination. Notwithstanding the provisions of this subsection B., Tenant shall possess no right to terminate this Lease if the damage

or destruction results from the negligence or willful misconduct of Tenant or its agents, directors, officers, employees, customers, invitees, or contractors; in such case, Tenant will be solely responsible for the cost to repair and restore the Premises (or for the damages incurred by Landlord if applicable laws do not permit the repair and restoration of the Premises).

C. Damage Near End of Term. If, during the last eighteen (18) months of the term of this Lease, the Premises are totally or partially damaged or destroyed from any cause (whether insured or not) to an extent such that repair and restoration could not be completed within ninety (90) calendar days (measured from the date of such damage or destruction), then Landlord or Tenant may terminate this Lease by written notice given within sixty (60) calendar days following the date of the damage or destruction; provided however, that if, on the date of the damage or destruction, Tenant has an unexercised option to extend the term of this Lease, Tenant may exercise such option by written notice given to Landlord within sixty (60) calendar days following the date of such damage or destruction, and upon such exercise, this Lease shall (subject to being terminated as otherwise provided in this Section 7.2) continue in full force and effect and the Premises or portions thereof which have been damaged or destroyed shall be repaired and restored in accordance with the provisions of this Section 7.2.

D. No Abatement of Rent. If, during the term of this Lease, the Premises are totally or partially damaged or destroyed from any cause (whether insured or not) and this Lease is not terminated as provided in this Section 7.2, the rent shall not be abated. Landlord and Tenant waive the provisions of California Civil Code Sections 1932(2) and 1933(4) and elect to be governed by the provisions of this Lease.

8.1 LIABILITY INSURANCE

A. Tenant will, during the term of this Lease, maintain insurance coverage which shall be at least as broad as:

- (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001, including products and completed operations, with a limit of no less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, and a general aggregate limit of no less than four million dollars (\$4,000,000).
- (2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Tenant has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage
- (3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

If Tenant maintains higher limits than the minimums shown above, Landlord requires and shall be entitled to coverage for the higher limits maintained by Tenant.

B. Tenant's insurance policies are to contain, or be endorsed to contain, the following provisions:

- (1) Landlord and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and automobile liability policies with respect to liability arising out of work or operations performed by or on behalf of Landlord including materials, parts, or equipment furnished in connection with such work or operations; products used by Tenant; or automobiles owned, leased, hired or borrowed by Tenant. General liability coverage can be provided in the form of an endorsement to Tenant's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33 or CG 20 38 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to Landlord and its officers, officials, employees or volunteers.
- (2) For any claims related to this Lease, Tenant's insurance coverage shall be the primary insurance as respects Landlord and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by Landlord and/or its officers, officials, employees, or volunteers shall be in excess of Tenant's insurance and shall be non-contributory.
- (3) Each insurance policy required above shall provide that coverage shall not be canceled, except with written notice to the City.

C. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

D. Tenant shall furnish Landlord with original certificates and amendatory endorsements required by this clause, or, if Tenant's policies contain the required provisions and endorsements are unnecessary, Tenant shall provide excerpts from its policy(ies) as evidence of satisfaction of the requirements of this section. All certificates, endorsements, and policy excerpts are to be received and approved by Landlord before Tenant takes possession of the Premises. However, failure to obtain the required documents prior to Tenant taking possession of the Premises shall not waive Tenant's obligation to provide them.

E. Tenant hereby grants to Landlord and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of Tenant may acquire against Landlord and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Tenant agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not Landlord has received a waiver of subrogation endorsement from the insurer.

G. Landlord reserves the right to modify the insurance requirements contained in this Lease, including, without limitation, coverage limits, at the commencement of the extended Lease term.

8.2 PROPERTY INSURANCE

A. Tenant shall maintain on the office/retail and warehouse building located on the Premises (“**Building**”) a policy or policies of fire and extended coverage insurance, to the extent of at least one hundred percent (100%) of the full replacement value thereof, without deduction for depreciation. Said policy or policies shall include business interruption insurance and coverage for any additional cost resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged portion of the Building or other improvements required to be demolished or removed as a result of the enforcement of any building, zoning, safety or land use laws as a result of a covered cause of loss. Said policy or policies shall also contain an agreed value provision in lieu of any coinsurance clause. Such policy or policies shall not contain any deductible amounts in excess of twenty-five thousand dollars (\$25,000.00). Any and all proceeds of such insurance shall be made payable to Landlord and Tenant and shall be deposited with any bank, trust or title company agreed to by Landlord and Tenant, as trustee, for the repair and restoration of the Building. From time to time during the term of this Lease, Landlord and Tenant shall each have the right to request that the company or companies issuing the fire insurance policy or policies required to be maintained under this section redetermine the full replacement value of the Building, and the insurance policy or policies shall be adjusted according to such redetermination.

B. Tenant shall self-insure its trade fixtures, equipment and other personal property from time to time located at the Premises.

9. LIABILITY

A. Indemnity by Tenant. Landlord will not be liable for and Tenant shall indemnify, defend, and hold Landlord and Landlord’s officers, officials, employees, and volunteers harmless from any and all injuries, damages, losses, penalties, costs (including attorneys’ fees), expenses, liabilities, claims, and causes of action resulting from:

- (1) Tenant’s use of the Premises;
- (2) Tenant’s breach of this Lease;

- (3) Damage to the Premises by Tenant or Tenant's agents, directors, officers, employees, customers, invitees, or contractors;
- (4) Any act or omission of:
 - (a) Tenant or its agents, directors, officers, employees, customers, invitees, or contractors; or
 - (b) Landlord or its officers, officials, employees, or volunteers, occurring under this Lease, with the exception of gross negligence and intentional misconduct and except as otherwise provided herein;
- (5) Any damage to or loss of Tenant's personal property or trade fixtures located at the Premises; provided however, such release from liability shall not apply to damage or loss caused by Landlord's gross negligence or intentional misconduct; or
- (6) Any ADA-related matter associated with the Premises.

B. The provisions of subsections A.(1) through A.(5) above shall survive the termination of this Lease.

C. Indemnity by Landlord. Landlord shall indemnify and hold harmless Tenant from and against every demand, claim, cause of action, judgment, and expense, and all loss and damage arising from any breach of or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease; from claims by third parties arising out of Landlord's ownership, use and maintenance of the real property; and from any violation of any environmental law or existing environmental condition existing prior to Lease Commencement.

10. ASSIGNMENT

A. Tenant shall not assign, sublet or otherwise transfer all or any part of Tenant's interest in this Lease or possession of the Premises or permit the use or occupancy of all or any part of the Premises by any person (collectively "**Assignment**"), without Landlord's prior consent, which consent Landlord agrees not to unreasonably withhold, condition or delay. Notwithstanding the foregoing, without Landlord's consent Tenant may assign this Lease to any corporation, partnership, limited liability company or trust controlled by, controlling or under common control with the Tenant named herein; provided however, the assignee shall assume all of Tenant's duties and obligations under this Lease in a writing delivered to Landlord.

B. The making of any Assignment without Lessor's prior written consent, if required by this Section 10, shall be void and shall constitute a default under this Lease. No Assignment, whether or not requiring Landlord's consent under Section 10, shall release Tenant from any of its obligations under this Lease. Landlord's consent to any Assignment shall not be deemed

or construed as a waiver of the requirement that Landlord's consent be obtained to any subsequent Assignment requiring such consent under this Section 10.

11. ENTRY BY LANDLORD

Landlord and its authorized representatives shall, during Tenant's business hours with Tenant or Tenant's agent present, have the right to enter and inspect the Premises.

12. DEFAULT AND REMEDIES

A. Tenant Acts Constituting a Default: Any and all of the following shall constitute a default under this Lease:

- (1) Breach of any non-monetary provision of this Lease, where such breach shall continue for a period of thirty (30) days after the receipt of Notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- (2) The abandonment of the Premises by Tenant without the payment of Rent and without fulfilling Tenant's other Lease obligations; or
- (3) Tenant's failure to pay any amount required under this Lease within ten (10) calendar days.

B. Landlord Remedies:

- (1) If Tenant breaches this Lease, Landlord shall have any and all remedies that may be available in law and equity, including, without limitation, the right to terminate this Lease and sue Tenant for damages. On termination, Landlord has the right to recover from Tenant:
 - (a) The unpaid rent owing at the time of termination of this Lease;
 - (b) The rent that would have been paid during the period between the Lease termination date and the date a court awards a judgment to Landlord (but only that portion which exceeds the losses that Tenant proves could have been reasonably avoided);
 - (c) The rent that would have been paid after the date on which a court awards a judgment to Landlord through the date on

which the Lease would have expired if Tenant had not defaulted (but only that portion which exceeds the losses that Tenant proves could have been reasonably avoided; and

- (d) Any other amount and court costs necessary to compensate Landlord for all problems, losses, expenses, and issues directly and indirectly caused by Tenant's default.

Rent to be paid pursuant to (a), (b), and (c) of this subsection (1) will include interest at the rate of one and one-half percent (1.5%) per month or the maximum amount allowed by law, whichever is less. The rent to be paid pursuant to subsection (c) above is to be computed by discounting the amount at the discount of the Federal Reserve Bank of San Francisco at the time of award.

- (2) Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign subject only to reasonable limitations).
- (2) Upon ten (10) calendar days' prior written notice to Tenant, Landlord may enter the Premises and cure any Tenant breach at Tenant's cost; provided however, Landlord will not be required to give written notice if the condition of the Premises threatens the public's safety. If Landlord incurs any expense to cure a Tenant breach, the expenses incurred by Landlord shall be immediately payable by Tenant and will bear interest at the rate of one and one-half percent (1.5%) per month from the date the cost is incurred by Landlord.

C. Landlord's Default:

- (1) Except as otherwise provided in Section 12.C.(2) below, Landlord shall be in default if it fails to perform any provision of this Lease and the breach is not cured within thirty (30) calendar days after written notice has been given by Tenant to Landlord.
- (2) If the Landlord's breach cannot be reasonably cured within the thirty (30) calendar day period, Landlord shall not be in default if Landlord commences to cure the breach within the thirty (30) calendar day period and diligently and in good faith continues to cure the breach.

13. NOTICE

Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received twenty-four (24) hours following personal delivery or if deposited with a nationally-recognized overnight delivery service, seven (7) days after deposited in the mail (certified mail, return receipt requested) to the following addresses:

In the case of Landlord:
City Manager
City of Hanford
319 N. Douty Street
Hanford, CA 93230

In the case of Tenant:
Consolidated Electrical Distributors, Inc.
Attn: Real Estate Department
1920 Westridge Drive
Irving, TX 75038
Telephone Number: (972) 582-5450
Facsimile Number: (972) 793-0510
Email: realestate@ced.com

14. WAIVER OF BREACH

Landlord's failure to strictly enforce this Lease shall not be a waiver of any of Landlord's rights, nor shall any custom or practice which may develop between Landlord and Tenant become a waiver of Landlord's right to require Tenant's full performance under this Lease. Landlord's waiver of a breach in one (1) instance shall not constitute a waiver of the same or similar breaches occurring later. Only a written notice from Landlord to Tenant shall serve as Landlord's waiver of its rights under this Lease.

15. ATTORNEYS' FEES

In the event of any lawsuit between Landlord and Tenant regarding this Lease, the prevailing party in the lawsuit shall be entitled to receive its reasonable attorneys' fees and costs.

16. TIME OF ESSENCE

Time is of the essence in the performance of each provision of this Lease.

17. SEVERABILITY

If any term of this Lease is held by a court to be invalid, void, or unenforceable, the remainder of the provisions of this Lease shall remain in full force and effect.

18. QUIET POSSESSION. Upon Tenant paying Rent for the Premises and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet enjoyment, possession and use of the Premises and the common areas, if any, for the entire Term hereof, including any extensions thereof, subject to all of the provisions of this Lease. Nothing contained herein shall be construed to otherwise limit any implied covenant of quiet enjoying to Tenant in law or in equity.

19. PRIOR AGREEMENTS, AMENDMENTS

This Lease contains the entire agreement regarding Landlord's and Tenant's duties and rights regarding Tenant's lease of the Premises. Any verbal promises made by either party shall be binding only if they are set forth in this Lease. In order to be enforceable, changes to this Lease must be in writing and signed by Landlord and Tenant.

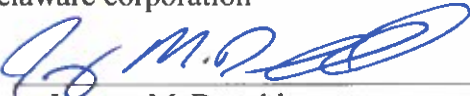
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IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date first set forth above.

"TENANT"

CONSOLIDATED ELECTRICAL
DISTRIBUTORS, INC.,
a Delaware corporation

Dated: September 26th, 2023

By: 

Jeremy McDonald,
Real Estate Manager

"LANDLORD"

City of Hanford

Dated: 10.5, 2023

By: 

MARIO CIFUENTES, II
City Manager

EXHIBIT "A"

Landlord Property Legal Description

Lot 15 of S.E. BIDDLE'S SUBDIVISION of the Southwest Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, according to Map thereof recorded in Book 1, Page 117 of Maps.

EXHIBIT "B"

Premises Diagram (entire parcel encircled as shown below)





AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the annual City of Hanford Salary Schedules, pursuant to the California Code of Regulations (CCR) 570.5.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the attached salary schedules to reflect part-time employee salary ranges and full-time employee 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

Staff intends to continue to obtain City Council approval on a frequent basis to satisfy the requirements set forth by the California Code of Regulations (CCR) 570.5.

FISCAL IMPACT:

The bargaining group increases were previously approved by City Council in 2022, and the upcoming budget includes the negotiated increases.

ATTACHMENTS:

1. City of Hanford Comprehensive Salary Schedule 7-8-24



Salary Schedules
Adopted by City Council
June 4, 2024

BARGAINING UNIT	JOB TITLE	OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or Specialty Pay	
		DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX		
GEMA	Accountant	1	E	102	\$5,819	\$6,110	\$6,415	\$6,736	\$7,073	33.57	35.25	37.01	38.86	40.80		
SEIU	Accounting Clerk	3	40	59	\$3,793	\$3,983	\$4,182	\$4,391	\$4,611	21.88	22.98	24.13	25.33	26.60		
GEMA	Accounting Technician I	2	40	74	\$4,404	\$4,624	\$4,855	\$5,098	\$5,353	25.41	26.68	28.01	29.41	30.88		
GEMA	Accounting Technician II	2	40	84	\$4,865	\$5,108	\$5,363	\$5,631	\$5,913	28.06	29.47	30.94	32.49	34.11		
GEMA	Administrative Analyst I	1	E	95	\$5,427	\$5,699	\$5,983	\$6,283	\$6,597	31.31	32.88	34.52	36.25	38.06		
GEMA	Administrative Analyst II	1	E	105	\$5,995	\$6,295	\$6,609	\$6,940	\$7,287	34.59	36.32	38.13	40.04	42.04		
SEIU	Administrative Assistant	3	40	69	\$4,190	\$4,400	\$4,620	\$4,850	\$5,093	24.17	25.38	26.65	27.98	29.38		
GEMA	Administrative Specialist	2	40	81	\$4,721	\$4,958	\$5,205	\$5,466	\$5,739	27.24	28.60	30.03	31.53	33.11		
SEIU	Administrative Technician	3	40	79	\$4,628	\$4,860	\$5,103	\$5,358	\$5,626	26.70	28.04	29.44	30.91	32.46		
SEIU	Animal Control Technician	3	40	65	\$4,027	\$4,228	\$4,439	\$4,661	\$4,894	23.23	24.39	25.61	26.89	28.24		
GEMA	Assistant Engineer	1	E	108	\$6,177	\$6,485	\$6,810	\$7,150	\$7,508	35.63	37.42	39.29	41.25	43.31		
SEIU	Assistant Planner	3	40	100	\$5,704	\$5,989	\$6,289	\$6,603	\$6,933	32.91	34.55	36.28	38.09	40.00		
GEMA	Associate Civil Engineer	1	E	123	\$7,171	\$7,529	\$7,906	\$8,301	\$8,716	41.37	43.44	45.61	47.89	50.29		
GEMA	Associate Planner	1	E	110	\$6,301	\$6,616	\$6,947	\$7,294	\$7,659	36.35	38.17	40.08	42.08	44.18		
SEIU	Building Inspector I	3	40	89	\$5,113	\$5,368	\$5,637	\$5,919	\$6,214	29.50	30.97	32.52	34.15	35.85		
SEIU	Building Inspector II	3	40	99	\$5,648	\$5,930	\$6,226	\$6,538	\$6,865	32.58	34.21	35.92	37.72	39.60		
GEMA	Building Official	1	E	137	\$8,243	\$8,655	\$9,088	\$9,542	\$10,019	47.55	49.93	52.43	55.05	57.80		
GEMA	Building Superintendent	1	E	111	\$6,364	\$6,682	\$7,016	\$7,367	\$7,735	36.71	38.55	40.48	42.50	44.63		
GEMA	City Clerk	1	E	121	\$7,030	\$7,381	\$7,750	\$8,138	\$8,544	40.56	42.58	44.71	46.95	49.30		
GEMA	City Engineer	1	E	164	\$10,783	\$11,322	\$11,888	\$12,483	\$13,107	62.21	65.32	68.59	72.02	75.62		
Unrepresented	City Manager	1	E	202	\$15,738	\$16,525	\$17,352	\$18,219	\$19,130	90.80	95.34	100.11	105.11	110.37		
SEIU	Code Compliance Officer	3	40	89	\$5,113	\$5,368	\$5,637	\$5,919	\$6,214	29.50	30.97	32.52	34.15	35.85		
GEMA	Code Compliance Supervisor	1	E	101	\$5,761	\$6,049	\$6,352	\$6,669	\$7,003	33.24	34.90	36.64	38.48	40.40		
SEIU	Communications Dispatch Supervisor	3	40	96	\$5,481	\$5,756	\$6,043	\$6,345	\$6,663	31.62	33.20	34.87	36.61	38.44		
SEIU	Communications Dispatcher	3	40	75	\$4,448	\$4,670	\$4,904	\$5,149	\$5,406	25.66	26.94	28.29	29.71	31.19		

BARGAINING UNIT	JOB TITLE	OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or Specialty Pay	
		DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX		
EMEA	Community Development Director	1	E	169	\$11,333	\$11,900	\$12,495	\$13,120	\$13,776	65.38	68.65	72.09	75.69	79.47		
SEIU	Community Enhancement Officer	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		
GEMA	Community Relations Manager	1	E	123	\$7,171	\$7,529	\$7,906	\$8,301	\$8,716	41.37	43.44	45.61	47.89	50.29		
SEIU	Computer Technician	3	40	82	\$4,769	\$5,007	\$5,257	\$5,520	\$5,796	27.51	28.89	30.33	31.85	33.44		
SEIU	Construction Coordinator/Inspector	3	40	107	\$6,115	\$6,421	\$6,742	\$7,079	\$7,433	35.28	37.05	38.90	40.84	42.88		
SEIU	Construction Inspector I	3	40	87	\$5,012	\$5,262	\$5,526	\$5,802	\$6,092	28.91	30.36	31.88	33.47	35.15		
SEIU	Construction Inspector II	3	40	97	\$5,536	\$5,813	\$6,104	\$6,409	\$6,729	31.94	33.54	35.21	36.97	38.82		
SEIU	Custodian	3	40	47	\$3,366	\$3,535	\$3,711	\$3,897	\$4,092	19.42	20.39	21.41	22.48	23.61		
Unrepresented	Deputy City Manager	1	E	189	\$13,829	\$14,520	\$15,246	\$16,009	\$16,809	79.78	83.77	87.96	92.36	96.97		
GEMA	Deputy Public Works Director	1	E	156	\$9,958	\$10,456	\$10,979	\$11,528	\$12,104	57.45	60.32	63.34	66.51	69.83		
SEIU	Development Services Assistant	3	40	60	\$3,831	\$4,023	\$4,224	\$4,435	\$4,657	22.10	23.21	24.37	25.59	26.87		
SEIU	Development Services Technician	3	40	75	\$4,448	\$4,670	\$4,904	\$5,149	\$5,406	25.66	26.94	28.29	29.71	31.19		
GEMA	Engineering Manager	1	E	146	\$9,015	\$9,466	\$9,939	\$10,436	\$10,958	52.01	54.61	57.34	60.21	63.22		
SEIU	Engineering Technician I	3	40	77	\$4,537	\$4,764	\$5,002	\$5,252	\$5,515	26.18	27.49	28.86	30.30	31.82		
SEIU	Engineering Technician II	3	40	87	\$5,012	\$5,262	\$5,526	\$5,802	\$6,092	28.91	30.36	31.88	33.47	35.15		
GEMA	Environmental Compliance Supervisor	1	E	110	\$6,301	\$6,616	\$6,947	\$7,294	\$7,659	36.35	38.17	40.08	42.08	44.18		
SEIU	Facilities Maintenance Technician I	3	40	62	\$3,908	\$4,104	\$4,309	\$4,524	\$4,750	22.55	23.67	24.86	26.10	27.41		
SEIU	Facilities Maintenance Technician II	3	40	72	\$4,317	\$4,533	\$4,759	\$4,997	\$5,247	24.91	26.15	27.46	28.83	30.27		
EMEA	Finance Director	1	E	175	\$12,030	\$12,632	\$13,264	\$13,927	\$14,623	69.41	72.88	76.52	80.35	84.36		
GEMA	Finance Manager	1	E	142	\$8,663	\$9,096	\$9,551	\$10,029	\$10,530	49.98	52.48	55.10	57.86	60.75		
GEMA	Financial Analyst	1	E	115	\$6,622	\$6,953	\$7,301	\$7,666	\$8,049	38.20	40.12	42.12	44.23	46.44		
IAFF	Fire Battalion Chief**	1	E	148	\$9,196	\$9,656	\$10,139	\$10,646	\$11,178	53.05	55.71	58.49	61.42	64.49		
IAFF	Fire Battalion Chief*	4	E	115	\$9,271	\$9,735	\$10,221	\$10,732	\$11,269	38.20	40.12	42.12	44.23	46.44		
IAFF	Fire Captain**	4	24	94	Administrative Assignment					46.66	48.99	51.44	54.01	56.71		
IAFF	Fire Captain*	4	24	94	\$7,523	\$7,899	\$8,294	\$8,709	\$9,144	31.00	32.55	34.18	35.89	37.68		
EMEA	Fire Chief	1	E	175	\$12,030	\$12,632	\$13,264	\$13,927	\$14,623	69.41	72.88	76.52	80.35	84.36		

BARGAINING UNIT	JOB TITLE	OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or Specialty Pay	
		DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX		
IAFF	Fire Engineer**	4	24	77	Administrative Assignment					39.40	41.36	43.43	45.60	47.89		
IAFF	Fire Engineer*	4	24	77	\$6,352	\$6,670	\$7,003	\$7,353	\$7,721	26.18	27.49	28.86	30.30	31.82		
GEMA	Fire Marshal	1	E	118	\$6,823	\$7,164	\$7,522	\$7,898	\$8,293	39.36	41.33	43.40	45.57	47.85		
GEMA	Fire Prevention Coordinator	1	E	89	\$5,113	\$5,368	\$5,637	\$5,919	\$6,214	29.50	30.97	32.52	34.15	35.85		
IAFF	Firefighter**	4	24	67	Administrative Assignment					35.66	37.45	39.32	41.29	43.35		
IAFF	Firefighter*	4	24	67	\$5,750	\$6,038	\$6,340	\$6,657	\$6,990	23.70	24.88	26.13	27.43	28.80		
SEIU	Fleet Mechanic I	3	40	68	\$4,149	\$4,356	\$4,574	\$4,802	\$5,043	23.93	25.13	26.39	27.71	29.09		
SEIU	Fleet Mechanic II	3	40	78	\$4,583	\$4,812	\$5,052	\$5,305	\$5,570	26.44	27.76	29.15	30.61	32.14		
GEMA	Fleet Superintendent	1	E	111	\$6,364	\$6,682	\$7,016	\$7,367	\$7,735	36.71	38.55	40.48	42.50	44.63		
GEMA	Fleet Supervisor	1	E	95	\$5,427	\$5,699	\$5,983	\$6,283	\$6,597	31.31	32.88	34.52	36.25	38.06		
SEIU	Heavy Equipment Operator	3	40	72	\$4,317	\$4,533	\$4,759	\$4,997	\$5,247	24.91	26.15	27.46	28.83	30.27		
GEMA	Housing Analyst	1	E	105	\$5,995	\$6,295	\$6,609	\$6,940	\$7,287	34.59	36.32	38.13	40.04	42.04		
SEIU	Housing Program Specialist	3	40	79	\$4,628	\$4,860	\$5,103	\$5,358	\$5,626	26.70	28.04	29.44	30.91	32.46		
GEMA	Human Resources Analyst I	1	E	108	\$6,177	\$6,485	\$6,810	\$7,150	\$7,508	35.63	37.42	39.29	41.25	43.31		
GEMA	Human Resources Analyst II	1	E	118	\$6,823	\$7,164	\$7,522	\$7,898	\$8,293	39.36	41.33	43.40	45.57	47.85		
Unrepresented	Human Resources Manager	1	E	157	\$10,058	\$10,561	\$11,089	\$11,643	\$12,225	58.03	60.93	63.97	67.17	70.53		
GEMA	Human Resources Technician	2	40	81	\$4,721	\$4,958	\$5,205	\$5,466	\$5,739	27.24	28.60	30.03	31.53	33.11		
GEMA	Information Systems Analyst	1	E	121	\$7,030	\$7,381	\$7,750	\$8,138	\$8,544	40.56	42.58	44.71	46.95	49.30		
GEMA	Information Systems Specialist	1	E	102	\$5,819	\$6,110	\$6,415	\$6,736	\$7,073	33.57	35.25	37.01	38.86	40.80		
GEMA	Information Technology Manager	1	E	136	\$8,161	\$8,569	\$8,998	\$9,448	\$9,920	47.08	49.44	51.91	54.50	57.23		
SEIU	Landscape Services Technician	3	40	77	\$4,537	\$4,764	\$5,002	\$5,252	\$5,515	26.18	27.49	28.86	30.30	31.82		
SEIU	Meter Reader	3	40	60	\$3,831	\$4,023	\$4,224	\$4,435	\$4,657	22.10	23.21	24.37	25.59	26.87		
SEIU	Office Assistant I	3	40	40	\$3,140	\$3,297	\$3,462	\$3,635	\$3,816	18.11	19.02	19.97	20.97	22.02		
SEIU	Office Assistant II	3	40	50	\$3,468	\$3,642	\$3,824	\$4,015	\$4,216	20.01	21.01	22.06	23.16	24.32		
SEIU	Parking Control Officer	3	40	50	\$3,468	\$3,642	\$3,824	\$4,015	\$4,216	20.01	21.01	22.06	23.16	24.32		

BARGAINING		OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or	
UNIT	JOB TITLE	DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX	Specialty Pay	
EMEA	Parks & Community Services Director	1	E	168	\$11,221	\$11,782	\$12,371	\$12,990	\$13,639	64.74	67.97	71.37	74.94	78.69		
SEIU	Parks Maintenance Worker I	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		
SEIU	Parks Maintenance Worker II	3	40	67	\$4,107	\$4,313	\$4,528	\$4,755	\$4,993	23.70	24.88	26.13	27.43	28.80		
GEMA	Parks Manager	1	E	133	\$7,921	\$8,317	\$8,733	\$9,170	\$9,628	45.70	47.98	50.38	52.90	55.55		
GEMA	Parks Supervisor	1	E	90	\$5,164	\$5,422	\$5,693	\$5,978	\$6,277	29.79	31.28	32.84	34.49	36.21		
GEMA	Payroll Analyst	1	E	95	\$5,427	\$5,699	\$5,983	\$6,283	\$6,597	31.31	32.88	34.52	36.25	38.06		
GEMA	Payroll Specialist	2	40	74	\$4,404	\$4,624	\$4,855	\$5,098	\$5,353	25.41	26.68	28.01	29.41	30.88		
GEMA	Plans Examiner	1	E	107	\$6,115	\$6,421	\$6,742	\$7,079	\$7,433	35.28	37.05	38.90	40.84	42.88		
HPOA	Police Cadet	4	40	48	\$3,400	\$3,570	\$3,748	\$3,936	\$4,133	19.61	20.60	21.63	22.71	23.84		
HPOA	Police Captain	1	E	156	\$9,958	\$10,456	\$10,979	\$11,528	\$12,104	57.45	60.32	63.34	66.51	69.83		
EMEA	Police Chief	1	E	181	\$12,771	\$13,409	\$14,080	\$14,784	\$15,523	73.68	77.36	81.23	85.29	89.55		
HPOA	Police Corporal	4	14	119	\$6,891	\$7,236	\$7,597	\$7,977	\$8,376	39.76	41.74	43.83	46.02	48.32	50.79	
HPOA	Police Lieutenant	1	E	148	\$9,196	\$9,656	\$10,139	\$10,646	\$11,178	53.05	55.71	58.49	61.42	64.49		
HPOA	Police Officer/Investigator***	4	14	109	\$6,238	\$6,550	\$6,878	\$7,222	\$7,583	35.99	37.79	39.68	41.66	43.75	45.98	48.32
SEIU	Police Records Assistant	3	40	58	\$3,756	\$3,943	\$4,141	\$4,348	\$4,565	21.67	22.75	23.89	25.08	26.34		
HPOA	Police Sergeant	4	14	134	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724	46.16	48.46	50.89	53.43	56.10	58.96	
SEIU	Police Service Technician	3	40	60	\$3,831	\$4,023	\$4,224	\$4,435	\$4,657	22.10	23.21	24.37	25.59	26.87		
GEMA	Police Support Services Administrator	1	E	116	\$6,688	\$7,023	\$7,374	\$7,743	\$8,130	38.59	40.52	42.54	44.67	46.90		
GEMA	Principal Planner	1	E	137	\$8,243	\$8,655	\$9,088	\$9,542	\$10,019	47.55	49.93	52.43	55.05	57.80		
GEMA	Project Manager	1	E	128	\$7,537	\$7,913	\$8,309	\$8,725	\$9,161	43.48	45.65	47.94	50.33	52.85		
SEIU	Property and Evidence Technician	3	40	65	\$4,027	\$4,228	\$4,439	\$4,661	\$4,894	23.23	24.39	25.61	26.89	28.24		
EMEA	Public Works Director	1	E	171	\$11,561	\$12,139	\$12,746	\$13,383	\$14,053	66.70	70.03	73.54	77.21	81.07		
GEMA	Purchasing Agent	1	E	115	\$6,622	\$6,953	\$7,301	\$7,666	\$8,049	38.20	40.12	42.12	44.23	46.44		
SEIU	Recreation Coordinator	3	40	81	\$4,721	\$4,958	\$5,205	\$5,466	\$5,739	27.24	28.60	30.03	31.53	33.11		

BARGAINING UNIT	JOB TITLE	OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or Specialty Pay	
		DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX		
GEMA	Recreation Supervisor	1	E	95	\$5,427	\$5,699	\$5,983	\$6,283	\$6,597	31.31	32.88	34.52	36.25	38.06		
GEMA	Recycling Coordinator	2	40	88	\$5,062	\$5,315	\$5,581	\$5,860	\$6,153	29.20	30.66	32.20	33.81	35.50		
SEIU	Refuse Collector	3	40	66	\$4,067	\$4,270	\$4,484	\$4,708	\$4,943	23.46	24.64	25.87	27.16	28.52		
GEMA	Refuse Manager	1	E	125	\$7,315	\$7,681	\$8,065	\$8,468	\$8,891	42.20	44.31	46.53	48.85	51.30		
SEIU	Refuse Service Worker	3	40	76	\$4,492	\$4,717	\$4,953	\$5,200	\$5,460	25.92	27.21	28.57	30.00	31.50		
GEMA	Refuse Supervisor	1	E	98	\$5,592	\$5,871	\$6,165	\$6,473	\$6,797	32.26	33.87	35.57	37.34	39.21		
GEMA	Regulatory Compliance Analyst	1	E	95	\$5,427	\$5,699	\$5,983	\$6,283	\$6,597	31.31	32.88	34.52	36.25	38.06		
GEMA	Risk Management Analyst	1	E	111	\$6,364	\$6,682	\$7,016	\$7,367	\$7,735	36.71	38.55	40.48	42.50	44.63		
GEMA	Sanitary Sewer Collection Supervisor	1	E	100	\$5,704	\$5,989	\$6,289	\$6,603	\$6,933	32.91	34.55	36.28	38.09	40.00		
GEMA	Senior Administrative Analyst	1	E	115	\$6,622	\$6,953	\$7,301	\$7,666	\$8,049	38.20	40.12	42.12	44.23	46.44		
GEMA	Senior Civil Engineer	1	E	133	\$7,921	\$8,317	\$8,733	\$9,170	\$9,628	45.70	47.98	50.38	52.90	55.55		
SEIU	Senior Custodian	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		
SEIU	Senior Fleet Mechanic	3	40	88	\$5,062	\$5,315	\$5,581	\$5,860	\$6,153	29.20	30.66	32.20	33.81	35.50		
SEIU	Senior Maintenance Worker	3	40	77	\$4,537	\$4,764	\$5,002	\$5,252	\$5,515	26.18	27.49	28.86	30.30	31.82		
SEIU	Senior Meter Reader	3	40	70	\$4,232	\$4,444	\$4,666	\$4,899	\$5,144	24.42	25.64	26.92	28.26	29.68		
GEMA	Senior Planner	1	E	122	\$7,100	\$7,455	\$7,828	\$8,219	\$8,630	40.96	43.01	45.16	47.42	49.79		
GEMA	Senior Plans Examiner	1	E	117	\$6,755	\$7,093	\$7,448	\$7,820	\$8,211	38.97	40.92	42.97	45.12	47.37		
SEIU	Senior Police Records Assistant	3	40	68	\$4,149	\$4,356	\$4,574	\$4,802	\$5,043	23.93	25.13	26.39	27.71	29.09		
SEIU	Senior Refuse Collector	3	40	81	\$4,721	\$4,958	\$5,205	\$5,466	\$5,739	27.24	28.60	30.03	31.53	33.11		
SEIU	Senior Utilities Maintenance Worker	3	40	87	\$5,012	\$5,262	\$5,526	\$5,802	\$6,092	28.91	30.36	31.88	33.47	35.15		
SEIU	Sewer Collections Maintenance Worker I	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		
SEIU	Sewer Collections Maintenance Worker II	3	40	67	\$4,107	\$4,313	\$4,528	\$4,755	\$4,993	23.70	24.88	26.13	27.43	28.80		
SEIU	Shop and Parts Specialist	3	40	73	\$4,360	\$4,578	\$4,807	\$5,047	\$5,300	25.15	26.41	27.73	29.12	30.58		
SEIU	Storm Maintenance Worker I	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		
SEIU	Storm Maintenance Worker II	3	40	67	\$4,107	\$4,313	\$4,528	\$4,755	\$4,993	23.70	24.88	26.13	27.43	28.80		
SEIU	Streets Maintenance Worker I	3	40	57	\$3,718	\$3,904	\$4,100	\$4,305	\$4,520	21.45	22.53	23.65	24.83	26.08		

BARGAINING UNIT	JOB TITLE	OT	FLSA	SALARY	MONTHLY SALARY					HOURLY SALARY					HPOA Longevity &/or Specialty Pay	
		DESIGNATION	DESIGNATION	RANGE	1/MIN	2	3	4	5/MAX	1/MIN	2	3	4	5/MAX		
SEIU	Streets Maintenance Worker II	3	40	67	\$4,107	\$4,313	\$4,528	\$4,755	\$4,993	23.70	24.88	26.13	27.43	28.80		
GEMA	Streets Manager	1	E	127	\$7,462	\$7,835	\$8,227	\$8,638	\$9,070	43.05	45.20	47.46	49.84	52.33		
GEMA	Streets Supervisor	1	E	102	\$5,819	\$6,110	\$6,415	\$6,736	\$7,073	33.57	35.25	37.01	38.86	40.80		
SEIU	Sweeper Operator	3	40	66	\$4,067	\$4,270	\$4,484	\$4,708	\$4,943	23.46	24.64	25.87	27.16	28.52		
SEIU	Traffic Control Technician	3	40	92	\$5,268	\$5,531	\$5,807	\$6,098	\$6,403	30.39	31.91	33.50	35.18	36.94		
EMEA	Utilities & Engineering Director	1	E	171	\$11,561	\$12,139	\$12,746	\$13,383	\$14,053	66.70	70.03	73.54	77.21	81.07		
SEIU	Utilities Maintenance Worker I	3	40	67	\$4,107	\$4,313	\$4,528	\$4,755	\$4,993	23.70	24.88	26.13	27.43	28.80		
SEIU	Utilities Maintenance Worker II	3	40	77	\$4,537	\$4,764	\$5,002	\$5,252	\$5,515	26.18	27.49	28.86	30.30	31.82		
GEMA	Utilities Manager	1	E	127	\$7,462	\$7,835	\$8,227	\$8,638	\$9,070	43.05	45.20	47.46	49.84	52.33		
GEMA	Utilities Supervisor	1	E	104	\$5,936	\$6,232	\$6,544	\$6,871	\$7,215	34.24	35.96	37.75	39.64	41.62		
GEMA	Utility Billing Specialist	1	E	87	\$5,012	\$5,262	\$5,526	\$5,802	\$6,092	28.91	30.36	31.88	33.47	35.15		
SEIU	Water Conservation Technician	3	40	79	\$4,628	\$4,860	\$5,103	\$5,358	\$5,626	26.70	28.04	29.44	30.91	32.46		
GEMA	WWTP Manager	1	E	138	\$8,325	\$8,741	\$9,178	\$9,637	\$10,119	48.03	50.43	52.95	55.60	58.38		
SEIU	WWTP Operator I	3	40	75	\$4,448	\$4,670	\$4,904	\$5,149	\$5,406	25.66	26.94	28.29	29.71	31.19		
SEIU	WWTP Operator II	3	40	85	\$4,913	\$5,159	\$5,417	\$5,688	\$5,972	28.35	29.76	31.25	32.81	34.45		
GEMA	WWTP Supervisor	1	E	107	\$6,115	\$6,421	\$6,742	\$7,079	\$7,433	35.28	37.05	38.90	40.84	42.88		
SEIU	WWTP/OIT	3	40	60	\$3,831	\$4,023	\$4,224	\$4,435	\$4,657	22.10	23.21	24.37	25.59	26.87		

*2,912 hours worked annually (all other job classifications salary are based on 2,080 hours worked annually)

**Administrative assignment pay in the Fire Department is calculated by taking current base rate x 2,912 multiplying that amount by 1.075 and dividing the total by 2,080. This converts a 56 hour work week to a 40 hour work week.

***If EE is receiving specialty pay and is not at step 5/MAX they will receive the pay of the next step in the salary range

<u>Bargaining Group Designation</u>		<u>Overtime Designation</u>		<u>FLSA Designation</u>
Executive Management Employees Association	EMEA	Management Employee	1. No compensation for overtime work	E - Exempt
General Employees Management Association	GEMA	Conf/Other Employee	2. Shall be paid for overtime work	40 - 40 hour, 7 day work period (non-exempt)
International Association of Firefighters	IAFF	General Employee	3. Shall be paid for overtime work	14 - 86 hour/14 day work period (7k exemption)
Hanford Police Officers Association	HPOA	Fire/Police Employee	4. Shall be paid for overtime work	24 -182 hour/24 day work period (7k exemption)
Service Employees International Union Local 521	SEIU			
Unrepresented	Unrep			
Not Applicable	NA			

City of Hanford Part-Time Salary Schedule
Revision Date - 7/8/24 City Council Adoption Date - 6/4/24

BARGAINING UNIT	JOB TITLE	OT	FLSA	HOURLY SALARY		
		DESIGNATION	DESIGNATION	1/MIN	to	5/MAX
NA	Airport Manager	3	40	\$25.00	to	\$25.00
NA	Airport Operations Attendant	3	40	\$16.00	to	\$18.00
NA	Certified Instructor	3	40	\$16.00	to	\$22.00
NA	Clerical Support	3	40	\$16.00	to	\$18.00
NA	Code Enforcement Officer	3	40	\$16.00	to	\$18.00
NA	Community Service Officer	3	40	\$16.00	to	\$18.00
NA	Custodian	3	40	\$16.00	to	\$18.00
NA	Engineering Technician Aide	3	40	\$16.00	to	\$18.00
NA	Facilities Host	3	40	\$16.00	to	\$18.00
NA	Fire Inspector	3	40	\$25.00	to	\$25.00
NA	Fleet Mechanic (Helper)	3	40	\$16.00	to	\$24.00
NA	Graffiti Control Officer	3	40	\$16.00	to	\$18.00
NA	Ice Rink Manager	3	40	\$20.00	to	\$20.00
NA	Intern	3	40	\$16.00	to	\$18.00
NA	Lead Facilities Host	3	40	\$21.00	to	\$23.00
NA	Management Intern	3	40	\$16.00	to	\$21.00
NA	Meter Reader	3	40	\$16.00	to	\$18.00
NA	Paint Program Coordinator	3	40	\$16.00	to	\$18.00
NA	Parking Control Officer	3	40	\$16.00	to	\$18.00
NA	Pool Manager	3	40	\$16.50	to	\$18.50
NA	Parks/Public Works Laborer	3	40	\$18.00	to	\$22.00
NA	Recreation Leader I	3	40	\$16.00	to	\$17.00
NA	Recreation Leader II	3	40	\$16.50	to	\$17.50
NA	Recreation Leader III	3	40	\$17.00	to	\$18.00
NA	Refuse Collector	3	40	\$16.00	to	\$19.50
NA	Reserve Police Officer (Level I)	3	40	\$22.24	to	\$26.40
NA	Sports Coordinator	3	40	\$22.00	to	\$22.00
NA	Sports Official	3	40	\$16.00	to	\$22.00

<u>Bargaining Group Designation</u>	
Not Applicable	NA
<u>Overtime Designation</u>	
3.General Employee Shall be paid for overtime work	
<u>FLSA Designation</u>	
40 - 40 hour, 7 day work period (non-exempt)	

The above list contains the City of Hanford's part-time positions. Appointments for part-time work may be paid at an hourly rate as high as Step "3" of the range to which a full-time job classification has been established. Part-time appointments made at higher than Step "3" must be approved by the City Manager. If a part-time employee works more than 1,000 hours in a fiscal year he/she must become a member of CalPERS with the employee and the City making the appropriate contribution as defined by the City's CalPERS contract. The employee will remain a CalPERS member until termination.



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the second reading and Adoption of Ordinance No. 24-05, amending Chapter 3.28 of the Hanford Municipal Code to allow for the reestablishment of the Central Parking and Business Improvement Area Advisory Board as required by the Hanford Municipal Code in order to bring the Board's make-up in line with other City Committees/Commissions.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the second reading and adopt Ordinance No. 24-05, amending Chapter 3.28 of the Hanford Municipal Code to allow for the reestablishment of the Central Parking and Business Improvement Area Advisory Board as required by the Hanford Municipal Code.

BACKGROUND

On April 2, 2024, staff presented the Council with the Final draft of the Downtown Strategic Plan. As part of that plan, there were recommendations to work with Downtown "stakeholders" and "community partners" to help advise and participate in the Plan's implementation process. The City's Municipal Code establishes a Business Improvement Area, which requires a seven-member board, comprised of business owners in the Downtown, that is tasked with making recommendations to Council on funding and other matters in the Business Improvement Area as it relates to the following:

- A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;
- C. The promotion of public events which are to take place on or in public places in the area;
- D. The furnishing of music in any public place in the area; and
- E. The general promotion of retail trade activities in the area.

The Business Improvement Area Board may be the appropriate advisory group to provide recommendations on the Plan's implementation. To move forward with the implementation of the Plan, Staff is recommending that the Business Improvement Area Board be re-established within the adopted district boundaries. To ensure that the BID has broad representation among the entire Area, City planning staff created a district map that includes seven districts (each district contains an equal number of businesses). Parcels zoned exclusively for residential uses were excluded from the district map since they do not pay a business licenses tax and cannot establish storefront businesses.

The proposed ordinance amendments will

- Increase the terms of the board members to be consistent with other City commissions;
- Amend the duties of the board to go beyond simple budget matters
- Update various sections related to Business Licensing to be consistent with the current

version of Chapters 5.04 and 5.08.

- Amended budget cycle language to be consistent with the City's 2-year budget process.

FISCAL IMPACT:

No impact to the General Fund

ATTACHMENTS:

1. HMC Ordinance 24-05 BID
2. Chapter 3.28 CENTRAL PARKING AND BUSINESS IMPROVEMENT AREA - Redline

ORDINANCE NO. 24-05
AN ORDINANCE OF THE CITY OF HANFORD AMENDING CHAPTER 3.28
OF TITLE 3, GOVERNING THE CENTRAL PARKING AND BUSINESS
IMPROVEMENT AREA

The City Council of Hanford does ordain as follows:

Section 1. Chapter 3.28 of Title 3 is amended in the Hanford Municipal Code, to read as follows:

Chapter 3.28
CENTRAL PARKING AND BUSINESS IMPROVEMENT AREA

- 3.28.010 Authority.
- 3.28.020 Designation.
- 3.28.030 Area description.
- 3.28.040 Use of regular business license taxes within area.
- 3.28.050 Imposition of tax.
- 3.28.060 Initial rate of increase or additional levy of business license tax.
- 3.28.070 Definitions and classifications.
- 3.28.080 Collection of tax.
- 3.28.090 Exemption—Voluntary contributions.
- 3.28.100 Enforcement of provisions.
- 3.28.110 Proposed uses.
- 3.28.120 Advisory board.
- 3.28.130 Regular and additional revenues—Deposits.
- 3.28.140 Central parking and improvement fund—Established.
- 3.28.150 Central parking and improvement fund—Use of funds.
- 3.28.010 Authority.

This chapter is adopted pursuant to the authority of the “Parking and Business Improvement Area Law of 1965,” being Sections 36000 et seq. of the Streets and Highway Code of the state. (Prior code § 3-6.101)

3.28.020 Designation.

There is created and established a parking and business improvement area designated as the “central parking and business improvement area of the city of Hanford,” hereinafter for brevity and convenience referred to as “area.” (Prior code § 3-6.102)

3.28.030 Area description.

A description of the exterior boundaries of said central parking and business improvement area of the city is as follows:

All that certain area situated in the city of Hanford, county of Kings, state of California, more particularly described as follows:

Beginning at the intersection of the center line of Redington Street and Ivy Street; thence northerly along the center line of Redington Street approximately 660 feet to its intersection with the center line of Elm Street; thence easterly along the center line of Elm Street approximately 1,500 feet to the center line of Harris Street; thence southerly along the center line of Harris Street approximately 660 feet to the center line of Ivy Street; thence easterly along the center line of Ivy Street approximately 2,150 feet to the east line of Section 25, said east line being located in the 10th Avenue right-of-way; thence southerly along the east line of said Section 25 approximately 1,300 feet to the north boundary line of the territory annexed by Ordinance No. 651; thence easterly along the boundary line of said annexed territory approximately 190 feet to an angle point in said boundary line, said point being located 10 feet east of the northeast corner of Lot 6 of Block 1 of Orange Addition and also being located on the east line of Assessor’s Parcel No. 14-211-10; thence southerly along said line of Assessor’s Parcel No. 14-211-10 and its southerly prolongation thereof approximately 180 feet to the south line of Section 30, said line being located in the Lacey Boulevard right-of-way; thence easterly along the south line of Section 30 a distance of approximately 52.5 feet to its point of intersection with the northeast corner of the territory annexed by Ordinance No. 693, said point being located on a northerly prolongation of the east line of Assessor’s Parcel No. 16-011-12 and being also located 12.5 feet east of a northerly prolongation of the west line of Lot 9 of Block X of Manasse and Simon Addition; thence southerly along the east line of the territory annexed by Ordinance No. 693 a distance of approximately 200 feet to the southeast corner of said annexed territory, said corner being located on the south line of the alley in Block X; thence westerly along the south line of last said annexed territory a distance of approximately 242.5 feet to the east line of Section 36, said line being located in the 10th Avenue right-of-way; thence southerly along said section line in 10th Avenue approximately 1,200 feet to its intersection with the construction center line of State Highway 198; thence westerly along said construction center line of State Highway 198 approximately 4,280 feet to its point of intersection with the east line of the A.T.&S.F. Railroad right-of-way, said line being also an east line for the right-of-way for the former City street

named Thornton Street; thence northerly along the east line of said railroad right-of-way and said former street right-of-way and its northerly prolongation thereof to its point of intersection with the south line of Section 25; thence westerly along the south line of said Section 25 approximately 150 feet to its point of intersection with the center line of Park Avenue; thence northerly along the center line of Park Avenue approximately 1,500 feet to its intersection with the center line of Ivy Street; thence easterly along the center line of Ivy Street approximately 1,050 feet to the point of beginning. (Prior code § 3-6.103)

3.28.040 Use of regular business license taxes within area.

Effective July 1, 1975, all revenue from the regular business license taxes collected pursuant to Chapters 5.04 and 5.08 within the central parking and business improvement area of the city of Hanford shall be credited to the central parking and improvement fund for use as established by Sections 3.28.140 and 3.28.150. (Prior code § 3-6.104)

3.28.050 Imposition of tax.

Effective July 1, 1975, there is imposed an initial rate of increase or additional levy of business license tax upon all permanent businesses located within the boundaries of the central parking and business improvement area of the city established by this chapter and which businesses are required to pay a business license tax upon a monthly or quarterly basis under the provisions of Chapter 5.04. (Prior code § 3-6.105)

3.28.060 Initial rate of increase or additional levy of business license tax.

The additional levy of the license tax imposed upon businesses within said area is hereby fixed, levied, determined and established as follows:

A. An amount equal to one hundred (100) percent of the business license taxes imposed by Chapters 5.04 and 5.08, and subsequent amendments thereto, as the same applies to permanent businesses located within said proposed area and which are required to pay a license tax, excluding those businesses which pay license fees based upon average monthly gross receipts; and

B. When the amount of the license fee required by the provisions of Chapters 5.04 and 5.08, and subsequent amendments thereto, applies to permanent businesses located within said proposed area which pay a license tax based upon the amount of gross receipts from the sales of business transacted, the additional levy imposed shall be as follows:

1. An amount equal to one hundred (100) percent on gross annual sales up to five hundred thousand dollars (\$500,000.00) per business,

2. An amount equal to fifty (50) percent on all portions of gross annual sales between five hundred thousand dollars (\$500,000.00) and one million dollars (\$1,000,000.00) per business, and

3. An amount equal to twenty-five percent (25) on all portions of gross annual sales exceeding one million dollars (\$1,000,000.00) per business. (Prior code § 3-6.106)

3.28.070 Definitions and classifications.

The definitions and classifications of business shall be determined by the definitions and classifications set forth in Chapter 5.04 and 5.08 as the same apply to businesses within the area. (Prior code § 3-6.107)

3.28.080 Collection of tax.

The collection of the initial rate of increase or additional levy of business license tax imposed by this chapter shall be made at the same time and in the same manner as the ordinary business license taxes of the city under the provisions of Chapter 5.04 and 5.08 as the same apply to businesses which are required to pay a license tax upon a monthly or quarterly basis. Such tax shall be computed in the manner provided for in Chapter 5.04 and 5.08 and shall be due and payable and subject to the same penalties for delinquencies as provided in Chapter 5.04 and 5.08 of this title as the same applies to businesses paying a regular business license tax on a quarterly or monthly basis. (Prior code § 3-6.108)

3.28.090 Exemption—Voluntary contributions.

Any business, person or institution located within said area, or which is exempt from the payment of the ordinary business license taxes of the city by reason of the laws of the United States or the state shall not be taxed under this chapter but may make a voluntary contribution to the city. Such contributions shall be used for the purposes provided in Section 3.28.110. (Prior code § 3-6.109)

3.28.100 Enforcement of provisions.

It shall be the duty of the director of finance and his or her designee to enforce the provisions of this chapter. The director of finance and his or her designee shall have the power to enforce business license requirements as set forth in Chapter 5.04

3.28.110 Proposed uses.

The uses to which the business license tax imposed by Chapter 5.04 and 5.08 and the additional revenues received by the initial rate of increase or additional levy of business license tax imposed by this chapter and all voluntary contributions are to be put are as follows:

- A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;

- C. The promotion of public events which are to take place on or in public places in the area;
- D. The furnishing of music in any public place in the area; and
- E. The general promotion of retail trade activities in the area. (Prior code § 3-6.111)

3.28.120 Advisory board.

For the sole purpose of advising the council and making recommendations on the operation and extent of the area, the methods and ways in which the revenue derived from the levy of the license tax imposed by this chapter shall be used within the scope of the purposes set forth in Section 3.28.110, of this article, and to have and to perform such other powers and duties as the council may determine, there shall be created an advisory board, which shall consist of seven (7) members to be appointed by the mayor, with the concurrence of the council, for a term of four (4) years, to serve at the pleasure of the mayor and the council, said members to be persons who have businesses within the area that pay an additional levy of license tax as provided for by this chapter. The council may, approve a budget, consistent with the budget cycle used by the City, to include an estimate of expenditures to be made to carry out the purposes of the central parking and business improvement area of the city. (Prior code § 3-6.112)

3.28.130 Regular and additional revenues—Deposits.

The revenues received by the business license tax imposed by Chapters 5.04 and 5.08 from businesses within the area and the additional rate of increase or additional levy of business license tax imposed by this chapter and all voluntary contributions shall be deposited in the central parking and improvement fund created by Section 3.28.140. (Prior code § 3-6.113)

3.28.140 Central parking and improvement fund—Established.

There is established in the city a fund to be designated as the “central parking and improvement fund.” (Prior code § 3-6.201)

3.28.150 Central parking and improvement fund—Use of funds.

All revenues deposited in the central parking and improvement fund shall be used for the following purposes:

- A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;
- C. The promotion of public events which are to take place on or in public places in the area;
- D. The furnishing of music in any public place in the area; and

E. The general promotion of retail trade activities in the area.

Section 2: This Ordinance shall take effect thirty (30) days after its adoption 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, ADOPTED AND APPROVED this ____ day of _____, 2024 by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

TRAVIS PADEN
MAYOR of the City of Hanford

Attest:

NATALIE CORRAL
CITY CLERK

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

I, _____, City Clerk of the City of Hanford, do hereby certify the foregoing Ordinance was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____ day of _____, 2024.

Date: _____

City Clerk

Chapter 3.28 CENTRAL PARKING AND BUSINESS IMPROVEMENT AREA

3.28.010 Authority.

3.28.020 Designation.

3.28.030 Area description.

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3.28.070 Definitions and classifications.

3.28.080 Collection of tax.

3.28.090 Exemption—Voluntary contributions.

3.28.100 Enforcement of provisions.

3.28.110 Proposed uses.

3.28.120 Advisory board—~~Budget~~.

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This chapter is adopted pursuant to the authority of the “Parking and Business Improvement Area Law of 1965,” being Sections 36000 et seq. of the Streets and Highway Code of the state. (Prior code § 3-6.101)

3.28.020 Designation.

There is created and established a parking and business improvement area designated as the “central parking and business improvement area of the city of Hanford,” hereinafter for brevity and convenience referred to as “area.” (Prior code § 3-6.102)

3.28.030 Area description.

A description of the exterior boundaries of said central parking and business improvement area of the city is as follows:

All that certain area situated in the city of Hanford, county of Kings, state of California, more particularly described as follows:

Beginning at the intersection of the center line of Redington Street and Ivy Street; thence northerly along the center line of Redington Street approximately 660 feet to its intersection with the center line of Elm Street; thence easterly along the center line of Elm Street approximately 1,500 feet to the center line of Harris Street; thence southerly along the center line of Harris Street approximately 660 feet to the center line of Ivy Street; thence easterly along the center line of Ivy Street approximately 2,150 feet to the east line of Section 25, said east line being located in the 10th Avenue right-of-way; thence southerly along the east line of said Section 25 approximately 1,300 feet to the north boundary line of the territory annexed by Ordinance No. 651; thence easterly along the boundary line of said annexed territory approximately 190 feet to an angle point in said boundary line, said point being located 10 feet east of the northeast corner of Lot 6 of Block 1 of Orange Addition and also being located on the east line of Assessor's Parcel No. 14-211-10; thence southerly along said line of Assessor's Parcel No. 14-211-10 and its southerly prolongation thereof approximately 180 feet to the south line of Section 30, said line being located in the Lacey Boulevard right-of-way; thence easterly along the south line of Section 30 a distance of approximately 52.5 feet to its point of intersection with the northeast corner of the territory annexed by Ordinance No. 693, said point being located on a northerly prolongation of the east line of Assessor's Parcel No. 16-011-12 and being also located 12.5 feet east of a northerly prolongation of the west line of Lot 9 of Block X of Manasse and Simon Addition; thence southerly along the east line of the territory annexed by Ordinance No. 693 a distance of approximately 200 feet to the southeast corner of said annexed territory, said corner being located on the south line of the alley in Block X; thence westerly along the south line of last said annexed territory a distance of approximately 242.5 feet to the east line of Section 36, said line being located in the 10th Avenue right-of-way; thence southerly along said section line in 10th Avenue approximately 1,200 feet to its intersection with the construction center line of State Highway 198; thence westerly along said construction center line of State Highway 198 approximately 4,280 feet to its point of intersection with the east line of the A.T.&S.F. Railroad right-of-way, said line being also an east line for the right-of-way for the former City street named Thornton Street; thence northerly along the east line of said railroad right-of-way and said former street right-of-way and its northerly prolongation thereof to its point of intersection with the south line of Section 25; thence westerly along the south line of said Section 25 approximately 150 feet to its point of intersection with the center line of Park Avenue; thence northerly along the center line of Park Avenue approximately 1,500 feet to its intersection with the center line of Ivy Street; thence easterly along the center line of Ivy Street approximately 1,050 feet to the point of beginning. (Prior code § 3-6.103)

3.28.040 Use of regular business license taxes within area.

Effective July 1, 1975, all revenue from the regular business license taxes collected pursuant to Chapters 5.04 and 5.08 within the central parking and business improvement area of the city of Hanford shall be credited to the central parking and improvement fund for use as established by Sections 3.28.140 and 3.28.150. (Prior code § 3-6.104)

3.28.050 Imposition of tax.

Effective July 1, 1975, there is imposed an initial rate of increase or additional levy of business license tax upon all permanent businesses located within the boundaries of the central parking and business improvement area of the city established by this chapter and which businesses are required to pay a business license tax upon a monthly or quarterly basis under the provisions of Chapter 5.04. (Prior code § 3-6.105)

3.28.60 Initial rate of increase or additional levy of business license tax.

The additional levy of the license tax imposed upon businesses within said area is hereby fixed, levied, determined and established as follows:

A. An amount equal to one hundred (100) percent of the business license taxes imposed by Chapters 5.04 and 5.08, and subsequent amendments thereto, as the same applies to permanent businesses located within said proposed area and which are required to pay a license tax ~~upon a monthly or quarterly basis~~, excluding those businesses which pay ~~quarterly~~ license fees based upon average monthly gross receipts; and

B. When the amount of the license fee required by the provisions of Chapters 5.04 and 5.08, and subsequent amendments thereto, applies to permanent businesses located within said proposed area which pay a ~~quarterly~~ license tax based upon the amount of gross receipts from the sales of business transacted, the additional levy imposed shall be as follows:

1. An amount equal to one hundred (100) percent on gross annual sales up to five hundred thousand dollars (\$500,000.00) per business,

2. An amount equal to fifty (50) percent on all portions of gross annual sales between five hundred thousand dollars (\$500,000.00) and one million dollars (\$1,000,000.00) per business, and

3. An amount equal to twenty-five percent (25) on all portions of gross annual sales exceeding one million dollars (\$1,000,000.00) per business. (Prior code § 3-6.106)

3.28.070 Definitions and classifications.

The definitions and classifications of business shall be determined by the definitions and classifications set forth in Chapter 5.04 and 5.08 as the same apply to businesses within the area. (Prior code § 3-6.107)

3.28.080 Collection of tax.

The collection of the initial rate of increase or additional levy of business license tax imposed by this chapter shall be made at the same time and in the same manner as the ordinary business license taxes of the city under the provisions of Chapter 5.04 and 5.08 as the same apply to businesses which are required to pay a license tax upon a monthly or quarterly basis. Such tax shall be computed in the manner provided for in Chapter 5.04 and 5.08 and shall be due and payable and subject to the same penalties for delinquencies as provided in Chapter 5.04 and 5.08 of this title as the same applies to businesses paying a regular business license tax on a quarterly or monthly basis. (Prior code § 3-6.108)

3.28.090 Exemption—Voluntary contributions.

Any business, person or institution located within said area, or which is exempt from the payment of the ordinary business license taxes of the city by reason of the laws of the United States or the state shall not be taxed under this chapter but may make a voluntary contribution to the city. Such contributions shall be used for the purposes provided in Section 3.28.110. (Prior code § 3-6.109)

3.28.100 Enforcement of provisions.

It shall be the duty of the director of finance and his or her designee ~~deputies~~ to enforce the provisions of this chapter. The director of finance and his or her designee ~~deputies and the police officers~~ shall have the power to enforce business license requirements as set forth in Chapter 5.04 ~~enter, free of charge, at any time, any place of business for which such license is required and to demand the exhibition of such license. It shall be the duty of all police officers to cause complaints to be filed against all persons violating any of the provisions of this chapter.~~ (Prior code § 3-6.110)

3.28.110 Proposed uses.

The uses to which the business license tax imposed by Chapter 5.04 and 5.08 and the additional revenues received by the initial rate of increase or additional levy of business license tax imposed by this chapter and all voluntary contributions are to be put are as follows:

- A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;
- C. The promotion of public events which are to take place on or in public places in the area;
- D. The furnishing of music in any public place in the area; and
- E. The general promotion of retail trade activities in the area. (Prior code § 3-6.111)

3.28.120 Advisory board—~~Budget~~.

For the sole purpose of advising the council and making recommendations on the operation and extent of the area, the methods and ways in which the revenue derived from the levy of the license tax imposed by this chapter shall be used within the scope of the purposes set forth in Section 3.28.110, of this article, and to have and to perform such other powers and duties as the council may determine, there shall be created an advisory board, which shall consist of seven (7) members to be appointed by the mayor, with the concurrence of the council, for a term of ~~one~~ four (4) years, to serve at the pleasure of the mayor and the council, said members to be persons who have businesses within the area that pay an additional levy of license tax as provided for by this chapter. The council may ~~annually~~ approve a budget, consistent with the budget cycle used by the City, to include an estimate of expenditures to be made to carry out the purposes of the central parking and business improvement area of the city. (Prior code § 3-6.112)

3.28.130 Regular and additional revenues—Deposits.

The revenues received by the business license tax imposed by Chapters 5.04 and 5.08 from businesses within the area and the additional rate of increase or additional levy of business license tax imposed by this chapter and all voluntary contributions shall be deposited in the central parking and improvement fund created by Section 3.28.140. (Prior code § 3-6.113)

3.28.140 Central parking and improvement fund—Established.

There is established in the city a fund to be designated as the “central parking and improvement fund.” (Prior code § 3-6.201)

3.28.150 Central parking and improvement fund—Use of funds.

All revenues deposited in the central parking and improvement fund shall be used for the following purposes:

- A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;
- C. The promotion of public events which are to take place on or in public places in the area;
- D. The furnishing of music in any public place in the area; and
- E. The general promotion of retail trade activities in the area. (Prior code § 3-6.202)



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the naming and dedication of the Freedom Park Playground in memory of Dan Chin, consistent with the Council Adopted Naming Policy.

RECOMMENDATION:

Recommendation: The City Council, by motion, approves the dedication and naming of the Freedom Park Playground in memory of Dan Chin.

BACKGROUND:

Dan Chin served on HanfHanford'sy Council from 2003 to 2012 and was selected as Mayor in 2003, 2006, and 2011. During his time on the Council, Dan advocated for the need for universally accessible playgrounds within the City. The Freedom Park playground was the first and only universally accessible playground within the City until 2021 when Centennial Park renovated its playground with a universally accessible playground providing this feature on the CityCity's side.

In 2020, the Hanford City Council adopted the Naming/Renaming Policy (attached) that provides clear direction for naming City-owned amenities. Dan Chin meets the criteria within that policy.

Excerpt from the Naming/Renaming Policy:

The criteria for naming rights will include the following:

The person or organization has a longstanding affiliation with the City of Hanford.

- The name provides a sense of place, reflecting the geographic location, community, neighborhood, or street where the park, facility, or amenity is located.
- The name recognizes the historical significance of the area or reflects the unique characteristics of the site
- The names of persons, organizations, corporations, foundations, or families will be considered when they have made a significant contribution to the City of Hanford by:
 - Enhancing the quality of life and well-being of the City
 - Contributing to the historical or cultural preservation of the City
 - Making exemplary or meritorious contributions to the City

Where an individual is recommended, the person is preferred to be deceased a minimum of one year before the name is bestowed upon the facility or property. Consent shall be obtained from the

individual's next of kin before the City Council considers it.

This item was brought to the Parks and Recreation Commission as an agenda item on May 13, 2024. By vote, it was unanimously approved. Director Albert contacted Mr. Chin's brother, Clifford Chin, sister, Sandra Dawson, and Fiancée Laura Akers, who provided their consent and endorsement. If approved by the Council, signage will be installed in the playground in honor of Dan Chin.

FISCAL IMPACT:

The fiscal impact of this action will be the cost of the signage, estimated at \$350.

ATTACHMENTS:

1. City of Hanford Naming Policy 11.12.20

City of Hanford Naming/Renaming Policy

I. Purpose

Establish guidelines relating to the naming, renaming, or removal of a name of City of Hanford facilities and property, such as parks, buildings, streets, and amenities at such locations.

II. Policy

The criteria for naming rights will include the following:

- The person or organization has a longstanding affiliation with the City of Hanford
- The name provides a sense of place, reflecting the geographic location, community, neighborhood, or street where the park, facility, or amenity is located.
- The name recognizes the historical significance of the area or reflects the unique characteristics of the site
- The names of persons, organizations, corporations, foundations, or families will be considered when they have made a significant contribution to the City of Hanford by:
 - Enhancing the quality of life and well-being of the City
 - Contributing to the historical or cultural preservation of the City
 - Making exemplary or meritorious contributions to the City

Where the name of an individual is recommended, the person is preferred to be deceased a minimum of one year before the name is bestowed upon the facility or property. The consent shall be obtained from the individual's next of kin before the City Council's public consideration.

Where the naming opportunity is the result of financial contribution, the following must be considered:

- The significance of the contribution made is greater than 51% of the costs relative to the construction and/or operating costs of the parks, facilities, and amenities within those facilities.

III. Procedure

Upon the report and recommendation from the City Manager or Commission, the Council shall take action as it deems appropriate, including hearing any appeals that may be presented. The Council may also refer the recommendations to the City Manager or Commission for further discussion and review.

The City Council may remove or rename a city-owned facility or property when deemed by the Council to be in the City's best interests. The policy will not affect existing naming procedures.



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Authorization to advertise for bids for the FY25 Annual Concrete Improvement Project and pre-authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder for an amount not to exceed \$130,000.00

RECOMMENDATION:

Recommendation: That the City Council, by motion, authorize staff to advertise for bids for the FY25 Annual Concrete Improvement Project and pre-authorize the City Manager to award and execute the contract on behalf of the City to the lowest responsible bidder.

BACKGROUND:

City of Hanford Municipal Code Section 12.20.030, as well as the California Streets and Highways Code, establishes the Duty of Property Owners to Maintain and Repair Sidewalks. Streets and Highways Code Section 5610, et seq., makes landowners responsible for maintaining public sidewalks located on or adjacent to their respective properties.

An essential duty under the Municipal Code mandates that property owners notify the City of any defects with the sidewalk adjacent to their property. Municipal Code Section 12.20.030.C. outlines the City's and the landowner's respective obligations for damaged sidewalks:

"The city will assess the extent of damage upon learning of an alleged defective sidewalk. The city will, at its own cost, grind the defective sidewalk to eliminate the hazard if grinding is feasible. If grinding will not eliminate the hazard, the city shall, at the city's expense, demolish and remove the defective portion of sidewalk, and the owner will, at the owner's sole cost, replace the portion of sidewalk removed by the city. The city shall, however, provide the services described in this subsection C only if the city determines that: (1) a defective sidewalk exists; and (2) the sidewalk's defective condition was not caused by the intentional misconduct or negligence of the owner or the owner's employee, agent, invitee, or contractor. For purposes of this chapter, damage to a sidewalk by tree roots shall not be deemed to have been caused by the intentional misconduct or negligence of a landowner. If the city reasonably determines that the defective sidewalk was caused by the intentional misconduct or negligence of the owner or the owner's employee, agent, invitee, or contractor, the owner shall be solely responsible for all repair work required to address the hazard."

At the time that Municipal Code Section 12.20.030.C. was adopted, the City Council determined that landowners should not be responsible for all costs associated with sidewalk repairs.

City staff also identified areas that require ADA improvements. Areas are identified by public reporting, ADA issues, and projects that require improvements to be made. In FY24, City staff demoed and/or repaired 304 linear feet of curb and gutter, 6 ADA ramps, and 3,935 square feet of sidewalk.

FISCAL IMPACT:

The FY25 CIP budget provides \$130,000 for concrete improvements and is split between three funds. 0359 Storm Drain Fund for \$20,000.00, 0056 TDA Transportation Funds for \$50,000, 0044 Gas Tax for \$60,000. A copy of the budget pages is attached for review.

ATTACHMENTS:

1. Curb and Gutter Budget Page
2. Sidewalk Budget Page
3. ADA Budget Page

Curb and Gutter Installation

Project Background:

This project involves the installation of new or replacement concrete curb and gutter to facilitate proper street drainage. Projects may include replacement of existing dilapidated curbs and gutters or installation of new curb and gutter in existing developed areas void of these improvements.

Existing Conditions:

A portion of the City's streets were not constructed with curb and gutter improvements. The improvements are necessary to ensure proper drainage and to alleviate localized flooding.

Project Justification:

Storm drainage collection in the City is necessary to reduce localized flooding and damage to existing properties.

Fiscal Implications:

Funding for this project will be allocated from the Storm Drainage Reserves.

Project Budget Summary:

		5-Year Funding Allocation				
		2022	2023	2024	2025	2026
Expenditure	Program or Project	Construction	Construction	Construction	Construction	Construction
	Construction Engineering / Inspection	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	Construction	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 42,205.00	\$ 15,000.00
	Contingency	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
	Department Overhead	\$ 1,046.00	\$ 785.00	\$ 500.00	\$ 500.00	\$ 500.00
Total Expenditure		\$ 20,546.00	\$ 20,285.00	\$ 20,000.00	\$ 47,205.00	\$ 20,000.00
Revenue	Funding					
	00359 Storm Drainage Reserves	\$ 20,546.00	\$ 20,285.00	\$ 20,000.00	\$ 47,205.00	\$ 20,000.00
Total Funding		\$ 20,546.00	\$ 20,285.00	\$ 20,000.00	\$ 47,205.00	\$ 20,000.00

Sidewalk and Miscellaneous Concrete Repair

Project Background:

The funds will be used to repair sidewalk, drive approaches and other concrete improvements where the city crews will be completing street construction or in areas where the improvements are damaged by tree roots.

Existing Conditions:

Project Justification:

These funds will be used to repair sidewalks, drive approaches, and other public concrete improvements that are in disrepair and create potential hazards.

Fiscal Implications:

Funding for this project will be allocated from Gas Tax Reserves.

Project Budget Summary:

		5-Year Funding Allocation				
		2022	2023	2024	2025	2026
Expenditure	Program or Project	Construction	Construction	Construction	Construction	Construction
	Construction Engineering / Inspection	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	Construction	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 52,000.00	\$ 52,000.00
	Contingency	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
	Department Overhead	\$ 2,140.00	\$ 1,530.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Total Expenditure		\$ 41,640.00	\$ 41,030.00	\$ 43,000.00	\$ 60,000.00	\$ 60,000.00
Revenue	Funding					
	0044 Gas Tax (TDA Transportation)	\$ 42,140.00	\$ 41,030.00	\$ 43,000.00	\$ 60,000.00	\$ 60,000.00
Total Funding		\$ 42,140.00	\$ 41,030.00	\$ 43,000.00	\$ 60,000.00	\$ 60,000.00

New Sidewalk and ADA Improvements

Project Background:

These funds will be used to install sidewalks and other concrete improvements in areas currently void of such improvements. Improvement areas will be selected along arterial/collector streets with high pedestrian volume and where existing right-of-ways exist to facilitate sidewalk installation. these funds will also be used to install accessibility ramps in compliance with Americans with disabilities Act (ADA) standards.

Existing Conditions:

Project Justification:

Compliance with ADA standards is federal law. Also, the installation of sidewalk provides pedestrians with a safe walkway located outside of vehicular travel areas.

Fiscal Implications:

Funding for this project will be allocated fro Gas Tax Reserves.

Project Budget Summary:

		5-Year Funding Allocation				
		2022	2023	2024	2025	2026
Expenditure	Program or Project	Construction	Construction	Construction	Construction	Construction
	Construction Engineering / Inspection	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
	Construction	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 27,130.00	\$ 41,000.00
	Contingency	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	Department Overhead	\$ 2,600.00	\$ 1,910.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
Total Expenditure		\$ 52,100.00	\$ 51,410.00	\$ 54,000.00	\$ 36,130.00	\$ 50,000.00
Revenue	Funding					
	0050 Gas Tax (TDA Transportation)	\$ 52,100.00	\$ 51,410.00	\$ 54,000.00	\$ 36,130.00	\$ 60,000.00
Total Funding		\$ 52,100.00	\$ 51,410.00	\$ 54,000.00	\$ 36,130.00	\$ 50,000.00



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Public Works: Approval of a Purchase Order change order (PO 22400342) in the amount of \$4,000 with Corcoran Sawtelle & Rosprim, Inc to replace stainless steel sheet on a water truck; for a Purchase Order grand total of \$53,995.

RECOMMENDATION:

That the City Council, by motion, approve a Purchase Order change order with Corcoran Sawtelle & Rosprim, Inc (Corcoran, CA) to replace stainless steel sheet on a water truck for a Purchase Order grand total of \$53,995 for fiscal year 2023/2024.

Recommended Motion:

I move to approve a Purchase Order change order with Corcoran Sawtelle & Rosprim, Inc (Corcoran, CA) to replace stainless steel sheet on a water truck for a purchase order grand total of \$53,995 for fiscal year 2023/2024.

BACKGROUND:

Corcoran Sawtelle & Rosprim, Inc provides welding and fabricating services for the City. Approximately \$49,000 is designated for these services.

Corcoran Sawtelle & Rosprim, Inc is one of a few vendors that provides specialized welding and fabrication services in the area. They have the resources to complete projects in a timely manner, and their prices tend to be the lowest. The City has equipment and trained staff to work on welding and fabrication projects that are considered small to medium. Any large-scale projects are outsourced to vendors that have the equipment and experience to accomplish the tasks. Some examples of large-scale projects include repairing the rear loaders on refuse trucks and replacing steel sheets on water trucks.

FISCAL IMPACT:

The Fleet Maintenance Division budget appropriated \$171,030 for Professional and Specific Services and \$620,000 for Special Departmental Expenses.

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the Notice of Completion for the FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project.

RECOMMENDATION:

Recommendation:
That the City Council, by motion, approve the Notice of Completion for the FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project for a final project cost of \$636,353.06, and authorize the Mayor to execute and the City Clerk to file said Notice with the Kings County Recorder's Office.

BACKGROUND:

On December 5th, 2023, the City Council approved the award of the “FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project” to Sage Construction and Development LLC for the amount of \$601,630.04. This project involved the removal and replacement of the acoustic ceiling texture, installation of new wood flooring over the existing floors, and interior painting in the main auditorium and lobby of the Civic Auditorium.

There were five (5) contract change orders for this project, resulting in a net increase of \$34,732.02 to the original contract. Project construction began on January 3, 2024. During this period, unforeseen conditions arose which were not contemplated by the plans or specifications, necessitating additional work as shown in the Final Project Construction and Finance History (attached). These unforeseen conditions required prompt direction from the contractor to avoid costly interruptions and were essential for the management and control of the contracts. This resulted in the project completion date being extended by ten (10) additional days. However, the contractor ultimately completed all work on May 6th, only three (3) days past the original contract date.

All change orders were negotiated to the lowest possible cost, prepared, and captured all additional work outside the original scope of the project. The additional costs resulting in a change of scope were within the project contingencies and approved by the City Manager.

FISCAL IMPACT:

The FY23 Capital Budget provided \$661,630.91 for construction, including contingencies, was approved by the City Council on December 5, 2023 funded with Genral Fund, Building Reserve Fund and Accumulated Capital Outlay (ACO) Fund. The bid amount was \$601,630.04, and change orders amounted to \$34,723.02. Therefore, the total project expenditures were \$636,353.06, leaving a fund balance of +\$25,277.85. Remaining funds will be released back to General Fund and ACO fund

balance.

ATTACHMENTS:

1. NOC - Recording Original (Word)
2. NOC - Recording Original (PDF)
3. Final Project Construction & Financial History Report

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: 400 N Douty St, Hanford, CA 93230
2. The Improvement is particularly described as: FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project.
3. The date of completion of the work of Improvement: May 6th, 2024
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: Sage Construction & Development LLC
7. The surety for the work of Improvement: SureTec 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: June 4, 2024

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 4th day of June 2024

BY: _____
Travis Paden, Mayor
City of Hanford, County of Kings, State of California

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 _____, 2024.

BY: _____
Travis Paden, 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: 400 N Douty St, Hanford, CA 93230
2. The Improvement is particularly described as: FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project.
3. The date of completion of the work of Improvement: May 6th, 2024
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: Sage Construction & Development LLC
7. The surety for the work of Improvement: SureTec 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: June 4, 2024

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 4th day of June 2024

BY: _____
Travis Paden, Mayor
City of Hanford, County of Kings, State of California

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 _____, 2024.

BY: _____
Travis Paden, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code

June 20, 2023

TO: Mayor/City Council

FROM: Robert Buchanan, Assistant Engineer

SUBJECT: FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project

RECOMMENDATION

That the City Council, by motion, approve the Notice of Completion for the FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project for a final project cost of \$636,353.06, and authorize the Mayor to execute and the City Clerk to file said Notice with the Kings County Recorder's Office.

BACKGROUND

On December 5th, 2023, the City Council approved the award of the “FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project” to Sage Construction and Development LLC for the amount of \$601,630.04. This project involved the removal and replacement of the acoustic ceiling texture, installation of new wood flooring over the existing floors, and interior painting in the main auditorium and lobby of the Civic Auditorium.

There were five (5) contract change orders for this project, resulting in a net increase of \$34,732.02 to the original contract. Project construction began on January 3, 2024. During this period, unforeseen conditions arose which were not contemplated by the plans or specifications, necessitating additional work as shown on the Final Project Construction and Finance History attached. These unforeseen conditions required prompt direction from the contractor to avoid costly interruptions and were essential for the management and control of the contracts. This resulted in the project completion date being extended by ten (10) additional days. However, the contractor ultimately completed all work on May 6th, only three (3) days past the original contract date.

All change orders were negotiated to the lowest possible cost, prepared, and captured all additional work outside the original scope of the project. The additional costs resulting in a change of scope were within the project contingencies and approved by the City Manager.

IMPACT ON BUDGET

The FY23 Capital Budget provided \$661,630.91 for construction, including contingencies, was approved by the City Council on December 5, 2023. The bid amount was \$601,630.04, and change orders amounted to \$34,723.02. Therefore, the total project expenditures were \$636,353.06, leaving a fund balance of +\$25,277.85.

FINAL PROJECT CONSTRUCTION AND FINANCE HISTORY

PROJECT: FY 22/23 Civic Auditorium Acoustic Ceiling Texture Replacement, Hardwood Flooring Installation, and Interior Painting Project

CONTRACTOR: Sage Construction & Development LLC
116 E. Prosperity Ave #902
Tulare Ca 93274

CONTRACT DATES:	Council Award	December 5, 2023
	Bid Opening	November 8, 2023
	Contractor Started Work	January 3, 2024
	Contract Time of Completion	May 13, 2024
	Contractor Completed Work	May 6, 2024

Contract Change Order	Amount \$
CCO#1 - Ceiling Plaster Repair	\$ 14,809.60
CCO#2 - Subcontractor Substitution	\$ -
CCO#3 - Floor Electrical Boxes	\$ 17,745.92
CCO#4 - Floor Trans-Stage and Women's Restroom	\$ 1,225.00
CCO#5 - Repaint Medallions & Additional Touch up Area	\$ 942.50
TOTAL:	\$ 34,723.02

FINANCIAL HISTORY:

REVENUE OF PROJECT FUNDING

ACO & Building Reserve Fund	\$484,096.91
General Fund	\$113,254.00
Advance FY25 Fund 004 ACO	\$64,280

TOTAL BUDGET FUNDING **\$661,630.91**

PROJECT EXPENDITURE:

Hanford Sentinel - Project Advertisement
Building Permit Fees
Sage Construction & Development LLC

BID AMOUNT: **\$601,630.04**

CONTRACT CHANGE ORDERS: **\$34,723.02**

TOTAL CONSTRUCTION COST **\$636,353.06**

FUND BALANCE **+\$25,277.85**



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: CONSENT CALENDAR
-------------------------------	---

SUBJECT:

Approval of a Grant Deed from San Joaquin Valley Homes Tract 881 Unit 1, Lots 45 & 46 and Authorization for the City Clerk to record said documents with the Kings County Recorder's Office for the purpose of accepting Landscape Lot dedications.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the attached Grant Deed from San Joaquin Valley Homes Tract 881 Unit 1, Lots 45 & 46; and authorize the City Clerk to record said documents with the Kings County Recorder's Office.

BACKGROUND:

The final subdivision map for Tract No. 881, Unit No. 1 was recorded on January 18, 2024. Following the recording, construction began and an AT&T utility vault was discovered. Due to the location of the vault, adjustments were made to the property lines, transferring 29 square feet from Lot 45 and 159 square feet from Lot 46 to the City for public utility and landscaping purposes.

FISCAL IMPACT:

This dedication was offered as part of a development approval. Landscape maintenance will be achieved through CFD (Community Facilities District) Funds and therefore has no impact on the City budget.

ATTACHMENTS:

1. Tract 881 Unit 1 Final Map (Page 3)
2. Lot 45 Grant Deed Landscape Dedication
3. Lot 46 Grant Deed Landscape Dedication

TRACT NO. 881 LIVE OAK EAST HIDDEN OAKS UNIT NO. 1

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST, M.D.B.&M.
CITY OF HANFORD, COUNTY OF KINGS,
CALIFORNIA
DECEMBER, 2021

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
(209) 524-3525

MONUMENT LEGEND:

- SET 3/4"x30" IRON PIPE, TAGGED LS 9099, U.O.N.
- SET STREET INTERSECTION SURVEY MONUMENT PER CITY OF HANFORD STANDARD DRAWING NO. GE-14 WITH 2" BRONZE SURVEY MARKER STAMPED L.S. 9099
- SET 1.00 FOOT WITNESS CORNER (3/4" x 24" IRON PIPE TAGGED L.S. 9099) MEASURED ALONG THE LOT LINE, FROM ACTUAL LOT CORNER, U.O.N.
- SET 3.00 FOOT WITNESS CORNER (3/4" x 24" IRON PIPE TAGGED L.S. 9099) MEASURED ALONG THE LOT LINE, FROM ACTUAL LOT CORNER, U.O.N.
- SET 3/4" x 30" IRON PIPE TAGGED L.S. 9099 AT ALL LOT CORNERS U.O.N.
- FOUND 3/4" IRON PIPE TAGGED LS 9099 U.O.N.
- FOUND 2" BRONZE SURVEY MARKER STAMPED LS 9099 IN MONUMENT WELL U.O.N.

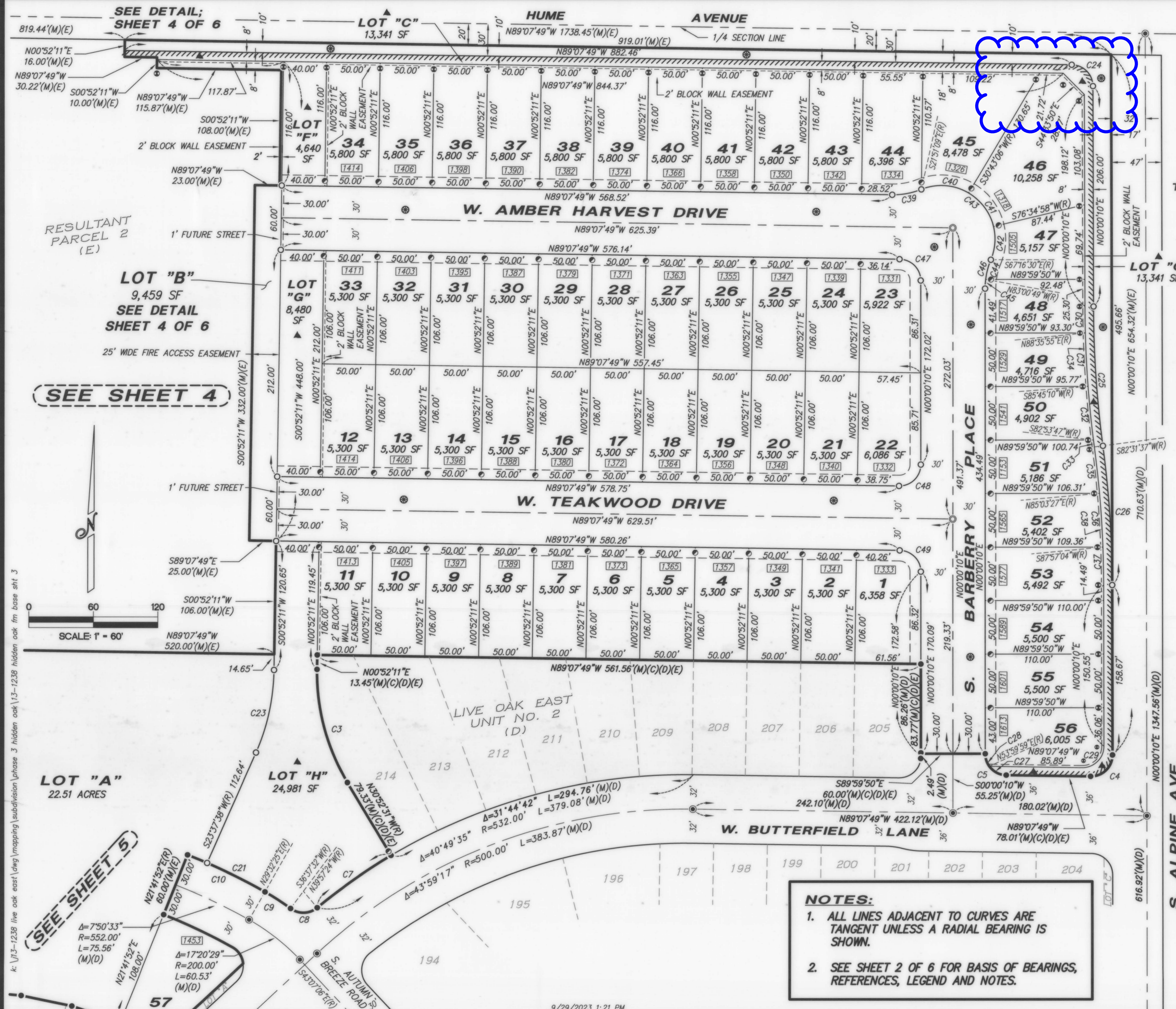
CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C3	31°44'42"	200.00'	110.81'
C4	90°52'01"	20.00'	31.72'
C5	89°07'59"	20.00'	31.11'
C7	9°04'53"	532.00'	84.32'
C8	76°34'56"	20.00'	26.73'
C9	7°05'07"	230.00'	28.44'
C10	7°50'33"	582.00'	79.66'
C21	5°54'47"	582.00'	60.06'
C23	22°45'27"	200.00'	79.44'
C24	89°07'59"	20.00'	31.11'
C25	7°28'33"	1000.00'	130.48'
C26	7°28'33"	1000.00'	130.48'
C27	53°07'48"	20.00'	18.55'
C28	36°00'09"	20.00'	12.57'
C29	90°52'01"	20.00'	31.72'
C30	1°24'15"	1008.00'	24.70'
C31	2°50'45"	1008.00'	50.07'
C32	2°51'23"	1008.00'	50.25'
C33	0°22'10"	1008.00'	6.50'
C34	7°28'33"	1008.00'	131.52'
C35	2°31'50"	992.00'	43.81'
C36	2°53'37"	992.00'	50.10'
C37	2°03'06"	992.00'	35.52'
C38	7°28'33"	992.00'	129.43'
C39	22°43'20"	70.00'	27.76'
C40	52°34'15"	50.00'	45.88'
C41	45°51'52"	50.00'	40.02'
C42	36°08'32"	50.00'	31.54'
C43	134°34'39"	50.00'	117.44'
C44	15°44'19"	70.00'	19.23'
C45	6°59'01"	70.00'	8.53'
C46	22°43'20"	70.00'	27.76'
C47	89°07'59"	20.00'	31.11'
C48	90°52'01"	20.00'	31.72'
C49	89°07'59"	20.00'	31.11'

NOTES:

- ALL LINES ADJACENT TO CURVES ARE TANGENT UNLESS A RADIAL BEARING IS SHOWN.
- SEE SHEET 2 OF 6 FOR BASIS OF BEARINGS, REFERENCES, LEGEND AND NOTES.

SHEET 3 OF 6



RECORDING REQUESTED BY:

**CITY OF HANFORD
AND WHEN RECORDED MAIL TO:**

City Clerk
City of Hanford
315 North Douty Street
Hanford, CA 93230

PURSUANT TO GOVERNMENT CODE SECTION _____,
NO RECORDING FEE REQUIRED.

SPACE ABOVE FOR RECORDER'S USE

Grant Deed

THE UNDERSIGNED GRANTOR(S) DECLARE(S)
DOCUMENTARY TRANSFER TAX IS \$ NONE

☐ _____ unincorporated area ☒ City of Hanford

Parcel No.: 011-110-046 (Portion)

☐ computed on full value of interest or property conveyed, or

☐ computed on full value less value of liens or encumbrances remaining at time of sale, and

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, represents that, as the owner(s) of herein-described real property,

PRESIDIO JJR HIDDEN OAKS II 130, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Grantor, does hereby give, grant, dedicate and convey an Easement to

THE CITY OF HANFORD, A MUNICIPAL CORPORATION, Grantee, for public utility and landscape purposes the following described real property situated in the City of Hanford, County of Kings, State of California, described as follows:

LEGAL DESCRIPTION MARKED EXHIBIT "A", AND PLAT MARKED EXHIBIT "B" ATTACHED AND MADE PART HEREOF BY REFERENCE.

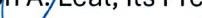
DATE: April 3, 2024

SEE ATTACHED SIGNATURE EXHIBIT

SIGNATURE EXHIBIT

PRESIDIO JJR HIDDEN OAKS II 130, LLC, a Delaware limited liability company

By: JJR Management Services, Inc.,
a California Corporation, its Operating Manager

By: 
Joseph A. Leat, its President

Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF Tulare)

On APRIL 9, 2024, before me, AMANDA RAMOS,
Notary Public, personally appeared JOSEPH A. LEAL, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Arande Ra (Seal)

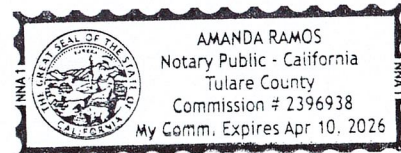


EXHIBIT "A"

LEGAL DESCRIPTION

Being a portion of Lot 45 as shown on that certain map entitled "Tract No. 881 Live Oak East Hidden Oaks Unit No. 1" recorded on January 18, 2024, in Volume 27 of Licensed Surveyors' Plats, at Page 40, Document No. 2400948, Kings County Records, situate in the Southwest Quarter of Section 2, Township 19 South, Range 21 East, Mount Diablo Meridian, County of Kings, California, said property being more particularly described as follows:

BEGINNING at the Northeast corner of said Lot 45, said point being 38.00 feet distant at right angles from the North line of said Southwest Quarter of Section 2; thence

Along the Easterly line of said Lot 45, South 30°43'06" West 6.92 feet to a point which is 6.00 feet distant at right angles from the North line of said Lot 45, said point being also 44.00 feet distant at right angles from said North line of Southwest Quarter of Section 2; thence

Leaving said East line, North 44°33'50" West 8.55 feet to a point on the North line of said Lot 45, said point being also 38.00 feet distant at right angles from the North line of said Southwest Quarter of Section 2; thence

Along the North line of said Lot 45, parallel with said North line of Southwest Quarter of Section 2, South 89°07'49" East 9.53 feet to the point of beginning.

Containing 29 square feet, more or less.

SUBJECT TO all easements and/or rights-of-way of record.

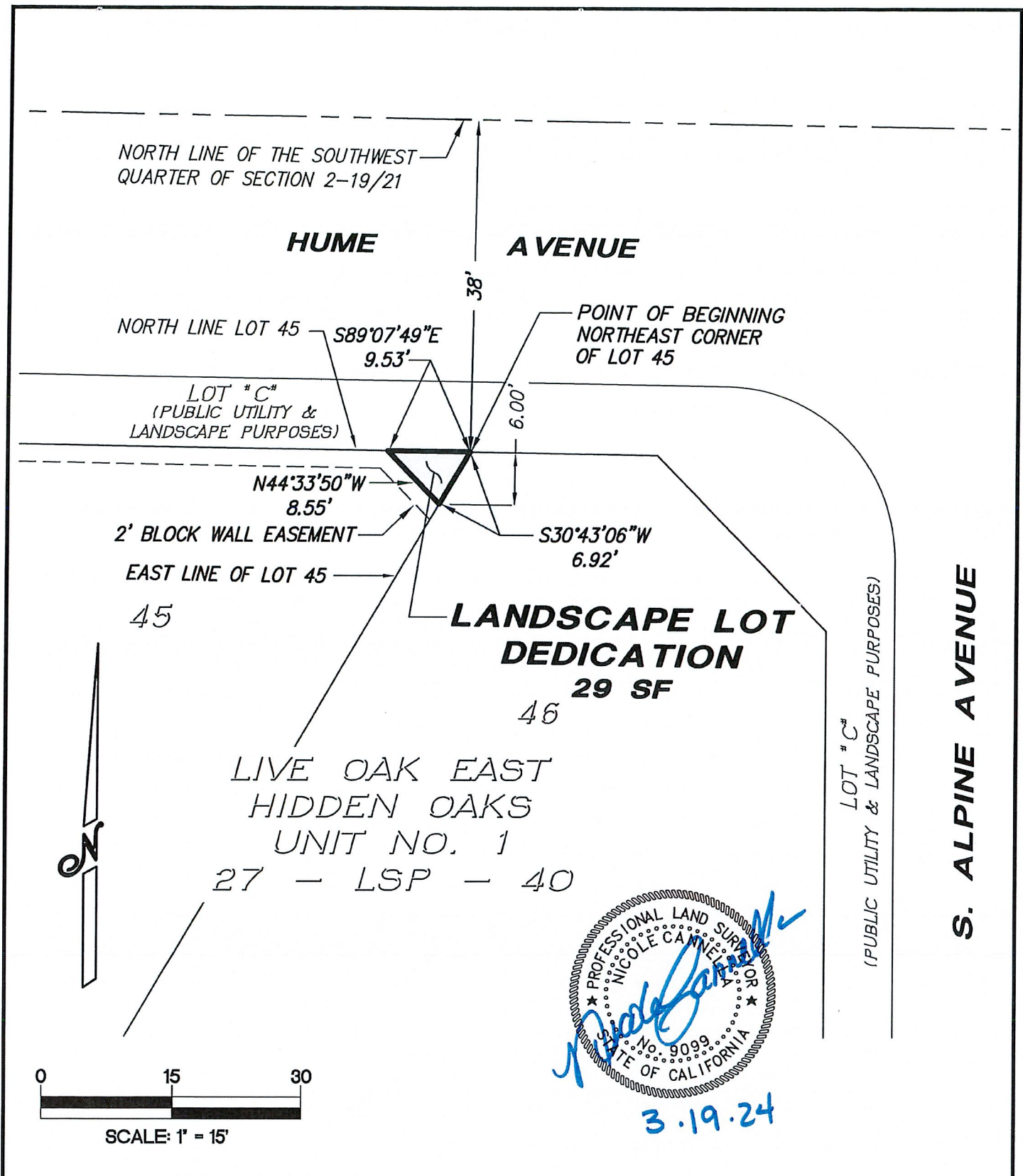
This legal description as described is delineated on the accompanying "Plat to Accompany Legal Description" and made a part hereof for reference purposes.

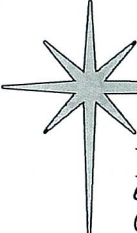


Nicole Cannella, P.L.S. 9099 Date



3.19.24



 North Star Engineering Group, Inc. • CIVIL ENGINEERING • SURVEYING • PLANNING • 620 12th Street Modesto, CA 95354 (209) 524-3525 Phone (209) 524-3526 Fax	<u>PLAT TO ACCOMPANY</u> <u>LEGAL DESCRIPTION</u> LYING IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 19 SOUTH, RANGE 21 EAST, MOUNT DIABLO MERIDIAN. CITY OF HANFORD COUNTY OF KINGS, STATE OF CALIFORNIA	JOB NO: J13-1238
		SCALE: 1" = 15'
		DR BY: NC
		FILE: 13-1238 hidden oaks vault dedication.dwg DATE: March 19, 2024

DEED CERTIFICATION

This is to certify that the interest in real property conveyed by the Grant Deed dated _____ from Presidio JJR Hidden Oaks II 130, LLC to the CITY OF HANFORD, a municipal corporation, is hereby accepted by order of the City Council of the City of Hanford and the Grantee consents to recordation by its duly authorized officer.

DATED: _____

CITY OF HANFORD
a municipal corporation

By: _____
Mario Cifuentes, City Manager

Attest: _____
Natalie Corral, City Clerk

RECORDING REQUESTED BY:

CITY OF HANFORD

AND WHEN RECORDED MAIL TO:

City Clerk
City of Hanford
315 North Douty Street
Hanford, CA 93230

PURSUANT TO GOVERNMENT CODE SECTION _____,
NO RECORDING FEE REQUIRED.

SPACE ABOVE FOR RECORDER'S USE

Grant Deed

THE UNDERSIGNED GRANTOR(S) DECLARE(S)
DOCUMENTARY TRANSFER TAX IS \$ NONE

☐ _____ unincorporated area ☒ City of Hanford

Parcel No.: 011-110-046 (Portion)

☐ computed on full value of interest or property conveyed, or

☐ computed on full value less value of liens or encumbrances remaining at time of sale, and

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, represents that, as the owner(s) of herein-described real property,

PRESIDIO JJR HIDDEN OAKS II 130, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Grantor, does hereby give, grant, dedicate and convey an Easement to

THE CITY OF HANFORD, A MUNICIPAL CORPORATION, Grantee, for public utility and landscape purposes the following described real property situated in the City of Hanford, County of Kings, State of California, described as follows:

LEGAL DESCRIPTION MARKED EXHIBIT "A", AND PLAT MARKED EXHIBIT "B" ATTACHED AND MADE PART HEREOF BY REFERENCE.

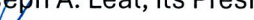
DATE: April 3, 2024

SEE ATTACHED SIGNATURE EXHIBIT

SIGNATURE EXHIBIT

PRESIDIO JJR HIDDEN OAKS II 130, LLC, a Delaware limited liability company

By: JJR Management Services, Inc.,
a California Corporation, its Operating Manager

By: 
Joseph A. Leal, its President

Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.

COUNTY OF Tulare)

On APRIL 9, 2024, before me, AMANDA RAMOS,
Notary Public, personally appeared JOSEPH A. LEAL, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~
executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Armando Rana (Seal)

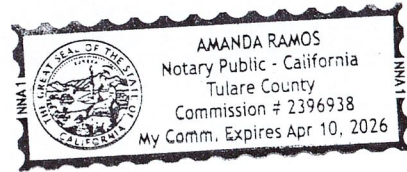


EXHIBIT "A"

LEGAL DESCRIPTION

Being a portion of Lot 46 as shown on that certain map entitled "Tract No. 881 Live Oak East Hidden Oaks Unit No. 1" recorded on January 18, 2024, in Volume 27 of Licensed Surveyors' Plats, at Page 40, Document No. 2400948, Kings County Records, situate in the Southwest Quarter of Section 2, Township 19 South, Range 21 East, Mount Diablo Meridian, County of Kings, California, said property being more particularly described as follows:

BEGINNING at the most Northeasterly corner of said Lot 46, said point being 38.00 feet distant at right angles from the North line of said Southwest Quarter of Section 2; thence

Along the Northeasterly line of said Lot 46, South 44°33'50" East 8.55 feet to a point which is 6.00 feet distant at right angles from the North line of said Lot 46, said point being also 44.00 feet distant at right angles from said North line of Southwest Quarter of Section 2; thence

Parallel with said North lines, North 89°07'49" West 31.25 feet to a point on the West line of said Lot 46; thence

Leaving along said West line, North 30°43'06" East 6.92 feet to a point on the North line of said Lot 46, said point being also 38.00 feet distant at right angles from the North line of said Southwest Quarter of Section 2; thence

Along the North line of said Lot 46, parallel with said North line of Southwest Quarter of Section 2, South 89°07'49" East 21.72 feet to the point of beginning.

Containing 159 square feet, more or less.

SUBJECT TO all easements and/or rights-of-way of record.

This legal description as described is delineated on the accompanying "Plat to Accompany Legal Description" and made a part hereof for reference purposes.



Nicole Cannella, P.L.S. 9099 Date



3.19.24

NORTH LINE OF THE SOUTHWEST
QUARTER OF SECTION 2-19/21

HUME AVENUE

NORTH LINE LOT 46

LOT "C"
(PUBLIC UTILITY &
LANDSCAPE PURPOSES)

S89°07'49"E
21.72'

POINT OF BEGINNING
MOST NORTHEASTERLY
CORNER OF LOT 46

S44°33'50"E
8.55'

N30°43'06"E
6.92'

WEST LINE OF LOT 46

NORTHEASTERLY
LINE OF LOT 46

31.25'
N89°07'49"W

45 2' BLOCK WALL EASEMENT

**LANDSCAPE LOT
DEDICATION**

159 SF

46

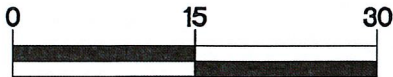
LIVE OAK EAST
HIDDEN OAKS
UNIT NO. 1

27 - LSP - 40

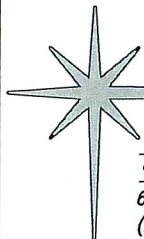
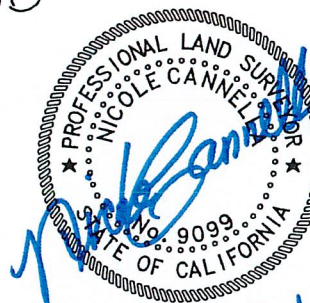
2' BLOCK WALL
EASEMENT

LOT "C"
(PUBLIC UTILITY & LANDSCAPE PURPOSES)

S. ALPINE AVENUE



SCALE: 1" = 15'



North Star

Engineering Group, Inc.

• CIVIL ENGINEERING • SURVEYING • PLANNING •
620 12th Street Modesto, CA 95354
(209) 524-3525 Phone (209) 524-3526 Fax

**PLAT TO ACCOMPANY
LEGAL DESCRIPTION**

LYING IN A PORTION OF THE
SOUTHWEST QUARTER OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 21 EAST,
MOUNT DIABLO MERIDIAN.
CITY OF HANFORD
COUNTY OF KINGS, STATE OF CALIFORNIA

JOB NO: J13-1238

SCALE: 1" = 15'

DR BY: NC

FILE: 13-1238 hidden oaks vault
dedication.dwg

DATE: March 19, 2024

DEED CERTIFICATION

This is to certify that the interest in real property conveyed by the Grant Deed dated _____ from Presidio JJR Hidden Oaks II 130, LLC to the CITY OF HANFORD, a municipal corporation, is hereby accepted by order of the City Council of the City of Hanford and the Grantee consents to recordation by its duly authorized officer.

DATED: _____

CITY OF HANFORD
a municipal corporation

By: _____
Mario Cifuentez, City Manager

Attest: _____
Natalie Corral, City Clerk



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: CONSENT CALENDAR
------------------------	----------------------------------

SUBJECT:

Authorization to enter into a Reimbursement Agreement for \$25,000 in Preliminary Engineering Services with Union Pacific Railroad Company for design of the at-grade crossing on East Lacey Boulevard.

RECOMMENDATION:

Recommendation: That the City Council, by motion, authorize the City Manager to sign and the City to enter into a Reimbursement Agreement for \$25,000 in Preliminary Engineering Services with Union Pacific Railroad Company for widening the at-grade crossing on East Lacey Boulevard.

Recommended Motion: I motion to approve authorization for the City Manager to sign, and the City to enter into, a Reimbursement Agreement for \$25,000 in Preliminary Engineering Services with Union Pacific Railroad Company for widening the at-grade crossing on East Lacey Boulevard.

BACKGROUND:

On September 20, 2022, the City Council awarded the Design Engineering for East Lacey Boulevard Pedestrian and Bicycle Safety project from 10th Avenue to east of Sierra Drive to QK, Inc. The project includes installing curb and gutter and sidewalk within the project limits and widening the Union Pacific Railroad (UPRR) crossing on East Lacey to accommodate the roadway improvements with curb alignments.

UPRR was contacted by the design consultant regarding the roadway project and the need for the railroad crossing to be widened with East Lacey Boulevard street improvements. UPRR noted that the current railroad crossing is compliant, and that any modifications to the crossing would be at the cost of the City. A separate agreement will be provided to bore under the UPRR on 9th Avenue north of Lacey Boulevard.

The City was recently provided the attached Reimbursement Agreement stating that the city will bear 100% of the cost for design, with payments to be made monthly on services performed. The estimated cost for the Preliminary Engineering services for the railroad crossing design is \$25,000, with future construction costs to be determined and paid 100% by the City.

Upon approval of the railroad crossing plans by UPRR and prior to construction, the City will be provided a Construction and Maintenance Agreement for approval which will provide the terms for construction and ongoing maintenance of the crossing.

With the approval of the agreement, UPRR will be allowed to proceed with the design of the crossing widening. The project is anticipated to begin construction in Spring 2025.

FISCAL IMPACT:

The 23/24 Capital Improvement budget provides the funding for Engineering and Design for the East Lacey Boulevard Improvements project. The design costs for the railroad at-grade crossing design will be funded through the congestion Mitigated Air Quality grant fund (CMAQ: 0055-26720000-823619). Once approved, a Purchase Order for \$25,000 will be established that UPRR will be able to bill against on a monthly basis.

ATTACHMENTS:

1. UPRR Reimbursement Agreement - Preliminary Engineering Services

**REIMBURSEMENT AGREEMENT
PRELIMINARY ENGINEERING SERVICES**

Effective Date:

Estimate: \$25,000.00

THIS REIMBURSEMENT AGREEMENT (**Agreement**) is made and entered into as of the **Effective Date**, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (**Railroad**), and CITY OF HANFORD, CALIFORNIA (**Agency**).

RECITALS

A. Agency desires to initiate the project more particularly described on Exhibit A attached hereto (**the Project**).

B. The Project will affect Railroad's track and right of way at or near the Project area more particularly described on Exhibit A.

C. Railroad agrees to collaborate with Agency on the conceptualization and development of the Project in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Railroad, and/or its representatives, at Agency's sole cost and expense, agrees to perform (or shall cause a third-party consultant to perform on Railroad's behalf) the preliminary engineering services work described on Exhibit B attached hereto (**PE Work**). Agency acknowledges and agrees that: (a) Railroad's review of any Project designs, plans and/or specifications, as part of the PE Work, is limited exclusively to potential impacts on existing and future Railroad facilities and operations; (b) Railroad makes no representations or warranties as to the validity, accuracy, legal compliance or completeness of the PE Work; and (c) Agency's reliance on the PE Work is at Agency's own risk.

2. Notwithstanding the Estimate (**Estimate**), Agency agrees to reimburse Railroad and/or Railroad's third-party consultant, as applicable, for one hundred percent (100%) of all actual costs and expenses incurred for the PE Work. During the performance of the PE Work, Railroad will provide (and/or will cause its third-party consultant to provide) progressive billing to Agency based on actual costs in connection with the PE Work. Within sixty (60) days after completion of the PE Work, Railroad will submit (and/or will cause its third-party consultant to submit) a final billing to Agency for any balance owed for the PE Work. Agency shall pay Railroad (and/or its third-party consultant, as applicable) within thirty (30) days after Agency's receipt of any progressive and final bills submitted for the PE Work. Bills will be submitted to the Agency using the contact information provided on **Exhibit C**. Agency's obligation hereunder to reimburse Railroad (and/or its third-party consultant, as applicable) for the PE Work shall apply regardless if Agency declines to proceed with the Project or Railroad elects not to approve the Project.

3. Agency acknowledges and agrees that Railroad may withhold its approval for the Project for any reason in its sole discretion, including without limitation, impacts to Railroad's safety, facilities or operations. If Railroad approves the Project, Railroad will continue to work with Agency to develop final plans and specifications and prepare material and force cost estimates for any Project related work performed by Railroad.

4. If the Project is approved by Railroad, Railroad shall prepare and forward to Agency a Construction and Maintenance Agreement (**C&M Agreement**) which shall provide the terms and conditions for the construction and ongoing maintenance of the Project. Unless otherwise expressly set forth in the C&M Agreement, the construction and maintenance of the Project shall be at no cost to Railroad. No construction work on the Project affecting Railroad's property or operations shall commence until the C&M Agreement is finalized and executed by Agency and Railroad.

5. Neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties.

7. This Agreement sets forth the entire agreement between the parties regarding the Project and PE Work. To the extent that any terms or provisions of this Agreement regarding the PE Work are inconsistent with the terms or provisions set forth in any existing agreement related to the Project, such terms and provisions shall be deemed superseded by this Agreement to the extent of such inconsistency.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

CITY OF HANFORD, CALIFORNIA

UNION PACIFIC RAILROAD COMPANY,
a Delaware Corporation

Signature

Signature

Printed Name

Kenneth Tom
Printed Name

Title

Manager I, Engineering – Public Projects
Title

Exhibit A

Project Description and Location

Project Description

City of Hanford, CA proposes reconstruction and widening of the existing at-grade crossing location referred to below.

Location

Hanford Subdivision

DOT	Crossing Type	Milepost	Street Name
750817J	Public	227.495	Lacy Boulevard

Exhibit B

Scope of Project Services

Scope of work includes, but is not limited to the following

- Field diagnostic(s) and inspections
- Plan, specification and construction review
- Project design
- Preparation of Project estimate for force account or other work performed by the Railroad
- Meetings and travel

Exhibit C

Billing Contact Information

Name	Lisa Dock
Title	
Address	900 S 10th Avenue, Hanford, CA, 93230
Work Phone	(559) 585-2655
Cell Phone	
Email	ldock@cityofhanfordca.com
Agency Project No.	



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of two (2) Change Orders, totaling \$84,340, for East Lacey Boulevard Preliminary Engineering Services with QK to provide NEPA and Traffic Analysis services as required by new state and federal funding secured for the project.

RECOMMENDATION:

Recommendation: That the City Council, by motion,

1. Authorize a change order in the amount of \$26,050.00 to the existing Preliminary Engineering contract with QK for **Traffic Analysis** services; and
2. Authorize a change order in the amount of \$58,290.00 to the existing Preliminary Engineering contract with QK for **NEPA Analysis** services.

BACKGROUND:

On September 20, 2022, the City Council awarded the Design Engineering for East Lacey Boulevard from 10th Avenue to east of Sierra Drive to QK, Inc. for the amount of \$869,482.00. The project includes preparing plans, specifications, and estimates (PS&E) construction documents for installing curb and gutter and sidewalk within the project limits and to provide pedestrian and bicycle safety improvements. The city has received the 60% design plans, and the final construction documents are currently scheduled to be completed in December 2024.

The East Lacey Boulevard street improvements received CMAQ/Pedestrian and Bicycle Safety Improvements grants in the amount of \$544,200 for preliminary engineering. The grants are state funded and the city must follow state guidelines and processes for the project, including CEQA environmental clearance. The East Lacey Boulevard project has completed the CEQA clearance. The goal of the grant funding is to provide safety for pedestrians and bicycles along the corridor and to reduce greenhouse emissions.

In March 2024, the City received a Senate Earmark grant from Senator David Valadao in the amount of \$7.3 million for the construction of East Lacey Boulevard improvement project. This is federal funding and the city is required to follow federal project development guidelines and processes, including NEPA clearance for the project. The NEPA, like the CEQA, will analyze the roadway segment along with the railroad crossing, the basins, and any easements for environmental issues. For the city to utilize the federal earmark funding, a Federal NEPA must be completed.

NEPA Analysis (National Environmental Protection Agency) Services:

NEPA is a federal agency for environmental protection, and any time federal money is provided to a project, a NEPA environmental clearance must be approved along with any mitigation measures required. The segment of East Lacey Boulevard between 10th Avenue to east of Sierra Drive did not originally require NEPA analysis because the project was being constructed with state and local funding.

For the city to receive the federal grant monies, a NEPA must be approved for East Lacey Boulevard improvement project. The consultant has provided a cost and timeline for the environmental services which are attached for Council review (Attachment 3 and 4). Included in the cost proposal is the preparation of the NEPA document along with the presumed technical studies that will be required for the project.

With previous similar projects, Caltrans has prepared NEPA studies for Air Quality, Biological Survey, and Cultural Resources. If Caltrans prepares the studies for the East Lacey project, the cost for the technical studies would be excluded.

Per the attached proposal, the consultant will prepare a NEPA analysis along with technical studies for \$58,290.00, with additional City and Caltrans coordination performed on a Time and Materials basis. The initial NEPA submittal to Caltrans will take 8 weeks to complete. Caltrans typically processes NEPA authorization in 60 days, and may identify additional environmental studies to be completed. It is estimated that the process will take approximately 15 weeks to complete with technical studies. The project is currently anticipated to begin construction in Spring 2025.

Once the NEPA is approved, the city can apply for the Right of Way phase to begin acquiring right of way. The process to acquire right of way requires that the NEPA be approved before any conversations with property owners occur. Staff is currently in the process of preparing a Request for Proposals (RFP) for the Appraisal and Acquisition services for the project.

2. Traffic Analysis Services:

In September 2021, the City received a State of California Pedestrian and Bicycle Safety Improvements grant for preliminary engineering. The total amount of grant funding for preliminary engineering is \$544,200.00. The goal of the grant is to improve pedestrian and bicycle safety by completing sidewalks and providing other bicycle safety improvements.

Further, staff has been holding regular meetings with High-Speed Rail Authority to discuss the station improvements and progress. Since East Lacey Boulevard will serve as a connecting corridor from Downtown to the station, the City has the opportunity to make improvements to transform Lacey Boulevard into a landmark entrance and compatible to provide complete streets for all modes of transportation.

'Complete Streets' is a transportation policy and design approach that aims to make streets safe, comfortable, and accessible for all users, regardless of their mode of transportation. In 2008, AB 1358, the Complete Streets Act, required all cities and counties in California to consider all users of public streets in all future General Plan updates. (Attachment 6 and 7)

This concept encompasses a wide range of street types and design elements to accommodate pedestrians, bicyclists, motorists, and public transit users of all ages and abilities. The goal of complete streets is to create inclusive, equitable, and sustainable urban environments that promote healthier lifestyles and reduce environmental impacts.

Some key characteristics and benefits of complete streets are:

1. Pedestrian Friendly Design – Increase walkability through widened sidewalks, crosswalks, pedestrian refuge islands, and curb bulb-outs.
2. Bicycle Infrastructure – protected bike lanes or trails, bike parking, and bike signals and signs.
3. Public Transit Accessibility – convenient and safe transit stops, shelters and seating at bus stops, and accessible pathways to and from transit.
4. Traffic Calming Measures – narrower traffic lanes to slow vehicle speeds, roundabouts or traffic circles, and raised crosswalks.
5. Green Infrastructure – street trees and landscaping, and rain gardens and pavements for storm water management.
6. Universal Design Principles – accessible features for people with disabilities, and consideration for all ages including children and elderly.

The current Design Masterplans were prepared for East Lacey Boulevard from 10th Avenue to east of Sierra Driver prior to the award of PS&E design. The masterplans provided the alignment, curb and gutter preliminary grade design, and stormdrain, sewer, and water design. The masterplan design provided for an 80' curb to curb width which includes two travel lanes in each direction with a dual left median turn lane. The design provides 8' sidewalks, which is a complete streets design feature. However, with four travel lanes and a dual left turn median, there is insufficient space to accommodate bike lanes.

The City of Hanford Pedestrian and Bicycle Master Plan was adopted in January 2016. The masterplan includes the 2035 Bicycle Plan map (Attachment 5) which is attached for Council review. The map shows East Lacey Boulevard as a Proposed Class 3 Bike Route, which is a "Shared Use" type facility. The concept of complete street design provides designated bike lanes to provide additional safety to users.

Staff has considered the goal of the grant with complete streets, and determined that it is necessary to study and verify this one time opportunity to provide a complete street with East Lacey Boulevard that will allow for designated bicycle lanes and pedestrian safety improvements including bulb outs, shade trees, designated bicycle lanes and safe intersection crossings.

Performing a traffic analysis will look at future traffic patterns and volumes and may project additional right of way needs at intersections. If the analysis finds a complete street is feasible, the city will have the opportunity to provide a complete street that is safe for all modes of transportation. A traffic study needs to be conducted to determine the projected traffic capacity on East Lacey with a goal of achieving safe transportation for all users by reducing lanes and providing a raised median. Revising the 60% improvement plans would require some additional design and costs. The profile and curb alignments would not change, but safety features including curb bulb-outs, raised medians, and bicycle lanes would be incorporated into the project.

Attached for Council review is the proposal scope and cost for the Traffic Analysis (Attachments 1 and 2). QK currently has the sub-consultant JLB Traffic Engineers on the East Lacey Boulevard team to perform the services. Staff recommends that the traffic analysis services be performed to determine if designated bicycle lanes and complete street improvements can be an option on East Lacey Boulevard.

FISCAL IMPACT:

The FY 23/24 Capital Improvements Budget provides funding for the preliminary engineering phase of this project. The City has received funding from the Pedestrian Facilities ATP grant and CMAQ grant in the amount of \$544,200 for Preliminary Engineering. There is a remaining \$332,000 to cover the cost of this work.

ATTACHMENTS:

1. 1. CCO2 - Traffic Analysis Cover Sheet
2. 2. CCO2 - Scope and Cost
3. 3. CCO3 - NEPA Cover Sheet
4. 4. CCO3 - Scope and Cost for NEPA
5. 5. 2035 Bicycle Plan Map
6. 6. Complete Streets
7. 7. Incomplete Street



CITY OF HANFORD

Department of Public Works

900 South 10th Ave. • HANFORD, CA 93230-5234 • (559) 585-2550

ENGINEERING DIVISION

CONTRACT CHANGE ORDER NO. 2 REV. NO.

PROJECT East Lacey Blvd. Pedestrian Facilities Project – PS&E

SHEET 1 OF 1

TO CONTRACTOR: OK CONTRACT NO. 21800000-823619.

YOU ARE HEREBY DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES FROM THE PLANS AND SPECIFICATIONS OR DO THE FOLLOWING DESCRIBED WORK NOT INCLUDED IN THE PLANS AND SPECIFICATIONS ON THIS CONTRACT.

NOTE: THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY THE CITY.

Contract Amount: **\$869,482.90**
CCO#1 **\$49,088.36**

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES AND PRICES TO BE PAID. SEGREGATE BETWEEN ADDITIONAL WORK AT CONTRACT PRICE, AGREED PRICE AND FORCE ACCOUNT. UNLESS OTHERWISE STATED, RATES FOR RENTAL OF EQUIPMENT COVER ONLY SUCH TIME AS EQUIPMENT IS ACTUALLY USED AND NO ALLOWANCE WILL BE MADE FOR IDLE TIME.

CHANGE REQUESTED BY: City of Hanford

THE LAST PERCENTAGE SHOWN IS THE NET ACCUMULATED INCREASE OR DECREASE FROM THE ORIGINAL QUANTITY IN THE ENGINEER'S ESTIMATE.

1. Prepare a Traffic Operational Analysis Report to determine if Lacey Boulevard between 10th Avenue and Sierra Drive will operate at acceptable LOS and operations into the Cumulative Year 2046 as a two-lane collector with a center divided median, or if it will need to be a four-lane collector with a continuous TWLTL in the center as previously planned.

For a net increase of \$26,050.00.

ESTIMATED COST THIS CHANGE: **\$26,050.00**
CONTRACT TOTAL, INCLUDING THIS CHANGE **\$944,621.26**

BY REASON OF THIS ORDER THE TIME OF COMPLETION WILL BE AS FOLLOWS: **14 weeks added for Traffic Analysis**

APPROVAL RECOMMENDED, ENGINEER _____ DATE _____

APPROVED, CITY OF HANFORD _____ DATE _____

WE, THE UNDERSIGNED CONTRACTOR, HAVE GIVEN CAREFUL CONSIDERATION TO THE CHANGE PROPOSED AND HEREBY AGREE IF THIS PROPOSAL IS APPROVED, THAT WE WILL PROVIDE ALL EQUIPMENT, FURNISH ALL MATERIALS, EXCEPT AS MAY OTHERWISE BE NOTED ABOVE, AND PERFORM ALL SERVICES NECESSARY FOR THE WORK ABOVE SPECIFIED, AND WILL ACCEPT AS FULL PAYMENT THEREFOR THE PRICES SHOWN ABOVE

ACCEPTED, DATE _____ CONTRACTOR _____

BY _____ TITLE _____

IF THE CONTRACTOR DOES NOT SIGN ACCEPTANCE OF THIS ORDER, HIS ATTENTION IS DIRECTED TO THE REQUIREMENTS OF THE SPECIFICATIONS AS TO PROCEEDING WITH THE ORDERED WORK AND FILING A WRITTEN PROTEST WITHIN THE TIME THEREIN SPECIFIED.



May 24, 2024

Lisa Dock
City Engineer
City of Hanford
900 S. 10th Avenue
Hanford, CA 93230

Subject: Lacey Boulevard Widening Project Revised Cost Proposal - Lacey Road Diet

Dear Ms. Dock:

Based on our recent discussions, enclosed is an extra work proposal for traffic engineering services relating to the investigation of a long-term road diet solution for the Lacey Boulevard Widening Project from 10th Avenue to Sierra Drive for the City of Hanford.

Thank you for your continued confidence with the QK team. If you have any questions or would like to discuss this proposal further, please contact John Doyel or Jeff Cowart at (559) 733-0440. We look forward to beginning this work upon your approval.

Sincerely,

John Doyel
Project Manager/Director of Municipal Services

Jeff Cowart, PE
VP of Technical Services

Enclosure: Scope of Services and Fee Estimate

cc: John Doyel, QK

P240268/220295.03
jd/jc

Scope of Services and Fee Estimate

Lacey Boulevard Widening Project Traffic Operational Analysis Report

BACKGROUND

Quad Knopf, Inc. (dba QK) has completed 60% plan sets for the Lacey Boulevard Widening Project from 10th Avenue to Sierra Drive. During the design and preparation of these plans, the City of Hanford was able to obtain a Federal earmark for \$7.3 million. That additional funding has made the City rethink the design of East Lacey Boulevard and wishes to consider a road diet for Lacey Boulevard that would allow for one travel lane each direction, center divided median, bike lanes and parking on both sides of the street.

PROJECT DESCRIPTION AND UNDERSTANDING

The project location is East Lacey Boulevard from 10th Avenue to approximately 150 feet east of Sierra Drive. This project has received grant funding through a Federal Active Transportation Program grant (ATP). Additionally, funding for the traffic signal is through a Federal Congestion Mitigated Air Quality grant. The grant funding is for the Preliminary Engineering (PE) phase of the projects.

The Traffic Operational Analysis Report (TOAR) will analyze if Lacey Boulevard between 10th Avenue and Sierra Drive could operate at acceptable LOS and operations into the Cumulative Year 2046 as a two-lane collector with a center divided median or if it will need to be a four-lane collector with a continuous TWLTL on center as previously planned.

As part of the Project a TOAR analysis will be prepared to determine the most appropriate number of travel lanes for Lacey Boulevard while considering projected changes in traffic volumes and travel patterns. Task 1 will include Project coordination, meetings, and conference calls (if any) requested by the City, Task 2 includes the finalization of the Kings County Association of Governments (Kings CAG) Modeling request, and Task 3 would include the preparation of the TOAR.

SCOPE OF SERVICES

TASK 1.0 PROJECT MANAGEMENT

QK will coordinate all project deliverables with the City of Hanford. At the request of the City or QK, QK and the subconsultant representative will attend meetings and conference calls. It is assumed that a maximum of two one-hour meetings requested by the City will be needed and that these would be virtual meetings.

TASK 2.0 KINGS CAG MODELING REQUEST

QK and its subconsultant will review and define the traffic analysis zone (TAZ) boundaries and link segments in the Kings CAG model for the Base Year and Cumulative Year (2046) Scenarios. For the Cumulative Years 2046, Lacey Boulevard within the project limits will be modeled with two and four lanes respectively (two alternatives). A technical letter requesting the appropriate modeling will be completed and submitted to Kittelson Associates (KA) modeler for Kings CAG. This technical letter along with exhibits and tables as appropriate will identify any land use, link network, and TAZ zone modifications for all the study scenarios. It is important that the Kings CAG Model accurately reflects the link, and TAZ network within the study area under all scenarios to be analyzed. This allows the traffic consultant to accurately project changes in traffic patterns because of network changes.

Deliverables:

- Kings CAG Modeling Request

TASK 3.0 PREPARE TRAFFIC OPERATIONAL ANALYSIS REPORT (TOAR)

QK and subconsultant will perform a site visit to observe existing traffic conditions, especially during the a.m. and p.m. peak hours, existing roadway conditions, including geometrics and traffic controls, will be verified. An evaluation will be conducted of the existing and planned circulation network to include the study intersections, and roadway segments. Additional tasks will be conducted as follows:

- Forecast trip distribution will be made based on turn count information and knowledge of the existing and planned circulation network in the vicinity of the Project.
- Evaluate existing and forecast future levels of service (LOS) at the study intersection(s) and/or segment(s). HCM 6 methodologies will be utilized as appropriate to perform this analysis for the a.m. and p.m. peak hours.
- Intersection LOS will be prepared in Synchro software, while segment level of service will be performed in HCS7 software.
- Identify the cause(s) of poor level of service and proposed improvement measures (if any).

Forecast and analyze traffic volumes for the following scenarios:

1. Existing traffic conditions with needed improvements (if any);
2. Cumulative Year 2046 plus Project Alternative 1 traffic conditions with proposed improvement measures (if any); and
3. Cumulative Year 2046 plus Project Alternative 2 traffic conditions with proposed improvement measures (if any).

Peak hours to be analyzed (Tuesday, Wednesday, or Thursday only):

The AM and PM 2-hour peak periods will be determined upon collection the 24-hour volume counts. It is estimated that these will be between 7:00 to 9:00 am and between 4:00 and 6:00 pm.

1. 2 Hour AM Peak Period
2. 2 Hour PM Peak Period

Intersections proposed to be analyzed:

1. Lacey Boulevard at 10th Avenue
2. Lacey Boulevard at 9 1/4 Avenue
3. Lacey Boulevard at 9th Avenue

A queuing analysis is included in the proposed scope of work for the study intersections. Queuing will be for all study scenarios. This analysis will be utilized to recommend minimum storage lengths for left and right turn lanes at all study intersections.

Segments Proposed to be analyzed:

A segment LOS analysis will be completed for the following segments.

1. Lacey Boulevard between 10th Avenue and 9 1/4 Avenue
2. Lacey Boulevard Between 9 1/4 Avenue and 9th Avenue
3. Lacey Boulevard between 9th Avenue and Sierra Drive

Preparation of TOAR:

Based on the scope of work described above, a Draft TOAR will be prepared. The Draft TOAR will include tables and graphics summarizing the results and conclusions of the study accompanied by a technical appendix. Minor comments to the Draft TOAR can be incorporated prior to the Draft TOAR being provided to the City for its distribution within City departments for their review and comment. Revise the Draft TOAR considering the affected agency's comments from the review of the Draft TOAR and prepare a Final TOAR.

Deliverables:

- Draft TOAR in PDF format
- Final TOAR in PDF format

SCHEDULE

Task	Description	Duration
1.0	Project Management	14 weeks
2.0	Kings CAG Modeling Request	2 weeks
3.0	Prepare Traffic Operational Analysis (TOAR)	12 weeks

FEE ESTIMATE

Tasks 1.0 through 3.0 will be billed on a Fixed Fee (FF) basis as shown in the following table.

Task	Description	Fee Type	Fee Amount
1.0	Project Management	Fixed	\$2,050
2.0	Kings CAG Modeling Request	Fixed	\$9,650
3.0	Prepare Traffic Operational Analysis (TOAR)	Fixed	\$14,350
Total Estimated Fee			\$26,050

Notes:

1. Expenses for reproduction, mailing, mileage, etc. are billed separately per our attached Charge Rate Schedule.
2. All time-and-materials fees will be invoiced monthly based on the level of effort in terms of hours relative to our Charge Rate Schedule.
3. When a Task is set on a time-and-materials fee basis, it signifies that it is not possible to accurately predict the amount of work effort required typical of on-call type services. QK will work with the client to set expectations where applicable.
4. Tasks billed by fixed fees will be invoiced monthly based on the percentage of work completed.
5. Additional Services requested in writing and approved by the client will be provided on a time-and-materials basis.
6. The Fee Estimate is good for a period of 90 days from the date of the proposal. After 90 days, the Fee Estimate is subject to change.

AUTHORIZATION OF SERVICES

Services described herein will be authorized upon execution of an Amendment to the Architectural and Engineering Consultant Agreement between QK and the City of Hanford for the project. We can begin our services upon receipt of a Notice to Proceed.



CITY OF HANFORD

Department of Public Works

900 South 10th Ave. • HANFORD, CA 93230-5234 • (559) 585-2550

ENGINEERING DIVISION

CONTRACT CHANGE ORDER NO. 3 REV. NO.

PROJECT East Lacey Blvd. Pedestrian Facilities Project – PS&E

SHEET 1 OF 1

TO CONTRACTOR: OK CONTRACT NO. 21800000-823619.

YOU ARE HEREBY DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES FROM THE PLANS AND SPECIFICATIONS OR DO THE FOLLOWING DESCRIBED WORK NOT INCLUDED IN THE PLANS AND SPECIFICATIONS ON THIS CONTRACT.

NOTE: THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY THE CITY.

Contract Amount:	\$869,482.90
CCO#1	\$49,088.36
CCO#2	\$26,050.00

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES AND PRICES TO BE PAID. SEGREGATE BETWEEN ADDITIONAL WORK AT CONTRACT PRICE, AGREED PRICE AND FORCE ACCOUNT. UNLESS OTHERWISE STATED, RATES FOR RENTAL OF EQUIPMENT COVER ONLY SUCH TIME AS EQUIPMENT IS ACTUALLY USED AND NO ALLOWANCE WILL BE MADE FOR IDLE TIME.

CHANGE REQUESTED BY: City of Hanford

THE LAST PERCENTAGE SHOWN IS THE NET ACCUMULATED INCREASE OR DECREASE FROM THE ORIGINAL QUANTITY IN THE ENGINEER'S ESTIMATE.

1. Prepare National Environmental Protection Agency (NEPA) analysis on East Lacey Boulevard between 10th Avenue to east of Sierra Drive, including all basins and easement. The City of Hanford was able to obtain a Federal earmark for \$7.3 million that requires that NEPA approval be completed on the street improvement portion of the project. The NEPA analysis was not originally required on this portion of the project because it was being constructed solely with State and Local funding.

For a net increase of \$58,290.00.

ESTIMATED COST THIS CHANGE: \$58,290.00
CONTRACT TOTAL, INCLUDING THIS CHANGE \$1,002,911.26

BY REASON OF THIS ORDER THE TIME OF COMPLETION WILL BE AS FOLLOWS: **23 weeks added for NEPA (concurrent with Traffic Analysis)**

APPROVAL RECOMMENDED, ENGINEER _____ DATE _____

APPROVED, CITY OF HANFORD _____ DATE _____

WE, THE UNDERSIGNED CONTRACTOR, HAVE GIVEN CAREFUL CONSIDERATION TO THE CHANGE PROPOSED AND HEREBY AGREE IF THIS PROPOSAL IS APPROVED, THAT WE WILL PROVIDE ALL EQUIPMENT, FURNISH ALL MATERIALS, EXCEPT AS MAY OTHERWISE BE NOTED ABOVE, AND PERFORM ALL SERVICES NECESSARY FOR THE WORK ABOVE SPECIFIED, AND WILL ACCEPT AS FULL PAYMENT THEREFOR THE PRICES SHOWN ABOVE

ACCEPTED, DATE _____ CONTRACTOR _____

BY _____ TITLE _____

IF THE CONTRACTOR DOES NOT SIGN ACCEPTANCE OF THIS ORDER, HIS ATTENTION IS DIRECTED TO THE REQUIREMENTS OF THE SPECIFICATIONS AS TO PROCEEDING WITH THE ORDERED WORK AND FILING A WRITTEN PROTEST WITHIN THE TIME THEREIN SPECIFIED.



May 16, 2024

Lisa Dock
City Engineer
City of Hanford
900 S. 10th Avenue
Hanford, CA 93230

Subject: Lacey Boulevard Widening Project Revised Cost Proposal – Environmental Compliance

Dear Ms. Dock:

Based on our recent discussions, enclosed is an extra work proposal for environmental compliance services relating to the Lacey Boulevard Widening Project from 10th Avenue to Sierra Drive for the City of Hanford.

Thank you for your continued confidence with the QK team. If you have any questions or would like to discuss this proposal further, please contact Jaymie Brauer or Jeff Cowart at (559) 733-0440. We look forward to beginning this work upon your approval.

Sincerely,

Jaymie Brauer
Project Manager/Principal Planner

Jeff Cowart, PE
VP of Municipal Services & Quality Control

Enclosure: Scope of Services and Fee Estimate

cc: John Doyel, QK
Monique Mello, QK

P240268/220295.03
jb/cm/jd

Scope of Services and Fee Estimate

Lacey Boulevard Widening Project Environmental Compliance

BACKGROUND

Quad Knopf, Inc. (dba QK) has completed 60% plan sets for the Lacey Boulevard Widening Project from 10th Avenue to Sierra Drive. During the design and preparation of these plans, the City of Hanford was able to obtain a Federal earmark for \$7.3 million that requires that a National Environmental Policy Act (NEPA) approval be completed on the street improvement portion of the project. The NEPA analysis was not originally required on this portion of the project because it was being constructed solely with local funding.

PROJECT DESCRIPTION AND UNDERSTANDING

The project location is East Lacey Boulevard from 10th Avenue to approximately 150 feet east of Sierra Drive. This project has received grant funding through a Federal Active Transportation Program grant (ATP). Additionally, funding for the traffic signal is through a Federal Congestion Mitigated Air Quality grant. The grant funding is for the Preliminary Engineering (PE) phase of the projects.

Per the Caltrans Local Assistance Procedure Manual (LAPM), Preliminary Engineering work includes location and environmental studies, NEPA approval, California Environmental Quality Act (NEPA) approval, preliminary utility investigations and engineering work associated with utility relocation, preliminary design, final design (Plans, Specifications and Estimates, PS&E), and other related work including assistance with Requests for Information (RFI) and other costs of advertising leading to physical construction of a project. Preliminary Right-of-Way (R/W) activities include pre-acquisition activities such as estimating, title search, legal descriptions, and preliminary property map preparation and studies as needed for NEPA compliance.

Project Information

Street Improvements

The majority of East Lacey Boulevard does not have curb and gutter, and is striped with two lanes, dual left turn lanes, and edge lines. There are sections of East Lacey Boulevard that have existing curb and gutter that will be utilized in the final design if in good condition. Broken and cracked sections of existing curb and gutter and sidewalk will be shown to be replaced.

The street section along East Lacey Boulevard shall follow the guidance of the provided Master Plan with respect to surface grades. A Full Depth Reclamation process is desired by the City in order to utilize in place materials and reduce cost. The Contractor shall adhere to the Guide for Partial- and Full- Depth Pavement Recycling in California provided by Caltrans, Guideline: UCPRC-GL-2020-01.

There is an existing 12" water main, and other high priority facilities (i.e.: HP gas main) that are in East Lacey Boulevard. The drainage requirements along with the minimum cover requirements for pipelines shows that the profile of East Lacey Boulevard requires adjustment and raising of centerline grades in areas. The consultant will provide plans that include the reconstruction of East Lacey Boulevard, with the roadway to be replaced with a new structural section.

Storm Drain Facilities

East Lacey Boulevard is an existing arterial roadway with two travel lanes and a center dual left turn. The majority of East Lacey Boulevard does not have curb and gutter, sidewalk, or storm drainage facilities. The project will include the development of two separate storm drainage systems with new basins.

Storm Drainage System West

Storm system west includes the installation of storm drain pipeline, and the construction of a Regional Storm Drainage Basin located east of Wilson Lane and north of East Lacey Boulevard approximately 1200 feet to the approximate alignment of East Whitney Drive. The city owns the parcel that the basin will be constructed on. The

consultant shall prepare legal descriptions and exhibits for the acquisition of storm drain easements across the affected parcels.

Storm Drainage System East

Storm system east includes the installation of storm drain pipeline, and the construction of a Regional Storm Drainage Basin located on City owned property north of SJVRR/UPRR, and east of 8 3/4th Avenue alignment. The storm drain pipe on 9th Avenue going north to the basin will require a jack and bore under the SJVRR/UPRR and easements going to the east to the basin. Services will include initiating and obtaining approvals and permits for the work within the railroad right of way.

The City owns the parcel that the basin will be constructed on. The consultant shall prepare legal descriptions and exhibits for the acquisition of storm drain easements across the affected parcels.

Sanitary Sewer

The existing sanitary sewer lift station at the NW corner of East Lacey Boulevard and 9 ¼ Avenue will be abandoned, and new sewer mains will be installed from the lift station to their connection point at the existing manhole at the intersection of East Lacey Boulevard and 9th Avenue.

The project includes coordination with San Joaquin Valley Railroad/Union Pacific Railroad for crossing design and permitting for construction.

SCOPE OF SERVICES

TASK 1.0 NEPA ENVIRONMENTAL COMPLIANCE

It is anticipated that NEPA will require a Categorical Exclusion with studies. That determination will be made based on the completion of a Caltrans Preliminary Environmental Study (PES) form. Caltrans may prepare some technical memos or studies for the NEPA, but it is assumed the studies used for the IS/MND will suffice for Caltrans (they will be prepared in the Caltrans format to ensure acceptability). If additional studies such as noise study or a Phase 1 Environmental Site Assessment is required by Caltrans, the City will issue a change order to the Consultant at the time they are identified.

The environmental phase shall include NEPA approval for East Lacey Boulevard from 10th Avenue to 150 feet east of Sierra Drive, including basins and easements. Environmental clearance must be approved prior to the City performing any right of way appraisals or acquisitions.

The project area shall include all existing and proposed improvements for East Lacey Boulevard and all off site construction areas for the storm drainage improvements for the project, including identifying easements, temporary construction easements, storage areas, basins (parcel owned by City), stockpile areas, and all effected locations that could be considered in the construction of the project.

Subtask 1.1 NEPA

- i. QK will prepare the required PES form and backup documentation and provide submittal to Caltrans in an electronic format to the City. The City will make all submittals and communications with Caltrans for all phases of the project. An Inter-Agency Consultation letter and responses regarding air quality will also be prepared.
- ii. QK will prepare the necessary exhibits required to complete the PES form.

Deliverables:

- PES Form in PDF format
- Inter-Agency Consultation letter

TASK 2.0 TECHNICAL STUDIES

We assume the following studies will be required by the City for use in the NEPA document. The studies will be completed in a Caltrans acceptable format for use in the NEPA document, if required by Caltrans.

Subtask 2.1 Air Quality Study - Small Project Analysis Level (SPAL) and Health Risk Assessment (HRA)

The project falls within the criteria to be analyzed under the San Joaquin Valley Air Pollution Control District (SJVAPCD) Small Project Analysis Levels (SPAL) requirements. The SJVAPCD has established thresholds of Significance for criteria pollutant emissions, which are based on the SJVAPCD New Source Review (NSR) offset requirements for stationary sources. Using the project type, size, and number of vehicle trips, the SJVAPCD has pre-quantified emissions and determined values below which it is reasonable to conclude that a project would not exceed applicable thresholds of significance for criteria pollutants. In the interest of streamlining NEPA requirements, projects that fit the below descriptions up to the project sizes indicated both of the corresponding non-Heavy-Duty trucks (HHDT) and HHDT trip lengths, are deemed to have a less than significant impact on air quality and as such are excluded from quantifying criteria pollutant emissions for NEPA purposes.

- Conduct an extensive review of the proposed project construction and development plans such as phasing, timing, planned equipment use, current land uses of the impacted property, any projected demolition activities, grading (soil balancing, if required) and Traffic Study data.
- Select and specify mitigation measures for the proposed project that may reduce the emissions impacts. Some of these measures may require client approval prior to report finalization.
- Conduct emissions modeling to predict criteria pollutant impacts using the latest SJVAPCD and California Air Resources Board (CARB) approved modeling programs.
 - Models and emissions calculation methods that may be utilized will consist of the latest approved versions of:
 - CalEEMod;
 - U.S.EPA AP-42 emissions factors and approved calculation methods; and
 - CARB's EMFAC emissions factors for on-road vehicles.
- Review and determine the potential impacts the project may have based on the creation of, or increases in, Greenhouse Gas emissions (as identified in AB32, SB32, SB100 and SB350). This review will quantify such emissions, to the extent possible, and evaluate various methods and means that are feasible and reasonable to mitigate the potential impacts.
- Review current operations, conduct emissions modeling and determine the incremental increases in criteria pollutants and Greenhouse Gas emissions.
- Determine potential air quality impacts relative to consistency with the San Joaquin Valley Air Quality Attainment Plan.
- Determine potential air quality impacts to the local, state and federal Ambient Air Quality Standards posed by the project.
- Compare the project's predicted incremental increase emissions to the California Environmental Quality Act (NEPA) and SJVAPCD air quality thresholds for area and operational emissions as well as construction emissions impacts. A potentially significant impact to air quality, as defined by NEPA would occur if the project caused one or more of the following to occur:
 - Conflict with or obstruct implementation of the applicable air quality plan;
 - Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard;
 - Expose sensitive receptors to substantial pollutant concentrations;
 - Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people.
- Review the cumulative impacts posed on the San Joaquin Valley Air Basin based on the analysis of the proposed project in conjunction with other approved and/or planned projects within a radius established by the BPD. The proposed cumulative impacts analysis will evaluate cumulative criteria pollutant impacts as well as cumulative GHG impacts.

- Provide limited comment and technical support as needed to support the project through the initial regulatory comment period.
- Conduct a Health Risk Analysis (HRA) to predict health risks to nearest receptors based on projected impacts from Hazardous Air Pollutants. The HRA will utilize the latest SJVAPCD, CARB, and California Office of Environmental Health Hazard Assessment (OEHHA)-approved modeling programs and risk factors
 - Propose project modifications to reduce or eliminate health risks where appropriate.
- Revise the HRA based on the proposed project design changes that may reduce adverse health risk impacts.

Deliverable:

- AQIA/SPAL/HRA Report in PDF format

Subtask 2.2 *Reconnaissance Biological Survey and Letter Report*

QK biologists will conduct a survey with 100 percent visual coverage of the biological study area (project area) and a 250-foot buffer, where feasible. The survey will identify the area surrounding the project site and assess the potential for occurrence of federally listed special status plant or wildlife species, specifically bird species who may inhabit the large trees. QK biologists will complete a database search and literature review. A letter report will also be prepared that analyzes impacts to federally listed species that are known to occur in the area. The report will be submitted along with the IS/MND and used as a part of the PES package.

QK assumes that Section 7 informal consultation with United States Fish and Wildlife Service (USFWS) will not be required. We also assume that based on the results of the biological survey, there will be no impacts to federally listed species and Section 7 informal consultation with US Fish and Wildlife Service will not be required. If however, Section 7 consultation is required, a contract amendment may be required as well

Deliverables:

- Biological Resources section of the IS/MND in PDF format
- Letter Report in PDF format for PES package

Subtask 2.3 *Cultural Resources*

Under contract with QK, ASM Affiliates will assist with fulfilling the regulatory requirements for the NEPA. Archaeological fieldwork will comprise an intensive pedestrian survey of the project area of potential effect (APE). The survey will be designed to meet all professional requirements, including the Secretary of the Interior's Standards and Guidelines. A survey will be conducted at each site by a qualified archaeologist and a historical assessment of structures in the vicinity of the project will be conducted. ASM will prepare a written draft technical report that will summarize the background, research, methodology, and results of the work described above,

The Native American Heritage Commission (NAHC) will be contacted to search their Sacred Lands files and to obtain a tribal contact list. QK will prepare and send outreach letters to the tribes on the contact lists to request information they might have about tribal cultural resources within the project areas.

QK assumes that Section 106 consultation with the State Historic Preservation Office will not be required.

Deliverable:

- Cultural Resource Assessment Report in PDF format

If additional studies outside of Caltrans support are required, the City and QK will negotiate any additional costs associated.

SCHEDULE

Task	Description	Duration
1.0	NEPA Environmental Compliance*	
1.1	NEPA	8 weeks
2.0	Technical Studies**	
2.1	Air Quality Study – Small Project Analysis (SPAL) and Health Risk Assessment (HRA)	7 weeks
2.2	Reconnaissance Biological Survey and Report	2 weeks
2.3	Cultural Resources	6 weeks
3.0	Agency Coordination	Ongoing

*Upon completion of all studies.

**Upon receipt of a static project description and construction schedule.

FEE ESTIMATE

Tasks 1.0 through 3.0 will be billed on a Fixed Fee (FF) basis and Task 4.0 will be billed on a Time and Materials (T&M) basis as shown in the following table.

Task	Description	Fee Type	Fee Amount
1.0	NEPA Environmental Compliance		
1.1	NEPA	FF	\$10,120
2.0	Technical Studies		
2.1	Air Quality Study – Small Project Analysis (SPAL) and Health Risk Assessment (HRA)	FF	\$15,560
2.2	Reconnaissance Biological Survey and Report	FF	\$8,950
2.3	Cultural Resources	FF	\$17,160
3.0	Agency Coordination	T&M	\$6,500
Total Estimated Fee			\$58,290

Notes:

- Expenses for reproduction, mailing, mileage, etc. are billed separately per our attached Charge Rate Schedule.
- All time-and-materials fees will be invoiced monthly based on the level of effort in terms of hours relative to our Charge Rate Schedule.
- When a Task is set on a time-and-materials fee basis, it signifies that it is not possible to accurately predict the amount of work effort required typical of on-call type services. QK will work with the client to set expectations where applicable.
- Tasks billed by fixed fees will be invoiced monthly based on the percentage of work completed.
- Additional Services requested in writing and approved by the client will be provided on a time-and-materials basis.
- The Fee Estimate is good for a period of 90 days from the date of the proposal. After 90 days, the Fee Estimate is subject to change.

AUTHORIZATION OF SERVICES

Services described herein will be authorized upon execution of an Amendment to the Architectural and Engineering Consultant Agreement between QK and the City of Hanford for the project. We can begin our services upon receipt of a Notice to Proceed.

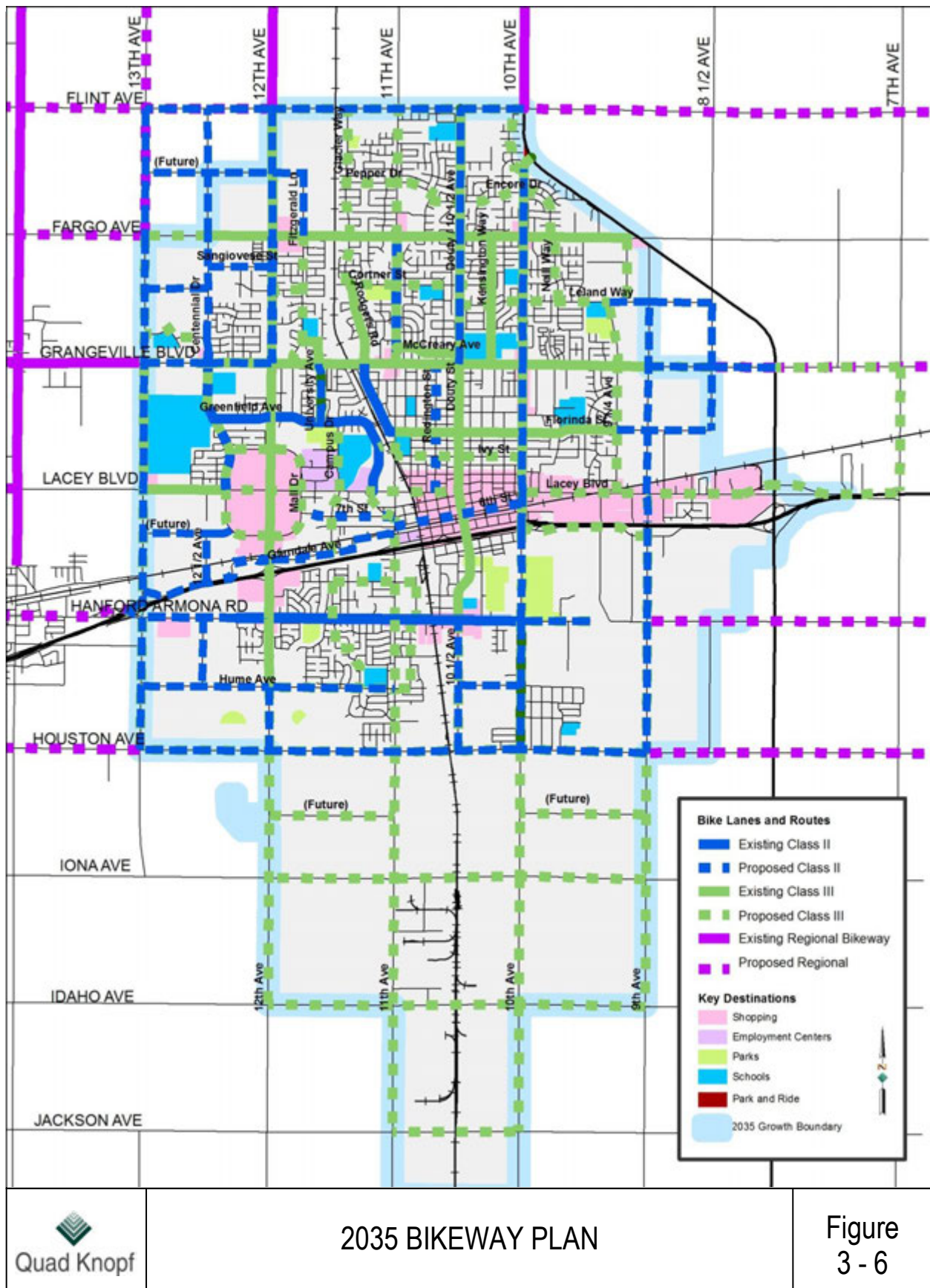


Figure
3 - 6







AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of a professional services agreement with Meeder Public Funds, Inc. to provide investment management services at an annual fee of approximately \$58,000 annually for up to five years.

RECOMMENDATION:

Recommendation: Approval of a professional services agreement with Meeder Public Funds, Inc. to provide investment management services at an annual fee of approximately \$58,000 annually for up to five years.

Recommended Motion: I move to award and authorize the City Manager to enter into a professional services agreement with Meeder Public Funds, Inc. for an annual fee of approximately \$58,000 annually for up to five years.

BACKGROUND:

The primary purpose of the City's cash is to provide residents of Hanford with services. It is the policy of the City and other like municipalities to invest public funds in a manner that will provide high investment return and with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of the public funds.

The City actively maintains its cash operating accounts (Wells Fargo) at a minimum of \$2.5 million. Operating and savings accounts make little to no interest. Cash beyond that amount is considered idle cash. In order to maximize the earnings potential on idle cash, the City utilizes government pools including the State of California LAIF, California CLASS and the Tulare County Pool. Additionally, idle cash (until spent according to budget) is used to purchase low-risk investments with registered security dealers where the highest interest rates can be sought.

The City's cash investment portfolio has increased in size over the last few years. As of the last Treasurer's report dated March 31, 2024, the portfolio was \$118.9 million as compared to \$75.1 million in the same quarter ending in 2021 (due to growth in operating reserve amounts in all funds, capital funds accumulation per Council approved Budget and Policy to establish reserves and funding for capital projects). As the City's portion of investments with registered security dealers grows, oversight and management of these accounts also increases. Oversight and management include monitoring operating accounts for idle cash to invest in, monitoring security maturities, requesting quotes, security selections, quick execution of purchases, submission of purchase authorization forms, execution of wire transfers and system input and tracking of securities.

Finance's core responsibility is to make sure the City has enough money to pay its obligations, audit and budget. While investing idle cash is an important function of the department it cannot always be

prioritized during busy seasons of the year and due to staffing restraints. When time constraints arise the easiest executions by staff are transfers to the government pools. The government pools currently have a balance of \$70 million which is the largest portion of our portfolio. Staff would continue to utilize these investment options seeking the best rate of return depending on the market, though more of the City's idle cash would be under the management of an investment advisor.

There are a few recognized firms in the industry that offer investment management services. Staff was introduced to Meeder Public Funds at a local California Society of Municipal Finance Officers-San Joaquin chapter meeting where they presented and offered insight into their operations and references to people who were also members of the local chapter.

AWARDED CONTRACTS

In the most recent three months, Meeder has competitively been awarded contracts with City of Santa Ana, City of Laguna Beach and City of Long Beach. Staff recommends award based on piggybacking off the competitive processes used recently at these other cities. Other client references include:

- County of Fresno
- Kern County
- City of Garden Grove
- City of San Ramon
- Madera County
- City of Livermore
- City of Vacaville
- City of Whittier

WHY MEEDER?

Meeder demonstrates significant experience in managing local government investments in compliance with investment policies, understands the importance of cash flow assessment, and emphasized monthly reporting that included information reports and access to real time portfolio information through a web portal.

Experience: Meeder has over half a century of managing investments. Currently manages assets of 367 public entities and has over \$150 billion dollars of assets under advisement. The Meeder team has significant experience in managing public entity portfolios, with Portfolio Managers averaging more than 18 years of experience in the fixed income markets managing the portfolios of public entities

Holistic Approach: The Meeder team will work with the City to take a holistic approach to the investments of its funds, focusing on its entire financial picture, reviewing the City's cash flow, and offering recommendations on all aspects of the City's treasury management process.

Trusted Advisors: Meeder's goal is to be the City's trusted advisor and Meeder is available for the City in all aspects of its treasury management program, not just the investment of its funds. Other services include:

- Investment Policy Review
- Cash Flow Analysis/Modeling
- Monthly Reporting and Review
- Compliance Monitoring
- Credit Research
- Banking and Custody

Outsourcing the Management of City Investments:

It allows for several compelling advantages.

Expertise and Specialization- Outsourcing allows cities to tap into the expertise of professional investment managers who specialize in managing portfolios. These experts stay updated on market trends, risk management strategies, and investment opportunities. By outsourcing, cities can access a broader range of investment products and strategies that may not be feasible to manage in-house. Although staff invest idle cash as soon as possible, availability is limited in managing investments for the highest returns that may be possible.

Improved Investment Solutions- Outsourcing advisors often deliver better investment solutions due to specialized knowledge and resources of external investment managers. The City can benefit from customized investment strategies tailored to specific financial goals and risk tolerance.

Risk Management- Professional investment managers actively monitor and manage risks associated with investments. They diversify portfolios, conduct due diligence, and adjust strategies as needed. Outsourcing helps cities mitigate risks and adhere to regulatory requirements.

Cost Efficiency- While outsourcing investment management incurs fees, these costs are often outweighed by the potential benefits of improved investment performance and risk management. Staff believes that will be realized.

Compliance and Regulatory Oversight- Investment firms are subject to stringent regulatory oversight and compliance requirements, ensuring that they operate within the bounds of the law and adhere to industry best practices. By partnering with a reputable investment firm, the City can enhance transparency and accountability in its investment practices, reducing the risk of regulatory violations and reputational damage.

PRICING (EXHIBIT A)

Meeder's annual advisory fees are asset-based and are on a tiered schedule.

Assets Under Management	Investment Advisory Fee
\$0-\$25,000,000	0.09%
\$25,000,000-\$50,000,000	0.07%
\$50,000,000-\$100,000,000	0.05%
Over \$100,000,000	0.03%

For example, if the City had \$85 million of assets under management with Meeder, the total annual fees would be approximately \$57,366. The City expects Meeder to provide a greater portfolio return than the City currently earns, offsetting the fees to be paid. For example, based on current portfolio allocation and current interest rates versus Meeder's proposed allocation, it would provide an approximate return of \$1,000,000. After fees are paid, the City could expect approximately \$942,634 more in return than it would have earned otherwise. In fiscal year 2023 interest income earned was approximately \$1.7 million based on lower rates and passive monitoring. Meeder has included an example of the City's portfolio as is with static interest rates versus how they would reposition our portfolio to give an "apples to apples" comparison of the benefits.

Additionally, staff has negotiated three years' worth of fee credits based on management of assets which were already purchased with current brokers. Year 1- \$15,000 total credit, Year 2- \$8,500 total credit, and Year 3- \$2,500 total credit. With credit included, Year 1 annual fees would be further reduced to approximately \$42,366. Pricing is competitive with other firms.

Most importantly, the contract allows the City to end the agreement at any time with a 30-day written notice. Advisory fees would cease at that point in time. The City has the ability to "try" the services without being required to lock into a year's long contract with no way out.

Based on staff's thorough analysis, cost-benefit and overall services received, we believe that the City outsourcing the management of the City's investment portfolio will maximize investment returns in a safe and beneficial way for the City.

FISCAL IMPACT:

Based on allocation of earnings across all funds offset by investment earnings. Staff anticipates a greater gain to interest income which would more than offset management fees. This is a net zero impact to the General Fund.

ATTACHMENTS:

1. Exhibit A
2. MPF Investment Management Agreement

Current		
Investment	Rate	Balance
LAIF	4.31%	\$22,701,801
Tulare County Pool	3.24%	\$47,425,712
Brokerage Account	3.54%	\$29,731,983
Total Yield	3.54%	\$99,859,496
Estimated Net Interest Income		\$3,567,553



Meeder Sample		
Investment	Rate	Balance
CLASS	5.41%	\$15,127,513
Meeder	4.99%	\$55,000,000
Brokerage	3.54%	\$29,731,983
Total Yield	4.62%	\$99,859,496
Management Fee Estimate (First Year) \$15,000 Credit	.05%	\$42,366
Estimated Net Interest Income		\$4,573,045

Estimated Fee's Year 2 nd and 3 rd Year		
Management Fee Estimate (Second Year) \$8,500 Credit	.058%	\$48,866
Management Fee Estimate (Third Year) \$2,500 Credit	.065%	\$54,866



Investment Management Agreement

Meeder Public Funds

This Investment Management Agreement ("Agreement") is effective as of the date executed by and between Meeder Public Funds, Inc. ("Meeder"), its applicable affiliates, and the undersigned account owner ("Client").

1. **Investment Management Services.** Under this Agreement, Meeder provides discretionary investment management services for public entity clients in accordance with the terms of the applicable state investment code and investment policy.

2. **Appointment.** Client appoints Meeder as discretionary investment manager to manage the assets deposited in any account subject to the terms of this Agreement ("Account"). Meeder accepts the appointment as investment manager and shall invest, reinvest and manage the securities, cash and other assets of the Account subject to any Investment Policy Statement provided by Client. Meeder shall provide advice only with respect to assets in the Account and shall have no responsibility for the actions or non-actions of predecessor investment advisors or for the management of assets other than the assets allocated to the Account.

3. **Trading Authorization.** Client grants Meeder discretionary trading authority and appoints Meeder as agent and attorney-in-fact with respect to investments in the Account. Meeder may direct the purchase, sale, exchange, conversion, delivery or other acquisition or disposition of securities and other investments in the Account and act on behalf of Client in all other matters incidental to the handling of Account investments, all without prior consultation with Client.

4. **Custody.** Meeder will not assume physical custody of the Account or any portion of it. Client shall establish a custodial account with a qualified custodian ("Custodian"). Client will receive from the Custodian account statements and confirmations identifying assets and transactions in the Account. All transactions will be consummated by payment to, or delivery by, the Custodian of all cash, securities and other assets due to or from the Account. The Custodian shall be responsible for investing any daily cash balances in the Account and Meeder will not exercise discretion to select sweep vehicles for the Account.

5. **Investment Objectives and Restrictions.** Client may provide Meeder with an Investment Policy Statement or other written directions setting forth the investment objectives and any specific investment restrictions or limitations which govern the Account. Meeder shall be entitled to rely on such guidelines, objectives and restrictions relating to the Account as it may receive from Client. It is Client's responsibility to inform Meeder in writing of any changes or modifications to these directions, which shall be given ten days in advance of any such change.

6. **Brokerage.** Unless otherwise directed, Meeder will place trades for the Account through such brokers or dealers as it may select. When selecting brokers, Meeder's primary consideration will be the broker's ability to provide best execution of trades and Meeder may consider the quality and reliability of the brokerage services, trade price and commission, as well as research and other services provided by the broker-dealers.

7. **Trade Aggregation.** Meeder may aggregate trades for multiple clients when, in the adviser's judgment, aggregation is in the best interests of the clients involved. Orders are aggregated to facilitate best execution and allocate equitably among clients the effects of any market fluctuations that might have otherwise occurred had these orders been placed independently. Where it is not possible to obtain the same execution price for all securities purchased or sold on an aggregated basis, Meeder may allocate trades equitably among its clients using the average execution price.

8. **Fees.** For the services provided in accordance with this Agreement, Client will pay an investment advisory fee as indicated on Schedule A to this Agreement. Investment advisory fees do not include custody fees charged by Client's selected Custodian. Where Client has elected to have fees deducted, Client authorizes the Custodian to deduct fees from the Account and pay them to Meeder.

9. **Promoter Arrangements.** Meeder accepts Clients referred through unaffiliated third parties ("Promoters") and may pay cash compensation for the endorsement of Meeder's services, which provides the Promoter with an incentive to refer clients. Clients will not incur any additional fees for being referred to Meeder by a Promoter. Clients that engage Meeder as their investment adviser as a result of a referral by a Promoter will receive a written Promoter disclosure statement describing the nature and terms of the arrangement, including the amount payable to the Promoter.

10. **Local Government Investment Pools.** Where appropriate, Meeder may recommend the use of local government investment pools in which Meeder or one of its affiliates earn advisory and/or administration fees. Assets placed in these pools are not included among eligible assets when calculating the investment advisory fee. Because Meeder or its affiliates receive fees in connection with programs we sponsor or recommend, use of these programs presents a conflict of interest.

11. **Third-Party Payments.** Meeder or its affiliates receive compensation from unaffiliated third parties for endorsing or recommending certain financial products to its clients. This arrangement presents a conflict of interest because it provides Meeder with an incentive to solicit and secure participation in the program. Asset based advisory fees are not charged for assets invested in products that pay indirect compensation to Meeder.

12. **Proxy Voting.** Meeder does not accept or assume authority to vote proxies for its public fund clients. Clients will receive their proxies or other solicitations directly from their Custodian. Client agrees that Meeder will not advise or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of such securities.

13. **Electronic Delivery.** Client consents to electronic delivery of all documents from Meeder, including but not limited to a copy of the executed Agreement, statements, confirmations, Meeder's Form ADV Part 2 and amendments thereto, and other general communications delivered to Client's electronic mail address of record. Delivery of communications to Clients in this fashion will be deemed effective unless Meeder is notified otherwise. Client is responsible for maintaining an accurate and up to date email address and to ensure that Client at all times has the ability to receive communications directed in this manner.

14. **Confidentiality.** All information and advice furnished by either party to the other, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as otherwise required by law or as agreed to in writing by Client. Notwithstanding the foregoing, Client consents to the use of Client's name in sales and marketing material used by Meeder or its affiliates solely for the purpose of identifying the Client as an investment advisory client.

15. **Services to Other Clients.** Client understands that Meeder serves as investment adviser for other clients and will continue to do so. Client also understands that Meeder, its personnel and affiliates ("Affiliated Persons") may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. Meeder is not obligated to buy, sell or recommend for Client any security or other investment that Meeder or its Affiliated Persons may buy, sell or recommend for any other client or their own accounts.

16. **Meeder's Representations.** Meeder represents that it is a registered investment adviser under the Investment Advisers Act of 1940.

17. **Client's Representations.** Client represents and acknowledges that: (i) Client is the sole owner of the Account assets and has full power and authority to enter into this Agreement and to commit the assets to Meeder's management and supervision; (ii) that the person signing this Agreement on behalf of Client is authorized and empowered to establish accounts and commit the assets to Meeder's management and supervision on the entity's

behalf; (iii) Client has received Meeder's current Form ADV, Part 2A and B; and (iv) Client has received a copy of Meeder's Privacy Policy.

18. **Term.** This Agreement may be terminated by either party for any or no reason upon delivery by first class U.S. mail, postage prepaid, or delivery by hand, of a written "Notice of Termination" to the other party at least thirty (30) days prior to the date of the intended early termination of this Agreement. Termination of this Agreement will not affect the status, obligations or liabilities of the parties to this Agreement that arose prior to such termination.

19. **Limitation of Liability.** Except for negligence, malfeasance or violation of applicable law, neither Meeder nor its officers, directors or employees shall be liable to Client for any action performed, or omitted to be performed, or for any errors of judgment in managing the Account. Nor shall Meeder be liable to Client for any act or failure to act by any other third party. The federal securities laws impose liabilities under certain circumstances on persons even when they act in good faith. Therefore, nothing in this Agreement shall in any way constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.

20. **Assignment.** This Agreement may not be assigned by either party without the consent of the other party. Meeder will provide Client at least thirty (30) days prior written notice of any proposed assignment, and Client's consent will be presumed unless Client notifies Meeder otherwise in writing prior to the date of the assignment indicated on the notice.

21. **Amendment.** This Agreement may be amended by Meeder with thirty (30) days prior written notice to Client and may be amended immediately upon notice to the extent reasonably required to satisfy federal or state regulatory requirements. Notwithstanding the provisions of Section 18 of this Agreement, Client may terminate this Agreement immediately upon written notice if Client finds an Amendment to this Agreement to be unacceptable.

22. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Ohio without giving effect to any conflict or choice of law provisions of that State.

23. **Severability.** If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect.

24. **Affiliates.** To the extent necessary to carry out the terms of this Agreement, any named affiliate of Meeder shall be deemed to be a party to the Agreement for that purpose.

25. **Insurance.** Meeder shall maintain insurance consistent with the requirements set forth on Schedule B to this Agreement,

26. **Attorneys' Fees.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other reasonable relief to which he may be entitled.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or agents to become effective as of the day and year first written above.

MEEDER PUBLIC FUNDS, Inc.

CLIENT

BY

TITLE

SIGNATURE

DATE

BY

TITLE

SIGNATURE

DATE

Meeder Public Funds

Schedule of Fees

This schedule sets forth the standard annual investment advisory fee applicable to the Account under this Agreement. The schedule is tiered and each tier of assets under management will be assessed at the rate set forth in the schedule.

Discretionary Accounts	
Assets Under Management	Annual Advisory Fee
Up to \$25,000,000	0.09%
\$25,000,000 - \$50,000,000	0.07%
\$50,000,000 - \$100,000,000	0.05%
Over \$100,000,000	0.03%

Investment advisory fees are subject to a minimum fee of \$10,000 per year. Fees are calculated and billed monthly in arrears based on the value of the securities, cash and other assets in the account at the end of the billing period. Unless otherwise agreed, fees are deducted directly from the Account.

Meeder agrees to reduce the monthly fee by \$1,240 per month in year 1, \$709 per month in year 2, and \$209 per month in year 3.

Schedule B – Insurance Requirements

a. Meeder, at Meeder's own cost and expense, shall procure and maintain, for the duration of this Agreement, the following insurance policies.

i. Workers Compensation Coverage. For employees working in California, workers compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

ii. Commercial General Liability (CGL) Coverage. Insurance Services Office (ISO) Form CG 0001, including products and completed operations, with a limit of no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, and a general aggregate limit of no less than FOUR MILLION AND NO/100 DOLLARS (\$4,000,000).

iii. Professional Liability Coverage. Meeder will maintain Professional Liability coverage with limits no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence or claim, and TWO MILLION AND NO/100 DOLLARS (\$2,000,000) policy aggregate.

iv. Commercial Crime Coverage. Meeder will maintain Commercial Crime insurance that shall include the following coverages or their substantial equivalents: employee dishonesty and theft, forgery or alteration, and computer fraud and funds transfer fraud. Meeder's commercial crime policy shall have minimum combined limits of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence; however, coverage limits shall not be less than a minimum amount of four percent (4%) of the total amount of consideration set forth under this Agreement. Meeder shall submit an applicable Certificate of Insurance (ACORD 25) to City. City will be named as loss payee on Meeder's Commercial Crime policy.

If Meeder maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Meeder.

Meeder's insurance policies shall be "occurrence" policies and not "claims-made" coverage except for Professional Liability Coverage. "Claims-made" policies must satisfy the following requirements: (i) the retroactive date of coverage must be shown and must precede the effective date of this Agreement; (ii) coverage shall be maintained and evidence of coverage must be provided for at least five (5) years after completion of the Agreement work; and (iii) if coverage is canceled or non-renewed and not replaced with another claims-made policy form with a retroactive date preceding the Agreement effective date, Meeder must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

Meeder may maintain an Umbrella policy in conjunction with the insurance policies referenced above. In such case, Meeder shall be deemed to have satisfied the insurance requirements of this Agreement as long as: (i) the coverage limits of the Umbrella policy and of the underlying liability policy(ies), when combined, satisfy each of the per occurrence and aggregate requirements identified in this section; and (ii) coverage under the Umbrella policy is as broad as and includes all incidents and events covered by the underlying insurance that it supplements.

b. Any deductibles or self-insured retentions must be declared to and approved by City.

c. The policies are to contain, or be endorsed to contain, the following provisions:

i. City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL coverage with respect to liability arising out of work or operations performed by or on behalf of Meeder including materials, parts, or equipment furnished in connection with such work or operations; products used by Meeder. General liability coverage can be provided in the form of an endorsement to Meeder's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33 or CG 20 38 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to City and its officers, officials, employees or volunteers.

ii. For any claims related to this Agreement, Meeder's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as to City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City and/or its officers, officials, employees, or volunteers shall be in excess of Meeder's insurance and shall be non-contributory.

iii. Each insurance policy required above shall provide that coverage shall not be modified or canceled, except with notice to City.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Meeder shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Meeder's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

d. Meeder hereby grants to the City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of Meeder may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Meeder agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Presentation of the Report on the City of Hanford's Audit of the Financial Statements for the year ending June 30, 2023 (Fiscal Year 2023)

RECOMMENDATION:

Recommendation: Staff recommends that City Council review the Report on the Audit of Financial Statements from Rogers, Anderson, Malody and Scott, LLP, for the year ended June 30, 2023 (Fiscal Year 2023).

Recommended Motion: This is an informational item, no action is required.

BACKGROUND:

State law requires the City of Hanford to prepare audited financial statements for each fiscal year. The City is engaged in its first year of its agreement with Rogers, Anderson, Malody and Scott, LLP (RAMS) for preparation of financial statements with an independent auditor's report. The City received an unqualified opinion (clean) in relation to the 2022/2023 financial statements for the fiscal year ending June 30, 2023 by its' independent auditors RAMS.

The audit can be summarized as follows:

- Auditors have issued an unqualified opinion (clean)
- Financial condition of the General Fund improved (due to one-time revenues and budget savings)
- Enterprise Funds show there potential need for rate adjustments
- General Fund Reserve at approximately 22% of General Fund Budgeted Expenditures

Since 2020, the City Council (Council) has established some key financial policies to improve the financial condition of the City. The policies as memorialized in Resolution 2020-29-R and 2022-20-R look to:

- Adopt a balanced budget
- Establish General Fund Reserve of 35% for operating reserves and contingency reserve for fiscal emergencies
- Minimum 15% reserves in proprietary and internal service funds unless other requirements exist

For the fiscal year 2022/2023 (FY23) the City Council passed a balanced budget. The General Fund last year grew to near a 22% reserve and generally, fund balances were positive in FY23. Auditor identified issues or concerns regarding internal control or reporting are outlined 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.

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.

The City had no material weaknesses or deficiencies identified in FY23.

In the Management Letter on Internal Control, there was one recommendation listed as 'Finding 1- Payroll':

Finding 1- Payroll

Condition and context:

During our audit, we noted that there was a lack of segregation of duties in the City's accounting process over pay rates and lack of documentation of preparer and reviewer process over payroll registers. Proper segregation of duties dictate that the functions of recording, authorization, custody and execution are not dominated by one individual. Adequately segregated duties and proper documentation help to reduce the possibility of fraud and defalcations from occurring and to ensure the integrity of the information provided by the City's financial reporting system.

Recommendation:

In order to provide greater controls over this area, we suggest that someone outside the payroll process input payrate changes into the payroll system and individuals in charge of processing and finalizing payroll sign and date payroll registers as proof of review.

Management Response was:

Management concurs with this recommendation and will immediately implement segregation of duties by requiring someone outside the payroll process will input or verify salary changes in the system each pay period. Additionally, an outside review of the payroll register prior to finalization will be added as a standard procedure. This will add greater internal control over payroll registers in addition to a second staff person in the Payroll Division that occurred this fiscal year to mitigate control one person could have.

Table A "Governmental Fund Financial Results" below, summarizes how these funds performed and a snapshot of their conditions as of June 30, 2023. The General Fund shows just over \$10 million in fund balance, most of which is unrestricted and available for Council's use. A portion of this increase is due to a change in revenue accounting as of this fiscal year recognizing sales tax revenues from May/June that were received in July/August 2023, for many years prior these revenues would have been recognized in the subsequent fiscal year. This indicates the increase in General Fund unrestricted fund balance is partially due to one-time revenue adjustment. This represents an approximate 22% reserve, based on General Fund expenditures for FY24. Staff recommends continuing building this reserve back up to reach the minimum 35% goal, through careful consideration of excess spending from General Fund available balance and limiting special projects in the General Fund.

(In Thousands)

Fund	Net Income (Loss)	Available Fund Balance	Growing	Comment
General Fund	4,941	10,214	Yes	Due to budget savings, one-time revenues
Accumulated Capital Outlay (ACO) Fund	(789)	2,821	No	Funds spent are from approved capital projects. Funding will be transferred in from General Fund or Other Funds as directed by Council's Reserve Policy or as otherwise directed by Council for approved capital projects.
Housing	421	20,824	Yes	Restricted: Revenues from new grants, loan payoffs and loan payments (CDBG, HOME, City Housing and Housing Successor). Approximately \$18.5 million in loans
Transportation and Other Funds	3,928	19,811	Yes	Restricted Funds: Non-Major Funds includes Transportation (TDA), Gas Tax, Transportation Impact Fee (TIF) and Other Funds

Page 134 of 410

TABLE B:				
Proprietary (Business Type) Funds Financial Results, 2022/2023				
(In Thousands)				
Business Type:				
Fund	Net Income (Loss)	Available Fund Balance	Growing	Comment
Water	3,102	19,201	Yes	There are significant capital needs, staff will continue to monitor. Rate study has been conducted for sustainability. Council approved rate adjustments in 2024.
Wastewater	341	5,904	Yes	There are significant capital needs and debt ratio not met for revenues over expenditures. Rate study has been conducted for sustainability. Council approved rate adjustments in 2024.
Storm Drain	1,342	5,456	Yes	There are significant capital needs, staff will continue to monitor and conduct rate study for sustainability.
Refuse	(759)	1,109	No	A rate study was completed late 2022 and rate adjustments approved. Time is needed to build up fund balance to be able to purchase more capital/equipment, large purchases were made in FY23.
Airport/Intermodal/ Courthouse	38	(1,412)	Yes/No	There are significant operational and capital needs, staff will continue to monitor and review rates and operations for sustainability and payment of past debts to other funds. Courthouse is in operational loss (not growing).
Enterprise Sub Total	4,064	31,671		
Internal Service	375	25,029	Yes	These funds should slowly grow. The funds should satisfy reserve policy and liabilities in addition pay for insurances, fleet, computer systems 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, operational efficiencies, cost recovery, and minimize staffing additions. In order to maintain long-term planning goals, financial resources must be accounted for and set aside in order to fulfill Council goals.

Staff will be working in the upcoming two-year budget to adequately address the financial needs of the City and work with the Council on adoption of a balanced and sustainable budget.

City Council has in place a comprehensive Reserve and Pension Funding Policy (Resolution 2022-20-R) which will continue to help the City year by year improve its financial standing. It is important to keep in mind, there are significant demands on the General Fund and costs to operate the City continue to increase. Current budget projections do not show huge increases in revenues in upcoming years, which will limit efforts of the City to build up reserves, take care of deferred capital needs or increase services. To address deferred capital needs or increase services, other revenue will be needed or a significant amount of time to accumulate funding.

FISCAL IMPACT:

This item is informational, there is no fiscal impact from this report. It is an accomplishment for the City at FY23 to now have a 15% operational reserve (about \$6.5 million). In accordance with adopted Reserve Policy in Resolution 2022-20-R no additional funds will be transferred to capital funds or

internal service funds as the General Fund is not at its 35% reserve. Based on the FY24 updated budget, the General Fund reserve will be at approximately 22%. Council's adopted goal is 35% (15% in operating reserve and 20% in Contingency Reserve), of which the City has made progress in FY23 primarily due to having a balanced budget and one-time revenue/revenue adjustment.

ATTACHMENTS:

1. Financial Statements with Independent Auditors Report Fiscal Year 2023 (PDF)

City of Hanford, California

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared by the Hanford Finance Department

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TABLE OF CONTENTS

List of Principal Officials	i
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
Statement of Net Position	22
Statement of Revenues, Expenses and Changes in Fund Net Position	24
Statement of Cash Flows	26
Fiduciary Funds:	
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to the Financial Statements	32
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios	81
Schedule of the City's Proportionate Share of the Net Pension Liability	82
Schedule of Plan Contributions	83
Schedule of Changes in Total OPEB Liability and Related Ratios	84
Schedule of Contributions - OPEB	85
Budgetary Comparison Schedules (GAAP Basis):	
General Fund	86
CDBG Home/Housing Fund	87
Transportation Development Act Fund	88
American Rescue Plan Act Fund	89
Notes to Budgetary Comparison Required Supplementary Information	90

TABLE OF CONTENTS, (Continued)

Supplementary Information Section:

Non-Major Special Revenue Governmental Funds:	
Combining Balance Sheet	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual (GAAP Basis):	
CMAQ Transportation Fund	99
Park Impact Fees Fund	100
Parking Fund	101
Downtown Reinvestment Fund	102
Landscaping Assessment District Fund	103
City Housing Fund	104
Central Parking and Business Improvement Fund	105
Fire Protection Impact Fee Fund	106
Police Protection Impact Fees Fund	107
Special Aviation Fund	108
Traffic Safety Fund	109
Street Tree Committee Fund	110
State Gas Tax Fund	111
Public Housing Authority Fund	112
Transportation Impact Fees	113
Cannabis Operations Fund	114
Capital Projects Fund	115
Internal Service Funds:	
Combining Statement of Net Position	116
Combining Statement of Revenues, Expenses and Changes in Net Position	118
Combining Statement of Cash Flows	120
Custodial Funds:	
Combining Statement of Fiduciary Net Position	122
Combining Statement of Changes in Fiduciary Net Position	123

CITY OF HANFORD
PRINCIPAL CITY OFFICIALS
JUNE 30, 2023

CITY COUNCIL

<u>NAME</u>	<u>POSITION</u>
Travis Paden	Mayor
Mark Kairis	Vice Mayor
Diane Sharp	Council Member
Kalish Morrow	Council Member
Lou Martinez	Council Member

ADMINISTRATION

Mario Cifuentez	City Manager
Griswold, LaSalle, Cobb, Dowd & Ginn, LLP City	Attorneys
Natalie Corral	City Clerk
Christopher Tavarez	Treasurer/Finance Director
Steve Pendergrass	Fire Chief
Jason Waters	Community Development Director
Parker Sever	Police Chief
James Ross	Public Works Director
Bradley Albert	Parks and Community Services Director
Sarah Cardoza	Human Resources Manager

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Terry P. Shea, CPA (Partner Emeritus)

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Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hanford (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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Other Matters

As discussed in Note 1 to the financial statements, in the year ended June 30, 2023, the city adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based IT Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including the management's discussion and analysis and the schedules listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 nonmajor fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024 on our consideration of the City of Hanford'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 City of Hanford's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
May 20, 2024

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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, 2023. 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 and deferred outflows of the City exceed its liabilities and deferred inflows at the close of the most recent fiscal year 2023 by \$349.9 million. Of this amount, about \$29.8 million in unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors.
- As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$65.1 million.
- Approximately 15% of the combined governmental fund balances is considered available for spending at the City's discretion.
- As of June 30, 2023, unassigned fund balance in the General Fund was \$10.2 million, or 25.2% of total General Fund Expenditures.
- The City's total debt decreased by \$3.9 million during fiscal year 2023, which is due to the normal maturity of debt in the water system, the wastewater system, the citywide solar energy system, and the Pension Obligation Bond.
- The following pension liabilities totaling \$23,317,736 are included in the financial statements as required by generally accepted accounting principles: General Government \$18,241,132; Water System Enterprise \$1,774,071; Wastewater Enterprise \$1,054,821; Storm Drainage \$193,644; Refuse Enterprise \$1,689,878; Computer Maintenance \$86,305; Building \$55,320; and Fleet Management \$222,565.

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 generally accepted accounting principles. 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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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.

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 reports 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 Community Services, 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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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, 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 governmental operation 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.

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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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 \$349,891,236 at the close of the 2022-2023 fiscal year.

By far, the largest portion of the City's net position, 85%, 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 the 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.

Of the total current assets totaling \$121,691,758, approximately 90.1% or \$109,673,796, 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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current assets	\$ 72,898,212	\$ 71,598,372	\$ 48,793,546	\$ 61,023,629	\$ 121,691,758	\$ 132,622,001
Capital and non-current assets (net of depreciation)	183,061,930	174,167,728	141,608,046	137,293,785	324,669,976	311,461,513
Total Assets	255,960,142	245,766,100	190,401,592	198,317,414	446,361,734	444,083,514
Deferred outflows of resources	23,984,845	38,670,202	4,251,547	6,437,228	28,236,392	45,107,430
LIABILITIES						
Current and other liabilities	16,763,306	28,194,878	6,912,906	1,686,955	23,676,212	29,881,833
Long-term liabilities	52,567,500	61,959,410	32,258,119	35,366,451	84,825,619	97,325,861
Total Liabilities	69,330,806	90,154,288	39,171,025	37,053,406	108,501,831	127,207,694
Deferred inflows of resources	15,349,043	16,624,319	856,016	17,192,813	16,205,059	33,817,132
NET POSITION						
Net investment in capital assets	155,203,294	153,865,284	141,608,046	104,136,670	296,811,340	258,001,954
Restricted	23,285,547	44,531,429	4,743	2,379	23,290,290	44,533,808
Unrestricted	16,776,297	(20,739,018)	13,013,309	46,369,374	29,789,606	25,630,356
Total Net Position	\$ 195,265,138	\$ 177,657,695	\$ 154,626,098	\$ 150,508,423	\$ 349,891,236	\$ 328,166,118

An additional portion of the City's net position of \$23,290,290 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$29,789,606, 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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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, 2022 to June 30, 2023, the net position of the City as a whole increased, largely due to no extraordinary item expenses.

STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for services	\$ 6,491,551	\$ 6,167,249	\$ 26,733,436	\$ 27,232,541	\$ 33,224,987	\$ 33,399,790
Operating grants and contributions	8,160,718	6,605,894	-	-	8,160,718	6,605,894
Capital grants and contributions	15,030,908	4,859,791	5,154,104	-	20,185,012	4,859,791
General Revenues:						
Taxes	35,952,073	34,074,206	-	-	35,952,073	34,074,206
Investment earnings	976,872	(1,088,261)	871,114	(643,781)	1,847,986	(1,732,042)
Other revenues	403,833	89,960	2,384,559	2,931,612	2,788,392	3,021,572
Lease revenue	-	-	193,373	610,805	193,373	610,805
Total Revenues	67,015,955	50,708,839	35,336,586	30,131,177	102,352,541	80,840,016
EXPENSES						
Governmental Activities:						
General government	8,647,803	6,839,279	-	-	8,647,803	6,839,279
Public safety	36,761,886	21,556,505	-	-	36,761,886	21,556,505
Public works	4,151,802	4,644,058	-	-	4,151,802	4,644,058
Parks and recreation	4,163,652	3,280,139	-	-	4,163,652	3,280,139
Community development	2,468,828	2,248,980	-	-	2,468,828	2,248,980
Interest expense	1,140,021	-	-	-	1,140,021	-
Business-type Activities:						
Water system	-	-	10,805,234	8,418,232	10,805,234	8,418,232
Wastewater system	-	-	7,127,609	5,776,311	7,127,609	5,776,311
Storm drain	-	-	1,624,217	945,288	1,624,217	945,288
Refuse	-	-	10,388,974	9,019,863	10,388,974	9,019,863
Airport	-	-	671,372	769,767	671,372	769,767
Intermodal	-	-	56,589	49,616	56,589	49,616
Courthouse square	-	-	63,436	97,270	63,436	97,270
Total Expenses	57,333,992	38,568,961	30,737,431	25,076,347	88,071,423	63,645,308
Increase in Net Position Before Transfers	9,681,963	12,139,878	4,599,155	5,054,830	14,281,118	17,194,708
Transfers	(243,210)	(924,456)	243,210	924,456	-	-
Loss on lease termination	-	-	(724,690)	-	(724,690)	-
Extraordinary Item:						
Settlement expenditures	-	(12,500,000)	-	-	-	(12,500,000)
Change in Net Position	9,438,753	(1,284,578)	4,117,675	5,979,286	13,556,428	4,694,708
Net Position, Beginning of Year, Restated	185,826,385	178,942,273	150,508,423	144,529,137	336,334,808	323,471,410
Net Position, End of Year	\$ 195,265,138	\$ 177,657,695	\$ 154,626,098	\$ 150,508,423	\$ 349,891,236	\$ 328,166,118

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

The City's revenue totaled \$102,352,541 with 32.5% generated from charges for services and 35.1% generated from taxes. The largest source of revenues in governmental activities comes from taxes at 53.6%. 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 75.7%. The Business-Type Activities include enterprise fund operations, such as Water, Sewer, Refuse, Storm Drain, 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 \$88,071,423. The two largest categories of expenses in governmental activities are public safety, which represents 41.8% of total costs, and general government, which represents 9.8% of total costs. However, in relation to Governmental Activity totals only, public safety makes up 64.1% of the total and general government makes up 15.1% 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 increased by \$17,607,443, or 9.6% due to no large extraordinary item expenses. In the funds included within the Business-Type Activities category, net position increased by \$4,117,675, or 2.7% due to the increase in change in net position offset by a loss on lease termination.

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 a 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 \$10,214,594 while total fund balance was \$10,519,086. 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 26.1% 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.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Proprietary Funds - The City's 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.

The Water System Fund has a total net position of \$62,552,750 at the end of the fiscal year. Total net position includes \$54,175,496 invested in capital assets and \$2,135 restricted for debt service, which are not available to pay for current expenses. The remaining net position of \$8,375,119 is unrestricted and available to pay for current operating and capital needs of the fund.

The Refuse Fund has a total net position of \$3,383,051 at the end of the fiscal year. Total net position includes \$4,611,639 invested in capital assets, which are not available to pay for current expenses.

The Wastewater Fund has a total net position of \$44,303,117 at the end of the fiscal year. Total net position includes \$53,509,504 invested in capital assets and \$2,608 restricted for debt service, which are not available to pay for current expenses.

The Storm Drain Fund has a total net position of \$27,334,260 at the end of the fiscal year. Total net position includes \$22,270,113 invested in capital assets, which are not available to pay for current expenses. The remaining net position of \$5,064,147 is unrestricted and available to pay for current operating and capital needs of the fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Hanford's investment in capital assets for governmental and business type activities as of June 30, 2023 amounts to \$304,291,702 (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 \$13,135,012. 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:

CIP OBJ #	DESCRIPTION	PROJECT COST
820623, 821638, 822633, 823637	NEW WATER SUPPLY WELL	\$ 2,862,841
819623	RECONST/EMMA LEE/GRGV/CONQ	1,221,858
822601	ARPA PUBLIC SAFETY RADIO REPL	791,790
821621	CAMPUS DR RESURF/LACEY-GREENFL	760,693
823616	UNSCH ARTERIAL UPGR/TRAF SIGNL	699,823
822639	POLICE DEPT PARKING LOT EXPNSN	572,554
821647	PAL PARKING LOT	465,068
822644	REPR WELL 45 AND WELL 49	361,841
823007	COMMERCIAL/RECYCLE DUMPSTER	342,234
821615	STREET DIVISION MAINTENANCE	340,000

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

	CAPITAL ASSETS (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 60,455,620	\$ 60,801,667	\$ 11,950,873	\$ 11,928,488	\$ 72,406,493	\$ 72,730,155
Construction in progress	817,424	309,369	4,044,330	1,195,166	4,861,754	1,504,535
Buildings and improvements	15,049,886	15,235,957	111,167,236	108,581,129	126,217,122	123,817,086
Infrastructure	76,738,687	67,915,574	-	-	76,738,687	67,915,574
Machinery and equipment	9,193,868	9,535,396	14,445,607	15,586,623	23,639,475	25,122,019
Right to use leased asset	33,223	67,321	-	-	33,223	67,321
Right to use SBITA asset	394,948	-	-	-	394,948	-
Total Capital Assets	\$ 162,683,656	\$ 153,865,284	\$ 141,608,046	\$ 137,291,406	\$ 304,291,702	\$ 291,156,690

Long-Term Debt - At the end of the current fiscal year, the City had a total debt outstanding of \$55,773,084.

	OUTSTANDING DEBT					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$ 25,460,230	\$ 26,506,940	\$ 18,793,770	\$ 20,709,060	\$ 44,254,000	\$ 47,216,000
Unamortized bond premium	-	-	483,118	556,425	483,118	556,425
Lease payable	34,041	67,378	-	-	34,041	67,378
SBITA payable	353,827	-	-	-	353,827	-
Notes payable	-	-	4,306,151	4,707,418	4,306,151	4,707,418
Finance purchase arrangement	-	-	6,341,947	7,181,833	6,341,947	7,181,833
Total Outstanding Debt	\$ 25,848,098	\$ 26,574,318	\$ 29,924,986	\$ 33,154,736	\$ 55,773,084	\$ 59,729,054

In the Business-Type Activities, the revenue bonds payable consists of four 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 \$5,055,000 remains. For the sewer system there remains a 2015 \$2,425,000 Refunding Revenue Bond, and a 2012 \$7,050,000 Refunding Revenue Bond. In 2022, the City issued Pension Obligation Bonds of which \$4,263,770 is payable from the Business-Type Activities.

The notes payable portion of the outstanding debt totaling \$4,306,151 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, \$6,341,947, is comprised of two different finance purchase arrangements. 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.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

In May 2022, Council approved issuance of a \$30,946,000 private taxable Pension Obligation Bond with maturity in 2039 to take advantage of historically low interest rates and to increase the City's funding ratio of pension unfunded accrued liability with CalPERS. This bond issuance is intended to result in near term cash savings, smoother long-term budget reliability, flexibility in maturity and potential savings. In conjunction with this debt issue, the City established a pension funding policy that would work to establish prefunding this debt issue should sufficient reserve be established.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year budget did not have significant net changes throughout the year.

Actual revenues were \$3.6 million over estimated budget amounts. This was due to revenues exceeding projections of property tax. Expenditures were significantly under budget in the amount of \$8.4 million. This was primarily a result of the roll-over of appropriation of a large capital park project in which grant funding was awarded. However, the project commencement expenses were minimal and will be spent over the next several years. In addition, unfilled positions throughout the year and some operational savings also attributed to the lower expenditures.

In addition, federal funding in the amount of \$2.83 million was used to cover eligible costs of public safety workers performing essential work during Covid-19. This transfer in addition to other better than projected revenues allowed for over 100% growth of the general fund balance available.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The key assumptions and considerations in the General Fund revenue forecast for fiscal year 2022-2023 budget process were:

- Budget was balanced per Resolution 23-19-R
- Conservative revenue projections due to potential recession concerns and fiscal prudence
- Reduction of non-essential expenditures
- Deferred capital replacements
- No increase to personnel or programs (unless offset by new revenues or expense reductions)

Resolution 22-20-R implemented a Reserve and Pension Funding Policy. This policy formally recognizes having a 35% goal of General Fund Reserve of unrestricted fund balance to budgeted expenditures in preparation of financial pressures or emergencies.

Items addressed in the budget were:

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. No capital projects unless offset by grants or related revenue. Accumulated capital outlay fund was used when a special revenue or restricted fund was not available for use.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Parks and Community Services - Continue with a variety of recreation programs and activities. Budget was increased for City's second annual Winter Wonderland Event, which drew in many visitors from the region. In process of installing parks cameras and solar powered lights for overall park safety, funded by grant. Worked with consultants to identify land necessary for annexation for the new Heroes Park. Through some development projects required construction of park areas for citywide use and utilized impact fees for a new basketball court.

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.

Airport - No capital projects this fiscal year.

Wastewater - Sewer main oversizing, extension and replacement, sewer video inspection, manhole repair/coating, maintain inventory of interchangeable spare pumps and lift station pump monitoring projects.

Water - The completion of various water main replacements and additions, and the continuation of meter replacement and automated meter reading device replacement. There were several well repairs necessary and new water supply wells as this is an ongoing project.

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

Building - Security modifications throughout City Hall as well as other City facilities. Completion of Civic Auditorium roof replacement.

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@hanfordca.gov. Formal written requests should be addressed to: City of Hanford, Attn: Finance Department, 315 N. Douty Street, Hanford, California 93230.

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FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Hanford

Statement of Net Position June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 74,814,838	\$ 34,858,958	\$ 109,673,796
Receivables	6,759,213	3,487,855	10,247,068
Leases receivables	-	202,952	202,952
Internal Balances	(9,490,940)	9,490,940	-
Inventory	319,709	365,149	684,858
Deposits	289,500	14,000	303,500
Prepaid expenses and other assets	205,892	368,949	574,841
Loan receivables	20,378,274	-	20,378,274
Restricted cash and investments	-	4,743	4,743
Capital Assets:			
Capital assets, not being depreciated	61,273,044	15,995,203	77,268,247
Capital assets, net of accumulated depreciation	101,410,612	125,612,843	227,023,455
Total assets	<u>255,960,142</u>	<u>190,401,592</u>	<u>446,361,734</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	22,547,037	3,660,907	26,207,944
Deferred outflows related to OPEB	1,437,808	590,640	2,028,448
Total deferred outflows of resources	<u>23,984,845</u>	<u>4,251,547</u>	<u>28,236,392</u>
LIABILITIES			
Accounts payable	2,174,020	2,687,420	4,861,440
Salary and benefits payable	1,026,737	94,792	1,121,529
Accrued interest payable	-	267,665	267,665
Deposits and unearned revenue	6,361,075	344,923	6,705,998
Compensated absences - current portion	327,654	36,083	363,737
Compensated absences - noncurrent portion	1,105,410	271,040	1,376,450
Long-term debt - current	1,873,820	3,482,023	5,355,843
Long-term debt - noncurrent	23,974,278	25,959,845	49,934,123
Unamortized bond premium	-	483,118	483,118
Claims payable	5,776,000	-	5,776,000
Total OPEB liability	3,106,490	831,702	3,938,192
Net pension liability	18,605,322	4,712,414	23,317,736
Settlement liability - current	5,000,000	-	5,000,000
Total liabilities	<u>69,330,806</u>	<u>39,171,025</u>	<u>108,501,831</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	14,738,664	476,933	15,215,597
Deferred inflows related to OPEB	610,379	182,321	792,700
Deferred inflows related to leases	-	196,762	196,762
Total deferred inflows of resources	<u>15,349,043</u>	<u>856,016</u>	<u>16,205,059</u>
NET POSITION			
Net investment in capital assets	155,203,294	141,608,046	296,811,340
Restricted for:			
Street and Roads	15,276,502	-	15,276,502
Recreation	5,705,236	4,743	5,709,979
Landscape Maintenance	1,451,419	-	1,451,419
Public Safety	852,390	-	852,390
Unrestricted	16,776,297	13,013,309	29,789,606
Total net position	<u>\$ 195,265,138</u>	<u>\$ 154,626,098</u>	<u>\$ 349,891,236</u>

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Activities For the Year Ended June 30, 2023

Program Revenues					Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 8,647,803	\$ 101,279	\$ 3,861,918	\$ -	\$ (4,684,606)	\$ -	\$ (4,684,606)
Public safety	36,761,886	927,478	1,125,716	322,493	(34,386,199)	-	(34,386,199)
Public works	4,151,802	1,127,022	1,884,294	13,740,355	12,599,869	-	12,599,869
Recreation	4,163,652	829,537	128,430	968,060	(2,237,625)	-	(2,237,625)
Community development	2,468,828	3,506,235	1,160,360	-	2,197,767	-	2,197,767
Interest expense	1,140,021	-	-	-	(1,140,021)	-	(1,140,021)
Total governmental activities	57,333,992	6,491,551	8,160,718	15,030,908	(27,650,815)	-	(27,650,815)
Business-type activities:							
Water system	10,805,234	9,985,458	-	2,289,780	-	1,470,004	1,470,004
Wastewater system	7,127,609	5,784,561	-	1,285,875	-	(57,173)	(57,173)
Storm drain	1,624,217	1,455,905	-	1,578,449	-	1,410,137	1,410,137
Refuse	10,388,974	9,271,047	-	-	-	(1,117,927)	(1,117,927)
Airport	671,372	143,299	-	-	-	(528,073)	(528,073)
Intermodal	56,589	40,249	-	-	-	(16,340)	(16,340)
Courthouse square	63,436	52,917	-	-	-	(10,519)	(10,519)
Total business-type activities	30,737,431	26,733,436	-	5,154,104	-	1,150,109	1,150,109
Total Primary Government	\$ 88,071,423	\$ 33,224,987	\$ 8,160,718	\$ 20,185,012	(27,650,815)	1,150,109	(26,500,706)
General Revenues:							
Taxes:							
Property taxes					13,988,031	-	13,988,031
Sales and use tax					18,011,255	-	18,011,255
Franchise taxes					1,256,488	-	1,256,488
Other taxes					2,696,299	-	2,696,299
Investment earnings					976,872	871,114	1,847,986
Gain on disposal of capital assets					279,583	-	279,583
Loss on lease termination						(724,690)	(724,690)
Miscellaneous/other					124,250	2,384,559	2,508,809
Lease revenue					-	193,373	193,373
Transfers - interfund					(243,210)	243,210	-
Total General Revenues and Transfers					37,089,568	2,967,566	40,057,134
Change in Net Position					9,438,753	4,117,675	13,556,428
Net Position							
Beginning of year, as restated					185,826,385	150,508,423	336,334,808
End of year					\$ 195,265,138	\$ 154,626,098	\$ 349,891,236

The accompanying notes are an integral part of these financial statements.

GOVERNMENTAL FUNDS
FINANCIAL STATEMENTS

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City of Hanford

Balance Sheet – Governmental Funds June 30, 2023

	Special Revenue				All Other Non-Major Governmental Funds	
	General Fund	CDBG/HOME/Housing Fund	Transportation Development Act Fund	American Rescue Plan Act		Total
ASSETS						
Cash and investments	\$ 10,964,678	\$ 2,139,933	\$ 6,069,012	\$ 6,216,756	\$ 22,640,674	\$ 48,031,053
Receivables	4,246,146	170,144	-	-	780,813	5,197,103
Taxes receivable	-	-	1,460,388	-	-	1,460,388
Loans receivable	-	18,547,440	-	-	1,830,834	20,378,274
Due from other funds	1,175,894	-	-	-	-	1,175,894
Deposits	104,500	-	-	-	-	104,500
Prepaid expenses and other assets	199,992	-	-	-	1,100	201,092
Advances to other funds	-	-	-	-	1,659,025	1,659,025
Total assets	\$ 16,691,210	\$ 20,857,517	\$ 7,529,400	\$ 6,216,756	\$ 26,912,446	\$ 78,207,329
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 757,793	\$ 32,570	\$ -	\$ 5,528	\$ 324,300	\$ 1,120,191
Accrued wages payable	411,196	-	-	-	3,010	414,206
Advance from other governments	-	-	-	6,357,940	-	6,357,940
Consumer deposits	3,135	-	-	-	-	3,135
Settlement liability	5,000,000	-	-	-	-	5,000,000
Due to other funds	-	-	-	-	230,309	230,309
Total liabilities	6,172,124	32,570	-	6,363,468	557,619	13,125,781
Fund Balances (deficit):						
Nonspendable:						
Loans receivable	-	18,547,440	-	-	1,830,834	20,378,274
Prepaid expenses	199,992	-	-	-	1,100	201,092
Deposits	104,500	-	-	-	-	104,500
Restricted for:						
Street and roads	-	2,277,507	7,529,400	-	5,469,595	15,276,502
Recreation	-	-	-	-	5,705,236	5,705,236
Landscape maintenance	-	-	-	-	1,451,419	1,451,419
Public Safety	-	-	-	-	852,390	852,390
Committed for:						
Parking and business improvement	-	-	-	-	3,537,705	3,537,705
Community development	-	-	-	-	7,550,690	7,550,690
Cannabis	-	-	-	-	126,255	126,255
Unassigned	10,214,594	-	-	(146,712)	(170,397)	9,897,485
Total fund balances	10,519,086	20,824,947	7,529,400	(146,712)	26,354,827	65,081,548
Total liabilities and fund balances	\$ 16,691,210	\$ 20,857,517	\$ 7,529,400	\$ 6,216,756	\$ 26,912,446	\$ 78,207,329

The accompanying notes are an integral part of these financial statements.

City of Hanford

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Total Fund Balances Governmental Funds \$ 65,081,548

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	\$ 303,961,956	
Right to use asset	879,090	
Accumulated depreciation	(141,706,471)	
Accumulated amortization	(450,919)	
Adjustments for Internal Service Fund capital assets, net	<u>(7,092,494)</u>	155,591,162

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.

13,446,431

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	(1,433,064)	
Pension obligation bonds	(25,460,230)	
Lease payable	(34,041)	
SBITA payable	(353,827)	
OPEB liability	(3,106,490)	
Net pension liability	(18,605,322)	
Adjustments for Internal Service Fund long term debt	<u>2,068,775</u>	(46,924,199)

Deferred outflows related to pensions and OPEB 23,984,845
Adjustment for Internal Service Fund Deferred outflows related to pension (650,330)

23,334,515

Deferred inflows related to pensions and OPEB (15,349,043)
Adjustment for Internal Service Fund Deferred inflows related to pension 84,724

(15,264,319)

Total Net Position - Governmental Activities

\$ 195,265,138

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended June 30, 2023

	Special Revenue				All Other Non-Major Governmental Funds	Total
	General Fund	CDBG/HOME/Housing Fund	Transportation Development Act Fund	American Rescue Plan Act		
REVENUES						
Taxes and special assessments	\$ 33,411,258	\$ -	\$ 1,423,998	\$ -	\$ 8,424,890	\$ 43,260,146
Aid from other government agencies	1,443,000	797,092	45,918	3,732,941	189,814	6,208,765
Licenses and permits	1,849,277	-	-	-	-	1,849,277
Fines and forfeitures	202,822	-	-	-	39,853	242,675
Charges for services	3,205,579	-	-	-	-	3,205,579
Revenue from use of money and property	469,550	328,875	100,397	128,976	308,146	1,335,944
Miscellaneous	69,171	1,891	-	-	78,507	149,569
Total revenues	40,650,657	1,127,858	1,570,313	3,861,917	9,041,210	56,251,955
EXPENDITURES						
Current:						
General government	2,971,558	-	5,743	-	64,991	3,042,292
Public safety	23,465,277	-	-	-	-	23,465,277
Public works	3,071,761	-	-	-	698,676	3,770,437
Recreation	4,670,976	-	-	-	-	4,670,976
Community development	2,036,025	354,026	-	-	326,519	2,716,570
Debt service:						
Principal	1,243,300	-	-	-	-	1,243,300
Interest	1,140,021	-	-	-	-	1,140,021
Capital outlay	541,332	225,406	232,958	1,049,459	4,312,963	6,362,118
Total expenditures	39,140,250	579,432	238,701	1,049,459	5,403,149	46,410,991
Excess (deficiency) of revenues over (under) expenditures	1,510,407	548,426	1,331,612	2,812,458	3,638,061	9,840,964
OTHER FINANCING SOURCES (USES)						
Transfers in	3,880,591	43,117	-	-	703,988	4,627,696
Transfers out	(449,787)	(169,872)	-	(2,833,333)	(1,481,151)	(4,934,143)
Loss on lease termination	-	-	-	-	(11,319)	(11,319)
Proceeds from sale of assets	784	-	-	-	303,240	304,024
Total other financing sources (uses)	3,431,588	(126,755)	-	(2,833,333)	(485,242)	(13,742)
Net change in fund balances	4,941,995	421,671	1,331,612	(20,875)	3,152,819	9,827,222
FUND BALANCE (DEFICIT)						
Beginning of year, as restated	5,577,091	20,403,276	6,197,788	(125,837)	23,202,008	55,254,326
End of year	\$ 10,519,086	\$ 20,824,947	\$ 7,529,400	\$ (146,712)	\$ 26,354,827	\$ 65,081,548

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2023**

Total net changes in fund balances - governmental funds \$ 9,827,222

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.

Capital outlay expense	\$ 6,996,125	
Contributed capital assets	10,059,892	
Depreciation expense (net of internal service funds)	<u>(7,402,116)</u>	9,653,901

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatments of long-term debt and related items.

Principal payments on long term liabilities, net of internal service funds	1,258,691	
SBITA acquisition, net of internal service funds	<u>(476,192)</u>	782,499

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:

58,563

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(197,921)

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

(10,362,345)

OPEB expenditures reported in the governmental funds includes the actual premium payments. In the statement of activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows deferred inflows of resources.

(323,166)

Changes in net position of governmental activities

\$ 9,438,753

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUNDS
FINANCIAL STATEMENTS

City of Hanford

Statement of Net Position Proprietary Funds June 30, 2023

	Water System Fund	Sewer Improvement Funds		Refuse Fund
		Wastewater Fund	Storm Drain Fund	
ASSETS				
Current assets:				
Cash and investments	\$ 21,863,512	\$ 7,169,840	\$ 5,308,478	\$ 354,695
Restricted cash and investments	2,135	2,608	-	-
Receivables	1,411,328	691,735	188,867	1,150,699
Lease receivables	-	-	-	-
Deposits	10,000	4,000	-	-
Prepaid expenses	8,135	360,814	-	-
Inventory	365,149	-	-	-
Due from other funds	-	1,399,758	-	-
Advances from other funds	531,130	-	-	-
Total current assets	24,191,389	9,628,755	5,497,345	1,505,394
Noncurrent assets:				
Capital Assets:				
Land	352,240	4,135,650	4,587,476	-
Construction in progress	3,989,481	13,193	41,656	-
Buildings and improvements	62,554,693	89,032,630	23,488,089	1,351,845
Machinery and equipment	18,092,631	2,427,022	1,163,479	9,053,231
Right to use assets	-	-	-	-
Less accumulated depreciation	(30,813,549)	(42,098,991)	(7,010,587)	(5,793,437)
Less accumulated amortization	-	-	-	-
Capital assets, net	54,175,496	53,509,504	22,270,113	4,611,639
Total noncurrent assets	54,175,496	53,509,504	22,270,113	4,611,639
Total assets	78,366,885	63,138,259	27,767,458	6,117,033
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,378,213	819,453	150,435	1,312,806
Deferred outflows related to OPEB	179,760	154,080	-	256,800
Total Deferred Outflows of Resources	1,557,973	973,533	150,435	1,569,606
LIABILITIES				
Current liabilities:				
Accounts payable	2,277,727	138,372	12,302	252,113
Salaries and benefits payable	31,730	20,354	5,627	36,418
Interest payable	87,754	179,911	-	-
Deposits and unearned revenue	340,239	819	410	974
Due to other funds	-	1,716,645	-	-
Advances to other funds	531,130	-	-	-
Compensated absences - current portion	12,301	12,963	2,588	8,231
Bonds and notes payable - current portion	1,709,266	1,655,220	19,661	97,876
SBITA payable	-	-	-	-
Total current liabilities	4,990,147	3,724,284	40,588	395,612
Noncurrent liabilities:				
Compensated absences payable	115,871	42,131	23,871	89,167
Claims payable	-	-	-	-
Unamortized bond premium	145,291	337,827	-	-
Bonds and notes payable	9,846,422	14,284,600	305,932	1,522,891
Total OPEB liability	265,267	210,694	-	355,741
Net pension liability (asset)	1,774,071	1,054,821	193,644	1,689,878
Total noncurrent liabilities	12,146,922	15,930,073	523,447	3,657,677
Total liabilities	17,137,069	19,654,357	564,035	4,053,289
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	179,550	106,756	19,598	171,029
Deferred inflows related to OPEB	55,489	47,562	-	79,270
Deferred inflows related to leases	-	-	-	-
Total deferred inflows of resources	235,039	154,318	19,598	250,299
NET POSITION (DEFICIT)				
Net investment in capital assets	54,175,496	53,509,504	22,270,113	4,611,639
Restricted for debt service	2,135	2,608	-	-
Unrestricted	8,375,119	(9,208,995)	5,064,147	(1,228,588)
Total net position	\$ 62,552,750	\$ 44,303,117	\$ 27,334,260	\$ 3,383,051

The accompanying notes are an integral part of these financial statements.

**Statement of Net Position
Proprietary Funds
June 30, 2023**

(concluded)

	Non-major Funds			Total	Governmental
	Airport Fund	Intermodal Fund	Courthouse Square	Enterprise Funds	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 124,554	\$ 31,677	\$ 6,202	\$ 34,858,958	\$ 26,783,785
Restricted cash and investments	-	-	-	4,743	-
Receivables	5,127	38,328	1,771	3,487,855	101,722
Lease receivables	-	202,952	-	202,952	-
Deposits	-	-	-	14,000	185,000
Prepaid expenses	-	-	-	368,949	4,800
Inventory	-	-	-	365,149	319,709
Due from other funds	-	-	-	1,399,758	-
Advances from other funds	-	-	-	531,130	-
Total current assets	<u>129,681</u>	<u>272,957</u>	<u>7,973</u>	<u>41,233,494</u>	<u>27,395,016</u>
Noncurrent assets:					
Capital Assets:					
Land	2,596,623	278,884	-	11,950,873	-
Construction in progress	-	-	-	4,044,330	-
Buildings and improvements	10,123,741	1,305,817	-	187,856,815	670,777
Machinery and equipment	81,851	-	-	30,818,214	17,410,846
Right to use assets	-	-	-	-	307,217
Less accumulated depreciation	(6,628,540)	(717,082)	-	(93,062,186)	(11,114,837)
Less accumulated amortization	-	-	-	-	(181,509)
Capital assets, net	<u>6,173,675</u>	<u>867,619</u>	<u>-</u>	<u>141,608,046</u>	<u>7,092,494</u>
Total noncurrent assets	<u>6,173,675</u>	<u>867,619</u>	<u>-</u>	<u>141,608,046</u>	<u>7,092,494</u>
Total assets	<u>6,303,356</u>	<u>1,140,576</u>	<u>7,973</u>	<u>182,841,540</u>	<u>34,487,510</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	-	-	-	3,660,907	650,330
Deferred outflows related to OPEB	-	-	-	590,640	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,251,547</u>	<u>650,330</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,522	588	3,796	2,687,420	1,053,829
Salaries and benefits payable	663	-	-	94,792	612,531
Interest payable	-	-	-	267,665	-
Deposits and unearned revenue	2,481	-	-	344,923	-
Due to other funds	-	-	153,062	1,869,707	475,636
Advances to other funds	375,467	261,224	1,022,334	2,190,155	-
Compensated absences - current portion	-	-	-	36,083	58,872
Bonds and notes payable - current portion	-	-	-	3,482,023	64,761
SBITA payable	-	-	-	-	100,367
Total current liabilities	<u>381,133</u>	<u>261,812</u>	<u>1,179,192</u>	<u>10,972,768</u>	<u>2,365,996</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	-	271,040	-
Claims payable	-	-	-	-	5,776,000
Unamortized bond premium	-	-	-	483,118	-
Bonds and notes payable	-	-	-	25,959,845	1,007,654
Total OPEB liability	-	-	-	831,702	-
Net pension liability (asset)	-	-	-	4,712,414	837,121
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,258,119</u>	<u>7,620,775</u>
Total liabilities	<u>381,133</u>	<u>261,812</u>	<u>1,179,192</u>	<u>43,230,887</u>	<u>9,986,771</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	-	-	476,933	84,724
Deferred inflows related to OPEB	-	-	-	182,321	-
Deferred inflows related to leases	-	196,762	-	196,762	-
Total deferred inflows of resources	<u>-</u>	<u>196,762</u>	<u>-</u>	<u>856,016</u>	<u>84,724</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	6,173,675	867,619	-	141,608,046	7,092,494
Restricted for debt service	-	-	-	4,743	-
Unrestricted	<u>(251,452)</u>	<u>(185,617)</u>	<u>(1,171,219)</u>	<u>1,393,395</u>	<u>17,973,851</u>
Total net position	<u>\$ 5,922,223</u>	<u>\$ 682,002</u>	<u>\$ (1,171,219)</u>	<u>143,006,184</u>	<u>\$ 25,066,345</u>
Adjustment to reflect the consolidation of internal service fund activities				11,619,914	
Net Position of Business-type Activities				<u>\$ 154,626,098</u>	

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2023

	Water Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
OPERATING REVENUES				
Charges for services	\$ 9,985,458	\$ 5,784,561	\$ 1,455,905	\$ 9,271,047
Other revenues	975,302	793,881	107,107	282,225
Total operating revenues	10,960,760	6,578,442	1,563,012	9,553,272
OPERATING EXPENSES				
Personnel services	3,225,262	1,905,111	881,572	3,039,548
Services and supplies	4,847,626	2,922,381	728,858	6,555,755
Depreciation and amortization	2,299,013	1,788,007	337,586	697,244
Total operating expenses	10,371,901	6,615,499	1,948,016	10,292,547
Operating income (loss)	588,859	(37,057)	(385,004)	(739,275)
NONOPERATING REVENUES (EXPENSES)				
Interest income	580,479	253,777	150,368	27,828
Interest expense	(456,502)	(552,886)	(15,212)	(75,723)
Unrealized gain (loss) on investments	(141,325)	(23,905)	(7,707)	27,805
Lease revenue	-	154,022	-	-
Loss on disposal of capital assets	-	-	-	-
Loss on lease termination	-	(724,690)	-	-
Total Nonoperating Revenues (Expenses)	(17,348)	(893,682)	127,449	(20,090)
Income (Loss) Before Capital Contributions and Transfers	571,511	(930,739)	(257,555)	(759,365)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,289,780	1,285,875	1,578,449	-
Transfers in (out)	241,153	(14,131)	20,967	-
Total Capital Contributions and Transfers	2,530,933	1,271,744	1,599,416	-
Change in Net Position	3,102,444	341,005	1,341,861	(759,365)
NET POSITION (DEFICIT)				
Beginning of year	59,450,306	43,962,112	25,992,399	4,142,416
End of year	\$ 62,552,750	\$ 44,303,117	\$ 27,334,260	\$ 3,383,051

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2023

(concluded)

	Non-major Funds				Governmental
	Airport Fund	Intermodal Fund	Courthouse Square	Total Funds	Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 143,299	\$ 40,249	\$ 52,917	\$ 26,733,436	\$ 11,413,863
Other revenues	224,105	1,338	601	2,384,559	82,120
Total operating revenues	367,404	41,587	53,518	29,117,995	11,495,983
OPERATING EXPENSES					
Personnel services	50,492	-	-	9,101,985	1,864,645
Services and supplies	295,390	30,473	62,733	15,443,216	8,180,527
Depreciation and amortization	324,084	26,116	-	5,472,050	1,424,062
Total operating expenses	669,966	56,589	62,733	30,017,251	11,469,234
Operating income (loss)	(302,562)	(15,002)	(9,215)	(899,256)	26,749
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,801	1,404	947	1,017,604	617,553
Interest expense	-	-	-	(1,100,323)	(50,163)
Unrealized gain (loss) on investments	(619)	(739)	-	(146,490)	(206,150)
Lease revenue	-	39,351	-	193,373	-
Loss on disposal of capital assets	-	-	-	-	(12,520)
Loss on lease termination	-	-	-	(724,690)	-
Total Nonoperating Revenues (Expenses)	2,182	40,016	947	(760,526)	348,720
Income (Loss) Before Capital Contributions and Transfers	(300,380)	25,014	(8,268)	(1,659,782)	375,469
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	-	-	-	5,154,104	-
Transfers in (out)	(4,779)	-	-	243,210	63,237
Total Capital Contributions and Transfers	(4,779)	-	-	5,397,314	63,237
Change in Net Position (Deficit)	(305,159)	25,014	(8,268)	3,737,532	438,706
NET POSITION (DEFICIT)					
Beginning of year	6,227,382	656,988	(1,162,951)		24,627,639
End of year	\$ 5,922,223	\$ 682,002	\$ (1,171,219)		\$ 25,066,345
Adjustment to reflect the consolidation of internal service funds				380,143	
Change in Net Position of Business-type Activities				\$ 4,117,675	

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	Water System Fund	Sewer Improvement Funds		Refuse Fund
		Wastewater Fund	Storm Drain Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for current services	\$ 10,193,508	\$ 5,859,117	\$ 1,443,450	\$ 9,104,481
Cash received for other operating revenues	975,302	793,881	107,107	282,225
Cash paid to suppliers for goods and services	(2,867,060)	(3,203,888)	(730,524)	(6,794,862)
Cash paid for salaries and benefits	(2,287,703)	(1,445,312)	(433,286)	(2,536,490)
Net cash provided (used) by operating activities	6,014,047	2,003,798	386,747	55,354
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers (to) from other funds	241,153	(14,131)	20,967	-
Loans from/(to) other funds	(159,912)	476,799	-	-
Net cash provided (used) by noncapital financing activities	81,241	462,668	20,967	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on long-term debt	(1,535,665)	(1,540,760)	(13,386)	(66,632)
Interest payments on long-term debt	(507,160)	(623,213)	(15,212)	(75,723)
Capital expenditures	(3,066,847)	(75,764)	(917,368)	(574,608)
SBITA payments	-	-	-	-
Lease income	-	(109,613)	-	-
Net cash provided (used) by capital and related financing activities	(5,109,672)	(2,349,350)	(945,966)	(716,963)
CASH FLOWS FROM INVESTING ACTIVITIES				
Unrealized gain (loss) on investments	(141,325)	(23,905)	(7,707)	27,805
Interest received on investments	580,479	253,777	150,368	27,828
Net cash provided (used) by investing activities	439,154	229,872	142,661	55,633
Net increase (decrease) in cash and investments	1,424,770	346,988	(395,591)	(605,976)
Cash and investments, beginning of year	20,440,877	6,825,460	5,704,069	960,671
Cash and investments, end of year	\$ 21,865,647	\$ 7,172,448	\$ 5,308,478	\$ 354,695
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 21,863,512	\$ 7,169,840	\$ 5,308,478	\$ 354,695
Restricted cash and investments	2,135	2,608	-	-
Total cash and investments	\$ 21,865,647	\$ 7,172,448	\$ 5,308,478	\$ 354,695

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	Non-major Funds			Total	Governmental
	Airport Fund	Intermodal Fund	Courthouse Square	Enterprise Funds	Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for current services	\$ 143,374	\$ 8,123	\$ 54,331	\$ 26,806,384	\$ 11,390,886
Cash received for other operating revenues	224,105	1,338	601	2,384,559	82,120
Cash paid to suppliers for goods and services	(313,021)	(30,424)	(61,320)	(14,001,099)	(6,695,529)
Cash paid for salaries and benefits	(49,645)	-	-	(6,752,436)	(2,043,991)
Net cash provided (used) by operating activities	4,813	(20,963)	(6,388)	8,437,408	2,733,486
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers (to) from other funds	(4,779)	-	-	243,210	63,237
Loans from/(to) other funds	(1)	-	6,388	323,274	176,951
Net cash provided (used) by noncapital financing activities	(4,780)	-	6,388	566,484	240,188
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on long-term debt	-	-	-	(3,156,443)	(44,088)
Interest payments on long-term debt	-	-	-	(1,221,308)	(50,163)
Capital expenditures	-	-	-	(4,634,587)	(293,836)
SBITA payments	-	-	-	-	(206,850)
Lease income	-	36,778	-	(72,835)	-
Net cash provided (used) by capital and related financing activities	-	36,778	-	(9,085,173)	(594,937)
CASH FLOWS FROM INVESTING ACTIVITIES					
Unrealized gain (loss) on investments	(619)	(739)	-	(146,490)	(206,150)
Interest received on investments	2,801	1,404	947	1,017,604	617,553
Net cash provided (used) by investing activities	2,182	665	947	871,114	411,403
Net increase (decrease) in cash and investments	2,215	16,480	947	789,833	2,790,140
Cash and investments, beginning of year	122,339	15,197	5,255	34,073,868	23,993,645
Cash and investments, end of year	<u>\$ 124,554</u>	<u>\$ 31,677</u>	<u>\$ 6,202</u>	<u>\$ 34,863,701</u>	<u>\$ 26,783,785</u>
Reconciliation to Statement of Net Position:					
Cash and investments	\$ 124,554	\$ 31,677	\$ 6,202	\$ 34,858,958	\$ 26,783,785
Restricted cash and investments	-	-	-	4,743	-
Total cash and investments	<u>\$ 124,554</u>	<u>\$ 31,677</u>	<u>\$ 6,202</u>	<u>\$ 34,863,701</u>	<u>\$ 26,783,785</u>

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 588,859	\$ (37,057)	\$ (385,004)	\$ (739,275)
Adjustments to reconcile net income (loss) from operating to net cash provided (used) by operating activities:				
Depreciation	2,299,013	1,788,007	337,586	697,244
Changes in assets, liabilities, and deferred resources in:				
Receivables	213,015	78,942	(12,380)	(166,086)
Deposits	-	4,000	-	-
Prepaid expenses	8,918	(308,221)	1,074	6,300
Inventory	11,502	-	-	-
Deferred outflows of resources	519,790	435,428	210,289	1,020,174
Accounts payable	1,960,146	22,714	(2,740)	(245,407)
Salaries and benefits payable	23,515	15,518	5,473	24,820
Compensated absences	25,585	10,324	9,821	25,057
Deposits and unearned revenue	(4,965)	(4,386)	(75)	(480)
Claims payable	-	-	-	-
Net OPEB liability	1,508,439	843,814	-	1,333,616
Net pension liability	(10,208)	(103,482)	471,617	(502,347)
Deferred inflows of resources	(1,129,562)	(741,803)	(248,914)	(1,398,262)
Net cash provided (used) by operating activities	\$ 6,014,047	\$ 2,003,798	\$ 386,747	\$ 55,354
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed Capital	\$ 2,289,780	\$ 1,285,875	\$ 1,578,449	\$ -

The accompanying notes are an integral part of these financial statements.

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023**

(concluded)

	Non-major Funds			Total	Governmental
	Airport	Intermodal	Courthouse	Enterprise	Activities
	Fund	Fund	Square	Funds	Internal
					Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (302,562)	\$ (15,002)	\$ (9,215)	\$ (899,256)	\$ 26,749
Adjustments to reconcile net income (loss) from operating to net cash provided (used) by operating activities:					
Depreciation	324,084	26,116	-	5,472,050	1,424,062
Changes in assets, liabilities, and deferred resources in:					
Receivables	75	(32,126)	1,414	82,854	(22,977)
Deposits	-	-	-	4,000	(10,000)
Prepaid expenses	-	-	-	(291,929)	(2,413)
Inventory	-	-	-	11,502	649,822
Deferred outflows of resources	-	-	-	2,185,681	596,998
Accounts payable	(17,631)	49	1,413	1,718,544	660,589
Salaries and benefits payable	847	-	-	70,173	(385,450)
Compensated absences	-	-	-	70,787	(5,830)
Deposits and unearned revenue	-	-	-	(9,906)	-
Claims payable	-	-	-	-	187,000
Net OPEB liability	-	-	-	3,685,869	-
Net pension liability	-	-	-	(144,420)	364,190
Deferred inflows of resources	-	-	-	(3,518,541)	(749,254)
Net cash provided (used) by operating activities	<u>\$ 4,813</u>	<u>\$ (20,963)</u>	<u>\$ (6,388)</u>	<u>\$ 8,437,408</u>	<u>\$ 2,733,486</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

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FIDUCIARY FUNDS
FINANCIAL STATEMENTS

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City of Hanford

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2023

	Redevelopment Successor Agency Private Purpose Trust Fund	Trust and Custodial Funds
ASSETS		
Cash and investments	\$ 240,178	\$ 1,774,746
Accounts receivable	-	18,920
Assets held for resale	135,265	-
Total assets	<u>375,443</u>	<u>1,793,666</u>
LIABILITIES		
Accounts payable	-	504,623
Deposits held for others	-	1,265,299
Total liabilities	<u>-</u>	<u>1,769,922</u>
FIDUCIARY NET POSITION		
Held in trust for the retirement of obligations of the former Hanford Redevelopment Agency and other purposes	375,443	-
Restricted	-	23,744
Total fiduciary net position	<u>\$ 375,443</u>	<u>\$ 23,744</u>

The accompanying notes are an integral part of these financial statements.

City of Hanford

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended June 30, 2023

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Custodial Fund
ADDITIONS		
Investment earnings	\$ 6,073	\$ -
Unrealized gain/(loss) on investments	(1,205)	52,478
Other additions	-	10,176
Total additions	<u>4,868</u>	<u>62,654</u>
DEDUCTIONS		
General government	<u>228</u>	<u>250</u>
Total deductions	<u>228</u>	<u>250</u>
Change in fiduciary net position	4,640	62,404
NET POSITION (DEFICIT)		
Beginning of year, restated	<u>370,803</u>	<u>(38,660)</u>
End of year	<u>\$ 375,443</u>	<u>\$ 23,744</u>

The accompanying notes are an integral part of these financial statements.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Hanford, California (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, 2023 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 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 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 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of 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.

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 nonexchange 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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 has elected to present this fund as a major fund.

American Rescue Plan Act Fund – This fund is used to account for financial resources provided by the American Rescue Plan Act.

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.

The City presents the following non-major enterprise funds:

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

Capital Projects Fund – *Capital Projects* Funds are 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.

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 Custodial Funds – Trust and Custodial 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 generally accepted accounting principles 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 assets) 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 assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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 operation. Revenues and expenses not meeting this definition are reported as non-operating.

Assets, Liabilities, Net Assets or Fund Balance, 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

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.

In the government-wide financial statements and proprietary fund statements, capital assets are presented on the statement of net position and valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at acquisition value at the date of acquisition.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items (Continued)

The City's capitalization threshold is \$10,000. In other words, capital assets are capitalized only if they have a cost in excess of \$10,000 and have an expected useful life of three years or more. Capital assets that have a cost below \$10,000 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 capital 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 capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position 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.

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unsaved 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 7.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

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.

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 withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

Leases

The City is a lessee for noncancelable leases of copiers and recognizes the liability and an intangible right-to-use lease asset at the inception of the lease agreement at the current present value of future payments, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

The City is a lessor for noncancelable leases of the Hanford train station, hotel parking spaces, and agricultural ground leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements at the inception of the lease agreement at current present value of all future payments.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate charges to the lessees as the discount rate. When the interest rate charged the lessees is not provided, the City generally uses the implied rate of return as the discount rate for leases. When the implied rate of return cannot be determined, the City uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

Right-to-Use Lease / Subscription Based Information Technology Arrangements (SBITA) Assets

Right-to-use lease/SBITA assets are recorded at the amount of the initial measurement of the lease/SBITA liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease/SBITA assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised.

Other Post-employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an independent actuary.

For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

<u>OPEB</u>	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

	CalPERS	
Valuation Date		June 30, 2021
Measurement Date		June 30, 2022
Measurement Period		June 30, 2021 to June 30, 2022

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.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

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.

- *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 expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed. When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

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-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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

The property tax calendar for the City 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 10 - 2nd installment

Advances from other Governments

The City reports advances from other governments in its financial statements. These advances arise when resources are received 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.

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2023. 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.

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

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 99, Omnibus 2022 has varying implementation dates with the earliest being effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, Compensated Absences is effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Assets, Liabilities, Net Assets or Fund Balance, and Other Financial Statement Items
(Continued)**

Implementation of New Pronouncements

GASB has issued Statement No. 96, *Subscription Based Information Technology Arrangements*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for these arrangements by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for arrangements that previously were recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that subscriptions are financings of the right to use an underlying asset and a liability.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 109,673,796
Restricted cash and investments	4,743
Fiduciary funds:	
Cash and investments	<u>2,014,924</u>
Total Cash and Investments	<u><u>\$ 111,693,463</u></u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 4,150
Deposits with financial institutions	6,466,120
Investments	<u>105,223,193</u>
Total Cash and Investments	<u><u>\$ 111,693,463</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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

*Excluding amounts held by bond trustees that are not subject to California Government Code Restrictions.

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	40%	None
Commercial Paper	270 days	40%	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	30%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Corporate Investments	N/A	None	None

Notes to the Financial Statements
For the Year Ended June 30, 2023

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 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	\$ 13,999,378	\$ -	\$ 6,050,358	\$ 7,949,020	\$ -
State and County Investment Pools	74,370,136	74,370,136	-	-	-
Negotiable Certificates of Deposits	10,578,406	2,976,585	4,677,153	2,924,668	-
Corporate Investments	5,763,134	4,588,075	1,175,059	-	-
Held by bond trustee:					
Money Market Funds	512,139	-	-	512,139	-
Total	\$ 105,223,193	\$ 81,934,796	\$ 11,902,570	\$ 11,385,827	\$ -

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 on the following page 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	Standard's & Poor's Ratings as of Year End			
		Minimum Legal Rating	A/A+	AA+	Unrated
Federal Agency Securities	\$ 13,999,377	AA	\$ -	\$ 13,999,377	\$ -
State and County Investment Pools	74,370,136	N/A	-	-	74,370,136
Negotiable Certificates of Deposits	10,578,407	N/A	235,003	-	10,343,404
Corporate Investments	5,763,134	N/A	3,589,723	-	2,173,411
Held by bond trustee:					
Money Market Funds	512,139	N/A	-	-	512,139
Total	\$ 105,223,193		\$ 3,824,726	\$ 13,999,377	\$ 87,399,090

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. The City had no investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

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.

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 State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount 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. For withdrawals over \$10,000,000 LAIF requires at least 24-hour notice. Also, there is a \$5,000 minimum and a limit of 15 transactions per month.

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

Investment type	Level 1	Level 2	Level 3	Total
Federal Agency Securities	\$ -	\$ 13,999,377	\$ -	\$ 13,999,377
Certificates of Deposit	-	10,578,407	-	10,578,407
Corporate Investments	-	5,763,134	-	5,763,134
	<u>\$ -</u>	<u>\$ 30,340,918</u>	<u>\$ -</u>	<u>30,340,918</u>
Investments not subject to fair value hierarchy				
State and County Investment Pools				74,370,136
Money Market Funds				512,139
Total				<u>\$ 105,223,193</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.

NOTE 3 - RECEIVABLES

Receivables as of June 30, 2023 for the City's individual major funds, nonmajor funds and internal service funds in the aggregate are as follows:

	Accounts	Taxes	Loans	Leases	Total
Governmental Funds					
General	\$ 4,246,146	\$ -	\$ -	\$ -	\$ 4,246,146
CDBG Home/Housing	170,144	-	18,547,440	-	18,717,584
Transportation Development Act	-	1,460,388	-	-	1,460,388
Nonmajor and Other	780,813	-	1,830,834	-	2,611,647
	<u>5,197,103</u>	<u>1,460,388</u>	<u>20,378,274</u>	<u>-</u>	<u>27,035,765</u>
Enterprise Funds					
Water System	1,411,328	-	-	-	1,411,328
Wastewater	691,735	-	-	-	691,735
Storm Drain	188,867	-	-	-	188,867
Refuse	1,150,699	-	-	-	1,150,699
Airport Fund	5,127	-	-	-	5,127
Intermodal	38,328	-	-	202,952	241,280
Courthouse Square	1,771	-	-	-	1,771
	<u>3,487,855</u>	<u>-</u>	<u>-</u>	<u>202,952</u>	<u>3,690,807</u>
Internal Service Funds					
City Payroll Fund	45,205	-	-	-	45,205
Risk Management Fund	45,828	-	-	-	45,828
Building Fund	6,141	-	-	-	6,141
Fleet Management	3,942	-	-	-	3,942
Medical Fund	606	-	-	-	606
	<u>101,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,722</u>
Total	<u>\$ 8,786,680</u>	<u>\$ 1,460,388</u>	<u>\$ 20,378,274</u>	<u>\$ 202,952</u>	<u>\$ 30,828,294</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 4 - CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2023 were as follows:

	Balance July 1, 2022	Additions/ Completions	Retirements/ Adjustments	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 60,801,667	\$ 32,151	\$ (378,198)	\$ 60,455,620
Construction in progress	309,369	616,557	(108,502)	817,424
Total capital assets not being depreciated	61,111,036	648,708	(486,700)	61,273,044
Capital assets being depreciated:				
Buildings	24,975,448	285,821	-	25,261,269
Infrastructure	178,003,141	15,143,551	-	193,146,692
Equipment	23,207,518	1,514,418	(440,985)	24,280,951
Right to use leased equipment	89,570	-	(20,036)	69,534
Right to use SBITA asset	-	809,556	-	809,556
Total capital assets being depreciated	226,275,677	17,753,346	(461,021)	243,568,002
Less accumulated depreciation:				
Buildings	(9,739,491)	(471,892)	-	(10,211,383)
Infrastructure	(110,087,567)	(6,320,438)	-	(116,408,005)
Equipment	(13,672,122)	(1,596,273)	181,312	(15,087,083)
Right to use leased equipment	(22,249)	(22,967)	8,905	(36,311)
Right to use SBITA asset	-	(414,608)	-	(414,608)
Total accumulated depreciation	(133,521,429)	(8,826,178)	190,217	(142,157,390)
Total capital assets being depreciated, net	92,754,248	8,927,168	(270,804)	101,410,612
Governmental Activities capital assets, net	\$ 153,865,284	\$ 9,575,876	\$ (757,504)	\$ 162,683,656
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 11,928,488	\$ 22,385	\$ -	\$ 11,950,873
Construction in progress	1,195,166	2,878,318	(29,154)	4,044,330
Total capital assets not being depreciated	13,123,654	2,900,703	(29,154)	15,995,203
Capital assets being depreciated:				
Buildings and improvements	182,006,151	10,069,498	(4,218,834)	187,856,815
Machinery and equipment	30,006,539	811,675	-	30,818,214
Total capital assets being depreciated	212,012,690	10,881,173	(4,218,834)	218,675,029
Less accumulated depreciation:				
Buildings and improvements	(73,425,022)	(3,519,359)	254,802	(76,689,579)
Machinery and equipment	(14,419,916)	(1,952,691)	-	(16,372,607)
Total accumulated depreciation	(87,844,938)	(5,472,050)	254,802	(93,062,186)
Total capital assets being depreciated, net	124,167,752	5,409,123	(3,964,032)	125,612,843
Business-type Activities capital assets, net	\$ 137,291,406	\$ 8,309,826	\$ (3,993,186)	\$ 141,608,046

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ending June 30, 2023 was charged to the following activities:

Governmental Activities:

General governmental	\$ 5,589,577
Public safety	217,776
Public works	1,304,395
Recreation	217,776
Community development	72,592
Capital assets held by the internal service funds that were charged to the various functions based on their usage	1,424,062
Total	<u>\$ 8,826,178</u>

Business-type Activities:

Water system	\$ 2,299,013
Wastewater	1,788,007
Storm drain	337,586
Refuse	697,244
Airport	324,084
Intermodal	26,116
Total	<u>\$ 5,472,050</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions/ Adjustments	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Bonds payable	\$ 26,506,940	\$ -	\$ (1,046,710)	\$ 25,460,230	\$ 1,537,514
Lease payable	67,378	-	(33,337)	34,041	17,972
SBITA payable	-	730,850	(377,023)	353,827	318,334
Total Governmental Activities	<u>26,574,318</u>	<u>730,850</u>	<u>(1,457,070)</u>	<u>25,848,098</u>	<u>1,873,820</u>
Business-type Activities					
Bonds payable	20,709,060	-	(1,915,290)	18,793,770	2,062,484
Bond premiums	556,425	-	(73,307)	483,118	73,307
Note payable - direct	4,707,418	-	(401,267)	4,306,151	415,311
Finance purchase arrangement - direct borrowing	7,181,833	-	(839,886)	6,341,947	930,924
Total Business-type Activities	<u>33,154,736</u>	<u>-</u>	<u>(3,229,750)</u>	<u>29,924,986</u>	<u>3,482,026</u>
Total Primary Government	<u>\$ 59,729,054</u>	<u>\$ 730,850</u>	<u>\$ (4,686,820)</u>	<u>\$ 55,773,084</u>	<u>\$ 5,355,846</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)**Governmental Activities***Bonds Payable*

On May 23, 2022, the City of Hanford issued \$30,946,000 Pension Obligation Bonds bearing interest of 4.39% payable annually on June 1 commencing June 1, 2023. The bonds mature annually at various amounts through June 1, 2039. The bonds are payable from net revenues in both the governmental activities and business-type activities created under the Indenture.

The Bonds were issued to pay the City's unfunded accrued actuarial liability (UAAL), now known as Net Pension Liability, to the California Public Employees' Retirement System (CalPERS).

Significant terms that pertain to the Pension Obligation Bonds 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 commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bond immediately due and payable. The revenues pledged from the bond are the revenues payable from the various funds allocated the issuance of the debt.

Pension obligation bonds outstanding on June 30, 2023 for governmental activities are \$25,460,230.

The future maturities of the pension obligation bonds payable for governmental activities are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,537,514	\$ 1,117,703	\$ 2,655,217
2025	1,500,683	1,050,206	2,550,889
2026	1,506,678	984,289	2,490,967
2027	1,498,113	918,146	2,416,259
2028	1,564,068	852,378	2,416,446
2029-2033	6,769,346	3,340,099	10,109,445
2034-2038	8,806,232	1,724,160	10,530,392
2039	2,277,596	99,957	2,377,553
Totals	<u>\$ 25,460,230</u>	<u>\$ 10,086,939</u>	<u>\$ 35,547,169</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)
Leases Payable

In fiscal year 2020 entered into a lease agreement as a lessee for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$28,976. As of June 30, 2023, the value of the lease liability was \$13,547. The City is required to make monthly principal and interest payments of \$646. The lease has an interest rate of 0.20%. The copiers have a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$28,859 and had accumulated amortization of \$16,237.

In fiscal year 2020, the City entered into a lease agreement as lessee for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$40,914. As of June 30, 2023, the value of the lease liability was \$20,494. The City is required to make monthly principal and interest payments of \$856. The lease has an interest rate of 0.20%. The copiers have a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$40,675 and had accumulated amortization of \$20,074.

In fiscal year 2021, the City entered into a lease agreement as a lessee for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$19,681. As of June 30, 2023, the value of the lease liability was \$0. The City is required to make monthly principal and interest payments of \$359. The lease has an interest rate of 0.20%. The copiers have a five-year estimated useful life. The lease was terminated in the current year.

The future principal and interest lease payments as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 17,972	\$ 49	\$ 18,021
2025	16,069	14	16,083
Totals	<u>\$ 34,041</u>	<u>\$ 63</u>	<u>\$ 34,104</u>

Subscription based IT arrangement (SBITA) payable

In current year, the City entered into several subscription-based IT arrangements for the acquisition and use of various software packages. An initial liability was recorded in the amount of \$730,850. As of June 30, 2023, the value of the liability was \$353,827. The City is required to make (monthly and annually) principal and interest payments of ranging from \$7,056 to \$104,763. The interest rates range from 0.20% to 2.40%. The assets have a between 2 and 3 year estimated useful lives. The value of the right-to-use assets as of the end of the current fiscal year was \$809,556 and had accumulated amortization of \$414,608.

Fiscal Year	Principal	Interest	Total
2024	\$ 318,334	\$ 306	\$ 318,640
2025	35,493	35	35,528
Totals	<u>\$ 353,827</u>	<u>\$ 341</u>	<u>\$ 354,168</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023****NOTE 5 - LONG-TERM DEBT (Continued)****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.

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 of the bond are the revenues payable from the City's Wastewater fund for the life of the bonds.

Wastewater revenue bonds outstanding on June 30, 2023 are \$7,050,000.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 670,000	\$ 255,264	\$ 925,264
2025	695,000	214,063	909,063
2026	725,000	201,375	926,375
2027	750,000	175,563	925,563
2028	785,000	148,209	933,209
2029-2033	3,425,000	316,590	3,741,590
Totals	<u>\$ 7,050,000</u>	<u>\$ 1,311,064</u>	<u>\$ 8,361,064</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)
Bonds Payable (Continued)

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 for the life of the bonds.

Water revenue bonds outstanding on June 30, 2023 are \$5,055,000.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 930,000	\$ 197,650	\$ 1,127,650
2025	970,000	157,425	1,127,425
2026	1,015,000	115,075	1,130,075
2027	1,055,000	68,600	1,123,600
2028	530,000	36,238	566,238
2029	555,000	12,488	567,488
Totals	<u>\$ 5,055,000</u>	<u>\$ 587,476</u>	<u>\$ 5,642,476</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)*Bonds Payable (Continued)*

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 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 for the life of the bonds.

Wastewater revenue bonds outstanding on June 30, 2023 are \$2,425,000.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 205,000	\$ 85,275	\$ 290,275
2025	215,000	78,975	293,975
2026	220,000	72,450	292,450
2027	225,000	65,775	290,775
2028	235,000	57,700	292,700
2029-2033	1,325,000	136,500	1,461,500
Totals	<u>\$ 2,425,000</u>	<u>\$ 496,675</u>	<u>\$ 2,921,675</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)*Bonds Payable (Continued)*

On May 23, 2022, the City of Hanford issued \$30,946,000 Pension Obligation Bonds bearing interest of 4.39% payable annually on June 1 commencing June 1, 2023. The bonds mature annually at various amounts through June 1, 2039. The bonds are payable from net revenues in both the governmental activities and business-type activities created under the Indenture.

Pension obligation bonds outstanding on June 30, 2023 for business-type activities are \$4,263,770.

The future maturities of the pension obligation bonds payable for business activities are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 257,484	\$ 187,179	\$ 444,663
2025	251,316	175,876	427,192
2026	252,320	164,837	417,157
2027	250,886	153,760	404,646
2028	261,931	142,746	404,677
2029-2033	1,133,648	559,359	1,693,007
2034-2038	1,474,761	288,741	1,763,502
2039	381,424	16,738	398,162
Totals	<u>\$ 4,263,770</u>	<u>\$ 1,689,236</u>	<u>\$ 5,953,006</u>

Notes Payable – direct borrowing

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, 2023, the balance outstanding was \$4,306,151.

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)*Notes Payable – direct borrowing (Continued)*

The future maturities of the note payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 415,311	\$ 143,447	\$ 558,758
2025	429,846	128,657	558,503
2026	444,892	113,349	558,241
2027	460,463	97,505	557,968
2028	476,579	81,107	557,686
2029-2032	2,079,060	148,664	2,227,724
Totals	<u>\$ 4,306,151</u>	<u>\$ 712,729</u>	<u>\$ 5,018,880</u>

Finance Purchase Arrangements – direct borrowing

In November, 2011, the City entered into a finance purchase arrangement 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, 2023 was \$1,274,076.

Significant terms that pertain to the 2011 Finance Purchase Arrangement 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 5 - LONG-TERM DEBT (Continued)
Finance Purchase Arrangements – direct borrowing (Continued)

The annual debt service requirements for the 2011 Finance Purchase Arrangement outstanding on June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 274,531	\$ 42,427	\$ 316,958
2025	302,640	33,285	335,925
2026	332,549	23,207	355,756
2027	364,357	12,133	376,490
Totals	<u>\$ 1,274,077</u>	<u>\$ 111,052</u>	<u>\$ 1,385,129</u>

In March 2014, the City entered into a finance purchase arrangement 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, 2023 was \$5,067,870.

Significant terms that pertain to the 2014 Finance Purchase Arrangement 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 Finance Purchase Arrangement outstanding on June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 656,393	\$ 173,644	\$ 830,037
2025	725,344	149,803	875,147
2026	798,858	123,481	922,339
2027	877,195	94,514	971,709
2028	960,630	62,730	1,023,360
2029-2030	1,049,450	27,946	1,077,396
Totals	<u>\$ 5,067,870</u>	<u>\$ 632,118</u>	<u>\$ 5,699,988</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 6 - LEASE RECEIVABLE*Lease Receivables*

In fiscal year 1993, the City's intermodal fund leased a building to a third party. The lease is for thirty-five years and the City will receive rent of \$13,308 annually with an increase of 3% each year. The City recognized \$39,352 in lease revenue and \$439 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$202,952. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$196,762.

In fiscal year 2001, the City's parking fund leased seventy-five parking spaces to a third party. The lease is for fifty years and the City will receive \$9,000 annually for the first three years of the agreement after which the lease fee will increase 3% annually. The City recognized \$19,496 in lease revenue and \$7,601 in interest revenue during the current fiscal year related to this lease. During the current fiscal year, this lease was terminated.

In fiscal year 2020, the City's wastewater fund leased 960-acres of agricultural ground to a third party. The lease is for twenty-five years and the City will receive annual payments of \$100 per acre. Beginning in fiscal year 2021, the rental amount shall increase by \$50 per acre and continue to increase by the same amount each year that the lease remains in effect. During the current fiscal year, this lease was terminated.

Payments for the lease receivables are expected to be received in the following subsequent years:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 37,972	\$ 330	\$ 38,302
2025	39,198	251	39,449
2026	40,463	170	40,633
2027	41,766	86	41,852
2028	43,553	-	43,553
Totals	<u>\$ 202,952</u>	<u>\$ 837</u>	<u>\$ 203,789</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 7 - CHANGES IN OTHER LONG-TERM LIABILITIES

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,240,973	\$ 796,265	\$ (604,174)	\$ 1,433,064	\$ 327,654
Total Governmental Activities	<u>\$ 1,240,973</u>	<u>\$ 796,265</u>	<u>\$ (604,174)</u>	<u>\$ 1,433,064</u>	<u>\$ 327,654</u>
Business-type Activities					
Compensated absences	\$ 236,336	\$ 185,412	\$ (114,625)	\$ 307,123	\$ 36,083
Total Business-type Activities	<u>\$ 236,336</u>	<u>\$ 185,412</u>	<u>\$ (114,625)</u>	<u>\$ 307,123</u>	<u>\$ 36,083</u>

Compensated Absences

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with generally accepted accounting principles. 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 as of 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. The General Fund typically liquidates governmental funds compensated absences.

NOTE 8 - 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, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit 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.

Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8 - PENSION PLAN (Continued)

Benefits Provided (Continued)

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect as of June 30, 2023, 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	8.00%	7.50%
Required employer contribution rates	12.57%	12.57%
	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	3.00%	1.000% - 2.500%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	23.68%	13.66%
	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	3.00%	1.000% - 2.500%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	23.68%	13.66%

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

As of the June 30, 2021 actuarial valuation, the following current and former City employees were covered by the agent-multiple employer miscellaneous plan:

Inactive employees or beneficiaries	
currently receiving benefits	214
Inactive employees entitled to but	
not yet receiving benefits	188
Active employees	<u>203</u>
Total	<u><u>605</u></u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the cost sharing and agent Plans for the fiscal year ended June 30, 2023 were \$2,442,956 for the Safety plan and \$2,402,040 for the Miscellaneous plan. The actual employer payments of \$22,746,250 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of \$6,471,556 by \$16,274,694, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

Net Pension Liability (Continued)

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)*Long-term Expected Rate of Return*

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Asset Class	Assumed Asset Allocation	Real Return^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)
Proportionate Share of Net Pension Liability

The following table shows the Safety Plan's proportionate share of the net pension liability over the measurement period.

	Miscellaneous	Safety
Proportion - June 30, 2021	N/A	0.03957%
Proportion - June 30, 2022	N/A	0.01643%
Change - Increase (Decrease)	N/A	-0.02314%

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability/(asset) for the Safety Plan as of June 30, 2021 and 2022 measurement dates was as follows:

	Increase(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Safety			
Balance at: 6/30/21 (Valuation date)	\$ 99,638,639	\$ 85,750,237	\$ 13,888,402
Balance at: 6/30/22 (Measurement date)	108,292,236	97,002,100	11,290,136
Net changes during 2021-2022	<u>\$ 8,653,597</u>	<u>\$ 11,251,863</u>	<u>\$ (2,598,266)</u>

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**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

Change in agent-multiple employer plan

The following table shows the changes in net pension liability of the Miscellaneous Plan over the measurement period:

	Increase (Decrease)		Net Pension
	Total Pension Liability	Plan Fiduciary Net Position	Liability / (Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2021 (VD)	\$ 118,344,080	\$ 109,402,175	\$ 8,941,905
Changes recognized for the measurement period:			
Service cost	2,629,757	-	2,629,757
Interest on the Total Pension Liability	8,080,540	-	8,080,540
Changes of assumptions	1,886,393	-	1,886,393
Differences between expected and actual experience	(1,259,145)	-	(1,259,145)
Net plan to plan resource movement	-	(52,804)	52,804
Contributions from the employer	-	15,804,838	(15,804,838)
Contributions from employees	-	903,798	(903,798)
Net investment income	-	(8,335,831)	8,335,831
Benefit payments, including refunds of employee contributions	(6,353,883)	(6,353,883)	-
Administrative expense	-	(68,151)	68,151
Other miscellaneous income/(expense) ¹	-	-	-
Net Changes during 2020-21	4,983,662	1,897,967	3,085,695
Balance at: 6/30/2022 (MD)	\$ 123,327,742	\$ 111,300,142	\$ 12,027,600

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

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

The following presents the City's net pension liabilities as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 29,112,339	\$ 26,245,124
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 12,027,600	\$ 11,290,136
1% Increase	7.90%	7.90%
Net Pension Liability/(Asset)	\$ (1,968,498)	\$ (932,189)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, 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:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 8 - PENSION PLAN (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2021), the City's net pension liabilities were \$8,941,905 and \$13,888,402, for the Miscellaneous and Safety plans, respectively. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$2,937,859 and \$13,670,225 for the Miscellaneous and Safety Plans, respectively. The pension expense of the Miscellaneous Plan was as follows:

Description	Amount
Service cost	\$ 2,629,757
Interest on total pension liability	8,080,540
Recognized changes of assumptions	483,691
Recognized differences between expected and actual experience	(315,777)
Net plan to plan movement	52,804
Employee contributions	(903,798)
Projected earnings on pension plan investments	(7,897,326)
Recognized difference between projected and actual earnings on plan investments	739,817
Administrative expense	68,151
Total pension expense	<u>\$ 2,937,859</u>

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan			
	Deferred Outflows	Deferred	Inflows
Changes of assumptions	\$ 1,402,702	\$	-
Differences between expected and actual experiences			1,217,289
Net differences between projected and actual earnings on investments	5,539,073		-
Pension contributions subsequent to measurement date	2,402,040		-
Total	<u>\$ 9,343,815</u>	<u>\$</u>	<u>1,217,289</u>
Safety Plan			
	Deferred Outflows	Deferred	Inflows
Changes in assumptions	\$ 1,138,387	\$	-
Differences between expected and actual experience	344,656		-
Net differences between projected and actual earnings on investments	1,782,870		-
Adjustment due to differences in proportions	11,155,260		-
Adjustment due to differences between actual and proportionate share of contributions	-		-
Change in employer's proportion	-		13,998,308
Pension contributions subsequent to measurement date	2,442,956		-
Total	<u>\$ 16,864,129</u>	<u>\$</u>	<u>13,998,308</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023****NOTE 8 - PENSION PLAN (Continued)***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions
(Continued)*

The amounts above are net of outflows and inflows recognized in the 2021/22 measurement period expense. Contributions subsequent to the measurement date of \$2,402,040 and \$2,442,956, for the Miscellaneous and Safety Plans, respectively reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

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

Fiscal year ended June 30	Deferred Outflows (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2023	\$ 928,584	\$ (68,319)
2024	915,591	(281,742)
2025	633,678	(314,648)
2026	3,246,633	1,087,574
Total	<u>\$ 5,724,486</u>	<u>\$ 422,865</u>

Payable to the Pension Plan

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2023.

NOTE 9 - 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 employees' death. The MEC is \$119 per month for 2022. The plan does not issue separate standalone financial statements.

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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former City employees were covered by the OPEB plan membership:

Inactive employees or beneficiaries currently receiving benefit payments	43
Active employees	291
Total employees covered by the OPEB plan membership	<u>334</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 2022-2023, the City paid approximately \$45,696 for benefits of 44 retirees or their beneficiaries receiving benefits.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions.

Valuation Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level of pay
Asset Valuation Method	Market value of assets
Discount Rate	3.86% as of June 30, 2023 3.69% as of June 30, 2022
Participants Valued	Only current active employees, retired participants and covered dependents are valued. No future entrants are included.
Salary Increase	3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.5% per year
Mortality	CalPERS 2017 Experienced Study
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017
Healthcare Trend	6.8% in 2024, step down to 3.9% by 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 3.86 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Changes in the total OPEB Liability

The change in the total OPEB liability for the year ended June 30, 2023 is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022 (6/30/22 measurement date)	\$ 3,943,404	\$ -	\$ 3,943,404
Changes in the year:			
Service cost	235,139	-	235,139
Interest	151,343	-	151,343
Employer contribution	-	154,219	(154,219)
Benefit payments	(154,219)	(154,219)	-
Changes in assumptions	(100,260)	-	(100,260)
Plan experience	(137,215)	-	(137,215)
Net change	(5,212)	-	(5,212)
Balance at June 30, 2023 (6/30/23 measurement date)	\$ 3,938,192	\$ -	\$ 3,938,192

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Plan as of the measurement date, calculated using the discount rate of 3.86%, if it were calculated using a discount rate that is 1 percentage-point lower (2.86%) or 1 percentage-point higher (4.86%) than the current rate:

	Discount Rate -1% (2.86%)	Current Discount Rate 3.86%	Discount Rate +1% (4.86%)
Total OPEB Liability	\$ 4,309,183	\$ 3,938,192	\$ 3,601,145

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total 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% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 3,533,262	\$ 3,938,192	\$ 4,420,705

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 9 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)
OPEB Expense

As of the start of the measurement period (July 1, 2022), the total OPEB liability was \$3,943,404. For the measurement period ended June 30, 2023 (the measurement date), the City incurred an OPEB expense of \$573,916. The pension expense was as follows:

Description	Amount
Service cost	\$ 235,139
Interest cost	151,343
Assumption changes	82,301
Plan experience	105,133
Total OPEB expense	<u>\$ 573,916</u>

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to the total OPEB liability as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 784,841	\$ 125,577
Changes in assumptions or other inputs	1,243,607	667,123
Total	<u>\$ 2,028,448</u>	<u>\$ 792,700</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Fiscal Year ended June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2024	\$ 187,434
2025	187,434
2026	187,434
2027	187,434
2028	187,434
Thereafter	298,578
	<u>\$ 1,235,748</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 10 - RISK MANAGEMENT

The City participates in a public entity risk pool for workers' compensation and general liability insurance above our self-insured retention limits. For workers' compensation, the City is individually liable for claims up to \$250,000 per occurrence. Coverage in excess of the City's self-insured retention is then obtained through Public Risk Innovation, Solutions, and Management (PRISM) excess workers' compensation program up to the statutory limits. The City participates in a risk pool for general liability claims through PRISM above the City's self-insured retention of \$100,000 up to \$25,000,000 per occurrence, subject to certain exclusions. For both excess workers' compensation and general liability covered occurrences, PRISM coordinates reimbursement of costs incurred for covered actions in excess of each member's self-insured retention. While there were no reductions in excess coverage from the prior year and there were no settlements that exceeded excess pool layer of coverage for the past three fiscal years, given marketing challenges in California, additional coverage exclusions continue to apply.

The City participates in a number of supplemental insurance programs through Alliant. Alliant Property Insurance Program (APIP) is for city owned buildings and structures. In 2022 a city-wide site inspection was conducted to appraise city owned buildings and structures. The APIP deductible is \$10,000.00 per covered occurrence. APIP insurance includes elected coverage for Boiler & Machinery, Cyber Security, and Pollution Coverage. Claim reporting timeframe limitations apply to both Cyber Coverage and Pollution Coverage policies.

Worker's 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.

NOTE 11 - 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.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

As of June 30, 2023 the City interfund due from/to other funds were as follows:

	Due From Other Funds	Due To Other Funds
Governmental Funds		
General Fund	\$ 1,175,894	\$ -
Non-major funds	-	230,309
Proprietary Funds		
Wastewater Fund	1,399,758	1,716,645
Courthouse Square	-	153,062
Computer Maintenance Fund	-	337,695
Fleet Management Fund	-	137,941
Total	<u>\$ 2,575,652</u>	<u>\$ 2,575,652</u>

These balances are to cover deficit cash balances and for short-term loans.

As of June 30, 2023 the City's interfund advances to/from other funds were as follows:

	Advances To Other Funds	Advances From Other Funds
Governmental Funds		
Capital Projects Fund	\$ 1,659,025	\$ -
Proprietary Funds		
Water System Fund	531,130	531,130
Airport Fund	-	375,467
Intermodal Fund	-	261,224
Courthouse Square Fund	-	1,022,334
Total	<u>\$ 2,190,155</u>	<u>\$ 2,190,155</u>

These balances are for long-term financing between funds.

**Notes to the Financial Statements
For the Year Ended June 30, 2023****NOTE 11 - 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, 2023 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 3,880,591	\$ 449,787
CDBG Home/Housing Fund	43,117	169,872
ARPA Fund	-	2,833,333
Non-major Governmental Funds	703,988	1,481,151
Proprietary Funds		
Water System Fund	5,381,072	5,139,919
Wastewater Fund	2,145,812	2,159,943
Storm Drain Fund	1,642,246	1,621,279
Refuse Fund	104,391	104,391
Non-major propriety fund types		
Airport Fund	-	4,779
Building Fund	-	47,700
Fleet Management Fund	128,993	18,056
Total	<u>\$ 14,030,210</u>	<u>\$ 14,030,210</u>

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

Prior period adjustments for the year ended June 30, 2023 is summarized as follows:

Governmental Activities

	Governmental Activities
Net Position, beginning of year, as previously reported	<u>\$ 177,657,695</u>
Prior period adjustment to correct funding that should be restricted	(100,939)
Prior period adjustment to record sales tax accruals	2,396,952
Prior period adjustment for recognizing TDA revenue previously reported as an advance from other governments	<u>5,872,677</u>
Total Prior Period Adjustments	<u>8,168,690</u>
Net Position, beginning of year, restated	<u>\$ 185,826,385</u>

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 12 - PRIOR PERIOD ADJUSTMENTS (Continued)**Governmental Fund Financial Statements**

	Governmental Funds General Fund
Fund Balance, beginning of year, as previously reported	\$ 3,281,078
Prior period adjustment to record sales tax accruals	2,396,952
Prior period adjustment to correct funding that should be restricted	(100,939)
Total Prior Period Adjustments	2,296,013
Fund Balance, beginning of year, restated	\$ 5,577,091
	Transportation Development Act Fund
Fund Balance, beginning of year, as previously reported	\$ 325,111
Prior period adjustment for recognizing TDA revenue previously reported as an advance from other governments	5,872,677
Fund Balance, beginning of year, restated	\$ 6,197,788

Fiduciary Fund Financial Statements

	Fiduciary Funds Miscellaneous Deposits Trust
Net Position, beginning of year, as previously reported	\$ 34,603
Prior period adjustment for correction of error	(4,963)
Net Position, beginning of year, restated	\$ 29,640

NOTE 13 - DEFICIT FUND BALANCE/NET POSITION

The Courthouse Square Fund has a net position deficit of \$1,171,219. The deficit will be recovered through future charges for services.

The American Rescue Plan Act Fund has a fund balance deficit of \$146,712, mainly attributable to the unearned revenues. The deficit will be recovered as the City continues to spend and earn the revenue.

The Police Protection Impact Fees Fund has a fund balance deficit of \$170,397, mainly attributable to the due to other funds balance. The deficit will be recovered through grant support received from other government agencies.

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 14 - EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2023, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	
General government	\$ (975,595)
Debt service - interest	(1,140,021)
Transportation Development Act Fund	
General government	(5,743)
Transportation Impact Fees	
General government	(5,923)
Capital Projects	
General government	(1,419)
Park Impact Fees	
General government	(5,008)
Parking Fund	
General government	(184)
Downtown Reinvestment Fund	
General government	(123)
Landscaping Assessment District	
General government	(2,147)
City Housing Fund	
General government	(560)
Central Parking and Business Improvement Fund	
General government	(173)
Fire Protection Impact Fees	
General government	(625)
Police Protection Impact Fees	
General government	(33)
Traffic Safety	
General government	(79)
State Gas Tax Fund	
General government	(3,717)
Public Housing Authority	
Capital Outlay	(812,628)

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years

Miscellaneous Plan

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 2,629,757	\$ 2,307,283	\$ 2,151,214	\$ 2,064,352	\$ 2,105,925	\$ 2,090,309	\$ 1,914,877	\$ 1,859,399	\$ 1,803,855
Interest	8,080,540	8,011,156	7,725,010	7,440,145	7,031,320	7,021,932	6,976,069	6,689,193	6,381,234
Differences between expected and actual experience	(1,259,145)	(436,335)	(410,579)	1,398,071	(1,511,015)	(3,768,183)	(831,190)	(443,007)	-
Changes in assumptions	1,886,393	-	-	-	(3,087,527)	6,006,913	-	(1,698,571)	-
Benefit payments, including refunds of employees contributions	(6,353,883)	(5,729,725)	(5,302,018)	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Net change in total pension liability	4,983,662	4,152,379	4,163,627	5,898,127	(50,268)	7,159,558	3,853,169	2,623,342	4,540,837
Total pension liability- beginning	118,344,080	114,191,701	110,028,074	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146	86,003,309
Total pension liability-ending (a)	123,327,742	118,344,080	114,191,701	110,028,074	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146
Plan Fiduciary Net Position									
Contributions-employer	15,804,838	4,300,785	4,072,920	3,791,023	3,415,348	3,213,198	295,917	2,937,484	2,451,408
Contributions-employees	903,798	908,516	852,662	874,603	796,926	760,087	709,460	712,929	686,870
Net plan to plan resource movement	(52,804)	-	-	-	(188)	-	-	-	-
Net investment income	(8,335,831)	20,183,976	4,294,558	5,316,832	6,405,074	7,625,528	366,113	1,494,371	10,020,177
Benefit payments	(6,353,883)	(5,729,725)	(5,302,018)	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Administrative expense	(68,151)	(89,733)	(121,281)	(57,883)	(340,724)	(100,570)	(41,645)	(76,906)	-
Other miscellaneous income/(expense)	-	-	-	186	-	-	-	-	-
Net change in plan fiduciary net position	1,897,967	19,573,819	3,796,841	4,920,320	5,687,465	7,306,830	(2,876,742)	1,284,206	9,514,203
Total plan fiduciary net position-beginning	109,402,175	89,828,356	86,031,515	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)	111,300,142	109,402,175	89,828,356	86,031,515	81,111,195	75,423,730	65,454,900	68,431,642	67,147,436
Net pension liability-ending (a)-(b)	\$ 12,027,600	\$ 8,941,905	\$ 24,363,345	\$ 23,996,559	\$ 23,018,752	\$ 28,756,485	\$ 31,565,757	\$ 24,735,846	\$ 23,396,710
Plan fiduciary net position as a percentage of the total pension liability	90.25%	92.44%	78.66%	78.19%	77.39%	72.40%	70.21%	73.34%	74.16%
City's covered-employee payroll	\$ 12,146,682	\$ 11,735,924	\$ 10,586,681	\$ 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	99.02%	76.19%	230.13%	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 7.25 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

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Liability Last Ten Fiscal Years

Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability (Asset) ¹	Employer's Proportion Share of the Collective Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Collection Net Pension Liability (Asset) as a Percentage of Covered Payroll	Pension's Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
6/30/2014	0.2402%	\$ 14,946,492	\$ 6,602,409	226.38%	77.21%
6/30/2015	0.2194%	14,547,172	6,897,272	210.91%	78.71%
6/30/2016	0.2137%	18,487,608	6,409,767	288.43%	74.41%
6/30/2017	0.2115%	20,972,245	6,692,475	313.37%	74.07%
6/30/2018	0.2153%	20,744,090	6,673,847	310.83%	75.73%
6/30/2019	0.2161%	22,146,339	6,889,321	321.46%	75.21%
6/30/2020	0.2249%	24,469,454	9,140,252	267.71%	74.04%
6/30/2021	0.3957%	13,888,402	8,109,211	171.27%	86.06%
6/30/2022	0.1643%	11,290,136	8,380,965	134.71%	90.25%

*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

Required Supplementary Information Schedule of Plan Contributions Last Ten Years*

Miscellaneous Plan

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,261,698	\$ 4,300,785	\$ 4,072,920	\$ 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	(15,804,838)	(4,300,785)	(4,072,920)	(3,791,023)	(3,415,348)	(3,213,198)	(2,957,917)	(2,837,484)	(2,451,408)
Contribution deficiency (excess)	<u>\$ (11,543,140)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 12,146,682	\$ 11,735,924	\$ 10,586,681	\$ 10,064,610	\$ 10,080,535	\$ 9,434,933	\$ 9,643,787	\$ 9,090,194	\$ 8,260,542
Contributions as a percentage of covered-employee payroll	130.12%	36.65%	38.47%	37.67%	33.88%	34.06%	30.67%	31.21%	29.68%

Safety Plan

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,422,956	\$ 22,748,720	\$ 4,062,968	\$ 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	(2,422,956)	(22,748,720)	(4,062,968)	(3,451,832)	(3,067,990)	(3,064,625)	(3,728,697)	(2,859,367)	(1,937,233)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,380,965	\$ 8,109,211	\$ 9,140,252	\$ 6,889,321	\$ 6,673,847	\$ 6,692,475	\$ 6,409,767	\$ 6,897,272	\$ 6,602,409
Contributions as a percentage of covered-employee payroll	28.91%	280.53%	44.45%	50.10%	45.97%	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

Required Supplementary Information Schedule of Changes in Total OPEB Liability and Related Ratios Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 235,139	\$ 310,994	\$ 120,203	\$ 105,251	\$ -	\$ -
Interest on total OPEB liability	151,238	88,810	63,027	74,534	47,002	50,391
Differences between expected and actual experience	(131,402)		283,719	(1,034,539)	1,034,539	-
Changes in assumptions	(100,260)	(699,772)	1,541,087	141,650	39,397	(6,734)
Benefit payments, including refunds of employee contributions	(159,927)	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
Net change in total OPEB liability	(5,212)	(442,161)	1,858,467	(850,054)	967,516	(124,386)
Total Net OPEB liability - beginning	3,943,404	4,385,565	2,527,098	2,342,613	1,375,097	1,499,483
Total Net OPEB liability- ending (a)	3,938,192	3,943,404	4,385,565	1,492,559	2,342,613	1,375,097
Plan Fiduciary Net Position						
Contributions- employer	-	142,193	149,569	136,950	153,422	168,043
Benefit payments	-	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
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>\$ 3,938,192</u>	<u>\$ 3,943,404</u>	<u>\$ 4,385,565</u>	<u>\$ 1,492,559</u>	<u>\$ 2,342,613</u>	<u>\$ 1,375,097</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
City's covered-employee payroll	\$ 26,307,809	\$ 18,572,290	\$ 19,345,356	\$ 18,420,461	\$ 19,211,409	\$ -
Net OPEB liability as a percentage of covered-employee payroll	14.97%	21.23%	22.67%	13.72%	12.19%	0%

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

Required Supplementary Information Schedule of Contributions – OPEB Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 154,219	\$ 142,193	\$ 149,569	\$ 136,950	\$ 153,422	\$ 168,043
Contributions in relation to the actuarially determined contribution	(154,219)	(142,193)	(149,569)	(136,950)	(153,422)	(168,043)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 26,307,809	\$ 18,572,290	\$ 19,345,356	\$ 18,420,461	\$ 19,211,409	\$ -
Contributions as a percentage of covered-employee payroll	0.59%	0.77%	0.77%	0.74%	0.80%	-

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-2022 were as follows for the June 30, 2021 measurement date actuarial valuations.

Valuation Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation	Market value of assets
Discount Rate	3.86% as of June 30, 2023 3.69% as of June 30, 2022
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% 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	2.50% per year.
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MacLeod Watts 2020 Scale Generationally
Healthcare Trend	6.8% in 2024, step down to 3.9%% by 2076

*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

Required Supplementary Information Budgetary Comparison Schedule – (GAAP Basis) General Fund For the Year Ended June 30, 2023

	General Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 29,558,500	\$ 31,834,022	\$ 33,411,258	\$ 1,577,236
Aid from other government agencies	774,797	1,163,941	1,443,000	279,059
Licenses and permits	945,380	1,045,380	1,849,277	803,897
Fines and forfeitures	164,150	120,150	202,822	82,672
Charges for services	2,262,668	2,679,023	3,205,579	526,556
Revenue from use of money and property	3,500	117,500	469,550	352,050
Miscellaneous	1,900	1,900	69,171	67,271
Total Revenues	33,710,895	36,961,916	40,650,657	3,688,741
EXPENDITURES				
Current:				
General government	938,832	1,995,963	2,971,558	(975,595)
Public safety	21,804,791	23,626,708	23,465,277	161,431
Public works	3,080,990	3,379,538	3,071,761	307,777
Recreation	4,338,294	5,058,321	4,670,976	387,345
Community development	1,874,749	2,734,443	2,036,025	698,418
Debt service:				
Principal	1,243,300	1,243,300	1,243,300	-
Interest	-	-	1,140,021	(1,140,021)
Capital outlay	-	9,498,580	541,332	8,957,248
Total Expenditures	33,280,956	47,536,853	39,140,250	8,396,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	429,939	(10,574,937)	1,510,407	12,085,344
OTHER FINANCING SOURCES (USES)				
Transfers in	431,062	3,714,395	3,880,591	166,196
Transfers out	(77,197)	(77,197)	(449,787)	(372,590)
Proceeds from sale of assets	-	-	784	784
Total Other Financing Sources (Uses)	353,865	3,637,198	3,431,588	(205,610)
Net Change in Fund Balance	783,804	(6,937,739)	4,941,995	11,879,734
FUND BALANCE				
Beginning of year, as restated	5,577,091	5,577,091	5,577,091	-
End of year	\$ 6,360,895	\$ (1,360,648)	\$ 10,519,086	\$ 11,879,734

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) CDBG Home/Housing Fund
For the Year Ended June 30, 2023**

	CDBG/Home/Housing Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Aid from other government agencies	\$ 1,100,000	\$ 1,100,000	\$ 797,092	\$ (302,908)
Revenue from use of money and property	45,000	53,200	328,875	275,675
Miscellaneous	360,000	360,000	1,891	(358,109)
Total Revenues	1,505,000	1,513,200	1,127,858	(385,342)
EXPENDITURES				
Current:				
Community development	1,021,000	1,277,177	354,026	923,151
Capital outlay	-	236,322	225,406	10,916
Total Expenditures	1,021,000	1,513,499	579,432	934,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	484,000	(299)	548,426	548,725
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	43,117	(36,883)
Transfers out	-	-	(169,872)	(169,872)
Total Other Financing Sources (Uses)	80,000	80,000	(126,755)	(206,755)
Net Change in Fund Balance	564,000	79,701	421,671	341,970
FUND BALANCE				
Beginning of year	20,403,276	20,403,276	20,403,276	-
End of year	\$ 20,967,276	\$ 20,482,977	\$ 20,824,947	\$ 341,970

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) Transportation Development Act Fund
For the Year Ended June 30, 2023**

	Transportation Development Act Fund			Variance with
	Original	Final	Actual Amount	Final Budget
REVENUES				
Taxes and special assessments	\$ 821,000	\$ 821,000	\$ 1,423,998	\$ 602,998
Aid from other government agencies	-	-	45,918	45,918
Revenue from use of money and property	8,400	37,800	100,397	62,597
Total revenues	829,400	858,800	1,570,313	711,513
EXPENDITURES				
Current:				
General government	-	-	5,743	(5,743)
Capital outlay	946,129	1,348,553	232,958	1,115,595
Total expenditures	946,129	1,348,553	238,701	1,109,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(116,729)	(489,753)	1,331,612	1,821,365
FUND BALANCE				
Beginning of year	6,197,788	6,197,788	6,197,788	-
End of year	\$ 6,081,059	\$ 5,708,035	\$ 7,529,400	\$ 1,821,365

**Required Supplementary Information
Budgetary Comparison Schedule – (GAAP Basis) American Rescue Plan Act Fund
For the Year Ended June 30, 2023**

	American Rescue Plan Act			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Aid from other government agencies	\$ -	\$ 6,538,870	\$ 3,732,941	\$ (2,805,929)
Revenue from use of money and property	-	-	128,976	128,976
Total Revenues	-	6,538,870	3,861,917	(2,676,953)
EXPENDITURES				
Current:				
General government	-	300,000	-	300,000
Capital outlay	-	6,173,500	1,049,459	5,124,041
Total Expenditures	-	6,473,500	1,049,459	5,424,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	65,370	2,812,458	2,747,088
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,833,333)	(2,833,333)	-
Total Other Financing Sources (Uses)	-	(2,833,333)	(2,833,333)	-
Net Change in Fund Balance	-	(2,767,963)	(20,875)	2,747,088
FUND BALANCE				
Beginning of year	(125,837)	(125,837)	(125,837)	-
End of year	<u>\$ (125,837)</u>	<u>\$ (2,893,800)</u>	<u>\$ (146,712)</u>	<u>\$ 2,747,088</u>

City of Hanford

Notes to Budgetary Comparison Required Supplementary Information For the Year Ended June 30, 2023

Budget and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data 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 with a copy available on the City's website.

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, 2023. All unencumbered appropriations lapse at year-end.

See note 1 for more information regarding the City's budgetary process.

Excess of expenditures over appropriations

<u>Fund</u>	<u>Amount</u>
General Fund	
General government	\$ (975,595)
Debt service - interest	(1,140,021)
Transportation Development Act Fund	
General government	(5,743)

SUPPLEMENTARY INFORMATION

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City of Hanford

Combining Balance Sheet Non-Major Special Revenue Funds June 30, 2023

	Special Revenue				
	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
ASSETS					
Cash and investments	\$ -	\$ 5,705,236	\$ 405,048	\$ 129,399	\$ 1,428,329
Receivables	210,442	-	-	-	110,222
Loan receivable	-	-	-	30,381	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 210,442</u>	<u>\$ 5,705,236</u>	<u>\$ 405,048</u>	<u>\$ 159,780</u>	<u>\$ 1,538,551</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,644	\$ -	\$ -	\$ -	\$ 35,973
Accrued wages payable	-	-	-	-	-
Due to other funds	-	-	-	-	52,377
Total Liabilities	<u>2,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,350</u>
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	-	-	-	30,381	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	207,798	-	-	-	-
Recreation	-	5,705,236	-	-	-
Landscape maintenance	-	-	-	-	1,450,201
Public safety	-	-	-	-	-
Committed for:					
Parking and business improvement	-	-	405,048	129,399	-
Community development	-	-	-	-	-
Cannabis	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>207,798</u>	<u>5,705,236</u>	<u>405,048</u>	<u>159,780</u>	<u>1,450,201</u>
Total Liabilities and Fund Balances	<u>\$ 210,442</u>	<u>\$ 5,705,236</u>	<u>\$ 405,048</u>	<u>\$ 159,780</u>	<u>\$ 1,538,551</u>

City of Hanford

Combining Balance Sheet Non-Major Special Revenue Funds June 30, 2023

(continued)

	Special Revenue				
	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees	Special Aviation
ASSETS					
Cash and investments	\$ 580,796	\$ 201,747	\$ 741,460	\$ 7,535	\$ -
Receivables	-	1,286	-	-	-
Loan receivable	1,800,453	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 2,381,249</u>	<u>\$ 203,033</u>	<u>\$ 741,460</u>	<u>\$ 7,535</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 20,921	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Due to other funds	-	-	-	177,932	-
Total Liabilities	<u>-</u>	<u>20,921</u>	<u>-</u>	<u>177,932</u>	<u>-</u>
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	1,800,453	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	-	-	-	-	-
Recreation	-	-	-	-	-
Landscape maintenance	-	-	-	-	-
Public safety	-	-	741,460	-	-
Committed for:					
Parking and business improvement	-	182,112	-	-	-
Community development	580,796	-	-	-	-
Cannabis	-	-	-	-	-
Unassigned	-	-	-	(170,397)	-
Total Fund Balances	<u>2,381,249</u>	<u>182,112</u>	<u>741,460</u>	<u>(170,397)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 2,381,249</u>	<u>\$ 203,033</u>	<u>\$ 741,460</u>	<u>\$ 7,535</u>	<u>\$ -</u>

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023**

(continued)

	Special Revenue				
	Traffic Safety	Street Tree Committee	State Gas Tax Fund	Public Housing Authority	Transportation Impact Fees
ASSETS					
Cash and investments	\$ 101,844	\$ 1,218	\$ 4,909,525	\$ 162,520	\$ 6,946,046
Receivables	9,086	-	352,272	-	-
Loan receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 110,930</u>	<u>\$ 1,218</u>	<u>\$ 5,261,797</u>	<u>\$ 162,520</u>	<u>\$ 6,946,046</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,608	\$ 134,054
Accrued wages payable	-	-	-	3,010	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,618</u>	<u>134,054</u>
Fund Balances (deficit):					
Nonspendable:					
Loan receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Streets and roads	-	-	5,261,797	-	-
Recreation	-	-	-	-	-
Landscape maintenance	-	1,218	-	-	-
Public safety	110,930	-	-	-	-
Committed for:					
Parking and business improvement	-	-	-	-	-
Community development	-	-	-	157,902	6,811,992
Cannabis	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>110,930</u>	<u>1,218</u>	<u>5,261,797</u>	<u>157,902</u>	<u>6,811,992</u>
Total Liabilities and Fund Balances	<u>\$ 110,930</u>	<u>\$ 1,218</u>	<u>\$ 5,261,797</u>	<u>\$ 162,520</u>	<u>\$ 6,946,046</u>

City of Hanford

Combining Balance Sheet Non-Major Special Revenue Funds June 30, 2023

(concluded)

	<u>Special Revenue</u>		
	<u>Cannabis Operations</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
ASSETS			
Cash and investments	\$ 41,309	\$ 1,278,662	\$ 22,640,674
Receivables	84,946	12,559	780,813
Loan receivable	-	-	1,830,834
Prepaid expenses	-	1,100	1,100
Advances to other funds	-	1,659,025	1,659,025
Total Assets	<u>\$ 126,255</u>	<u>\$ 2,951,346</u>	<u>\$ 26,912,446</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 129,100	\$ 324,300
Accrued wages payable	-	-	3,010
Due to other funds	-	-	230,309
Total Liabilities	<u>-</u>	<u>129,100</u>	<u>557,619</u>
Fund Balances (deficit):			
Nonspendable:			
Loan receivable	-	-	1,830,834
Prepaid expenses	-	1,100	1,100
Restricted for:			
Streets and roads	-	-	5,469,595
Recreation	-	-	5,705,236
Landscape maintenance	-	-	1,451,419
Public safety	-	-	852,390
Committed for:			
Parking and business improvement	-	2,821,146	3,537,705
Community development	-	-	7,550,690
Cannabis	126,255	-	126,255
Unassigned	-	-	(170,397)
Total Fund Balances	<u>126,255</u>	<u>2,822,246</u>	<u>26,354,827</u>
Total Liabilities and Fund Balances	<u>\$ 126,255</u>	<u>\$ 2,951,346</u>	<u>\$ 26,912,446</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2023**

	Special Revenue				
	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
REVENUES					
Taxes and special assessments	\$ -	\$ 879,418	\$ -	\$ -	\$ 1,087,947
Aid from other government agencies	189,814	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Revenue from use of money and property	(4,344)	88,642	(6,417)	3,446	8,276
Miscellaneous	-	-	-	-	-
Total revenues	<u>185,470</u>	<u>968,060</u>	<u>(6,417)</u>	<u>3,446</u>	<u>1,096,223</u>
EXPENDITURES					
Current:					
General government	-	5,008	45,184	123	2,147
Public works	-	-	-	-	608,827
Community development	-	-	-	-	2,052
Capital outlay	<u>346,727</u>	<u>365,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>346,727</u>	<u>370,718</u>	<u>45,184</u>	<u>123</u>	<u>613,026</u>
Excess (deficiency) of revenues over expenditures	<u>(161,257)</u>	<u>597,342</u>	<u>(51,601)</u>	<u>3,323</u>	<u>483,197</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	433,892	-	-	-	-
Transfers out	-	-	-	-	-
Loss on lease termination	-	-	(11,319)	-	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>303,240</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>433,892</u>	<u>-</u>	<u>291,921</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>272,635</u>	<u>597,342</u>	<u>240,320</u>	<u>3,323</u>	<u>483,197</u>
FUND BALANCE (DEFICIT)					
Beginning of year	<u>(64,837)</u>	<u>5,107,894</u>	<u>164,728</u>	<u>156,457</u>	<u>967,004</u>
End of year	<u>\$ 207,798</u>	<u>\$ 5,705,236</u>	<u>\$ 405,048</u>	<u>\$ 159,780</u>	<u>\$ 1,450,201</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2023**

(continued)

	Special Revenue				
	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees	Special Aviation
REVENUES					
Taxes and special assessments	\$ -	\$ 111,940	\$ 189,749	\$ 114,698	\$ -
Aid from other government agencies	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Revenue from use of money and property	28,665	2,398	5,971	12,076	(934)
Miscellaneous	13,368	-	13,841	15,146	-
Total revenues	42,033	114,338	209,561	141,920	(934)
EXPENDITURES					
Current:					
General government	560	173	625	33	-
Public works	-	81,090	-	-	-
Community development	15,960	15,832	-	-	-
Capital outlay	-	-	-	422,555	-
Total expenditures	16,520	97,095	625	422,588	-
Excess (deficiency) of revenues over expenditures	25,513	17,243	208,936	(280,668)	(934)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Loss on lease termination	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	25,513	17,243	208,936	(280,668)	(934)
FUND BALANCE (DEFICIT)					
Beginning of year	2,355,736	164,869	532,524	110,271	934
End of year	\$ 2,381,249	\$ 182,112	\$ 741,460	\$ (170,397)	\$ -

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2023**

(continued)

	Special Revenue				
	Traffic Safety	Street Tree Committee	State Gas Tax Fund	Public Housing Authority	Transportation Impact Fees
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 3,266,751	\$ -	\$ 1,701,110
Aid from other government agencies	-	-	-	-	-
Fines and forfeitures	39,853	-	-	-	-
Revenue from use of money and property	487	43	12,869	5,728	84,661
Miscellaneous	-	-	765	-	28
Total revenues	<u>40,340</u>	<u>43</u>	<u>3,280,385</u>	<u>5,728</u>	<u>1,785,799</u>
EXPENDITURES					
Current:					
General government	79	-	3,717	-	5,923
Public works	-	-	7,498	1,261	-
Community development	-	-	-	267,675	-
Capital outlay	-	-	1,478,475	635	812,628
Total expenditures	<u>79</u>	<u>-</u>	<u>1,489,690</u>	<u>269,571</u>	<u>818,551</u>
Excess (deficiency) of revenues over expenditures	<u>40,261</u>	<u>43</u>	<u>1,790,695</u>	<u>(263,843)</u>	<u>967,248</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	270,096	-
Transfers out	-	-	(433,892)	-	-
Loss on lease termination	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(433,892)</u>	<u>270,096</u>	<u>-</u>
Net change in fund balance	<u>40,261</u>	<u>43</u>	<u>1,356,803</u>	<u>6,253</u>	<u>967,248</u>
FUND BALANCE (DEFICIT)					
Beginning of year	<u>70,669</u>	<u>1,175</u>	<u>3,904,994</u>	<u>151,649</u>	<u>5,844,744</u>
End of year	<u>\$ 110,930</u>	<u>\$ 1,218</u>	<u>\$ 5,261,797</u>	<u>\$ 157,902</u>	<u>\$ 6,811,992</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2023**

(concluded)

	<u>Special Revenue</u>		
	<u>Cannabis Operations</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
REVENUES			
Taxes and special assessments	\$ 1,040,549	\$ 32,728	\$ 8,424,890
Aid from other government agencies	-	-	189,814
Fines and forfeitures	-	-	39,853
Revenue from use of money and property	4,437	62,142	308,146
Miscellaneous	33,102	2,257	78,507
Total revenues	<u>1,078,088</u>	<u>97,127</u>	<u>9,041,210</u>
EXPENDITURES			
Current:			
General government	-	1,419	64,991
Public works	-	-	698,676
Community development	25,000	-	326,519
Capital outlay	1,392	884,841	4,312,963
Total expenditures	<u>26,392</u>	<u>886,260</u>	<u>5,403,149</u>
Excess (deficiency) of revenues over expenditures	<u>1,051,696</u>	<u>(789,133)</u>	<u>3,638,061</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	703,988
Transfers out	(1,047,259)	-	(1,481,151)
Loss on lease termination	-	-	(11,319)
Proceeds from sale of capital assets	-	-	303,240
Total other financing sources (uses)	<u>(1,047,259)</u>	<u>-</u>	<u>(485,242)</u>
Net change in fund balance	<u>4,437</u>	<u>(789,133)</u>	<u>3,152,819</u>
FUND BALANCE (DEFICIT)			
Beginning of year	<u>121,818</u>	<u>3,611,379</u>	<u>23,202,008</u>
End of year	<u>\$ 126,255</u>	<u>\$ 2,822,246</u>	<u>\$ 26,354,827</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
CMAQ Transportation Fund
For the Year Ended June 30, 2023**

	CMAQ Transportation Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Aid from other government agencies	\$ -	\$ 357,000	\$ 189,814	\$ (167,186)
Revenue from use of money and property	-	-	(4,344)	(4,344)
Total revenues	-	357,000	185,470	(171,530)
EXPENDITURES				
Current:				
Capital outlay	457,592	1,019,107	346,727	672,380
Total expenditures	457,592	1,019,107	346,727	672,380
Excess (deficiency) of revenues over (under) expenditures	(457,592)	(662,107)	(161,257)	500,850
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	433,892	433,892
Total other financing sources (uses)	-	-	433,892	433,892
Net change in fund balance	(457,592)	(662,107)	272,635	934,742
FUND BALANCE				
Beginning of year	(64,837)	(64,837)	(64,837)	-
End of year	\$ (522,429)	\$ (726,944)	\$ 207,798	\$ 934,742

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Park Impact Fees Fund
For the Year Ended June 30, 2023**

	Park Impact Fees			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 268,700	\$ 268,700	\$ 879,418	\$ 610,718
Revenue from use of money and property	33,170	41,400	88,642	47,242
Total revenues	301,870	310,100	968,060	657,960
EXPENDITURES				
Current:				
General government	-	-	5,008	(5,008)
Capital outlay	507,014	2,489,898	365,710	2,124,188
Total expenditures	507,014	2,489,898	370,718	2,119,180
Excess (deficiency) of revenues over (under) expenditures	(205,144)	(2,179,798)	597,342	2,777,140
FUND BALANCE				
Beginning of year	5,107,894	5,107,894	5,107,894	-
End of year	\$ 4,902,750	\$ 2,928,096	\$ 5,705,236	\$ 2,777,140

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Parking Fund For the Year Ended June 30, 2023

	Parking Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Revenue from use of money and property	\$ 11,162	\$ 1,300	\$ (6,417)	\$ (7,717)
Total revenues	11,162	1,300	(6,417)	(7,717)
EXPENDITURES				
Current:				
General government	-	45,000	45,184	(184)
Total expenditures	-	45,000	45,184	(184)
Excess (deficiency) of revenues over (under) expenditures	11,162	(43,700)	(51,601)	(7,901)
OTHER FINANCING SOURCES (USES)				
Loss on lease termination	-	-	(11,319)	(11,319)
Proceeds from sale of assets	-	-	303,240	303,240
Total other financing sources (uses)	-	-	291,921	291,921
Net change in fund balance	11,162	(43,700)	240,320	284,020
FUND BALANCE				
Beginning of year	164,728	164,728	164,728	-
End of year	\$ 175,890	\$ 121,028	\$ 405,048	\$ 284,020

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Downtown Reinvestment Fund For the Year Ended June 30, 2023

	Downtown Reinvestment Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Revenue from use of money and property	\$ 2,030	\$ 2,180	\$ 3,446	\$ 1,266
Miscellaneous	4,530	4,530	-	(4,530)
Total revenues	6,560	6,710	3,446	(3,264)
EXPENDITURES				
Current:				
General government	-	-	123	(123)
Total expenditures	-	-	123	(123)
Excess (deficiency) of revenues over (under) expenditures	6,560	6,710	3,323	(3,387)
FUND BALANCE				
Beginning of year	156,457	156,457	156,457	-
End of year	\$ 163,017	\$ 163,167	\$ 159,780	\$ (3,387)

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Landscaping Assessment District Fund
For the Year Ended June 30, 2023**

	Landscaping Assessment District			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 893,790	\$ 893,790	\$ 1,087,947	\$ 194,157
Revenue from use of money and property	-	-	8,276	8,276
Total revenues	893,790	893,790	1,096,223	202,433
EXPENDITURES				
Current:				
General government	-	-	2,147	(2,147)
Public works	678,070	692,650	608,827	83,823
Community development	41,820	41,820	2,052	39,768
Total expenditures	719,890	734,470	613,026	121,444
Excess (deficiency) of revenues over (under) expenditures	173,900	159,320	483,197	323,877
FUND BALANCE				
Beginning of year	967,004	967,004	967,004	-
End of year	\$ 1,140,904	\$ 1,126,324	\$ 1,450,201	\$ 323,877

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual City Housing Fund For the Year Ended June 30, 2023

	City Housing Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Revenue from use of money and property	\$ -	\$ 4,000	\$ 28,665	\$ 24,665
Miscellaneous	20,000	20,000	13,368	(6,632)
Total revenues	20,000	24,000	42,033	18,033
EXPENDITURES				
Current:				
General government	-	-	560	(560)
Community development	20,000	20,000	15,960	4,040
Total expenditures	20,000	20,000	16,520	3,480
Excess (deficiency) of revenues over (under) expenditures	-	4,000	25,513	21,513
FUND BALANCE				
Beginning of year	2,355,736	2,355,736	2,355,736	-
End of year	\$ 2,355,736	\$ 2,359,736	\$ 2,381,249	\$ 21,513

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Central Parking and Business Improvement Fund
For the Year Ended June 30, 2023**

	Central Parking and Business Improvement Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 90,000	\$ 90,000	\$ 111,940	\$ 21,940
Revenue from use of money and property	-	750	2,398	1,648
Total revenues	90,000	90,750	114,338	23,588
EXPENDITURES				
Current:				
General government	-	-	173	(173)
Public works	81,090	81,090	81,090	-
Community development	-	22,000	15,832	6,168
Capital outlay	10,380	20,380	-	20,380
Total expenditures	91,470	123,470	97,095	26,375
Excess (deficiency) of revenues over (under) expenditures	(1,470)	(32,720)	17,243	49,963
FUND BALANCE				
Beginning of year	164,869	164,869	164,869	-
End of year	\$ 163,399	\$ 132,149	\$ 182,112	\$ 49,963

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Fire Protection Impact Fees Fund
For the Year Ended June 30, 2023**

	Fire Protection Impact Fees			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 107,156	\$ 107,156	\$ 189,749	\$ 82,593
Revenue from use of money and property	7,000	2,700	5,971	3,271
Miscellaneous	-	-	13,841	13,841
Total revenues	114,156	109,856	209,561	99,705
EXPENDITURES				
Current:				
General government	-	-	625	(625)
Total expenditures	-	-	625	(625)
Excess (deficiency) of revenues over (under) expenditures	114,156	109,856	208,936	99,080
FUND BALANCE				
Beginning of year	532,524	532,524	532,524	-
End of year	\$ 646,680	\$ 642,380	\$ 741,460	\$ 99,080

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Police Protection Impact Fees Fund
For the Year Ended June 30, 2023**

	Police Protection Impact Fees			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 100,000	\$ 100,000	\$ 114,698	\$ 14,698
Revenue from use of money and property	4,830	3,200	12,076	8,876
Miscellaneous	-	-	15,146	15,146
Total revenues	<u>104,830</u>	<u>103,200</u>	<u>141,920</u>	<u>38,720</u>
EXPENDITURES				
Current:				
General government	-	-	33	(33)
Capital outlay	-	453,044	422,555	30,489
Total expenditures	<u>-</u>	<u>453,044</u>	<u>422,588</u>	<u>30,456</u>
Excess (deficiency) of revenues over (under) expenditures	104,830	(349,844)	(280,668)	69,176
FUND BALANCE				
Beginning of year	<u>110,271</u>	<u>110,271</u>	<u>110,271</u>	<u>-</u>
End of year	<u>\$ 215,101</u>	<u>\$ (239,573)</u>	<u>\$ (170,397)</u>	<u>\$ 69,176</u>

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Special Aviation Fund For the Year Ended June 30, 2023

	Special Aviation			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Aid from other government agencies	\$ -	\$ 10,000	\$ -	\$ (10,000)
Revenue from use of money and property	-	-	(934)	(934)
Total revenues	-	10,000	(934)	(10,934)
EXPENDITURES				
Capital outlay	2,867,262	-	-	-
Total expenditures	2,867,262	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(2,867,262)	10,000	(934)	(10,934)
FUND BALANCE				
Beginning of year	934	934	934	-
End of year	\$ (2,866,328)	\$ 10,934	\$ -	\$ (10,934)

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Traffic Safety Fund For the Year Ended June 30, 2023

	Traffic Safety			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Fines and forfeitures	\$ 27,580	\$ 41,580	\$ 39,853	\$ (1,727)
Revenue from use of money and property	-	-	487	487
Total revenues	27,580	41,580	40,340	(1,240)
EXPENDITURES				
Current:				
General government	-	-	79	(79)
Total expenditures	-	-	79	(79)
Excess (deficiency) of revenues over (under) expenditures	27,580	41,580	40,261	(1,319)
FUND BALANCE				
Beginning of year	70,669	70,669	70,669	-
End of year	\$ 98,249	\$ 112,249	\$ 110,930	\$ (1,319)

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Street Tree Committee Fund
For the Year Ended June 30, 2023**

	Street Tree Committee			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ -	\$ -	\$ 43	\$ 43
Total revenues	-	-	43	43
Excess (deficiency) of revenues over (under) expenditures	-	-	43	43
FUND BALANCE				
Beginning of year	1,175	1,175	1,175	-
End of year	<u>\$ 1,175</u>	<u>\$ 1,175</u>	<u>\$ 1,218</u>	<u>\$ 43</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
State Gas Tax Fund
For the Year Ended June 30, 2023**

	State Gas Tax Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 2,348,281	\$ 2,348,281	\$ 3,266,751	\$ 918,470
Revenue from use of money and property	11,750	16,000	12,869	(3,131)
Miscellaneous	-	243,020	765	(242,255)
Total revenues	<u>2,360,031</u>	<u>2,607,301</u>	<u>3,280,385</u>	<u>673,084</u>
EXPENDITURES				
Current:				
General government	-	-	3,717	(3,717)
Public works	7,500	7,500	7,498	2
Capital outlay	1,995,350	4,712,945	1,478,475	3,234,470
Total expenditures	<u>2,002,850</u>	<u>4,720,445</u>	<u>1,489,690</u>	<u>3,230,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>357,181</u>	<u>(2,113,144)</u>	<u>1,790,695</u>	<u>3,903,839</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(340,000)</u>	<u>(340,000)</u>	<u>(433,892)</u>	<u>(93,892)</u>
Total other financing sources (uses)	<u>(340,000)</u>	<u>(340,000)</u>	<u>(433,892)</u>	<u>(93,892)</u>
Net change in fund balance	17,181	(2,453,144)	1,356,803	3,809,947
FUND BALANCE				
Beginning of year	<u>3,904,994</u>	<u>3,904,994</u>	<u>3,904,994</u>	-
End of year	<u>\$ 3,922,175</u>	<u>\$ 1,451,850</u>	<u>\$ 5,261,797</u>	<u>\$ 3,809,947</u>

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Public Housing Authority Fund For the Year Ended June 30, 2023

	Public Housing Authority			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ 1,701,110	\$ 1,701,110
Revenue from use of money and property	700	25,000	84,661	59,661
Miscellaneous	90,000	90,000	28	(89,972)
Total revenues	90,700	115,000	1,785,799	1,670,799
EXPENDITURES				
Current:				
General government	-	-	5,923	(5,923)
Community development	268,137	279,506	-	279,506
Capital outlay	-	-	812,628	(812,628)
Total expenditures	268,137	279,506	818,551	(539,045)
Excess (deficiency) of revenues over (under) expenditures	(177,437)	(164,506)	967,248	1,131,754
OTHER FINANCING SOURCES (USES)				
Transfers in	227,130	227,130	-	(227,130)
Total other financing sources (uses)	227,130	227,130	-	(227,130)
Net change in fund balance	49,693	62,624	967,248	904,624
FUND BALANCE				
Beginning of year	5,844,744	5,844,744	5,844,744	-
End of year	\$ 5,894,437	\$ 5,907,368	\$ 6,811,992	\$ 904,624

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Transportation Impact Fees Fund
For the Year Ended June 30, 2023**

	Transportation Impact Fees			Variance with Final Budget
	Original	Final	Actual Amount	
REVENUES				
Taxes and special assessments	\$ 763,000	\$ 763,000	\$ 1,701,110	\$ 938,110
Revenue from use of money and property	38,510	45,200	84,661	39,461
Miscellaneous	-	-	28	28
Total revenues	801,510	808,200	1,785,799	977,599
EXPENDITURES				
Current:				
General government	-	-	5,923	(5,923)
Capital outlay	1,757,159	4,040,046	812,628	3,227,418
Total expenditures	1,757,159	4,040,046	818,551	3,221,495
Excess (deficiency) of revenues over (under) expenditures	(955,649)	(3,231,846)	967,248	4,199,094
FUND BALANCE				
Beginning of year	5,844,744	5,844,744	5,844,744	-
End of year	\$ 4,889,095	\$ 2,612,898	\$ 6,811,992	\$ 4,199,094

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
Cannabis Operations Fund
For the Year Ended June 30, 2023**

	Cannabis Operations			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Taxes and special assessments	\$ 250,000	\$ 900,000	\$ 1,040,549	\$ 140,549
Revenue from use of money and property	-	-	4,437	4,437
Miscellaneous	96,000	96,000	33,102	(62,898)
Total revenues	346,000	996,000	1,078,088	82,088
EXPENDITURES				
Current:				
Community development	44,000	44,000	25,000	19,000
Capital outlay	1,390	1,390	1,392	(2)
Total expenditures	45,390	45,390	26,392	18,998
Excess (deficiency) of revenues over (under) expenditures	300,610	950,610	1,051,696	101,086
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,610)	(950,610)	(1,047,259)	(96,649)
Total other financing sources (uses)	(300,610)	(950,610)	(1,047,259)	(96,649)
Net change in fund balance	-	-	4,437	4,437
FUND BALANCE				
Beginning of year	121,818	121,818	121,818	-
End of year	\$ 121,818	\$ 121,818	\$ 126,255	\$ 4,437

City of Hanford

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Capital Projects Fund For the Year Ended June 30, 2023

	Capital Projects Fund			Variance with
	Original	Final	Actual Amount	Final Budget
REVENUES				
Taxes and special assessments	\$ -	\$ 15,000	\$ 32,728	\$ 17,728
Aid from other government agencies	2,500	-	-	-
Revenue from use of money and property	30,000	28,000	62,142	34,142
Miscellaneous	-	-	2,257	2,257
Total revenues	<u>32,500</u>	<u>43,000</u>	<u>97,127</u>	<u>54,127</u>
EXPENDITURES				
General Government	-	-	1,419	(1,419)
Capital outlay	<u>1,102,041</u>	<u>2,076,458</u>	<u>884,841</u>	<u>1,191,617</u>
Total expenditures	<u>1,102,041</u>	<u>2,076,458</u>	<u>886,260</u>	<u>1,190,198</u>
Excess (deficiency) of revenues over (under) expenditures	(1,069,541)	(2,033,458)	(789,133)	1,244,325
FUND BALANCE				
Beginning of year	<u>3,611,379</u>	<u>3,611,379</u>	<u>3,611,379</u>	-
End of year	<u>\$ 2,541,838</u>	<u>\$ 1,577,921</u>	<u>\$ 2,822,246</u>	<u>\$ 1,244,325</u>

City of Hanford

Combining Statement of Net Position Internal Service Funds June 30, 2023

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
ASSETS			
Current assets			
Cash and investments	\$ 1,048,383	\$ 6,329,685	\$ 283,372
Receivables	45,205	45,828	-
Deposits	-	185,000	-
Prepaid expenses	-	4,800	-
Inventory	-	-	-
Total current assets	1,093,588	6,565,313	283,372
Noncurrent assets			
Capital assets:			
Building and improvements	-	-	-
Machinery and equipment	-	-	1,716,635
Right to use assets	-	-	307,217
Accumulated depreciation	-	-	(883,530)
Accumulated amortization	-	-	(181,509)
Total capital assets (net of accumulated depreciation)	-	-	958,813
Total noncurrent assets	-	-	958,813
Total assets	1,093,588	6,565,313	1,242,185
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	-	-	113,995
Total deferred outflows of resources	-	-	113,995
LIABILITIES			
Current Liabilities			
Accounts payable	497,960	181,906	3,562
Salaries and benefits payable	586,583	-	5,349
Due to other funds	-	-	337,695
Compensated absences - current portion	-	-	17,122
Bonds and notes payable - current portion	-	-	9,614
SBITA payable	-	-	100,367
Total current liabilities	1,084,543	181,906	473,709
Noncurrent Liabilities			
Claims payable	-	5,776,000	-
Bonds and notes payable	-	-	149,590
Net pension liability	-	-	146,737
SBITA payable	-	-	-
Total noncurrent liabilities	-	5,776,000	296,327
Total liabilities	1,084,543	5,957,906	770,036
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	-	14,851
Total deferred inflows of resources	-	-	14,851
NET POSITION (DEFICIT)			
Net investment in capital assets	-	-	958,813
Unrestricted	9,045	607,407	(387,520)
Total net position	\$ 9,045	\$ 607,407	\$ 571,293

(concluded)

Building Fund	Fleet Management Fund	Medical Fund	Totals
\$ 1,319,543	\$ 16,788,678	\$ 1,014,124	\$ 26,783,785
6,141	3,942	606	101,722
-	-	-	185,000
-	-	-	4,800
-	319,709	-	319,709
1,325,684	17,112,329	1,014,730	27,395,016
644,586	26,191	-	670,777
229,583	15,464,628	-	17,410,846
-	-	-	307,217
(297,622)	(9,933,685)	-	(11,114,837)
-	-	-	(181,509)
576,547	5,557,134	-	7,092,494
576,547	5,557,134	-	7,092,494
1,902,231	22,669,463	1,014,730	34,487,510
211,170	325,165	-	650,330
211,170	325,165	-	650,330
34,680	68,320	267,401	1,053,829
7,974	12,625	-	612,531
-	137,941	-	475,636
17,309	24,441	-	58,872
22,827	32,320	-	64,761
-	-	-	100,367
82,790	275,647	267,401	2,365,996
-	-	-	5,776,000
355,173	502,891	-	1,007,654
271,824	418,560	-	837,121
-	-	-	-
626,997	921,451	-	7,620,775
709,787	1,197,098	267,401	9,986,771
27,511	42,362	-	84,724
27,511	42,362	-	84,724
576,547	5,557,134	-	7,092,494
799,556	16,198,034	747,329	17,973,851
\$ 1,376,103	\$ 21,755,168	\$ 747,329	\$ 25,066,345

City of Hanford

Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the Year Ended June 30, 2023

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
OPERATING REVENUES			
Charges for services	\$ -	\$ 865,717	\$ 615,510
Other revenues	-	67,616	-
Total operating revenues	-	933,333	615,510
OPERATING EXPENSES			
Personnel services	-	-	330,605
Services and supplies	890	1,118,716	112,063
Depreciation and amortization	-	-	446,124
Total operating expenses	890	1,118,716	888,792
Operating income (loss)	(890)	(185,383)	(273,282)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	23,801	146,234	7,198
Interest expense	-	-	(7,498)
Unrealized gain (loss) on investments	(9,100)	(31,138)	(9,165)
Gain/(loss) on disposals	-	-	-
Total non-operating revenue (expenses)	14,701	115,096	(9,465)
Income (loss) before capital contributions and transfers	13,811	(70,287)	(282,747)
Transfers in/(out)	-	-	-
Change in net position	13,811	(70,287)	(282,747)
NET POSITION (DEFICIT)			
Beginning of year	(4,766)	677,694	854,040
End of year	\$ 9,045	\$ 607,407	\$ 571,293

(concluded)

Building Fund	Fleet Management Fund	Medical Fund	Totals
\$ 1,148,733	\$ 5,696,687	\$ 3,087,216	\$ 11,413,863
1,015	11,144	2,345	82,120
<u>1,149,748</u>	<u>5,707,831</u>	<u>3,089,561</u>	<u>11,495,983</u>
579,071	954,969	-	1,864,645
381,325	3,402,142	3,165,391	8,180,527
72,253	905,685	-	1,424,062
<u>1,032,649</u>	<u>5,262,796</u>	<u>3,165,391</u>	<u>11,469,234</u>
<u>117,099</u>	<u>445,035</u>	<u>(75,830)</u>	<u>26,749</u>
21,924	407,570	10,826	617,553
(17,660)	(25,005)	-	(50,163)
4,383	(161,130)	-	(206,150)
-	(12,520)	-	(12,520)
<u>8,647</u>	<u>208,915</u>	<u>10,826</u>	<u>348,720</u>
<u>125,746</u>	<u>653,950</u>	<u>(65,004)</u>	<u>375,469</u>
<u>(47,700)</u>	<u>110,937</u>	<u>-</u>	<u>63,237</u>
78,046	764,887	(65,004)	438,706
<u>1,298,057</u>	<u>20,990,281</u>	<u>812,333</u>	<u>24,627,639</u>
<u>\$ 1,376,103</u>	<u>\$ 21,755,168</u>	<u>\$ 747,329</u>	<u>\$ 25,066,345</u>

City of Hanford

Combining Statement of Cash Flows Internal Service Funds For the Year Ended June 30, 2023

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for current services	\$ (45,205)	\$ 819,889	\$ 615,510
Cash received for other operating revenues	-	67,616	-
Cash paid for services and supplies	473,557	(910,112)	(122,532)
Cash paid for salaries and benefits	(319,746)	-	(267,860)
Net cash provided (used) by operating activities	108,606	(22,607)	225,118
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/from other funds	-	-	-
Loans from/(to) other funds	-	-	39,010
Net cash provided (used) by non-capital financing activities	-	-	39,010
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	-	-	(6,545)
Interest payments on long-term debt	-	-	(7,498)
Capital expenditures	-	-	(126,754)
SBITA payments	-	-	(206,850)
Net cash provided (used) by capital and related financing activities	-	-	(347,647)
CASH FLOWS FORM INVESTING ACTIVITIES			
Unrealized gain (loss) on investments	(9,100)	(31,138)	(9,165)
Interest received	23,801	146,234	7,198
Net cash provided (used) by investing activities	14,701	115,096	(1,967)
Net increase (decrease) in cash and investments	123,307	92,489	(85,486)
Cash and investments, beginning of year	925,076	6,237,196	368,858
Cash and investments, end of year	\$ 1,048,383	\$ 6,329,685	\$ 283,372
Reconciliation to Statement of Net Position:			
Cash and investments	\$ 1,048,383	\$ 6,329,685	\$ 283,372
Total cash and investments	\$ 1,048,383	\$ 6,329,685	\$ 283,372
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (890)	\$ (185,383)	\$ (273,282)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	446,124
(Increase) decrease in:			
Receivables	(45,205)	(45,828)	-
Deposits	-	(10,000)	-
Prepays	-	(4,800)	-
Inventory	-	-	-
Deferred outflow of resources	-	-	70,969
Accounts payable	474,447	36,404	(10,469)
Salaries and benefits payable	(319,746)	-	3,891
Compensated absences	-	-	17,122
Claims payable	-	187,000	-
Net pension liability	-	-	86,305
Deferred inflow of resources	-	-	(115,542)
Total Adjustments	109,496	162,776	498,400
Net Cash provided (used) by operating activities	\$ 108,606	\$ (22,607)	\$ 225,118

(concluded)

Building Fund	Fleet Management Fund	Medical Fund	Totals
\$ 1,142,592	\$ 5,693,635	\$ 3,164,465	\$ 11,390,886
1,015	11,144	2,345	82,120
(356,920)	(2,835,347)	(2,944,175)	(6,695,529)
(549,761)	(820,730)	(85,894)	(2,043,991)
236,926	2,048,702	136,741	2,733,486
(47,700)	110,937	-	63,237
-	137,941	-	176,951
(47,700)	248,878	-	240,188
(15,540)	(22,003)	-	(44,088)
(17,660)	(25,005)	-	(50,163)
(14,755)	(152,327)	-	(293,836)
-	-	-	(206,850)
(47,955)	(199,335)	-	(594,937)
4,383	(161,130)	-	(206,150)
21,924	407,570	10,826	617,553
26,307	246,440	10,826	411,403
167,578	2,344,685	147,567	2,790,140
1,151,965	14,443,993	866,557	23,993,645
\$ 1,319,543	\$ 16,788,678	\$ 1,014,124	\$ 26,783,785
\$ 1,319,543	\$ 16,788,678	\$ 1,014,124	\$ 26,783,785
\$ 1,319,543	\$ 16,788,678	\$ 1,014,124	\$ 26,783,785
\$ 117,099	\$ 445,035	\$ (75,830)	\$ 26,749
72,253	905,685	-	1,424,062
(6,141)	(3,052)	77,249	(22,977)
-	-	-	(10,000)
180	2,207	-	(2,413)
-	649,822	-	649,822
237,558	288,471	-	596,998
24,225	(85,234)	221,216	660,589
6,384	9,915	(85,894)	(385,450)
(4,610)	(18,342)	-	(5,830)
-	-	-	187,000
55,320	222,565	-	364,190
(265,342)	(368,370)	-	(749,254)
119,827	1,603,667	212,571	2,706,737
\$ 236,926	\$ 2,048,702	\$ 136,741	\$ 2,733,486

City of Hanford

Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2023

	Civil Subpoena	Renters' Insurance Deposits	COE Park Deposits	Miscellaneous Deposits Trust	Total
ASSETS					
Cash and investments	\$ 327,483	\$ 4,034	\$ 488	\$ 1,442,741	\$ 1,774,746
Accounts receivable	-	-	-	18,920	18,920
Total Assets	<u>327,483</u>	<u>4,034</u>	<u>488</u>	<u>1,461,661</u>	<u>1,793,666</u>
LIABILITIES					
Accounts payable	4,650	-	-	499,973	504,623
Deposits held for others	383,029	835	-	881,435	1,265,299
Total Liabilities	<u>387,679</u>	<u>835</u>	<u>-</u>	<u>1,381,408</u>	<u>1,769,922</u>
NET POSITION (DEFICIT)					
Restricted	(60,196)	3,199	488	80,253	23,744
Total Net Position	<u>\$ (60,196)</u>	<u>\$ 3,199</u>	<u>\$ 488</u>	<u>\$ 80,253</u>	<u>\$ 23,744</u>

City of Hanford

Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the Year Ended June 30, 2023

	Civil Subpoena	Renters' Insurance Deposits	COE Park Deposits	Miscellaneous Deposits Trust	Total
ADDITIONS					
Unrealized gain on investments	\$ 1,609	\$ 138	\$ 17	\$ 50,714	\$ 52,478
Other additions	9,856	171	-	149	10,176
Total Additions	<u>11,465</u>	<u>309</u>	<u>17</u>	<u>50,863</u>	<u>62,654</u>
DEDUCTIONS					
General government	-	-	-	250	250
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
Change in Fiduciary Net Position	11,465	309	17	50,613	62,404
NET POSITION (DEFICIT)					
Beginning of year, as restated	<u>(71,661)</u>	<u>2,890</u>	<u>471</u>	<u>29,640</u>	<u>(38,660)</u>
End of year	<u>\$ (60,196)</u>	<u>\$ 3,199</u>	<u>\$ 488</u>	<u>\$ 80,253</u>	<u>\$ 23,744</u>

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May 20, 2024

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To the Honorable City Council
City of Hanford
Hanford, California

We have audited the financial statements of City of Hanford (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated May 20, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 3, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

MANAGERS / STAFF

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Veronica Hernandez, CPA
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Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting: Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition: Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. As described in Note 1 of the financial statements, during the year, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

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

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

Management's estimate of the net pension liability and related deferred inflows and outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net OPEB liability and related deferred inflows and outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of leases receivable, deferred inflows of resources related to leases, and lease amortization is based on present value calculations using certain terms and assumptions in the lease agreements in accordance with generally accepted accounting principles. Management's estimate of lease and subscription liabilities, right-to-use assets, and asset amortization is based on present value calculations using certain terms and assumptions in the lease agreements and estimated useful lives of assets in accordance with generally accepted accounting principles. We evaluated the key factors and assumptions used to develop the lease and subscription related estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

The disclosure of the fair value of investments in the notes to the financial statements represents amounts susceptible to market fluctuations.

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

The disclosure of net pension liability and related deferred inflows and outflows in the notes to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of net OPEB liability and related deferred inflows and outflows in the notes to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of leases receivable, deferred inflows of resources related to leases, lease/subscriptions amortization, leases/subscriptions liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the lease agreements which could differ from actual amounts.

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

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Two of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. See attached schedule.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 20, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
May 20, 2024



May 20, 2024

Rogers, Anderson, Malody & Scott, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, Ca 92408

This representation letter is provided in connection with your audit of the basic financial statements of the City of Hanford (the City) as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 20, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 3, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.



- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.



- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to nonattest services provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.



- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have evaluated all of our lease/SBITA agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* or No. 96, *Subscription Base IT Arrangements*.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans. We have no reason to believe the entity will not continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB



Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.

- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- There have been no changes or updates to legal information disclosed to you by our attorneys since the date of such legal response and now.



- All electronic copies of City documents provided to you (invoices, cash receipts, etc.) are true copies of the original document.

Use of a Specialist

- We agree with the findings of specialists in evaluating the City's pension liability and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.



Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Signature:  _____

Title: Finance Director

Signature:  _____

Title: Finance Manager



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**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**

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Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

Independent Auditor's Report

To the Honorable City Council
City of Hanford
Hanford, California

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Veronica Hernandez, CPA
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John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
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Monica Wysocki, CPA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate remaining fund information and each major fund of the City of Hanford (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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.

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Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
May 20, 2024



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May 20, 2024

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**Management of the City of Hanford
Hanford, California**

In planning and performing our audit of the financial statements of the City of Hanford (the City) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated May 20, 2024 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:



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Finding 1- Payroll

Condition and context:

During our audit, we noted that there was a lack of segregation of duties in the City's accounting process over pay rates and lack of documentation of preparer and reviewer process over payroll registers. Proper segregation of duties dictate that the functions of recording, authorization, custody and execution are not dominated by one individual. Adequately segregated duties and proper documentation help to reduce the possibility of fraud and defalcations from occurring and to ensure the integrity of the information provided by the City's financial reporting system.

Recommendation:

In order to provide greater controls over this area, we suggest that someone outside the payroll process input payrate changes into the payroll system and individuals in charge of processing and finalizing payroll sign and date payroll registers as proof of review.

Management Response to Finding:

Management concurs with this recommendation and will immediately implement segregation of duties by requiring someone outside the payroll process will input or verify salary changes in the system each pay period. Additionally, an outside review of the payroll register prior to finalization will be added as a standard procedure. This will add greater internal control over payroll registers in addition to a second staff person in the Payroll Division that occurred this fiscal year to mitigate control one person could have.

We believe that the implementation of these recommendations will provide the City with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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

Respectfully,

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California



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Independent Accountant's Report

To the Honorable City Council
City of Hanford
Hanford, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Hanford, California (the City) for the year ended June 30, 2023. The management of the City is responsible for the accompanying Appropriations Limit Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

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

2. For the accompanying Appropriations Limit Worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other documents referenced in number one above.

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

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

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

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying Appropriations Limit Worksheet for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
May 20, 2024

**CITY OF HANFORD
APPROPRIATIONS LIMIT WORKSHEET
2022-2023**

Change in Per Capita Cost of Living		7.55%
Change in City Population		-0.42%
Change in Per Capita Cost of Living converted to a ratio		1.0755
Change in City Population converted to a ratio		0.9958
Calculation of factor for ratio of change (1.0755 x 0.9958)		1.0710
2021-2022 Limit	\$ 77,092,659	
Adjustment for Inflation & Population	<u>5,473,579</u>	
2022-2023 Limit (\$ 77,092,659 + \$5,473,579)	<u><u>\$ 82,566,238</u></u>	



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: CONSENT CALENDAR
-------------------------------	---

SUBJECT:

Approve a change order request in the amount of \$6,800 for the purchase of supplies from HD Supply, Inc in Fiscal Year 2023/2024 (FY 23/24).

RECOMMENDATION:

Recommendation: That City Council, by motion, approves the change order request in the amount of \$6,800 for the purchase of supplies from HD Supply, Inc in FY 23/24.

Recommended Motion: I motion to approve the Purchase Order Change Order request in the amount of \$6,800 for the purchase of supplies from HD Supply, Inc in FY 23/24.

BACKGROUND:

Per the City of Hanford Purchasing Policy, all purchase orders exceeding \$50,000 require the City Council's approval. Purchase order 22400335 (HD Supply, Inc. formerly Home Depot Pro) was initially issued for an anticipated amount of less than \$50,000. However, the cost of purchasing materials and supplies for day to day department operations has increased, causing the need for the PO to be increased to \$54,800.

FISCAL IMPACT:

This purchase order change order totals \$6,800. These expenses will come from previously approved budget appropriations across the departments utilizing the purchase order for FY 23/24.

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: PUBLIC HEARING

SUBJECT:

Public Hearing and Adoption of Resolution 24-13-R to approve the comprehensive Master Fee Schedule for Fiscal Year 2024-25 which includes proposed new fees, deletions of fees and increases/adjustments to existing fees.

RECOMMENDATION:

Recommendation:

That the City Council conduct a public hearing and adopt Resolution 24-13-R for the City of Hanford Master Fee Schedule for Fiscal Year 2024-25 which includes proposed new fees, deletion of fees, and increases/adjustments to existing fees.

Recommended Motion: I move to adopt Resolution 24-13-R for the City of Hanford Master Fee Schedule.

BACKGROUND:

The previous Master Fee Schedule update for Fiscal Year 2023-24 was accepted and approved by Resolution as of June 20, 2023. Annually, the City Council is brought an updated Master Fee Schedule for review. During general business of the special meeting held on May 16, 2024, a review of the draft Fiscal Year 2024-25 Master Fee Schedule took place. Based on Council's recommendations at the special meeting, the following changes have been made.

- Addition of non-residential fee for Parks and Community Service Indoor Facility Civic Grounds Rental Fee of \$1,375.00 per day.
- Reduction of Fire Department Fireworks Booth Admin Inspection to \$190.00.

At today's public hearing, adoption of Resolution 24-13-R will take place for the final Fiscal Year 2024-25 Master Fee Schedule. Fees would take effect July 1, 2024 or 60 days after adoption for impact fees, which would be August 3, 2024.

All fees have been reviewed and, as appropriate, had a minimum cost recovery adjustment, except for Impact Fees and Business Tax. City ordinances limit annual Impact Fee and Business Tax adjustments to specific California Consumer Price Indexes (CPI) or voter approved changes. Annual inflationary adjustments help the City cover costs and lessen the burden on the General Fund so that the Fund will be available to cover critical operations including public safety. Generally, most adjustments to rates and fees are based on established annual indexes, including the following:

- California Consumer Price Index (CCPI)

- Engineering News Record Construction Costs Index (ENRCCI)
- U.S. Consumer Price Index - Urban Consumers (CPI-U)

In addition to these indexes, some rates and fees are also adjusted using other bases to determine fees.

For example, the following bases are also used in limited cases to adjust rates and fees:

- Cost of providing service
- Cost reimbursement
- Survey of fees from surrounding communities
- Special surcharges due to specific costs
- Subsidy by the General Fund
- Rounding

All City Department's rates and fees were reviewed with City Council at its May 16, 2024 meeting for the Fiscal Year 2024-25 Fee Schedule. After discussion and feedback on May 16th the Schedule has been updated, presented for a Public Hearing and final adoption.

FISCAL IMPACT:

The proposed fee increases are set to fund projects and recover the costs of services provided by the City.

ATTACHMENTS:

1. FY 2024-25 MASTER FEE SCHEDULE
2. Summary of Changes
3. Resolution 24-13-R
4. Public Hearing Notice -Master Fee Sched #1
5. Public Hearing Notice -Master Fee Sched #2



**MASTER FEE SCHEDULE
FISCAL YEAR 2024-25**

TABLE OF CONTENTS

FINANCE DEPARTMENT3

HUMAN RESOURCES DEPARTMENT6

PARKS AND COMMUNITY SERVICES7

 INDOOR FACILITY.....7

 LONGFIELD CENTER GYM MEMBERSHIP.....7

 OUTDOOR FACILITY.....8

 CAROUSEL AND FIRE TRUCKS9

 WINTER WONDERLAND.....9

 PROGRAMS AND EVENTS10

FIRE DEPARTMENT11

POLICE DEPARTMENT.....14

CANNABIS DIVISION.....17

COMMUNITY DEVELOPMENT DEPARTMENT18

 PLANNING DIVISION18

 BUILDING DIVISION.....20

 CODE COMPLIANCE DIVISION.....27

DEVELOPMENT IMPACT FEES.....28

PUBLIC WORKS DEPARTMENT33

 REFUSE DIVISION.....34

AIRPORT.....35

FINANCE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
GENERAL	
Transient Occupancy Tax	8% of Room Rent
Returned Payment Fee - First Occurrence	\$25.00
Returned Payment Fee - Each Subsequent Occurrence	\$35.00
Submission to County Tax Roll - Each Item	\$10.00
Duplicate Invoice Request	\$1.50
Copies	\$0.10 per Page
Billing:	
Building Rent- Late Fee	10%
All other Billing- Late Fee	\$10.00
PAYROLL - WAGE ATTACHMENTS	
Payroll Garnishments	\$1.50 per Pay Period per Garnishment
UTILITIES	
New Water Service/Installation of Meter for New Water Service (each)	\$125.00 Admin and Inspection Fee plus applicable Development Impact Fees
Residential Deposit	\$278.00 (Three times the determined average residential bill)
Water Hydrant Deposit	\$1,000.00
Non-residential, Non-hydrant Deposit	Calculated Based on Account (Two times the average bill amount)
Fine/penalty for delinquent utility service charges	\$35.00
Reconnection fee for Discontinued Water Service- Business Hours	\$50.00
Reconnection fee for Discontinued Water Service- Non-Business Hours	\$150.00
Fee for Missed Reconnection Appointment	\$50.00
Fee for Appeal of Utility Service Bill	\$205.00 Plus Deposit of Entire Bill Amount
Monthly Fee for Payment Plan Processing, Review, and Administration	\$13.00 per Month (Per month as long as payment agreement remains in
Unauthorized Reconnection of Water Service, Tampering, or Illegal Use of Water	\$200.00 per Occurrence Plus the Cost of Water Used
Damaged Locks	\$15.00
Fee for Damage to the City Equipment and/or Improvements	Actual Cost Incurred by the City to Repair and Replace
Fee for Fire Flow Tests	\$470.00
Fee for Backflow Administration and Inspection	\$125.00
Backflow Test and Repair if the Customer Fails to have its Device Tested and/or Repair in the Timeframe provided by the City	Cost of Testing and Repairs plus \$125.00 Admin and Inspection Fee
WATER RATES	
Meter Charges:	
5/8", 3/4", & 1"	\$19.85
1-1/2" & 2"	\$36.34
3" & 4"	\$108.90
6"	\$333.16
8"	\$531.04
Consumption Charges:	
All Customers	\$2.24
Drought Consumption Charges:	
10% Water Cutback	\$2.42
20% Water Cutback	\$2.65
35% Water Cutback	\$3.13
50% Water Cutback	\$3.89
WASTEWATER RATES	
Residential (Per Dwelling Unit):	
Single Family	\$27.63
Multi-Family/Duplex	\$20.73
Non-Residential - Metered Water(\$/CCF):	
Group A: Domestic	\$3.45
Group B: Low Strength	\$3.15
Group C: Medium Strength	\$4.42
Group D: High Strength	\$5.98
Schools (per Student ADA)	\$0.83
Septage (per 1,000 Gallons)	\$39.23
Industrial:	
Flow (per mg)	\$2,796.83
BOD (per lb)	\$0.623
SS (per lb)	\$0.625
STORMWATER RATES	
Storm Drainage System Flow Charge (\$/CCF)	\$0.20

FINANCE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
BUSINESS LICENSE	
Any business located in the City must have a Certificate of Occupancy or Home Permit. Annual notices will be sent to the registered account holder by January 1 and are due by January 31. For businesses located in the Improvement District, additional license fees are levied. Businesses commencing at any time during the second half of an annual licensing period (July 1- December 31) shall pay 50% of the minimum annual Business License Tax.	
Business License Processing	\$40.00
Business License Processing - Lapsed 6 months or more	\$15.00 (Current and past due amount to be paid in full)
Administrative Fee- Applies to Renewals	\$10.00
Duplicate Business License	\$1.50
Late Filing Charge for License Renewal	\$100.00 (Reduced to \$50.00 if paid within 5 business days)
Invoice Late Fee (Net 30 Days)	\$10.00
Hand-Delivered Delinquency Notice (30+ days)	\$50.00
Failure to Display Current Business License	\$50.00 for each Occurrence
Business License Types:	
Advertising By Sound	\$5.00 per Day
Ambulatory Vehicles	\$20.00 per Vehicle per Year
Amusement Devices	\$5.00 per Day per Device
Animal Shows	\$15.00 per Day
Auctioneers	\$60.00 per Year
Auctioneers - Itinerant Vendor Temp Located in City	\$50.00 per Day
Bankrupt Sales	\$100.00 per Month
Billboard & Sign Companies	\$60.00 per Year
Bingo (Must apply Yearly)	\$50.00 per Year
Bowling Lanes	\$10.00 per Lane per Year
Building and Loan Associations	\$100.00 per Year
Cable Television	Fee based on franchise agreement
Card Rooms and Tables	\$525.00 Operator/\$55.00 per Employee/\$30.00 Transfer Fee
Circuses and Carnivals	\$25.00 per Day
Contractors:	
General Contractors	\$60.00 per Year
Plumbing, Electrical, Roofing, Painting, Heating & Refrigeration, Plastering, Specialty Contractor	\$40.00 per Year
Convalescent Vehicles	\$50.00 per Vehicle per Year
Creameries	\$200.00 per Year
Delivery and Freight Companies	\$30.00 per Truck per Year
Finance Companies	\$100.00 per Year
Fire and Wreck Sales	\$100.00 per Month
Flea Market Vendor - 8967 Lacey Blvd	\$20.00 per Year
Fortunetelling	\$200.00 per Year
Going out of Business and Related Sales (Permit Valid for 60 Days)	\$25.00 Min plus \$25.00 if inventory exceeds \$5,000.00
Gross Receipts	Based on calculation
Hay, Grain and Feed Brokers	\$60.00 per Year
House Moving	\$100.00 per Year
Laundry Trucks	\$30.00 per Truck per Year
Lectures	\$5.00 per Day
Newspaper Publishing	\$100.00 per Year
Newspaper Distributing	\$20.00 per each Type per Year
Non-profit Business (Required to register)	No Charge
Packinghouses	\$150.00 per Year
Parades	\$25.00 per Day
Parade Vendors	\$50.00 per Cart per Day
Pawnbrokers	\$100.00 per Year
Poolrooms or Billiards	\$8.00 per Table per Year
Peddlers/Mobile Vendors:	
On Foot: Goods, Wares or Merchandise	\$25.00 per Month
Vehicle: Fruits and Vegetables	\$60.00 per Year
Vehicle: Baked Goods and Dairy Products	\$30.00 per Year
Vehicle: Wholesale	\$360.00 per Year
Professions: (Examples) Accountant, Appraiser, Architect, Attorney, Chemist, Chiropractor, Dentist, Medical Lab, Engineer, Geologist, Optician, Optometrist, Osteopath, Physician, Surgeon, Tax Consultant or Radiologist	\$60.00 per Professional per Year plus \$8.00 per year per assistant that exceeds the number of professionals
Shooting Galleries and Ranges	\$50.00 per Month

FINANCE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
Business License Types Continued:	
Skating Rinks	\$48.00 per Year
Soliciting (Limited to 1 month)	\$30.00 per Month
Taxicabs, Buses & Pedicabs	\$20.00 per Vehicle per Year
Title Companies	\$100.00 per Year
Transient Photographers	\$200.00 per Year
Theatrical and Entertainment Shows (Transient)	\$12.50 for 1st day, \$5.00 each Day After
Veteran Owned Home Business <i>Non-service based only. Required to register and provide copy of DD214. Subject to approval</i>	No Charge
Wholesale Business	50% deduction of Regular License Fee
City Special Events:	
Easter Egg Hunt Vendor (Mar)	\$25.00 per Event
Food Truck Takeover Vendor (Mar- May)	\$40.00 per Event
Halloween Bash Vendor (Oct)	\$25.00 per Event
Thursday Night Market Vendors (May-Oct)	\$40.00 per Event
Winter Wonderland Vendor (Nov-Jan)	\$40.00 per Event

HUMAN RESOURCES DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
Passport Services	
* These are only the acceptance fee established by the U.S. Department of State - Bureau of Consular Affairs and does not include any application fees associated to processing passport application.	
Note: Please make all Acceptance Fees Payable to the City of Hanford	
First-time Adult Passport Book	\$35.00
First-time Adult Passport Card	\$35.00
First-time Adult Passport Book & Card	\$35.00
Minor (Under 16) Passport Book	\$35.00
Minor (Under 16) Passport Card	\$35.00
Minor (Under 16) Passport Book & Card	\$35.00

PARKS AND COMMUNITY SERVICES

INDOOR FACILITY

FACILITY		RESIDENT	NON-RESIDENT
CIVIC AUDITORIUM:			
Main Hall	Fri-Sat	\$500.00	\$1,000.00
	Sun-Thurs	\$275.00	\$800.00
Kitchen		\$100.00	\$150.00
Alcohol Deposit		\$1,000.00	
West Wing		\$100.00	\$150.00
VETERANS/SENIOR CENTER:			
Main Hall		\$150.00	\$200.00
Kitchen		\$50.00	\$70.00
Meeting Room		\$50.00	\$75.00
CIVIC GROUNDS:			
Rental Fee		\$1,250.00 per Day	\$1,375.00 per Day
Restrooms		\$75.00 per Day	
FACILITY HOST FEES:			
1-199 Party Size		\$40.00 per Hour	
200-299 Party Size		\$57.00 per Hour	
300-399 Party Size		\$72.00 per Hour	
400-499 Party Size		\$93.00 per Hour	
500 or Larger		\$115.00 per Hour	
LONGFIELD CENTER:			
Basketball Court(s)	Full	\$50.00 per Hour	
	Half	\$30.00 per Hour	
DEPOSIT FOR FACILITIES		\$250.00	
ALCHOHOL PERMIT		\$125.00	
PROCESSING FEE		\$20.00 for all transactions	
INSURANCE AND SECURITY REQUIRED FOR RENTALS WITH ALCOHOL			

LONGFIELD CENTER GYM MEMBERSHIP

	AGE: 19-59	AGE: 19-59	AGE: 60+	AGE: 60+
MEMBERSHIP TYPE	ANNUAL	PER MONTH	ANNUAL	PER MONTH
Annual	\$100.00	\$8.33	\$75.00	\$6.25
Quarterly	\$30.00	\$10.00	\$25.00	\$8.33
Monthly	\$12.00	\$12.00	\$10.00	\$10.00
Day Pass	\$5.00		\$3.00	
* Rate is per person. No Start-Up Fee. Financial Aid available.				

OUTDOOR FACILITY

FACILITY	RESIDENT	NON-RESIDENT
CITY PARKS:		
Picnic Arbors	\$45.00	\$60.00
Alcohol Permit	\$30.00	
*Freedom and Lacey Park are excluded due to proximity of schools		
CITY PLUNGE:		
Rental Fee	\$50.00 per Hour	\$75.00 per Hour
Lifeguard Fee	\$25.00 per Hour per Lifeguard	
Admission Fee:		
Senior/Military	\$2.00 per Day	
Punch Pass	\$10.00 per Pass for Five Visits	
Adults & Children	\$3.00 per Day	
Swim Classes: Adults & Children	\$65.00-\$80.00 (Depending on Skill Level)	
Dive In Movies: Adults & Children	\$5.00 per person	
Water Aerobics :Adults & Seniors	\$16.00	\$20.00
Lap Swim: Adults & Seniors	\$16.00	\$20.00
Picnic Shelter	\$30.00 per Day	\$35.00 per Day
SOFTBALL COMPLEX:		
Field Fee:		
Youth	\$80.00	
Adult	\$100.00	
Staff Fees	\$18.00 per Hour per each Employee	
Field Preparation	\$30.00 per Field per Day	
Field Lights	\$25.00 per Field per Hour	
Trash Removal: Adult	\$175.00	
Electricity Use	\$75.00	
Tournament Deposit	\$250.00	
CIVIC GROUNDS:		
Electricity Use	\$75.00 per Day	
MISCELLANEOUS:		
Soccer Complex and Youth Athletic Complex Field Permit Fee	\$2.50 per Hour per Field	
Deposit for Facilities (excluding picnic arbors)	\$250.00	
Processing Fee (Facility Rentals: Complexes, Plunge, Civic Grounds/Auditorium)	\$20.00 for All Transactions	
Insurance and Security Required for Rentals with Alcohol		

CAROUSEL AND FIRE TRUCKS

DESCRIPTION OF SERVICE	FEE AMOUNT
CAROUSEL RIDE RENTAL:	
1 Hour	\$170.00
1.5 Hours	\$220.00
2 Hours	\$270.00
2.5 Hours	\$320.00
FIRE TRUCK RENTAL:	
1 Hour	\$175.00
1.5 Hours	\$225.00
2 Hours	\$275.00
2.5 Hours	\$325.00
CAROUSEL RIDE & FIRE TRUCK RENTAL COMBO:	
1 Hour	\$300.00
2 Hours	\$450.00
Single Carousel Ride	\$3.00
Single Fire Truck Ride	\$4.00

WINTER WONDERLAND

DESCRIPTION OF SERVICE	FEE AMOUNT
ADULTS AND CHILDREN ICE SKATING:	
Child	\$16.00 per Person
Adults	\$17.50 per Person
Military	\$16.00 per Person
Senior 55+	\$16.00 per Person
Family Pack 3	\$45.00
Family Pack 4	\$60.00
Family Pack 5	\$75.00
Season Pass:	
Children	\$100.00 per Person
Adults (18+)	\$120.00 per Person
ACTIVITIES:	
Hockey Lessons	\$20.00 per Lesson
Skate Lessons	\$20.00 per Lesson
Tour of Lights	\$165.00 per Rental
Broomball	\$5.00
Enchanted Breakfast	\$40.00
Superhero Breakfast	\$40.00
MISCELLANEOUS:	
Event Vendor Fee	15%-20% Revenue Spilt per Vendor
Skate Aides	\$6.00 per Aide
North Pole Lounge	\$375.00 per Rental
Santa Experience Photos	TBD
Santa Experience (Up to 6 people)	\$25.00 per Reservation
Socks	\$5.00 per Pair
Locker Rental	\$4.00 per Locker
Private Rink Rentals	\$350.00 per Hour

PROGRAMS AND EVENTS

DESCRIPTION OF SERVICE	RESIDENT	NON-RESIDENT
Seasonal Day Camps	\$100.00 per Child	
Zumba, Aerobics, Yoga	\$16.00 per Class	\$20.00 per Class
Haunted House	\$5.00 per Person	
Easter Egg Hunt	\$5.00 per Person	
Food Vendor	5%-20% per Day	
Activity Vendor	5%-20% per Day	
Retail Booth Vendor	\$20.00-\$40.00 per Space	

FIRE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT
Annual Fire and Life Inspection without fire Sprinklers (A, B, M, L, S) <i>*Assemblies great then 49 people shall be inspected quarterly</i>	per Occurrence	\$145.00
Fire and Life Safety Inspection With Fire Sprinklers	per Issuance	\$217.00
Additional fee when greater then 30 minutes for fire sprinkler buildings	>30 mins	\$145.00
Billing Fees: Invoice Late Fee (Net 30 Days)	per Invoice	\$10.00
Annual Operational Permit	per Issuance	\$105.00
Re-Inspection 2nd	per Occurrence	\$160.00
Re-Inspection 3rd	per Occurrence	\$182.00
Knox Box Key Install	per Issuance	\$67.00
Special Inspection <5000 sqft	per Occurrence	\$145.00
Special Inspection >5,000 sqft (C, F, H, I)	per Occurrence	\$182.00
Additional Service Fee	per Hour	\$145.00
Weed Abatement Admin Fee on Open Parcels		\$320.00
Weed Abatement Admin Fee on Residential Properties	per Issuance	\$320.00
Emergency Abatement Fee for Imminent Fire Hazard (Three attempts made in 21 Business Days)	per Issuance	\$555.00
Jails Less Than 5000 sqft	per Occurrence	\$145.00
Jails Greater Than 5000 sqft	per Occurrence	\$290.00
Tent/Membrane Inspection	per Occurrence	\$145.00
Hotel/Motel 1-50 Units (R-1)	per Occurrence	\$145.00
Hotel/Motel +50 Units (R-1)	per Occurrence	\$290.00
Multi-Family Dwellings Inspection:		
1-20 Units (R-2)	per Occurrence	\$145.00
21-50 Units (R-2)	per Occurrence	\$175.00
51-100 Units (R-2)	per Occurrence	\$215.00
+100 Units (R-2)	per Occurrence	\$270.00
Schools	per Occurrence	\$145.00
Hood Suppression Inspection <i>*Commercial hood system shall be inspected semi annual</i>	per Occurrence	\$182.00
Hood Suppression Plan Check	per Issuance	\$145.00
Refrigerant an Monitoring System	per Occurrence	\$182.00
Fireworks Booth Admin Inspection	per Issuance	\$190.00
Tank Inspection	per Occurrence	\$142.00
Tank Plan Review	per Issuance	\$182.00
Spray booth Inspection	per Occurrence	\$145.00
Spray Booth Plan Review	per Issuance	\$182.00
Consultation Fee	per Occurrence	\$142.00
Licensed Family Day Care Initial	per Occurrence	\$145.00
Licensed Family Day Care Re-Inspection	per Occurrence	\$175.00
Residential Care Home 24 Hour Care R 3.1 (et al.)	per Issuance	\$175.00
Residential Care Home 24 Hour Care Re-Inspection- R 3.1 (et al.)	per Issuance	\$200.00
Mobile Food Vendor Annual Inspection	per Issuance	\$145.00

FIRE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT
Fire Alarm Plan Review:		
1-15 Devices	per Issuance	\$182.00
16-50 Devices	per Issuance	\$264.00
51-100 Devices	per Issuance	\$384.00
101-500 Devices	per Issuance	\$552.00
+500 Devices	per Issuance	\$1,104.00
Fire Alarm Inspection & Testing	per Occurrence	\$184.00
Re-Inspection on Testing Devices	per Occurrence	\$224.00
Fire Sprinkler Plan Review:		
1-100 Heads	per Issuance	\$264.00
101-300 Heads	per Issuance	\$384.00
301-500 Heads	per Issuance	\$552.00
+500 Heads	per Issuance	\$1,104.00
Underground Fire Line Inspection	per Occurrence	\$184.00
Underground Fire Line Plan Review	per Issuance	\$224.00
Residential Field Inspection	per Occurrence	\$184.00
Residential Plan Review Less Than 5000 sqft	per Issuance	\$184.00
Residential Plan Review Greater Than 5000 sqft	per Issuance	\$184.00 + \$0.75 per sqft
Fire Reports	per Issuance	\$25.00
Fire Investigation Report	per Issuance	\$224.00
Miscellaneous Fire Prevention Permit	per Permit	\$105.00
False Alarm/ 3rd and Subsequent Events in Calendar Year	per Occurrence	\$390.00
Standby for public utility response	per Hour	\$390.00
DUI Response	per Hour	\$390.00
Illegal Burning	per Hour	\$390.00
Arson Investigator Response per Investigators (Minimum of 2 Investigators)	per Hour	\$70.00
Neglectful Fire Response	per Hour	\$390.00
Dangerous Building or Structures	per Issuance	\$555.00
Hazardous Materials Operational:		
Permit H-1	per Issuance	\$656.00
Permit H-2	per Issuance	\$574.00
Permit H-3	per Issuance	\$532.00
Permit H-4	per Issuance	\$470.00
Permit H-5	per Issuance	\$409.00
Special Hazard Permit/Confined Space, Trench, Vault, High Angle <72'	per Issuance	\$515.00
Special Hazard Incident /Confined Space, Trench, Vault, High Angle <72'	per Hour	\$602.00 + Rescue Team
Hazardous Materials Spill Fire Response	per Hour	\$602.00 + Hazmat Team

FIRE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT
Hydrant Maintenance and Repair	per Hydrant	\$70.00
Private Hydrant Maintain and Repair	per Hydrant	\$100.00
Hydrant Flow Test	per Occurrence	\$340.00
Special Event with Apparatus	per Occurrence	\$264.00
Battalion Chief Special Event Coordination	per Hour	\$186.00
Fire Prevention Event Coordination	per Occurrence	\$145.00
Fire and Life Safety Citation:		
First Offense		\$100.00
Second Offense		\$200.00
Third Offense		\$500.00
Red Tag on Building	per Day	\$200.00
Firework Ordinance Citation		\$1,000.00
VEHICLE RATE ESTABLISHED BY CURRENT FEMA SCHEDULE - CURRENT FEMA SCHEDULE OF EQUIPMENT RATES CAN BE LOCATED AT: https://www.fema.gov/schedule-equipment-rates		

POLICE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
ALARM ORDINANCE	
Business Alarm Permit Registration	\$30.00
Residential Alarm Permit Registration	\$20.00
Business Alarm Permit Renewal	\$15.00 per Year
Residential Alarm Permit Renewal	\$15.00 per Year
First 3 False Alarm Calls per Calendar Year*	No Charge
Customer account must be current, otherwise fees for 4th-6th + false alarms apply	
4th Occurring False Alarm per Calendar Year	\$50.00
5th Occurring False Alarm per Calendar Year	\$75.00
6th + Occurring False Alarm per Calendar Year	\$100.00
Replace Permit or Validation Sticker	\$100.00
VEHICLE IMPOUND (Each Vehicle)	
Impound Vehicle Fee	\$120.00
Stored Vehicle under authority code 22651(p)VC	\$90.00
Repossession Fee	\$25.00
ANIMAL CONTROL	
Animal Pick Up Euthanasia	\$150.00 per Pick Up
Deceased Animal Pick Up	\$50.00 per Pick Up plus Shelter Disposal Fee
After Hours Animal Pickup	\$150.00 per Pick Up
Replacement Dog/Cat Tag	\$10.00 per Tag
Microchipping Charge	\$20.00 per Microchip
Home Quarantine Residence Check	\$50.00 per Check
Shelter Quarantine Delivery	Shelter
Animal License Permit- 1 Year	\$20.00
Animal License Permit- 2 Year	\$30.00
Animal License Permit- 3 Year	\$40.00
Multi-Animal Permit- 1 Year	\$50.00
Multi-Animal Permit- 2 Year	\$75.00
Multi-Animal Permit- 3 Year	\$100.00
Breeder Permit	\$500.00
SMOKING ORDINANCE	
1st Violation by Person	\$50.00 per Violation
2nd Violation by Person	\$100.00 per Violation
3rd Violation by Person	\$150.00 per Violation
1st Violation by Owner	\$100.00 per Violation
2nd Violation by Owner	\$200.00 per Violation
3rd Violation by Owner	\$500.00 per Violation

POLICE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
PARKING ORDINANCE (Per Violation)	
Application of provisions (10.16.010)	\$35.00 per Violation
Parking in parkways (HMC 10.16.020)	\$35.00 per Violation
Parking vehicles more than 72 hours (HMC 10.16.030)	\$35.00 per Violation
Commercial vehicles-parking in residential (10.16.040)	\$35.00 per Violation
Parking vehicles for sale or repair (HMC 10.16.050)	\$35.00 per Violation
Parking not according to designated markings (HMC 10.16.060)	\$35.00 per Violation
Parking in violation of posted sign (HMC 10.16.070)	\$35.00 per Violation
Parking in violation of posted sign (HMC 10.16.080)	\$35.00 per Violation
Parking between 2 a.m. and 5 a.m. (HMC 10.16.090)	\$35.00 per Violation
Parking on private property & City lots (HMC 10.16.100)	\$35.00 per Violation
Parking in excess of time limits in City lots (HMC 10.16.110)	\$35.00 per Violation
Parking in excess of time limits – green curbs (HMC 10.16.120)	\$35.00 per Violation
Parking in posted no-parking area (HMC 10.16.130)	\$35.00 per Violation
Sales while parked near school grounds (HMC 10.16.140)	\$35.00 per Violation
Parking violations (HMC 10.16.150)	\$35.00 per Violation
Authority to Establish Loading Zones (HMC 10.20.010)	\$35.00 per Violation
Parking in violation of curb markings (HMC 10.20.020)	\$35.00 per Violation
Improper use of passenger loading zone (HMC 10.20.030)	\$35.00 per Violation
Improper use of loading zone (HMC 10.20.040)	\$35.00 per Violation
Improper use of alley (HMC 10.20.050)	\$35.00 per Violation
Improper use of bus zone (HMC 10.20.060)	\$35.00 per Violation
Wrong Way Parking (HMC 10.36.010)	\$35.00 per Violation
Improper use of sidewalk or parkway (HMC 10.44.010)	\$35.00 per Violation
Operating skates on street (HMC 10.64.030.A)	\$35.00 per Violation
Dangerous operation of skates (HMC 10.64.030.C)	\$35.00 per Violation
Operating skates near building entrance (HMC 10.64.030.D)	\$35.00 per Violation
Skate ramps on public rights-of-way (HMC 10.64.030.E)	\$35.00 per Violation
Towing skaters (HMC 10.64.030.F)	\$100.00 per Violation
Handicap Parking	\$300.00 per Violation
Night skating without reflectors (HMC 10.64.030.G)	\$35.00 per Violation
DOCUMENT COPIES	
Traffic Accident Report	\$10.00 per Report
Citation	\$10.00 per Citation
Other Agency Citation Sign Off (per Occurrence)	\$15.00
Records Background Check (per Occurrence)	\$30.00
Reports - Single Sided/Copies (Evidence Code 1563)	\$0.10 per Page
Reports - Double Sided/Copies (Evidence Code 1563)	\$0.20 per Page
Civil Subpoena (Non Sworn) G.C. 68096.1 (b) Amended 1/1/2015	\$275.00 per Subpoena/Day
Civil Subpoena (Officers, Firefighters, State or Court Employee) G.C. 68097.2 (b)	\$275.00 per Subpoena/Day
Ticket Sign Off- Hanford PD	No Charge
Ticket Sign Off- Other Agency	\$15.00 per Sign Off
Subpoena duces tecum	\$15.00 per Subpoena/Day
Non-Sufficient Funds Check	\$40.00 per Incident
FINGER PRINTING	
Finger Printing- Live Scan (Digital)	Cost Recovery plus \$10.00 Rolling Fee

POLICE DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
SPECIAL PERMITS	
Concealed Weapons Permit (Inc DOJ Fees)	\$180.00
Lost, Stolen, Damaged ID Card provided by Hanford PD	\$20.00 per Card
Lost ID Card provided by State	\$50.00 per Card
Concealed Weapons Permit Renewal (Inc DOJ Fees)	\$110.00
Enhanced CCW Card	\$25.00 per Card
application)	\$25.00
Taxi Permit	\$75.00
Taxi Permit Renewal	\$25.00
Massage Permit	\$75.00
OTHER	
U-Visa Application	\$25.00

CANNABIS DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
BUSINESS LICENSE- PAY AT FINANCE DEPARTMENT	
Business License	Will vary based on Gross Receipts
APPLICATION FEE- PAY AT COMMUNITY DEVELOPMENT DEPARTMENT	
Preliminary Eligibility (Retail & Non-Retail)	\$4,254.00
Initial Ranking (Retail Only)	\$1,689.00
Second Ranking (Retail Only)	\$2,241.00
Final Recommendation to Council (Retail Only)	\$1,102.00
Background Fee (Each Person) (Retail & Non-Retail)	\$300.00
Environmental Review (Retail & Non-Retail)	Actual Cost plus 10%
Live Scan (Each Person) (Retail & Non-Retail)	\$135.00
Zoning Verification Letter (Retail & Non-Retail)	\$150.00
ANNUAL PERMIT FEE- PAY AT FINANCE DEPARTMENT	
Campus	\$32,000.00
Cultivation	\$32,000.00
Manufacturing	\$32,000.00
Distribution	\$32,000.00
Lab Testing	\$15,000.00
Dispensary	\$32,000.00
Microbusiness	\$32,000.00
FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
TAXES - PAY AT FINANCE DEPARTMENT	
CULTIVATION:	
Six dollars (\$6.00) annually per square foot of canopy space in a facility that uses exclusively artificial lighting	
Two dollars (\$2.00) annually per square foot of canopy space for any nursery	
RETAIL, DELIVERY BUSINESS OR MICROBUSINESS (RETAIL SALES ACTIVITY):	
Six percent (6%) of gross receipts for both non-storefront and storefront.	
DISTRIBUTION:	
One percent (1%) of gross receipts.	
MANUFACTURING, PROCESSING OR MICROBUSINESS (NON-RETAIL ACTIVITY):	
Two percent (2%) of gross receipts.	
PENALTIES:	
A penalty of equal to ten percent (10%) of the amount of tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent per month. If the tax remains unpaid for an period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent per month on the unpaid tax and on the unpaid penalties.	
OTHER FEES - PAY AT POLICE DEPARTMENT	
Cannabis Employee Application Fee (HMC 5.56.070(C)(9))	\$435.00
Cannabis Employee Renewal Application (HMC 5.56.070E)	\$100.00
Work Permit Appeal (HMC5.56.150)	\$100.00
Lost, Stolen, Damaged Replacement ID Badge	\$25.00 per Badge
Cannabis Award Appeal	\$5,000.00
Fines 1st Offense (HMC 5.56.470(B))	\$300.00 per Violation per Day
Fines 2nd Offense (HMC 5.56.470(B))	\$500.00 per Violation per Day
Fines 3rd and Subsequent Offenses (HMC 5.56.470(B))	\$1,000.00 per Violation per Day
Other Appeals in (HMC 5.56)	\$1,000.00 per Appeal

COMMUNITY DEVELOPMENT DEPARTMENT

PLANNING DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
APPLICATION/PERMIT	
Administrative Use Permit	\$550.00
Williamson Act Permits:	
Contract Cancellation	\$6,700.00 Deposit + Actual Cost + 10%
Disestablishment	\$2,225.00
New Contract	\$550.00
Notice of Full Non-renewal	\$150.00
Notice of Partial Non-renewal	\$550.00
Easement Exchange	Actual Cost + 10%
Appeal	\$1,100.00
Conditional Use Permit (CUP):	
Amendment to an Approved CUP	\$1,675.00
Minor (existing structures)	\$1,675.00
Regular	\$3,900.00
Master CUP/Planned Unit Development	\$7,450.00 Deposit + Actual Cost + 10%
Development Agreement	\$4,475.00 Deposit + Actual Cost + 10%
Development Agreement Amendment	\$1,675.00 Deposit + Actual Cost + 10%
Finding of Consistency	\$550.00
General Plan Amendment	\$10,625.00 Deposit + Actual Cost + 10%
Historic Review	No Charge
Historic Designation/Detachment of Site	\$1,900.00
Home Occupation	\$125.00
Mural Application	\$150.00
Ordinance Interpretation	\$275.00
Sidewalk Dining Permit	\$75.00
Sign Permit:	
Non-illuminated	\$150.00
Illuminated	\$275.00
Banner	\$35.00
Site Plan Review:	
Initial Minor (Existing Buildings no Expansion, Addition of one Residential Unit, Patio Covers, Carports, Solar Panels and Change of Occupancy within integrated shopping centers, the Historic District, and the mall)	\$1,100.00
Initial Major or Subdivision/Parcel Map	\$3,350.00
Resubmittal (First Resubmittal no Charge)	\$825.00
Specific Plan	\$9,875.00 Deposit + Actual Cost + 10%
Specific Plan Amendment	\$4,925.00 Deposit + Actual Cost + 10%
Time Extensions	\$550.00
Temporary Use Permit	\$275.00
Right-of-Way Abandonment	\$5,250.00
Variance	\$3,900.00
Variance - Minor Deviation	\$1,100.00
Variance - Signs	\$3,350.00
Variance - Single Family Parcel	\$2,775.00
Zone Change:	
Pre-Zone	\$4,350.00
Rezone and Text Amendment	\$8,725.00
Zoning Verification Letter	\$150.00

PLANNING DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
SUBDIVISION OF LANDS	
Tentative Parcel Map	\$5,075.00
Final Parcel Map	\$950.00
Tentative Subdivision Map	\$7,500.00
Certificate of Compliance	\$1,125.00
Lot Line Adjustment	\$1,675.00
Minor Amendment to Previously Approved Map	\$1,675.00
ENVIRONMENTAL COMPLIANCE	
National Environmental Policy Act (Categorical Exclusion, EA, EIS)	Actual Cost + 10%
California Environmental Quality Act*:	
Notice of Exemption	\$125.00
Draft & Final Environmental Impact Report/Study Processing (Consultant prepared- City reviewed)	\$5,000.00 + Actual Cost + 10%
Initial Study/Negative Declaration (City Prepared)	\$5,000.00 Deposit + Actual Cost + 10%
Draft Initial Study/Negative Declaration (Consultant Prepared- City Reviewed)	\$2,500.00 Deposit + Actual Cost +10%
*Additional fees as required, payable to Kings County (See Kings County Fees below)	
MISCELLANEOUS	
General Plan Text	\$60.00
Zoning Text	\$60.00
Copies (each):	
Black and White 8 1/2 x 11	\$0.25
Color (Letter and Legal Size)	\$1.00
Black and White 11 x 17	\$0.35
Color 11 x 17	\$2.00
Large Format Black and White	Cost
Large Format Color	Cost
Radius Map and Up to 50 Labels	\$100.00
CD of documents	\$10.00
Requests for Environmental Notices/ Public Hearing Notices Mailed (Must be Renewed Annually)	\$125.00
Special Service Fees/Inspections	Actual Cost + 10%
Surveyor Plan Review	Actual Cost + 10%
ANNEXATION/REORGANIZATION	
City Annexation/Reorganization	\$12,300.00 Deposit + Actual Cost + 10%
County Fee (LAFCo)	Contact Kings County
State Board of Equalization	Contact State Board of Equalization
PARKING	
Parking In Lieu Fee	\$4,475.00 per space
Shared Parking Agreement	\$1,100.00

PLANNING DIVISION

The following applicable fees are not adopted by the City of Hanford. You must contact the agency for up to date fees.	
KINGS COUNTY	
Filing Fee (all environmental documents)	In effect at the time
Notice of Determination ND/MND (Fish and Wildlife)	In effect at the time
Notice of Determination EIR (Fish and Wildlife)	In effect at the time
Impact Fees (Verify current Fees)	In effect at the time
LAFCo Fee	In effect at the time + City actual cost + 10%
STATE BOARD OF EQUALIZATION	
Size of Annexation	In effect at the time
Less than 1 acre	In effect at the time
1-5 acres	In effect at the time
6-10 acres	In effect at the time
11-20 acres	In effect at the time
21-50 acres	In effect at the time
51-100 acres	In effect at the time
101 to 500 acres	In effect at the time
501-1,000	In effect at the time
1,001-2,000 acres	In effect at the time
2,001 acres and above	In effect at the time
SCHOOL DISTRICT FEES	
Please contact the appropriate school district for school fees.	In effect at the time

BUILDING DIVISION

PLAN CHECK & INSPECTION FEES							
OCCUPANCY TYPE	PROJECT SIZE THRESHOLD	CONSTRUCTION TYPES I-FR, II-FR		CONSTRUCTION TYPES III 1-HR		CONSTRUCTION TYPES IV, V-N	
		BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT	BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT	BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT
"A" OCC-TENANT IMPROVEMENTS	500	\$971.00	\$0.4285	\$809.00	\$0.3571	\$647.00	\$0.2857
	2,500	\$1,828.00	\$0.2179	\$1,524.00	\$0.1816	\$1,219.00	\$0.1453
	5,000	\$2,373.00	\$0.0870	\$1,978.00	\$0.0725	\$1,582.00	\$0.0580
	10,000	\$2,808.00	\$0.0578	\$2,340.00	\$0.0482	\$1,872.00	\$0.0385
	25,000	\$3,675.00	\$0.0800	\$3,063.00	\$0.0673	\$2,450.00	\$0.0538
	50,000	\$5,694.00	\$0.1139	\$4,745.00	\$0.0949	\$3,796.00	\$0.0759
"B" OCC-TENANT IMPROVEMENTS	300	\$646.00	\$0.4944	\$538.00	\$0.4120	\$431.00	\$0.3296
	1,500	\$1,239.00	\$0.2286	\$1,033.00	\$0.1905	\$826.00	\$0.1524
	3,000	\$1,582.00	\$0.0923	\$1,319.00	\$0.0769	\$1,055.00	\$0.0615
	6,000	\$1,859.00	\$0.0630	\$1,549.00	\$0.0525	\$1,239.00	\$0.0420
	15,000	\$2,426.00	\$0.0842	\$2,022.00	\$0.0702	\$1,618.00	\$0.0562
	30,000	\$3,690.00	\$0.1230	\$3,075.00	\$0.1025	\$2,460.00	\$0.0820
"E" OCC-TENANT IMPROVEMENTS	100	\$667.00	\$1.7510	\$556.00	\$1.4592	\$445.00	\$1.1673
	500	\$1,368.00	\$0.5304	\$1,140.00	\$0.4670	\$912.00	\$0.3736
	1,000	\$1,648.00	\$0.2390	\$1,373.00	\$0.1991	\$1,099.00	\$0.1593
	2,000	\$1,887.00	\$0.1840	\$1,573.00	\$0.1533	\$1,258.00	\$0.1227
	5,000	\$2,439.00	\$0.2043	\$2,033.00	\$0.1703	\$1,626.00	\$0.1362
	10,000	\$3,461.00	\$0.3461	\$2,884.00	\$0.2884	\$2,307.00	\$0.2307

BUILDING DIVISION

PLAN CHECK & INSPECTION FEES							
OCCUPANCY TYPE	PROJECT SIZE THRESHOLD	CONSTRUCTION TYPES I-FR, II-FR		CONSTRUCTION TYPES III 1-HR		CONSTRUCTION TYPES IV, V-N	
		BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT	BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT	BASE COST @ THRESHOLD SIZE	COST FOR EACH ADDITIONAL SQ FT
ALL "F" OCC	1,000	\$2,560.00	\$0.5769	\$2,133.00	\$0.4808	\$1,707.00	\$0.3846
	5,000	\$4,868.00	\$0.2790	\$4,056.00	\$0.2325	\$245.00	\$0.1860
	10,000	\$6,263.00	\$0.1121	\$5,219.00	\$0.0934	\$4,175.00	\$0.0747
	20,000	\$7,383.00	\$0.0754	\$6,153.00	\$0.0628	\$4,922.00	\$0.0503
	50,000	\$9,645.00	\$0.1032	\$8,038.00	\$0.0860	\$6,430.00	\$0.0688
	100,000	\$14,805.00	\$0.1481	\$12,338.00	\$0.1234	\$9,870.00	\$0.0987
"H" OCC-TENANT IMPROVEMENTS	100	\$667.00	\$1.7510	\$556.00	\$1.4592	\$445.00	\$1.1673
	500	\$1,328.00	\$0.5604	\$1,140.00	\$0.4670	\$912.00	\$0.3736
	1,000	\$1,648.00	\$0.2390	\$1,373.00	\$0.1991	\$1,099.00	\$0.1593
	2,000	\$1,887.00	\$0.1840	\$1,573.00	\$0.1533	\$1,258.00	\$0.1227
	5,000	\$2,439.00	\$0.2043	\$2,033.00	\$0.1703	\$1,626.00	\$0.1362
	10,000	\$3,461.00	\$0.3461	\$2,884.00	\$0.2884	\$2,307.00	\$0.2307
"I" OCC-TENANT IMPROVEMENTS	1,000	\$971.00	\$0.2142	\$809.00	\$0.1785	\$648.00	\$0.1428
	5,000	\$1,828.00	\$0.1091	\$1,524.00	\$0.0909	\$1,219.00	\$0.0727
	10,000	\$2,374.00	\$0.0434	\$1,978.00	\$0.0362	\$1,582.00	\$0.0290
	20,000	\$2,808.00	\$0.0288	\$2,340.00	\$0.0240	\$1,872.00	\$0.0192
	50,000	\$3,672.00	\$0.0403	\$3,060.00	\$0.0336	\$2,448.00	\$0.0269
	100,000	\$5,688.00	\$0.0569	\$4,740.00	\$0.0474	\$3,792.00	\$0.0379
"M" OCC-TENANT IMPROVEMENTS	200	\$739.00	\$0.8755	\$616.00	\$0.7296	\$493.00	\$0.5837
	1,000	\$1,439.00	\$0.3737	\$1,199.00	\$0.3114	\$960.00	\$0.2491
	2,000	\$1,813.00	\$0.1526	\$1,511.00	\$0.1271	\$1,209.00	\$0.1017
	4,000	\$2,118.00	\$0.1065	\$1,765.00	\$0.0888	\$1,412.00	\$0.0710
	10,000	\$2,757.00	\$0.0138	\$2,298.00	\$0.1148	\$1,838.00	\$0.0918
	20,000	\$4,134.00	\$0.2067	\$3,445.00	\$0.1723	\$2,756.00	\$0.1378
"R-1/R-2" OCC-TENANT IMPROVEMENTS	80	\$405.00	\$1.0815	\$338.00	\$0.9012	\$270.00	\$0.7210
	400	\$751.00	\$0.5933	\$626.00	\$0.4944	\$501.00	\$0.3955
	800	\$989.00	\$0.2350	\$824.00	\$0.1958	\$659.00	\$0.1566
	1,600	\$1,177.00	\$0.1525	\$981.00	\$0.1271	\$785.00	\$0.1017
	4,000	\$1,543.00	\$0.2201	\$1,286.00	\$0.1824	\$1,028.00	\$0.1467
	8,000	\$2,423.00	\$0.3029	\$2,019.00	\$0.2524	\$161.00	\$0.2019
"S" OCC-TENANT IMPROVEMENTS	40	\$269.00	\$1.5451	\$224.00	\$1.2876	\$179.00	\$1.0301
	200	\$516.00	\$0.7142	\$430.00	\$0.5951	\$344.00	\$0.4761
	400	\$659.00	\$0.2885	\$549.00	\$0.2404	\$439.00	\$0.1923
	800	\$775.00	\$0.1968	\$646.00	\$0.1640	\$516.00	\$0.1312
	2,000	\$1,011.00	\$0.2639	\$842.00	\$0.2199	\$674.00	\$0.1759
	4,000	\$1,538.00	\$0.3846	\$1,282.00	\$0.3205	\$1,026.00	\$0.2564

*Plan Check Fees x Inspections Fees = Plan Check & Inspection Fees as Shown

Plan Check or Inspection Fees available upon request.

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
ELECTRICAL FEES	
Permit Issuance	\$50.00 Each
Stand Alone Permit - Plan Check	\$105.00 per Hour
Outdoor Events Carnivals, Circuses, or other traveling shows or exhibitions utilizing transportation type rides booths, displays, and attractions	\$105.00 per Hour
Temporary Power Service Temporary power service pole or pedestal, including all pole or pedestal-mounted receptacle outlets and appurtenances	\$105.00 Each

BUILDING DIVISION

FEE NAME/DESCRIPTION OF SERVICE			FEE AMOUNT
Unit Fees:			
Receptacles, Switches, and Lighting Outlets			\$43.75 up to 20
			\$0.87 Each Addition
Residential Appliances Fixed residential appliances or receptacle outlets for the same, including wall-mounted electric ovens, counter mounted cook tops, electric ranges, self-contained room consoles or through-well air conditioners, space heaters, food waste grinders, dish washers, washing machines, water heaters, clothes dryers, or other motor-operated appliances (each) not exceeding one horsepower rating			\$35.00 Each
Nonresidential Appliances Residential appliances and factory wired nonresidential appliances, including medical and dental devices; food, beverage, and ice cream cabinets; illuminated show cases; drinking fountains; vending machines; laundry machines; or other similar types of equipment			\$35.00 Each
Power Apparatus Motors, generators, transformers, rectifiers, synchronous converters, capacitors, industrial heating, air conditioners and heat pumps, cooking or baking equipment, and other apparatus as follows: Rating in Horsepower (HP), Kilowatts (KW), or Kilovolt-amperes (KVA), or Kilovolt-amperes-reactive (KVAR) (fees include all switches, breakers, etc.)			
Up to and including 1			\$35.00 Each
Over 1 and not over 50			\$35.00 Each
Over 50 and not over 100			\$43.75 Each
Over 100			\$52.50 Each
Signs, Outline Lighting, and Marquees Signs, Outline Lighting, or Marquees supplied from one branch circuit			\$52.50 Each
ELECTRICAL FEES, CONTINUED			
Unit Fees:			
Services			
Services 600 volts or less and not over 1,000 amperes in rating			\$105.00 Each
Services over 600 volts or over 1,000 amperes in rating			\$157.50 Each
Subpanels			\$35.00 Each
EV Charging Station			
Residential			\$157.50 Each
Commercial			\$315.00 for 1-3
Each Additional			\$105.00 Each
Miscellaneous Apparatus, Conduits, and Conductors Electrical apparatus, conduits, and conductors for which a permit is required, but for which no fee is herein set forth			\$35.00 Each
Unit Fees:			
Photovoltaic Systems - Residential & Small Commercial (up to 49KW)	Plan Check	Inspection	Total
1 - 15 Kilowatts	\$200.00 Each	\$300.00 Each	\$500.00 Each (includes P.I. Fee)
Each Kilowatt above 15 KW		\$15.00 per KW	\$15.00 per KW
Photovoltaic Systems - Commercial			
50 Kilowatts	\$400.00 Each	\$600.00 Each	\$1,000.00 Each (includes P.I. Fee)
Each Kilowatt between 51 KW and 250 KW		\$7.00 per KW	\$7.00 per KW
Each Kilowatt above 250 KW		\$5.00 per KW	\$5.00 per KW
MECHANICAL FEES			
Permit Issuance			\$50.00 Each
Stand Alone Permit- Plan Check			\$105.00 per Hour
Unit Fees:			
Install/Relocate each forced air or gravity-type furnace or burner (including attached ducts and vents)			\$70.00 Each
Install/Relocate each floor furnace (including vent)			\$70.00 Each
Install/Relocate each suspended heater, recessed wall heater, or floor-mounted unit heater			\$70.00 Each
Install/Relocate/Replace each appliance vent installed and not included in an appliance permit			\$70.00 Each
Repair/Alteration/Addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls required by the code			\$61.25 Each
Install/Relocate each boiler or compressor, or each absorption system			\$61.25 Each
Each air-handling unit, including attached ducts up to 10,000 CFM			\$70.00 Each

BUILDING DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
MECHANICAL FEES CONTINUED	
Unit Fees:	
Each air-handling unit over 10,000 CFM	\$70.00 Each
Each evaporative cooler other than portable type	\$35.00 Each
Each ventilation fan connected to a single duct	\$52.50 Each
Each ventilation system which is not a portion of any heating or air-conditioning system	\$61.25 Each
Installation of each hood which is served by a mechanical exhaust, including the ducts for such hood	\$70.00 Each
Install/Relocate each incinerator	\$52.50 Each
Each appliance or piece of equipment regulated by this code but not classified in other appliance categories, or for which no other fee is listed in this code	\$52.50 Each
Other mechanical inspections not noted above	\$105.00 per Hour
PLUMBING FEES	
Permit Issuance	\$50.00 Each
Stand Alone Permit- Plan Check	\$105.00 per Hour
Unit Fees:	
Plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping, and backflow protection therefore)	\$35.00 Each
Building or trailer park sewer	\$52.50 Each
Rainwater system - inside building	\$17.50 per Drain
Cesspool where permitted	\$26.25 Each
Private sewage disposal system	\$105.00 Each
Water heater and/or vent	\$35.00 Each
Gas piping system	\$52.50 - 1 to 5 Outlets
Additional outlets	\$3.50 Each
Medical gas piping system	\$52.50 - 1 to 5 Outlets
Additional outlets	\$8.75 Each
Industrial waste pretreatment interceptor including its trap and vent, excepting kitchen-type grease interceptors functioning as fixtures traps	\$52.50 Each
Unit Fees:	
Installation/Alteration/Repair of water piping and/or water treating equipment	\$52.50 Each
Repair/Alteration or drainage or vent piping	\$52.50 Each
Lawn sprinkler system on any one meter, including backflow protection devices therefore	\$35.00 Each
Backflow devices not included in other fee services	\$35.00 Each
Atmospheric-type vacuum breakers not included in other fee services	\$35.00 - 1 to 5 Outlets
Additional outlets	\$1.75 Each
Other plumbing and gas inspections not noted above	\$105.00 per Hour
OTHER INSPECTIONS AND FEES	
Inspections outside of normal business hours, (minimum charge of two hours at time and one-half)	\$315.00 per Hour @ 1 1/2
Each additional hour or portion thereof at time and one-half	\$157.50 per Hour @ 1 1/2
Reinspection Fee	\$105.00 per Re-Inspection
Inspection for which no fee is specifically indicated (minimum charge 1/2 hour)	\$105.00 per Hour
Additional plan review required because of changes, additions, or revisions to approved plans (minimum charge 1 hour)	\$105.00 per Hour
Outside plan check consultants- Actual cost to the city x 133%	Cost x 133% per Hour
Compliance Inspection	\$157.50 Each
Deferred Submittals	\$105.00 per Hour
Duplicate Permit or Job Cards	\$10.00 Each
Work without permit - \$500.00 or 2x permit fee- whichever is greater	\$500.00 or 2x Fee Each

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT			
MISCELLANEOUS & CODE COMPLIANCE FEES	PERMIT ISSUANCE	PLAN CHECK	INSPECTION	UNIT
Address Assignments			\$3.15	Each
Additions, Residential	\$50.00	\$157.50	\$304.50	up to 300 Sq Ft
Additional Sq Ft		\$0.26	\$0.74	Sq Ft
Antennas - Telecom Facility (towers)	\$50.00	\$52.50	\$157.50	Each
Antenna Installations	\$50.00	\$35.00	\$35.00	Each Antenna

BUILDING DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT			
	PERMIT ISSUANCE	PLAN CHECK	INSPECTION	UNIT
MISCELLANEOUS & CODE COMPLIANCE FEES				
Awning/canopy (supported by the building)	\$50.00	\$26.25	\$35.00	up to 2
Additional		\$3.15	\$5.25	Each
Balcony Addition	\$50.00	\$52.50	\$94.50	up to 200 Sq Ft
Additional		\$105.00	\$141.75	over 200 Sq Ft
Carport (200 Sq Ft)	\$50.00	\$52.50	\$106.00	≤ 200 Sq Ft
Additional Sq Ft on same side (over 200 Sq Ft)		\$105.00	\$159.00	over 200 Sq Ft
Change of Use/Change of Occupancy	\$50.00	\$57.50	\$105.00	Each
Commercial Coach	\$50.00	\$52.50	\$210.00	Each Bldg.
Deck (wood)	\$50.00	\$52.50	\$157.50	up to 200 Sq Ft
Additional (over 200 Sq Ft)		\$105.00	\$236.25	over 200 Sq Ft
Demolition - Commercial	\$50.00	\$52.50	\$160.00	Each Structure
Residential	\$50.00	\$52.50	\$110.00	Each Structure
Electronics/System Replacement	\$5.00			Each Permit
Fence - Non-Masonry, over 7 feet high	\$50.00	\$52.50	\$52.50	up to 100 Linear Ft
Non-Masonry, Additional		\$105.00	\$0.57	Linear Ft
Masonry, all heights	\$50.00	\$52.50	\$105.00	up to 100 Linear Ft
Masonry, Additional		\$105.00	\$0.66	Linear Ft
Fireplace - Masonry	\$50.00	\$52.50	\$169.00	Each
Pre-Fabricated/Metal/Inserts	\$50.00	\$52.50	\$52.50	Each
Flag Pole	\$50.00	\$26.25	\$52.50	Each
Foundation Only Valuation based on \$5.00 per Sq Ft	\$50.00	See Valuation Chart		Sq Ft
Repair	\$50.00	\$52.50	\$105.00	up to 100 Linear Ft
Addition		\$105.00	\$0.66	Linear Ft
Lighting Poles	\$50.00	\$17.50	\$26.25	First One
Additional Poles		\$2.10	\$5.25	Each
Moved Buildings	\$50.00	\$105.00	\$157.50	Each Bldg.
Plus mileage cost outside city limits (Current Government Rate)				Mile
Partitions - Commercial, Interior	\$50.00	\$35.00	\$52.50	up to 30 Linear Ft
Additional		\$0.42	\$0.84	Linear Ft
Partitions - Residential, Interior	\$50.00	\$35.00	\$32.50	up to 30 Linear Ft
Additional	\$50.00	\$0.42	\$0.84	Linear Ft
Covered Patio/Trellis/Arbor (not enclosed)	\$50.00	\$52.50	\$157.50	up to 300 Sq Ft
Additional Patio/Tresses/Arbor		\$26.25	\$35.00	each 300 Sq Ft
Enclosed Patio/Porch	\$50.00	\$84.00	\$210.00	up to 300 Sq Ft
Additional Enclosed Patio/Porch		\$31.50	\$84.00	Each 300 Sq Ft
Pile Foundation - Cast-in-place Concrete	\$50.00	\$78.75	\$84.00	up to 10 piles
Additional Piles		\$13.65	\$6.30	Each
Driven (any type)	\$50.00	\$78.75	\$84.00	up to 10 piles
Additional Piles	\$50.00	\$13.65	\$6.30	Each
Plan Review Fee in excess of Submittal and two re-checks		\$105.00		per Hour
Remodel, Residential	\$50.00	\$105.00	\$210.00	up to 300 Sq Ft
Additional Remodel		\$0.21	\$0.53	Sq Ft
Re-Roof- Residential, Roof over	\$50.00	\$35.00	\$78.75	Each
Tear-off	\$50.00	\$35.00	\$131.25	Each
Commercial	\$50.00	\$52.50	\$157.50	Each
Permit Issuance	\$50.00			Each
Retaining Walls (concrete or masonry)	\$50.00	\$35.00	\$78.75	up to 50 Linear Ft
Additional		\$0.21	\$0.53	Linear Ft

BUILDING DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT			
MISCELLANEOUS & CODE COMPLIANCE FEES	PERMIT ISSUANCE	PLAN CHECK	INSPECTION	UNIT
Siding - Stone and Brick Veneer	\$50.00	\$52.50	\$105.00	up to 400 Sq Ft
Stucco	\$50.00	\$35.00	\$70.00	up to 400 Sq Ft
All Others	\$50.00	\$52.50	\$96.60	up to 400 Sq Ft
Additional Siding (all types)		\$0.16	\$0.21	Sq Ft
Signs	\$50.00	\$35.00	\$52.50	per Site
Skylights- up to 10 Sq Ft	\$50.00	\$26.25	\$78.75	Each
Over 10 Sq Ft or Structural work involved	\$50.00	\$35.00	\$105.00	Each
Solar Panels, Pool Heating/Water Heating	\$50.00	\$70.00	\$131.25	Each System
Stairs	\$50.00	\$52.50	\$105.00	First Flight
Additional		\$10.50	\$26.25	per Flight
Storage racks (shelving) - 0 to 8 ft high	\$50.00	\$52.50	\$35.00	up to 100 Linear Ft
Additional		\$0.11	\$0.26	Linear Ft
Over 8 ft high	\$50.00	\$78.75	\$52.50	up to 100 Linear Ft
Additional		\$0.11	\$0.32	Linear Ft
Swimming Pools/Spas	\$50.00	\$78.25	\$157.50	Each
Heater		\$26.25	\$17.85	Each
Spa or Hot Tub, Prefabricated	\$50.00	\$26.29	\$52.50	Each
Wells	\$50.00		\$140.00	Each
Windows and Doors - Replacement	\$50.00	\$16.80	\$52.50	Each 3
New	\$50.00	\$26.25	\$59.85	Each 3
New (Structural, in shear wall or masonry)	\$50.00	\$35.00	\$68.25	Each 3
Miscellaneous Repairs (Items not covered anywhere else in this fee schedule)				
(Based on Valuation of the Work)				
\$1 to \$1,000	\$50.00	\$38.85	\$45.15	
\$1,001 to \$5,000	\$50.00	\$111.30	\$130.20	
\$5,001 to \$10,000	\$50.00	\$180.60	\$212.10	
\$10,001 to \$15,000	\$50.00	\$249.90	\$294.00	
\$15,001 to 20,000	\$50.00	\$320.25	\$375.90	
\$20,001 to 25,000	\$50.00	\$389.55	\$457.80	
\$25,001 to \$30,000	\$50.00	\$438.90	\$516.60	
\$30,001 and up	\$50.00	Fees applicable for valuation of \$30,000 plus \$1.80 per \$1,000 valuation over \$30,001		

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
MISCELLANEOUS & CODE COMPLIANCE FEES, CONT.	
Copies (each)	
Black and White 8 1/2 x 11	\$0.25
Color (Letter and Legal Size)	\$1.00
Black and White 11 x 17	\$0.35
Color 11 x 17	\$2.00
Large Format Black and White	Cost
Large Format Color	Cost

BUILDING DIVISION

The current building valuation data costs are published by the International Code Council and updated every 6 months.
Please refer to www.ICCsafe.org to obtain the current costs. Apply the building valuation data to the table below.

BUILDING INSPECTION FEES	
TOTAL VALUATION	FEE AMOUNT
\$1 to \$500	\$23.50
\$501 to \$2,000	\$23.50 for the first \$500 plus \$3.05 for each additional \$100, or fraction thereof, to and including \$2,000
\$2,001 to \$25,000	\$69.25 for the first \$2,000 plus \$14.00 for each additional \$1,000, or fraction thereof, to and including \$25,000
\$25,001 to \$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000, or fraction thereof, to and including \$50,000
\$50,001 to \$100,000	\$643.75 for the first \$50,000 plus \$7.00 for each additional \$1,000, or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000, or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000, or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$5,608.75 for the first \$1,000,000 plus \$3.15 for each additional \$1,000, or fraction thereof
Plan Review Fees will be 65% of Building Inspection Fees	
A contract, signed by all parties, for the cost to build a specific project may be substituted for the Building Valuation Data sheet as determined by the building official	

CODE COMPLIANCE DIVISION

CODE VIOLATION FINES	
FEE NAME	FEE AMOUNT
Minor	\$50.00
General	\$200.00
Heath and Safety	\$500.00

Definitions:

Minor: A "Minor" violation shall be defined as a violation of the Hanford Municipal Code, or other applicable law or code, that does not have the potential to create a health or safety hazard to the occupants of a structure/building or the general public.

General: A "General" violation shall be defined as a violation of the Hanford Municipal Code, or other applicable law or code, that has the potential of creating a health or safety hazard to the occupants of a structure/building or the general public if the violation is allowed to continue.

Health and Safety: A "Health and Safety" violation shall be defined as a violation of the Hanford Municipal Code or other applicable law or code that is a health or safety hazard to the occupants of a structure/building or the general public.

Subsequent Violations:

Second Violation- Within six months of the date of the initial citation, the fine shall be two times the initial fine.

Third Violation- Within six months of the date of the initial citation, the fine shall be four times the initial fine.

DEVELOPMENT IMPACT FEES

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT		
LAND USE CATEGORY	FIRE FEE PER UNIT	POLICE FEE PER UNIT	WATER FEE PER UNIT
Low Density Residential	\$636.55	\$345.42	\$2,891.82
Medium Density Residential	\$357.83	\$510.77	\$1,616.58
High Density Residential	\$179.79	\$165.65	\$978.75
Neighborhood Commercial	\$0.53	\$0.71	\$1.23
Regional Commercial	\$0.44	\$0.31	\$1.08
Service Commercial	\$0.67	\$0.10	\$1.49
Highway Commercial	\$0.53	\$0.24	\$1.23
Office Residential	\$0.23	\$0.42	\$1.32
Office	\$0.25	\$0.26	\$0.85
Neighborhood Mixed Use	\$0.53	\$0.68	\$1.54
Corridor Mixed Use	\$0.53	\$0.46	\$1.39
Downtown Mixed Use	\$0.09	\$0.40	\$0.30
Light Industrial	\$0.15	\$0.01	\$1.74
Heavy Industrial	\$0.15	\$0.01	\$1.77
Open Space	\$0.00	\$0.00	\$0.00
Public Facilities	\$0.06	\$0.09	\$1.49
Educational Facilities	\$0.00	\$0.00	\$0.78
LAND USE CATEGORY	WASTEWATER FEE PER UNIT	PARKS FEE PER UNIT	STORM DRAIN FEE PER ACRE
Low Density Residential	\$2,476.57	\$3,192.47	\$2,814.62
Medium Density Residential	\$1,982.50	\$2,859.09	\$3,096.08
High Density Residential	\$1,807.62	\$2,525.70	\$3,377.53

DEVELOPMENT IMPACT FEES

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT		
LAND USE CATEGORY	WASTEWATER FEE PER UNIT	PARKS FEE PER UNIT	STORM DRAIN FEE PER ACRE
Neighborhood Commercial	\$0.83	\$0.00	\$5,066.31
Regional Commercial	\$0.86	\$0.00	\$5,066.31
Service Commercial	\$0.84	\$0.00	\$5,066.31
Highway Commercial	\$0.83	\$0.00	\$5,066.31
Office Residential	\$1.79	\$0.00	\$3,377.53
Office	\$0.84	\$0.00	\$5,066.31
Neighborhood Mixed Use	\$1.63	\$0.00	\$5,066.31
Corridor Mixed Use	\$1.17	\$0.00	\$5,066.31
Downtown Mixed Use	\$0.51	\$0.00	\$4,051.07
Light Industrial	\$0.97	\$0.00	\$4,503.39
Heavy Industrial	\$1.11	\$0.00	\$4,503.39
Open Space	\$0.00	\$0.00	\$0.00
Public Facilities	\$0.84	\$0.00	\$3,940.46
Educational Facilities	\$0.52	\$0.00	\$3,940.46

*Fee for residential uses is per dwelling unit. Fee for other uses is per building square foot.

*Wastewater treatment portion of fee is based on standard household strength waste of 200 MG/L B.O.D. and 200 MG/L S.S. and 300 gal./day flow rate

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
LAND USE CATEGORY	REFUSE FEES PER UNIT
Residential Container/Equip	\$576.22
Commercial	
Per No. of 1 cubic yard dumpsters	\$1,009.87
Per No. of 1 cubic yard dumpsters	\$1,271.25
Per No. of 1 cubic yard dumpsters	\$1,354.42
Per No. of 1 cubic yard dumpsters	\$1,722.72

DEVELOPMENT IMPACT FEES

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	
LAND USE CATEGORY	CIRCULATION FEES PER UNIT	
Single-Family Residential	\$3,995.72	Dwelling Unit
Multi-Family Residential	\$2,805.77	Dwelling Unit
Senior Residential/Assisted Living	\$1,452.99	Dwelling Unit
Hotel/Motel (per room)	\$2,543.63	Room
Retail (<100KSF) unless specifically listed below	\$11,648.16	1,000 Sq Ft
Retail (>100KSF)	\$8,796.02	1,000 Sq Ft
Convenience Store- Without Gas Station	\$105,434.25	1,000 Sq Ft
Gas Station- With or Without Convenience Store	\$15,412.20	Fueling Position
Motor Vehicle Sales, Minor and Major Repair	\$2,206.66	1,000 Sq Ft
Restaurant- No Drive-thru	\$22,529.56	1,000 Sq Ft
Restaurant with Drive-thru- Stand-alone	\$102,969.74	1,000 Sq Ft
Restaurant with Drive-thru Within a Shopping Center	\$27,683.03	1,000 Sq Ft
General Office/Bank	\$4,957.67	1,000 Sq Ft
Medical/Dental Office	\$10,028.21	1,000 Sq Ft
Government	\$3,035.57	1,000 Sq Ft
Industrial/Service Commercial	\$1,995.41	1,000 Sq Ft
Warehouse/Distribution < 100,000 sq ft	\$1,645.90	1,000 Sq Ft
Warehouse/Distribution > 100,000 sq ft	\$791.53	1,000 Sq Ft
Mini Storage > 100,000 sq ft	\$791.53	1,000 Sq Ft
Religious Institution or Facility	\$2,155.92	1,000 Sq Ft
Other uses option	\$386.92	Trip
TYPE OF FEE	DEVELOPMENT FEE FOR SINGLE FAMILY RESIDENCE	
Fire, Police, Water, Wastewater, Parks	\$9,542.84	
Circulation	\$4,532.71	
Storm Drainage	\$619.22	
Refuse	\$576.22	
Total	\$15,270.99	
SANITARY SEWER AREA	BENEFIT DISTRICT FEE PER ACRE	
9th Ave Area of Benefit District (10th Ave to Hwy 43)		
Area generally south of Hanford-Armona Road	\$990.64	
Area located Between Hanford-Armona Rd and Lacey Blvd	\$1,472.62	
Area located between Lacey Blvd and Grangeville Blvd	\$2,218.51	
Area located between Grangeville Blvd and Hwy 43	\$3,059.10	
12th Ave Area of Benefit District (11-1/2 Ave to 13th Ave)		
Area generally south of Hanford-Armona Road	\$684.70	
Area located Between Hanford-Armona Rd and Lacey Blvd	\$1,056.91	
Area located between Lacey Blvd and Grangeville Blvd	\$1,437.01	
Area located between Grangeville Blvd and Fargo Ave	\$1,909.36	
Area located between Fargo Ave and Flint Ave	\$2,643.51	

DEVELOPMENT IMPACT FEES

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	UNIT
IMPACT FEE CREDITS FROM WATER AND WASTEWATER		
Water:		
8" Pipeline	\$77.23	Lineal Foot
12" Pipeline	\$205.83	Lineal Foot
18" Pipeline	\$249.83	Lineal Foot
Groundwater Well (1,500 gpm)	\$1,426,008.52	Each
Pump Station (3 @ 3,100 gpm)	\$4,755,899.08	Each
Pump Station (4 @ 1,400 gpm)	\$3,253,474.19	Each
Storage Tank (1.5 MG)	\$4,063,217.59	Each
Land for Storage Tank or Well	\$47,523.36	Acre
Wastewater:		
8" Gravity Main	\$211.48	Lineal Foot
12" Gravity Main	\$358.25	Lineal Foot
15" Gravity Main	\$375.53	Lineal Foot
18" Gravity Main	\$405.39	Lineal Foot
21" Gravity Main	\$439.95	Lineal Foot
24" Gravity Main	\$457.23	Lineal Foot
27" Gravity Main	\$527.94	Lineal Foot
30" Gravity Main	\$620.65	Lineal Foot
36" Gravity Main	\$771.48	Lineal Foot
18" Force Main	\$361.64	Lineal Foot
Lift Station	\$1,642.88	GPM
IMPACT FEE CREDITS FROM STORM DRAINAGE IMPACT FEES		
Storm Drain:		
12" Pipeline	\$114.06	Lineal Foot
21" Pipeline	\$260.84	Lineal Foot
24" Pipeline	\$307.97	Lineal Foot
30" Pipeline	\$378.66	Lineal Foot
36" Pipeline	\$449.38	Lineal Foot
42" Pipeline	\$520.08	Lineal Foot
48" Pipeline	\$614.36	Lineal Foot
60" Pipeline	\$708.63	Lineal Foot
96" Pipeline	\$1,205.14	Lineal Foot
Retention Basin (0 to 5 acre feet)	\$39,254.39	Acre Foot
Retention Basin (Over 5 to 10 acre feet)	\$23,435.50	Acre Foot
Retention Basin (Over 10 to 20 acre feet)	\$13,336.05	Acre Foot
Retention Basin (Over 20 acre feet)	\$8,098.17	Acre Foot

DEVELOPMENT IMPACT FEES

IMPACT FEE CREDITS FROM CIRCULATION AND PARKS IMPACT FEE ACCOUNTS		
Circulation- Arterial and Major Arterial Street		
Median Curb (both sides)	\$23.76	Lineal Foot
Median Concrete (16' wide)	\$190.10	Lineal Foot
Pavement (one side- 22' wide)	\$94.56	Lineal Foot
Right of Way in Exceeding 42' Wide Half Street	\$2.45	Square Foot
Circulation- Collection Street		
Pavement (one side- 18' wide)	\$67.43	Lineal Foot
Circulation- Street Intersections		
Traffic Signal	\$475,233.60	Each
Intersection Improvements (full)	\$475,233.60	Each
Parks- Must be Identified in General Plan		
Park Improvements	\$218,910.60	Acre
Land for Park	\$106,927.56	Acre

PUBLIC WORKS DEPARTMENT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
APPLICATION/PERMIT	
Public Street and Infrastructure Improvement Plan Review/Inspection Fee	
6% of the first \$5,000.00 of improvement costs or fraction thereof	
5% of the next \$20,000.00 of improvement costs or fraction thereof	
4.5% of the next \$75,000.00 of improvement costs or fraction thereof	
3.5% of the next \$150,000.00 of improvement costs or fraction thereof	
2% of all amounts of improvement costs over \$250,000.00	
Water Meter Inspection Fee (all land uses) per meter	\$85.00
Backflow Prevention Assembly Inspection Fee (all land uses)	\$80.00
GRADING PLAN REVIEW	
Residential: Single Family Residence	\$1,050.00
Two or Three Units	\$1,800.00
Four through Eight Units	\$3,050.00
Eight or More Units	\$4,400.00
Commercial: Sites less than one-half acre	\$2,700.00
Sites from one-half to one acre	\$4,200.00
Sites one to five acres	\$5,700.00
Sites over five acres	\$5,700.00 plus \$85.00/acre
Permit Extensions	\$25.00
ENCROACHMENT PERMIT	
Annual Permit	\$250.00
Annual Permit (Utilities)	\$1,000.00
Annual Permit (Trees)	\$900.00
Regular Encroachment Permit	\$50.00
TRANSPORTATION PERMIT	
Annual Permit	\$90.00
Regular Transportation Permit	\$16.00
MISCELLANEOUS	
Construction Water Meter Deposit	\$1,000.00
Conditional Watering Permit	\$25.00
Pool Drain Permit	\$25.00
Street Banner Permit	\$100.00

REFUSE DIVISION

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
Temporary Bin Rental	
1YD (4 Empties per month)	\$78.23
2YD (4 Empties per month)	\$98.37
3YD (4 Empties per month)	\$118.53
Trash Can/bin services	
Delivery/Exchange Startup Fee	\$20.00
Removal for Discontinued Refuse Service	\$66.00
Special Event Can Services	
Delivery Fee (for each eighteen (18) 96 gallon containers up to 54 event cans)	\$26.00
Empty Fee (per container per empty and disposal of waste)	\$11.44
Cleaning Fee (per container to clean and restock)	\$2.08
Special Event Bin Services	
Delivery Fee (each bin up to five (5) 2yd or 3yd commercial bins)	\$26.00
Empty Fee (per 2yd bin)	\$23.92
Empty Fee (per 3yd bin)	\$27.08
Cleaning Fee (per container to clean and restock)	\$15.60

AIRPORT

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT
Overnight Parking- Single	\$8.00 per Night
Overnight Parking- Twin	\$12.00 per Night
Overnight Parking- Jet	\$20.00 per Night
Overnight Vehicle Parking inside Airport Perimeter	\$4.25 per Night
Airport Tiedown- Long Term	\$50.00 per Month
Covered T-Spaces (1-10 & 20-40)	\$93.00 per Month
T-Hangar Spaces (11-19)	\$194.00 per Month
Port-a-Port (1,200 sq. ft. or less)	\$665.00 per Year
Port-a-Port (1,800 sq. ft. to 2,100 sq. ft.)	\$676.00 per Year
Hangar Ground Lease (0 to 1,600 sq. ft.)	\$850.00 per Year
Hangar Ground Lease (1,601 sq. ft. to 2,300 sq. ft.)	\$948.00 per Year
Hangar Ground Lease (2,301 sq. ft. to 4,500 sq. ft.)	\$1,036.00 per Year
Hangar Ground Lease (4,501 sq. ft. to 5,000 sq. ft.)	\$1,995.00 per Year
Hangar Ground Lease (5,001 sq. ft. and above)	\$0.407 per sqft
Heavy Appliance Electricity Surcharge	\$37.00 per Month

The airport has the following types of agreements: hangar, tiedown, land and facilities. The agreements will contain annual CPI increases and the Fair Market Value of the lease rates will be established by using the Council approved per square foot lease rate plus the CPI Adjustments.

(1) These rates are for the various types of storage units at the airport and are adjusted annually based on the clause contained in the individual agreements. The CPI used for these agreements is the CPIU for the average of LA and SF for April.

Summary of Changes

Finance Department:

UTILITIES		COMMENTS
Residential Deposit	\$278.00 (Three times the determined average residential bill)	Average monthly bill for residential services is \$92.52. \$92.52 x 3 = \$277.56

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
BUSINESS LICENSE		
Invoice Late Fee (Net 30 Days)	\$10.00	New - for staff time
Professions: (Examples) Accountant, Appraiser, Architect, Attorney, Chemist, Chiropracist, Chiropractor, Dentist, Medical Lab, Engineer, Geologist, Optician, Optometrist, Osteopath, Physician, Surgeon, Tax Consultant or Radiologist	\$60.00 per Professional per Year plus \$8.00 per year per assistant that exceeds the number of professionals	Adding explanation (that exceeds the number of professionals)
City Special Events:		
Easter Egg Hunt Vendor (Mar)	\$25.00 per Event	New
Food Truck Takeover Vendor (Mar- May)	\$40.00 per Event	New
Halloween Bash Vendor (Oct)	\$25.00 per Event	New
Winter Wonderland Vendor (Nov-Jan)	\$40.00 per Event	New

Human Resources

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
Passport Services		
* These are only the acceptance fee established by the U.S. Department of State - Bureau of Consular Affairs and does not include any application fees associated to processing passport application.		Newly added to schedule
Note: Please make all Acceptance Fees Payable to the City of Hanford		
First-time Adult Passport Book	\$35.00	Newly added to schedule
First-time Adult Passport Card	\$35.00	Newly added to schedule
First-time Adult Passport Book & Card	\$35.00	Newly added to schedule
Minor (Under 16) Passport Book	\$35.00	Newly added to schedule
Minor (Under 16) Passport Card	\$35.00	Newly added to schedule
Minor (Under 16) Passport Book & Card	\$35.00	Newly added to schedule

Parks & Community Services Department:

FACILITY	RESIDENT	NON-RESIDENT	Comments
CIVIC AUDITORIUM:			
Alcohol Deposit		\$1,000.00	Newly added to schedule
CIVIC GROUNDS:			
Rental Fee	\$1,250.00 per Day	\$1,375.00 per Day	*Adjusted for overhead costs and inflation 10% more for non-res
FACILITY HOST FEES:			
1-199 Party Size		\$40.00 per Hour	* Costs for employees adjusted by \$5 to reflect increase wages of employees
200-299 Party Size		\$57.00 per Hour	* Costs for employees adjusted by \$5 to reflect increase wages of employees
300-399 Party Size		\$72.00 per Hour	* Costs for employees adjusted by \$5 to reflect increase wages of employees
400-499 Party Size		\$93.00 per Hour	* Costs for employees adjusted by \$5 to reflect increase wages of employees
500 or Larger		\$115.00 per Hour	* Costs for employees adjusted by \$5 to reflect increase wages of employees
LONGFIELD CENTER:			
Basketball Court(s)	Full	\$50.00 per Hour	*Increased by \$20 to reflect new overhead cost
	Half	\$30.00 per Hour	*Added new service

FACILITY	RESIDENT	NON-RESIDENT	COMMENT
City Plunge:			
Rental Fee	\$50.00 per Hour	\$75.00 per Hour	*increased due to increase in staffing and overhead costs
Lifeguard Fee	\$25.00 per Hour per Lifeguard		*increased due to increase in staffing and overhead costs
Admission Fee:			*increased due to increase in staffing and overhead costs
Senior/Military	\$2.00 per Day		*increased due to increase in staffing and overhead costs
Punch Pass	\$10.00 per Pass for Five Visits		*increased due to increase in staffing and overhead costs
Adults & Children	\$3.00 per Day		*increased due to increase in staffing and overhead costs
Swim Classes: Adults & Children	\$65.00-\$80.00 (Depending on Skill Level)		*increased due to increase in staffing and overhead costs
Dive In Movies: Adults & Children	\$5.00 per person		*increased due to increase in staffing and overhead costs
Water Aerobics :Adults & Seniors	\$16.00	\$20.00	*increased due to increase in staffing and overhead costs
Lap Swim: Adults & Seniors	\$16.00	\$20.00	*increased due to increase in staffing and overhead costs
Picnic Shelter	\$30.00 per Day	\$35.00 per Day	*increased due to increase in staffing and overhead costs

Parks & Community Services Department Continues:

DESCRIPTION OF SERVICE	FEE AMOUNT		COMMENT
Carousel Ride Rental:		Non-Profit Fee	*removed half hour rental options and non-profit fee
1 Hour	\$170.00	\$100.00-	*increased due to staffing and overhead
1.5 Hours	\$220.00	\$150.00-	*increased due to staffing and overhead
2 Hours	\$270.00	\$200.00-	*increased due to staffing and overhead
2.5 Hours	\$320.00	\$250.00-	*increased due to staffing and overhead
Fire Truck Rental:			
1 Hour	\$175.00	\$100.00-	*increased due to staffing and overhead
1.5 Hours	\$225.00	\$150.00-	*increased due to staffing and overhead
2 Hours	\$275.00	\$200.00-	*increased due to staffing and overhead
2.5 Hours	\$325.00	\$250.00-	*increased due to staffing and overhead
Carousel Ride & Fire Truck Rental Combo:			
1 Hour	\$300.00	\$150.00-	*increased due to staffing and overhead
2 Hours	\$450.00	\$300.00-	*increased due to staffing and overhead
Single Carousel Ride	\$3.00		*increased due to staffing and overhead
Single Fire Truck Ride	\$4.00		*increased due to staffing and overhead

DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
Adults and Children Ice Skating:		Newly added to schedule
Child	\$16.00 per Person	*prices decreased by .50 due to decrease in skate time.
Adults	\$17.50 per Person	*prices decreased by .50 due to decrease in skate time.
Military	\$16.00 per Person	*prices decreased by .50 due to decrease in skate time.
Senior 55+	\$16.00 per Person	*prices decreased by .50 due to decrease in skate time.
Family Pack 3	\$45.00	*prices decreased by .50 due to decrease in skate time.
Family Pack 4	\$60.00	*prices decreased by .50 due to decrease in skate time.
Family Pack 5	\$75.00	*prices decreased by .50 due to decrease in skate time.
Season Pass:		
Children	\$100.00 per Person	*New product to WWL
Adults (18+)	\$120.00 per Person	*New product to WWL
Activities:		
Hockey Lessons	\$20.00 per Lesson	*New to Schedule
Skate Lessons	\$20.00 per Lesson	*New to Schedule
Tour of Lights	\$165.00 per Rental	*New to Schedule
Broomball	\$5.00	*New to Schedule
Enchanted Breakfast	\$40.00	*New to Schedule
Superhero Breakfast	\$40.00	*New to Schedule
Miscellaneous:		
Event Vendor Fee	15%-20% Revenue Spilt per Vendor	*varies depending on vendors availability
Skate Aides	\$6.00 per Aide	*increased by \$1, limited resource
North Pole Lounge	\$375.00 per Rental	*New to Schedule
Santa Experience Photos	TBD	*In progress, final numbers TBD
Santa Experience (Up to 6 people)	\$25.00 per Reservation	*New product to WWL
Socks	\$5.00 per Pair	*Increased by \$1, limited resource
Locker Rental	\$4.00 per Locker	*Increased by \$1, limited resource
Private Rink Rentals	\$350.00 per Hour	*New to Schedule

DESCRIPTION OF SERVICE	RESIDENT	NON-RESIDENT	COMMENT
			Newly added to schedule
Seasonal Day Camps	\$100.00 per Child		New to Schedule
Zumba, Aerobics, Yoga	\$16.00 per Class	\$20.00 per Class	New to Schedule
Haunted House	\$5.00 per Person		New to Schedule
Easter Egg Hunt	\$5.00 per Person		New to Schedule
Food Vendor	5%-20% per Day		*Varies on event/program
Activity Vendor	5%-20% per Day		*Varies on event/program
Retail Booth Vendor	\$20.00-\$40.00 per Space		*Varies on event/program

Fire Department:

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT	COMMENT
Annual Fire and Life Inspection without fire Sprinklers (A, B, M, L, S) <i>*Assemblies great then 49 people shall be inspected quarterly</i>	per Occurrence	\$145.00	New fee
Fire and Life Safety Inspection With Fire Sprinklers	per Issuance	\$217.00	New fee
Additional fee when greater then 30 minutes for fire sprinkler buildings	>30 mins	\$145.00	Increase in fee amount to recover cost
Billing Fees: Invoice Late Fee (Net 30 Days)	per Invoice	\$10.00	Newly added
Bi-Annual Inspections (Restaurants)		\$105 per Inspection-	Remove
Annual Inspection:			Remove
—> 5,000 Sq Ft		\$105 per Inspection-	Remove
—< 5,000 Sq Ft		\$105 per Inspection Plus	Remove
Biennial Inspection:			Remove
—> 5,000 Sq Ft		\$105 per Inspection-	Remove
—< 5,000 Sq Ft		\$105 per Inspection Plus	Remove
Special Inspection:			Remove
—> 5,000 Sq Ft		\$105 per Inspection-	Remove
—< 5,000 Sq Ft		\$105 per Inspection Plus	Remove
Misc. Inspection:			Remove
—> 5,000 Sq Ft		\$105 per Inspection-	Remove
—< 5,000 Sq Ft		\$105 per Inspection Plus	Remove
Additional Inspection Requests:			Remove
—> 5,000 Sq Ft		\$105 per Inspection-	Remove
—< 5,000 Sq Ft		\$105 per Inspection Plus	Remove
Plan Review			Remove
—Up to 5,000 Sq Ft-		\$105 per Review plus 3d	Remove
—5,000 + Sq Ft-		\$105 per Review plus 3d	Remove
Re-Inspection 2nd	per Occurrence	\$160.00	New fee
Re-Inspection 3rd	per Occurrence	\$182.00	New fee
Knox Box Key Install	per Issuance	\$67.00	Increase in fee amount to recover cost
Special Inspection <5000 sqft	per Occurrence	\$145.00	Increase in fee amount to recover cost
Special Inspection >5,000 sqft (C, F, H, I)	per Occurrence	\$182.00	Increase in fee amount to recover cost
Additional Service Fee	per Hour	\$145.00	Increase in fee amount to recover cost
Weed Abatement Admin Fee on Open Parcels		\$320.00	New fee
Weed Abatement Admin Fee on Residential Properties	per Issuance	\$320.00	New fee
Emergency Abatement Fee for Imminent Fire Hazard (Three attempts made in 21 Business Days)	per Issuance	\$555.00	Increase in fee amount to recover cost
Jails Less Than 5000 sqft	per Occurrence	\$145.00	Increase in fee amount to recover cost; change from occupancy to sqft
Jails Greater Than 5000 sqft	per Occurrence	\$290.00	Increase in fee amount to recover cost; change from occupancy to sqft
Tent/Membrane Inspection	per Occurrence	\$145.00	Increase in fee amount to recover cost; remove permits
Device System Inspection		\$21-per Device-	Remove
Hotel/Motel 1-50 Units (R-1)	per Occurrence	\$145.00	Increase in fee amount to recover cost; change name description of service simplify qty
Hotel/Motel +50 Units (R-1)	per Occurrence	\$290.00	Increase in fee amount to recover cost; change name description of service simplify qty
Multi-Family Dwellings Inspection:			
1-20 Units (R-2)	per Occurrence	\$145.00	Increase in fee amount to recover cost
21-50 Units (R-2)	per Occurrence	\$175.00	Increase in fee amount to recover cost
51-100 Units (R-2)	per Occurrence	\$215.00	Increase in fee amount to recover cost
+100 Units (R-2)	per Occurrence	\$270.00	Increase in fee amount to recover cost
Schools	per Occurrence	\$145.00	Increase in fee amount to recover cost
Healthcare Facilities Inspection:			Remove
—3-25 Units-		\$105 per Inspection	Remove
—26-50 Units-		\$210 per Inspection	Remove
—51-100 Units-		\$315 per Inspection	Remove
—100-150 Units-		\$420 per Inspection	Remove
—151+ Units-		\$525 per Inspection	Remove
Hood Suppression Inspection <i>*Commercial hood system shall be inspected semi annual</i>	per Occurrence	\$182.00	New fee to recover cost of inspection

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT	COMMENT
Hood Suppression Plan Check	per Issuance	\$145.00	New fee to recover cost of staff time
Refrigerant an Monitoring System	per Occurrence	\$182.00	Added due to high hazard
Fireworks Booth Admin Inspection	per Issuance	\$190.00	Increase in fee amount to recover cost FY25 increase to \$284 per council direction
Tank Inspection	per Occurrence	\$142.00	Increase in fee amount to recover cost
Tank Plan Review	per Issuance	\$182.00	Increase in fee amount to recover cost
Spray booth Inspection	per Occurrence	\$145.00	Increase in fee amount to recover cost
Spray Booth Plan Review	per Issuance	\$182.00	New fee to recover cost of staff time
Consultation Fee	per Occurrence	\$142.00	New fee due to influx in pre inspection
Licensed Family Day Care Initial	per Occurrence	\$145.00	New fee as this is a state mandated inspection
Licensed Family Day Care Re-Inspection	per Occurrence	\$175.00	New fee due to influx in inspection
Residential Care Home 24 Hour Care R 3.1 (et al.)	per Issuance	\$175.00	New fee as this is a state mandated inspection
Residential Care Home 24 Hour Care Re-Inspection- R 3.1 (et al.)	per Issuance	\$200.00	New fee due to influx in inspection
Mobile Food Vendor Annual Inspection	per Issuance	\$145.00	Increase in fee amount to recover cost
Fire Alarm Plan Review:			
1-15 Devices	per Issuance	\$182.00	New fee, charging per device
16-50 Devices	per Issuance	\$264.00	New fee, charging per device
51-100 Devices	per Issuance	\$384.00	New fee, charging per device
101-500 Devices	per Issuance	\$552.00	New fee, charging per device
+500 Devices	per Issuance	\$1,104.00	New fee, charging per device
Fire Alarm Inspection & Testing	per Occurrence	\$184.00	New fee, charging per device
Re-Inspection on Testing Devices	per Occurrence	\$224.00	New fee, charging per device
Fire Sprinkler Plan Review:			
1-100 Heads	per Issuance	\$264.00	New fee, charging per device
101-300 Heads	per Issuance	\$384.00	New fee, charging per device
301-500 Heads	per Issuance	\$552.00	New fee, charging per device
+500 Heads	per Issuance	\$1,104.00	New fee, charging per device
Underground Fire Line Inspection	per Occurrence	\$184.00	New fee, construction fee
Underground Fire Line Plan Review	per Issuance	\$224.00	New fee, charging per plan review
Residential Field Inspection	per Occurrence	\$184.00	New fee, due to influx in inspections
Residential Plan Review Less Than 5000 sqft	per Issuance	\$184.00	New fee to recover cost of staff time
Residential Plan Review Greater Than 5000 sqft	per Issuance	\$184 + \$.75 per sqft	new fee to recover cost of staff time and larger structure

Fire Department Continues:

FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT	COMMENT
Fire Reports	per Issuance	\$25.00	Increase in fee amount to recover cost
Fire Investigation Report	per Issuance	\$224.00	Increase due to prep time meeting industry standards
False Alarm/ 3rd and Subsequent Events in Calendar Year	per Occurrence	\$390.00	Increase rate, change from 90 days to calendar period
False Alarm		\$105 per Alarm plus App	Remove
False Alarm from Negligent Act		Apparatus and Personnel	Remove
Removal of Dwellings by Burning		\$800 plus 3rd Party Cost	Remove
Standby for public utility response	per Hour	\$390.00	Applicable rate according to current reimbursement rate for CFAA Federal and State agreements
Stand-by at Special Event		Apparatus and Personnel	Remove
DUI Response	per Hour	\$390.00	Applicable rate according to current reimbursement rate for CFAA Federal and State agreements
Illegal Burning	per Hour	\$390.00	Applicable rate according to current reimbursement rate for CFAA Federal and State agreements
Arson Investigator Response per Investigators (Minimum of 2 Investigators)	per Hour	\$70.00	(2) Investigators are required to work the scene at an industry standard minimum
Confirmed Arson Fire Investigation		Apparatus and Personnel	Remove
Fire Suppression for Illegal Burning		Apparatus and Personnel	Remove
Neglectful Fire Response	per Hour	\$390.00	Applicable rate according to current reimbursement rate for CFAA Federal and State agreements
Dangerous Building or Structures	per Issuance	\$555.00	Added due to high hazard
Hazardous Materials Operational:			
Permit H-1	per Issuance	\$656.00	New fee due to special hazards
Permit H-2	per Issuance	\$574.00	New fee due to special hazards
Permit H-3	per Issuance	\$532.00	New fee due to special hazards
Permit H-4	per Issuance	\$470.00	New fee due to special hazards
Permit H-5	per Issuance	\$409.00	New fee due to special hazards
Special Hazard Permit/Confined Space, Trench, Vault, High Angle <72'	per Issuance	\$515.00	New fee due to special hazards
Special Hazard Incident /Confined Space, Trench, Vault, High Angle <72'	per Hour	\$602 + Rescue Team	New fee due to special hazards
Hazardous Materials Spill Fire Response	per Hour	\$602 + Hazmat Team	New fee due to special hazards
Hydrant Maintenance and Repair	per Hydrant	\$70.00	Newly added fee amount
Private Hydrant Maintain and Repair	per Hydrant	\$100.00	Newly added; Increase in fee to recover cost
Hydrant Flow Test	per Occurrence	\$340.00	Increase in fee to recover cost
Special Event with Apparatus	per Occurrence	\$264.00	Increase in fee to recover cost
Battalion Chief Special Event Coordination	per Hour	\$186.00	Increase in fee to recover cost
Fire Prevention Event Coordination	per Occurrence	\$145.00	Increase in fee to recover cost
Convalescent Van Inspection		\$53 per inspection	Remove
Compliance Engine Fee		\$17	Remove
VIOLATIONS AND FINES			
Minor		\$250 per Offense and/or	Remove
General		\$500 per Offense and/or	Remove
Health and Safety		\$1,000 per Offense and/or	Remove
FEE NAME/DESCRIPTION OF SERVICE		FEE AMOUNT	COMMENT
Fire and Life Safety Citation:			
First Offense		\$100.00	Usual and customary fee to recover costs of nuisance Offenses
Second Offense		\$200.00	Usual and customary fee to recover costs of nuisance Offenses
Third Offense		\$500.00	Usual and customary fee to recover costs of nuisance Offenses
Red Tag on Building	per Day	\$200.00	Usual and customary fee to recover costs of nuisance Offenses

Police Department:

No Changes were made to the PD's Rates & Fees Schedule

Cannabis Fees:

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
APPLICATION FEE- PAY AT COMMUNITY DEVELOPMENT DEPARTMENT		
Preliminary Eligibility (Retail & Non-Retail)	\$4,254.00	Add description
Initial Ranking (Retail Only)	\$1,689.00	Add description
Second Ranking (Retail Only)	\$2,241.00	Add description
Final Recommendation to Council (Retail Only)	\$1,102.00	Add description
Background Fee (Each Person) (Retail & Non-Retail)	\$300.00	Add description
Environmental Review (Retail & Non-Retail)	Actual Cost plus 10%	Add description
Live Scan (Each Person) (Retail & Non-Retail)	\$135.00	Add description
Zoning Verification Letter (Retail & Non-Retail)	\$150.00	Add description
TAXES- PAY AT FINANCE DEPARTMENT		
Cultivation:		
Six dollars (\$6.00) annually per square foot of canopy space in a facility that uses exclusively artificial lighting		Decrease amount
Seven dollars (\$7.00) annually per square foot of canopy space in a facility that uses a combination of natural and artificial lighting		REMOVE
Four dollars (\$4.00) annually per square foot of canopy space in a facility that uses no artificial lighting		REMOVE
Lab Testing:		
Two and one half percent (2.5%) of gross receipts		REMOVE
Distribution:		
One percent (1%) of gross receipts.		Change to 1%
Manufacturing, Processing or Microbusiness (non-retail activity):		
Two percent (2%) of gross receipts.		Change to 2%

Community Development Department:

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
MISCELLANEOUS		
Surveyor Plan Review	Actual Cost + 10%	Newly added to recover cost

Development Impact Fees:

All Impact fees have been increased due to the change of ENRCC of 2.70%

Public Works Department:

No Changes were made to the Public Works Department's Rates & Fees Schedule

Refuse Department:

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
Temporary Bin Rental		
1YD (4 Empties per month)	\$78.23	Newly added to schedule
2YD (4 Empties per month)	\$98.37	Newly added to schedule
3YD (4 Empties per month)	\$118.53	Newly added to schedule
Trash Can/bin services		
Delivery/Exchange Startup Fee	\$20.00	Newly added to schedule
Removal for Discontinued Refuse Service	\$66.00	Newly added to schedule
Special Event Can Services		
Delivery Fee (for each eighteen (18) 96 gallon containers up to 54 event	\$26.00	Newly added to schedule
Empty Fee (per container per empty and disposal of waste)	\$11.44	Newly added to schedule
Cleaning Fee (per container to clean and restock)	\$2.08	Newly added to schedule
Special Event Bin Services		
Delivery Fee (each bin up to five (5) 2yd or 3yd commercial bins)	\$26.00	Newly added to schedule
Empty Fee (per 2yd bin)	\$23.92	Newly added to schedule
Empty Fee (per 3yd bin)	\$27.08	Newly added to schedule
Cleaning Fee (per container to clean and restock)	\$15.60	Newly added to schedule

Airport:

FEE NAME/DESCRIPTION OF SERVICE	FEE AMOUNT	COMMENT
Overnight Parking- Single	\$8 per Night	Newly added to schedule
Overnight Parking- Twin	\$12 per Night	Newly added to schedule
Overnight Parking- Jet	\$20 per Night	Newly added to schedule
Covered T-Spaces (1-10 & 20-40)	\$93 per Month	CPI 3.18%
T-Hangar Spaces (11-19)	\$194 per Month	CPI 3.18%
Port-a-Port (1,200 sq. ft. or less)	\$665 per Year	CPI 3.18%
Port-a-Port (1,800 sq. ft. to 2,100 sq. ft.)	\$676 per Year	CPI 3.18%
Hangar Ground Lease (0 to 1,600 sq. ft.)	\$850 per Year	CPI 3.18%
Hangar Ground Lease (1,601 sq. ft. to 2,300 sq. ft.)	\$948 per Year	CPI 3.18%
Hangar Ground Lease (2,301 sq. ft. to 4,500 sq. ft.)	\$1,036 per Year	CPI 3.18%
Hangar Ground Lease (4,501 sq. ft. to 5,000 sq. ft.)	\$1,995 per Year	CPI 3.18%
Hangar Ground Lease (5,001 sq. ft. and above)	\$0.407 per sqft	CPI 3.18%

RESOLUTION No. 24-13-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD ADOPTING A CITY OF HANFORD MASTER FEE SCHEDULE FOR FY 2024-25.

WHEREAS, the City Council of Hanford is empowered to impose reasonable fees, rates, and charges for municipal services, and thereby has adopted rates, charges and fees set forth in a Master Fee Schedule; and

WHEREAS, the City Council desires to amend previously adopted fee schedules and establish fees and charges for FY 2024-25 in a single Master Fee Schedule, effective July 1, 2024.

WHEREAS, all requirement of California Government Code Sections 66016, 66017, and 66018 are hereby found to have been complied with;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HANFORD DOES HEREBY RESOLVE AS FOLLOWS:

1. Master Fee Schedule Adoption. The following schedules of fees and charges are hereby directed to be computed and applied by the various City departments, and to be collected by the City Finance Department for the herein listed services when provided by the City or its designated contractors.
2. The fees and charge adjustments proposed herein comply with the adjustment requirements required by the authorizing ordinances
3. The fees and charges adjustments are statutorily exempt from the California Environmental Quality Act either as fees and charges related to ministerial projects or that meeting operating expenses, financial reserve needs, further capital projects for services, or the purchasing or leasing of supplies; and
4. The findings required by authorizing ordinances enumerated herein to adopt fees have been made as part of the respective original adopting resolutions of the Council.
5. All resolutions and other actions of the City Council in conflict with the contents of this Resolution are hereby repealed.
6. Effective Date. Unless otherwise indicated in the Master Fee schedule for FY 2024-25 document, these rates and fees go into effect on July 1, 2024. Impact fees shall not be effective until 60 days after the adoption thereof (August 3, 2024).

PASSED and ADOPTED by the City Council of the City of Hanford at a Council meeting duly held on this 4th day of June, 2024 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Travis Paden

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 special meeting of the City Council of the City of Hanford held on the 4th day of June, 2024.

Date: _____

City Clerk

NOTICE OF PUBLIC HEARING

A public hearing will be held before the Hanford City Council on Tuesday, June 4, 2024, at 7:00 p.m., in the Hanford City Council Chambers, Civic Auditorium, 400 N. Douty Street, Hanford, California, pertaining to the following:

To adopt a City of Hanford Master Fee Schedule for FY 2024-25

A copy of the proposed Master Fee Schedule is available for inspection. Requests can be made by email to finance@hanfordca.gov.

All interested persons may appear to present testimony at the hearings. If you challenge any action or decision by the City Council regarding the subject of the public hearing described in this notice in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

If you have questions or are in need of a translator or special services, please call the City Clerk at (559) 585-2515 at least five (5) days prior to the meeting to make arrangements.

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AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Adoption of Resolution No. 24-12-R, designating a “Project List” for Road Maintenance and Rehabilitation Account (RMRA) gas tax funding for Fiscal Year 2024/25; and Appropriation of Hanford's estimated RMRA funding projection of \$1,507,211.

RECOMMENDATION:

Recommendation:

That the City Council, by motion, adopt Resolution No. 24-12-R designating a “Project List” for RMRA gas tax funding for Fiscal Year 2024/25; and authorize the appropriation of funds to the projects identified herein.

Recommended Motion:

I move to adopt the attached resolution 24-12-R designating a “Project List” for RMRA gas tax funding for Fiscal Year 2024/25; and authorize the appropriation of funds to the projects identified herein.

BACKGROUND:

The Road Repair and Accountability Act of 2017 (SB1 Bill) established a Road Maintenance and Rehabilitation Account (RMRA) to provide additional funding for maintenance of state highways and roadways, including a portion for local streets and roads. One of the provisions of the new law required that agencies submit documentation to the California Transportation Commission (CTC), regarding the description and location of a proposed project; the estimated useful life of the improvement; and the estimated project start and completion date. The project list must be approved by the adopting agency by resolution at a regular public meeting.

Hanford’s estimated RMRA funding amount for FY 24/25 is approximately \$1,507,211, which staff recommends that the funds be appropriated as follows:

1. \$750,000 – Lacey Widening Phase 1: Railroad Tracks to Sierra Drive (CIP 823619)
2. \$750,000 – Lacey Widening Phase 2: 10th Avenue to the Railroad Tracks (CIP 824620)

Project 1) Lacey Widening Phase 1: Railroad Tracks to Sierra Drive:

Project Description/Scope: This project will rehabilitate and widen the roadway on Lacey Street from the railroad tracks east to Sierra Drive and connect to the Lacey Street improvements completed as part of the Costco project. The project will also construct new concrete structures such as eight-foot-wide sidewalks, curbs, gutters, drain inlets and ramps, as well as removing the

conflicting eucalyptus trees and undergrounding overhead utilities to the extent budget permits. The project will include new storm drain, sewer, and water utilities, which will be stubbed under the tracks at 9th Avenue for future development of the northwest area. Staff is working with the San Joaquin Valley Railroad to coordinate design of the roadway surface treatment at the crossing as well as coordinating the boring of utilities under the tracks at 9th Avenue.

Additionally, because of the recent \$7.3M Federal earmark towards the project(s), Staff is undergoing the processes to “federalize” the project. One of those is to conduct a federal environmental review (NEPA – National Environmental Policy Act) akin to the State’s CEQA process.

Because of this one-time opportunity for the design of Lacey, Staff is taking the opportunity to look at Lacey a little more holistically, following a more complete streets approach. Thus, staff is currently studying how to include buffered bike lanes within the proposed roadway footprint without acquiring additional right-of-way. Staff is looking at several design options, including a potential road diet, to make this a multi-modal corridor; connecting the HSR Kings-Tulare Station and the City’s downtown.

Simultaneous as a separate design project, Staff is working on the widening and signalization of the intersection of Lacey and 9th Avenue. Though the design is being kept separate from the Lacey segments, construction of the intersection will be incorporated with construction of Phase 1 Lacey.

Staff will return at a later date to present design options to the Council for comment and/or direction prior to the completion of plans. The presentation will include an updated project schedule and project cost estimate.

Project 2) Lacey Widening Phase 2: 10th Avenue to the Railroad Tracks:

Project Description/Scope: This project’s scope is equivalent to Phase I described above.

Proposed project list for FY 2024/25 (see Exhibit “A”)

FISCAL IMPACT:

Projected RMRA gas tax revenues for FY 2024/25 are estimated to be approximately \$1,507,211. If approved, the projects identified in this report will be forwarded to CTC by July 1, 2024 as required by state statute for acceptance. The projects are also incorporated into our FY 2024/25 Capital Improvement Program.

ATTACHMENTS:

1. FY24-25 Funding Summary - Hanford
2. Exhibit 'A' Project List 24-25
3. Resolution 24-12-R

Local Streets and Roads - Projected Revenues

Based on State Dept of Finance statewide revenue projections
Estimated January 2024

	2023-24		
	Hwy Users Tax Account	Road Mntnc Rehab Acct	TOTAL
KERN COUNTY			
ARVIN	514,619	472,824	987,442
BAKERSFIELD	10,474,201	9,777,126	20,251,327
CALIFORNIA CITY	393,344	359,460	752,804
DELANO	1,337,151	1,238,430	2,575,581
MARICOPA	32,053	24,540	56,593
MCFARLAND	370,932	339,445	710,377
RIDGECREST	725,001	667,613	1,392,614
SHAFTER	555,805	510,388	1,066,193
TAFT	229,551	208,221	437,771
TEHACHAPI	342,349	312,726	655,075
WASCO	705,305	649,202	1,354,507
County of Kern	25,091,344	23,723,148	48,814,492
Total Cities & County: Kern	40,771,654	38,283,123	79,054,777
KINGS COUNTY			
AVENAL	361,011	327,977	688,987
CORCORAN	567,398	517,762	1,085,160
HANFORD	1,530,778	1,409,996	2,940,774
LEMOORE	707,758	647,167	1,354,925
County of Kings	4,539,280	4,903,915	9,443,195
Total Cities & County: Kings	7,706,225	7,806,817	15,513,041
LAKE COUNTY			
CLEARLAKE	454,019	404,015	858,034
LAKEPORT	136,846	118,918	255,764
County of Lake	3,410,535	3,430,310	6,840,845
Total Cities & County: Lake	4,001,400	3,953,244	7,954,643
LASSEN COUNTY			
SUSANVILLE	508,176	385,700	893,876
County of Lassen	3,049,365	3,305,090	6,354,455
Total City & County: Lassen	3,557,541	3,690,790	7,248,331

	2024-25		
	Hwy Users Tax Account	Road Mntnc Rehab Acct	TOTAL
ARVIN	522,825	505,423	1,028,248
BAKERSFIELD	10,643,890	10,451,228	21,095,118
CALIFORNIA CITY	399,583	384,244	783,826
DELANO	1,358,645	1,323,816	2,682,461
MARICOPA	32,479	26,232	58,711
MCFARLAND	376,824	362,848	739,672
RIDGECREST	736,588	713,643	1,450,231
SHAFTER	564,663	545,578	1,110,241
TAFT	233,165	222,577	455,741
TEHACHAPI	347,776	334,287	682,064
WASCO	716,572	693,962	1,410,535
County of Kern	25,494,249	25,358,783	50,853,032
Total Cities & County: Kern	41,427,258	40,922,621	82,349,879
AVENAL	366,750	350,590	717,340
CORCORAN	576,459	553,460	1,129,919
HANFORD	1,555,453	1,507,211	3,062,664
LEMOORE	719,084	691,787	1,410,871
County of Kings	4,609,436	5,242,024	9,851,460
Total Cities & County: Kings	7,827,182	8,345,072	16,172,254
CLEARLAKE	461,294	431,871	893,165
LAKEPORT	138,987	127,117	266,105
County of Lake	3,464,167	3,666,818	7,130,985
Total Cities & County: Lake	4,064,448	4,225,806	8,290,254
SUSANVILLE	514,955	412,293	927,248
County of Lassen	3,079,536	3,532,965	6,612,501
Total City & County: Lassen	3,594,491	3,945,258	7,539,749

EXHIBIT "A" PROPOSED PROJECTS FOR FISCAL YEAR 2024-25 FUNDED BY SB1

FUNDING FY	TITLE	DESCRIPTION	LOCATION	EST. USEFUL LIFE (YEARS)	EST. START	EST. COMPLETION	EST. TOTAL PROJECT COST
24/25	E. Lacey Blvd. Widening / Reconstruction Phase 1: SJVRR/UPRR – Sierra Dr.	This project will involve the widening and reconstruction of East Lacey Boulevard from the west right of way of SJVRR/UPRR to approximately 150’ east of Sierra Drive, to facilitate two lanes in each direction of travel plus turn lanes. Improvements will include the reconstruction of existing pavement section, installation of a new drainage collection/disposal system, installation of curbs, gutters, sidewalks, drive approaches, ADA ramps and a storm water basin construction.	East Lacey Boulevard from 10th Avenue to Sierra Drive	15-20	6/1/2025	1/1/2026	\$ 7,475,000.00
24/25	E. Lacey Blvd. Widening / Reconstruction - Phase 2: 10th Ave. – SJVRR/UPRR	This project will involve the widening and reconstruction of East Lacey Boulevard from 10th Avenue to the west right of way of SJVRR/UPRR, to facilitate two lanes in each direction of travel plus turn lanes. Improvements will include the reconstruction of existing pavement section, installation of a new drainage collection/disposal system, basin construction, installation of curbs, gutters, sidewalks, drive approaches, ADA ramps, and a storm water basin construction.	East Lacey Boulevard from 10th Avenue to the west right of way of SJVRR/UPRR	15-20	3/1/2026	9/1/2026	\$ 3,426,000.00

RESOLUTION NO. 24-12-R

**RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2024-25 FUNDED BY
SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City, will receive an estimated \$1,507,211 in RMRA funding in Fiscal Year 2024-25 from SB 1; and

WHEREAS, this is the eighth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

WHEREAS, the City used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City widen and reconstruct 3 miles of travel lanes; and

WHEREAS, the 2021 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at-risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into a "good" condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the Hanford, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The following list of newly proposed projects will be funded in-part or solely with Fiscal Year 2024-25 Road Maintenance and Rehabilitation Account revenues:

See Attached – Exhibit “A”

PASSED AND ADOPTED by the City Council of Hanford, State of California this _____ day of _____, 2024, by the following vote:



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Approval of Net Energy Metering (NEM) and Interconnection Agreement(s) with Southern California Edison Company (SCE) and Authorization of payment of up to \$350,000 to SCE for the design and construction of SCE-owned facilities to accept power generated from a proposed City-owned Solar Energy Generating Facility at the City's Wastewater Treatment Facility (WWTF) located at 10555 Houston Avenue and Appropriation of \$350,000 from the Wastewater Treatment Plant/Sewer Fund.

RECOMMENDATION:

That the City Council:

1. Authorize the City Manager or his designee execute a NEM and Interconnection Agreement with SCE needed for the installation of a proposed City-owned Solar Energy Generating Facility at the City's WWTP;
2. Authorize a payment in the amount of approximately \$350,000 to SCE for the design and construction of necessary SCE-owned Interconnection Facilities and Network Upgrades; and
3. Authorize the appropriation of \$350,000 from Wastewater Treatment Plant Capital Funds

BACKGROUND:

Net energy metering (NEM):

NEM is a metering and billing arrangement designed to compensate power generation system owners for the generation of excess electricity that is exported into the electrical utility grid, such as the previously installed solar facility at the WWTP.

NEM allows utility customers with on-site solar systems to offset the cost of electricity they draw from the electrical grid throughout the billing cycle. The utility customer then pays for the net energy consumed from the electrical utility grid.

On December 15, 2022, the California Public Utilities Commission (CPUC) passed NEM 3.0, a new solar billing plan that ultimately reduces the monthly energy bill savings for new solar owners, meaning:

- Current solar owners will remain under their existing net metering policy (NEM Version 2.0);
- Solar owners under the new NEM 3.0 will earn approximately 75% less for the excess electricity they export onto the electrical grid; and,
- Californians would be grandfathered into NEM 2.0 by submitting an Interconnection

Application for a new solar system by April 14, 2023.

- NEM 2.0 significantly enhances the financial benefit of installing solar and grandfathers the City into the program for 20-years.

The City met the April 2023 deadline through an application prepared and submitted by Engie, Inc.

The application was submitted by Engie as part of their proposal efforts, beginning in 2022, to upgrade both the WWTP and install Solar; using savings in energy as the catalyst to make the project financially feasible. Engie North America is a private energy company that works with clients to achieve energy efficiency and sustainability. Engie successfully completed three previous phased Solar system installations at the WWTP.

Interconnection Agreement:

Consequently, in order to maintain NEM 2.0 eligibility, Staff is recommending that the City Council authorize the execution and submittal of both the Net Metering and Interconnection Agreement(s) to SCE by the application deadline of June 17, 2024. The attached draft copy of the Interconnection Agreement identifies the terms and conditions in order to connect SCE's network. Attachment to the agreement is SCE's estimate of design and construction upgrades enabling their network to accept power generated from the proposed solar energy generating system. SCE estimated their costs to be approximately \$337,000. There will also be monthly costs associated with the interconnection once established. Payment to SCE is required for SCE to begin design and subsequent construction of their facility upgrades. Both items are required to maintain eligibility in the NEM 2.0 version program.

Engie approached the City in 2022 and offered a proposal to upgrade the WWTP along with solar as a way to offset project costs. The concept and cost savings appeared attractive though there were plant layout and design concerns yet to be resolved. Earlier this year, Engie submitted a revised cost estimate of approximately \$70M that was significantly larger than was previously provided. A financial analysis was performed and Staff determined that Engie's proposed cost was not feasible based on the Wastewater Fund's available revenue structure and fund financial condition. As a follow-up, Engie then provided a proposal of \$5M for solar as a standalone project. Because of the significant cost, along with not having comparable project costs, staff believe this should be vetted further or competitively bid. Though Engie performed a fair amount of engineering they have done so at their own risk.

Plant Upgrades and Expansion:

The WWTP comprises two operating plants; the older Trickling Filter style plant constructed circa 1949 and a newer Oxidation Ditch style plant that went into operation as part of the 2004 Plant Expansion Project. The older (75-year-old) plant has undergone numerous upgrades, is hydraulically "maxed-out", and is simply beyond its useful service life. The newer plant is witnessing signs of wear and in need of repairs and/or upgrades. Staff is anticipating \$2.7M in repairs and upgrades during the next two fiscal years for the newer plant alone; \$5.8M in repairs to the old plant in the next five years.

The overall plant is seeing increasing operating and maintenance costs due to energy inefficiencies, labor inefficiencies to operate both plants, and growing maintenance costs to keep outdated systems operational.

Notwithstanding the state of both plants, there is a need to proactively increase plant capacity to accommodate projected city growth and to also include solar as a cost-effective method to hedge increasing energy costs.

Status:

Because of the large price tag but also because of the criticalness of these two items (the WWTP and Solar), Staff is looking at how to incrementally plan, fund, and construct these items.

However, it is advantageous to move forward with solar and to take advantage of the NEM 2.0 program as the WWTP's energy costs continue to increase on a yearly basis as noted in the WWTP's SCE billing:

2020-21: \$367,157
2021-22: \$371,302
2022-23: \$398,314
2023-24: \$555,290

Solar power generation will cover energy demands of the plant and potentially other city demands, while serving to hedge costs as energy rates continue to increase in the future. Note, there is also a deadline to complete the solar project in 2026, which may require an alternative delivery method to meet that deadline (i.e. Design-Build).

Fiscal Impact:

WWTP Capital Funds will be used to fund SCE's design and construction activities as identified in "Attachment B - Facilities Financing and Ownership Interconnection Agreement". Since no project currently exists, payment to SCE will require an appropriation to fund these services. Therefore, Staff recommends City Council approve the appropriation to formally initiate and move this project forward.

Staff will return to provide an update and funding plan for the Solar project and/or a combination of Solar and first phase WWTP expansion.

ATTACHMENTS:

1. SCE NEM and Interconnection Agreement

**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

This Net Billing Tariff (NBT) or Net Energy Metering and Generating Facility Interconnection Agreement ("Agreement") is entered into by and between **City of Hanford** ("Customer"), and Southern California Edison Company ("SCE"), sometimes also referred to herein jointly as "Parties" or individually as "Party."

1. APPLICABILITY

This Agreement is applicable only to Customers who satisfy all requirements of the definition of a Renewable Electrical Generating Facility ("Generating Facility") sized greater than one megawatt ("MW") as set forth in paragraph 1 of subdivision (a) of Section 25741 of the California Public Resources Code and who will be served according to the provisions of Schedule NBT or Schedule NEM-ST.

2. SUMMARY OF GENERATING FACILITY AND CUSTOMER ACCOUNT

- | | | |
|-----|--|--|
| 2.1 | Generating Facility Identification Number: | NST-444199 |
| 2.2 | Customer Meter Number: | 355150-002653 |
| 2.3 | Customer Service Account Number: | 8001015362 |
| 2.4 | Applicable Rate Schedule: | TOU-8-E |
| 2.5 | Generating Facility Location: | 10555 Houston Ave.Hanford, CA 93230 |
- 2.5.1 This agreement is applicable only to the Generating Facility described below and installed at the above location. The Generating Facility may not be relocated or connected to SCE's system at any other location without SCE's express written permission.
- 2.5.2 This Agreement is applicable only to Renewable Electrical Generating Facilities, which includes biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells (using renewable fuel), small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements using such technology.
- 2.5.3 Renewable Electrical Generating Facilities using fuel cells, municipal solid waste conversion, and small hydroelectric generating will be required to sign an affidavit (Form 14-912) certifying the following criteria have been met:
- a) For purposes of this Agreement, qualifying "solid waste conversion" is defined pursuant to Public Resources Code Section 25741(b)(3).
 - b) For purposes of qualifying under "fuel cell" using renewable fuels, the Generating Facility must use technology the California Public Utilities Commission ("Commission") determines will achieve reductions in emissions of greenhouse gases and meet emissions requirements for eligibility for funding pursuant to the Self-Generation Incentive Programs.

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CITY OF HANFORD
NST-444199

- c) A “small hydroelectric” generating facility is not an eligible Generating Facility if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

2.6	Generating Facility Technology (technologies using the renewable resources reflected above):	Solar Photovoltaic
2.7	Generating Facility Nameplate Rating (kW):	1,625
2.8	Generating Facility CEC-AC Rating or Equivalent (kW):	1,772.45
2.9	Estimated annual energy production of the Generating Facility (kWh):	1,453,994
2.10	Existing Service: Total annual usage (kWh):	2,838,868

3. NBT Generating Facility Size Attestation for Existing Service

- 3.1 The Generating Facility should be sized such that the total annual output in kWh is primarily used to offset the customer’s own annual electrical requirements. For a customer with a SCE account that has 12 or more months of billing history, the most recent 12 months usage is used to determine the estimated size of the Generating Facility. Should the customer elect to oversize their Generating Facility (as compared to the 12-month usage history), the following attestation is required when seeking service under Schedule NBT:
- 3.2 By initialing each line in the section below, I attest to the following:
- _____ The Generating Facility is oversized to meet my expected increased future electrical usage (i.e., increased usage resulting from an electric vehicle or other electrical appliances to support electrification).
- _____ The Generating Facility’s estimated annual production in kWh is no larger than 150 percent of my most recent 12 months of total usage.
- _____ I expect to increase my electrical usage to correspond with the size of my Generating Facility within the next year (12 months after receiving Permission to Operate (PTO)).
- _____ I have recently increased my electrical usage and my Generating Facility’s estimated annual production in kWh is no larger than 150 percent of my current projected electrical usage over 12 months. This means that additional electrical usage is planned so that my Generating Facility’s annual kWh production is not expected to exceed 150 percent of my current usage projected over the first 12 months after PTO.
- _____ I understand that SCE reserves the right to further validate that the Generating Facility is sized in accordance with Schedule NBT.

4. NBT Generating Facility Size Attestation for New service or Customers with Less than 12-Month of Usage History

- 4.1 The Generating Facility should be sized such that the total annual output in kWh is primarily used to offset the customer’s own annual electrical requirements. For a new

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MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

customer, or a customer with less than 12 months of billing history, the following attestation is required when seeking service under Schedule NBT:

4.2 By initialing each line in the section below, I attest to the following:

- _____ The Generating Facility is sized to meet expected my future electrical usage.
- _____ I expect that my electrical usage will correspond to the size of the Generating Facility within the next year (12 months after receiving Permission to Operate (PTO)).
- _____ I understand that SCE reserves the right to further validate that the Generating Facility is sized in accordance with Schedule NBT.

5. GENERATING FACILITY INTERCONNECTION AND DESIGN REQUIREMENTS:

- 5.1 Customer shall be responsible for the design, installation, operation, and maintenance of the Generating Facility and shall obtain and maintain any required governmental authorizations and/or permits.
- 5.2 Customer shall be responsible for all applicable study costs as outlined in SCE's Electric Tariff Rule 21 – *Generating Facility Interconnections* ("Rule 21").
- 5.3 If the studies conducted pursuant to the applicable provisions of Rule 21 result in the need for upgrades to SCE's Distribution and/or Transmission System, SCE shall be afforded the time necessary to complete those upgrades before issuing written approval allowing the Customer to operate the Generating Facility. Costs for those upgrades and any necessary Interconnection Facilities shall be borne by the Customer, pursuant to the terms and conditions outlined in Attachments A and B of this Agreement.
- 5.4 The Generating Facility shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers ("IEEE"), and accredited testing laboratories such as Underwriters Laboratories ("UL"), and, where applicable, rules of the Commission regarding safety and reliability. This requirement shall include, but not be limited to, the provisions of IEEE Standard 929, UL Standard 1741 and SCE's Electric Rule 21 – *Generating Facility Interconnections*.
- 5.5 The Generating Facility must have a warranty of at least 10 years for all equipment and the associated installation from the system provider. Warranties or service agreements conforming to requirements applicable to the Self-Generation Incentive Program ("SGIP") may be used for technologies eligible for the SGIP. In appropriate circumstances conforming to industry practice, this requirement may also rely on and be satisfied by manufacturers' warranties for equipment and separate contractors' warranties for workmanship (i.e., installation).
- 5.6 All major solar system components (including PV panels and other generation equipment, inverters and meters) must be on the verified equipment list maintained by the California Energy Commission ("CEC"). Any other equipment, as determined by SCE, must be verified as having safety certification from a Nationally Recognized Testing Laboratory ("NRTL").

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NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

- 5.7 Customer shall not commence parallel operation of the Generating Facility until written approval has been provided to it by SCE.
- 5.8 SCE shall have the right to have its representatives present at the final inspection made by the local authority having jurisdiction to inspect and approve the installation of the Generating Facility.
- 5.9 Customer shall not add generation capacity in excess of the ratings set forth in Sections 2.7 and 2.8 of this Agreement, or otherwise modify the Generating Facility without the prior written permission of SCE.

6. METERING AND BILLING:

Metering requirements and billing procedures shall be set forth in the SCE, Electric Service Provider's, Community Choice Aggregator's and/or Community Aggregator's rate schedule(s) applicable to the electric service account assigned to the location where the Generating Facility is connected.

7. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES:

- 7.1 SCE may require Customer to interrupt or reduce the output of its Generating Facility under the following circumstances:
 - (a) Whenever SCE deems it necessary in its sole judgment, to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or
 - (b) Whenever SCE determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.
- 7.2 Notwithstanding any other provision of this Agreement, upon termination of this Agreement or at any time SCE determines the continued parallel operation of the Generating Facility may endanger the public or SCE personnel, or affect the integrity of SCE's electric system or the quality of electric service provided to other customers, SCE shall have the right to require the Generating Facility to be immediately disconnected from SCE's electric system. The Generating Facility shall remain disconnected until such time as SCE is satisfied, in its sole judgment that the condition(s) causing such disconnection have ended or have been corrected.
- 7.3 Whenever feasible, SCE shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.
- 7.4 Electrical energy and capacity provided to Customer during periods of curtailment or interruption of the output of the Generating Facility shall be provided pursuant to the terms of the rate schedule(s) applicable to the electric service account to which the Generating Facility is connected.

8. ACCESS TO PREMISES:

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NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

SCE may enter Customer's premises at all times, without notice to Customer for emergency purposes only.

- (a) To inspect Customer's protective devices or check meter(s); to ascertain there is no power flow; or
- (b) To disconnect the Generating Facility and/or service to Customer, whenever in SCE's discretion, a hazardous condition exists and such immediate action is necessary to protect persons, SCE's facilities, or property of others from damage or interference caused by the Generating Facility, or the failure of properly operating protective devices.

SCE will make prior arrangements with the Customer for gaining emergency access to Customer's premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements.

9. INSURANCE

- 9.1 In connection with Customer's performance of its duties and obligations under this Agreement, Customer shall maintain, during the term of this Agreement, commercial general liability insurance with a limit of two million dollars (\$2,000,000) for each occurrence.

Such commercial general liability insurance shall include coverage for Premises-Operations and Contractual Liability.

- 9.2 The commercial general liability insurance required in Section 9.1 shall, by endorsement to the policy or within the policy general condition itself, (a) include SCE as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that SCE shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; (d) that coverage provided is primary and not in excess to or contributing with any insurance or self-insurance maintained by SCE; (e) waiver of subrogation shall be granted to SCE; and (f) provide for thirty (30) calendar days' written notice to SCE prior to cancellation, termination, alteration, or material change of such insurance.

- 9.3 [Intentionally Blank]

- 9.4 Customer agrees to furnish evidence of insurance (certificates of insurance and endorsements as appropriate) to SCE prior to Parallel Operation, and thereafter for each insurance policy renewal during the term of this Agreement. SCE shall have the right to inspect or obtain a copy of the original policy or policies of insurance.

- 9.5 If Customer is self-insured with an established record of self-insurance, Customer may comply with the following in lieu of Sections 9.1 through 9.2:

- (a) Customer shall provide to SCE, at least thirty (30) calendar days prior to the date of Parallel Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 9.1.

**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

- (b) If Customer ceases to self-insure to the level required hereunder, or if Customer is unable to provide continuing evidence of Producer's ability to self-insure, Customer agrees to immediately obtain the insurance coverage required under Section 9.1 and 9.2 above.

- 9.6 All insurance policies, certificates of insurance, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Southern California Edison Company
Attention: NBT Program Administrator
SCE Customer Solar & Self Generation
P.O. Box 800
Rosemead, CA 91770

10. LIABILITY:

- 10.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or (b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.
- 10.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees, that may be incurred by the other Party in enforcing this indemnity.
- 10.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 10.4 Except as otherwise provided in Section 10.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 10.5 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 10.6 Notwithstanding the provisions of Section 10.1, Customer shall be responsible for protecting its Generating Facility from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SCE's facilities, and SCE shall not be liable for any such damage so caused.

**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

11. GOVERNING LAW:

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California.

12. CALIFORNIA PUBLIC UTILITIES COMMISSION:

- 12.1 This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction.
- 12.2 Notwithstanding any other provisions of this Agreement, SCE has the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, or rule or any agreement relating thereto.

13. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT:

- 13.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.
- 13.2 None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.
- 13.3 This Agreement shall supersede any existing agreement under which Customer is currently operating the Generating Facility identified in Section 2, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.
- 13.4 This Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement.
- 13.5 This Agreement shall not be assigned if such assignment would cause the Generating Facility to not comply with the provisions of Public Utilities Code Section 2827.1. The Customer shall not voluntarily assign its rights or delegate its duties under this Agreement without SCE's written consent. Any assignment or delegation Customer makes without SCE's written consent shall not be valid. SCE shall not unreasonably withhold its consent to Customer's assignment of this Agreement.

14. NOTICES:

- 14.1 Any notice required under this Agreement shall be in writing and mailed at any United States Post Office with postage prepaid and addressed to the Party, or personally

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NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

delivered to the Party, at the address below. Changes in such designation may be made by notice similarly given. All written notices shall be directed as follows:

SOUTHERN CALIFORNIA EDISON COMPANY:

Attn: NBT Program Administrator
SCE Customer Solar & Self Generation
P.O. Box 800
Rosemead, CA 91770

CUSTOMER:

Account Name: **City of Hanford**
Mailing Address **315 N. Douty St.**
Mailing City: **Hanford** Mailing State: **CA**
Mailing Zip Code: **93230-3951**

14.2 Customer's notices to SCE pursuant to this Section shall refer to the Generating Facility Identification Number that is set forth in Section 2.1

15. TERM AND TERMINATION OF AGREEMENT:

- 15.1 This Agreement shall become effective when SCE issues written authorization to interconnect the Generating Facility after receipt of all required documents and payments, and this completed Agreement is signed by the Customer and SCE, and shall remain in effect thereafter from month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section 14.
- 15.2 This Agreement shall terminate, without notice, upon: (a) termination of the electric distribution service provided to Customer by SCE; or (b) changes to Customer's electric load which cause the Customer to no longer satisfy all requirements of the definition of an Eligible Customer-Generator, as set forth in Section 2827.1(a) of the California Public Utilities Code; or (c) termination of Customer's Net Billing Tariff or Net Energy Metering arrangements with its Electric Service Provider, Community Choice Aggregator and/or Community Aggregator.

16. TRANSITION PROVISIONS:

- 16.1 Customers receiving service on Schedule NEM-ST, or who have submitted all documentation necessary for receiving service on Schedule NEM-ST, are subject to the transition provisions as outlined therein.
- 16.2 Customers receiving service on Schedule NBT, or who submit application on or after April 15, 2023 are subject to the transition provisions as outlined therein.

17. SIGNATURES:

This Agreement may be executed in counterparts, and by Electronic Signature on the part of SCE and/or the Customer, and copies of a Party's signed signature page may be transmitted to the other Party by facsimile or other electronic means. Copies of the signature page so transmitted may be used for the purpose of enforcing the terms of this Agreement as though they were originals and



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NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

will not be made inadmissible in any legal or regulatory proceeding concerning this Agreement on the basis of the Best Evidence Rule or similar rule of admissibility.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective as provided in Section 15.1 above.

CITY OF HANFORD

SOUTHERN CALIFORNIA EDISON COMPANY

By: _____
Name: Frank Senteno
Title: Utilities and Engineering Director
Date: _____

By: _____
Name: Andrea Tozer
Title: Director, Grid Contracts Origination & Operations
Date: _____



**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD

NST-444199

ATTACHMENT A

Additional Terms and Conditions for Projects Requiring
Interconnection Facilities and/or Upgrades to SCE's Distribution and/or Transmission System

Section 1. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

1.1 Interconnection Facilities

- 1.1.1 The Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment A-1 below and as provided, where applicable, in the Facilities Financing and Ownership Agreement ("FFOA") incorporated as Attachment B below. SCE shall provide a best estimate cost, including a cost estimate pursuant to the Cost Envelope Option provisions of Rule 21, Section F.7, if applicable, including overheads any applicable Income Tax Component of Contribution (ITCC), for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Customer, such other entities, and SCE. Customers who elected the Cost Envelope Option will be subject to the provisions of Rule 21, Section F.7, as applicable, for the determination of actual costs.
- 1.1.2 The Customer shall be responsible for its share of all reasonable expenses, including overheads and any applicable ITCC, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing SCE's Interconnection Facilities.

1.2 Distribution Upgrades

- 1.2.1 No portion of this Section 1.2 shall apply unless the interconnection of the Generating Facility requires Distribution Upgrades.
- 1.2.2 SCE shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment A-2 below and as provided, where applicable, in the FFOA incorporated as Attachment B below. If SCE and the Customer agree, the Customer may construct Distribution Upgrades that are located on land owned by the Customer. The actual cost of the Distribution Upgrades, including overheads and any applicable ITCC, shall be directly assigned to the Customer. Customers who elected the Cost Envelope Option will be subject to the provisions of Rule 21, Section F.7, as applicable, for the determination of actual costs.

Section 2. Cost Responsibility for Network Upgrades

2.1 Applicability

No portion of this Section 2 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

2.2 Network Upgrades

SCE shall design, procure, construct, install, and own the Network Upgrades described in Attachment A-2 below and as provided, where applicable, in the FFOA incorporated as Attachment B below. If SCE and the Customer agree, the Customer may construct Network Upgrades that are located on land owned by the Customer. Unless SCE elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Customer unless Section 2.2.1 directs otherwise.

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CITY OF HANFORD
NST-444199

2.2.1 Repayment of Amounts Advanced for Network Upgrades

To the extent that the CAISO Tariff, currently Section 14.3.2 of Appendix DD, provides for cash repayment to interconnection customers for contribution to the cost of Network Upgrades, the Customer shall be entitled to a cash repayment, equal to the total amount paid to SCE and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Customer, to be paid to the Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under SCE's tariff and Affected System's tariff for transmission services with respect to the Generating Facility.

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Customer receives a repayment of such payment pursuant to this subparagraph. The Customer may assign such repayment rights to any person. To the extent that the CAISO Tariff does not provide for cash repayment to interconnection customers for contribution to the cost of Network Upgrades, Customer is not entitled to a cash repayment for amounts paid to SCE and Affected System operator for Network Upgrades, and no cash repayment shall be made pursuant to this Agreement.

2.2.1.1 If the Customer is entitled to a cash repayment pursuant to Section 2.2.1, the Customer, SCE, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as SCE and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that SCE or any applicable Affected System operators will continue to provide payments to the Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

2.2.1.2 If the Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, SCE and Affected System operator shall at that time reimburse the Customer for the amounts advanced for the Network Upgrades if the Customer is entitled to a cash repayment pursuant to Section 2.2.1. Before any such reimbursement can occur, the Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

2.3 Rights Under Other Agreements

**SOUTHERN CALIFORNIA EDISON COMPANY
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ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.

Section 3. Billing, Payment, Milestones, and Financial Security

3.1 Billing and Payment Procedures and Final Accounting

SCE shall bill the Customer for the design, engineering, construction, and procurement costs, including any applicable ITCC and/or other taxes, of Interconnection Facilities and Distribution and/or Network Upgrades contemplated by this Agreement pursuant to the FFOA, or as otherwise agreed by the Parties.

3.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment A-3 below. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment A-3 below. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

3.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of SCE's Interconnection Facilities and Distribution and/or Network Upgrades, the Customer shall provide SCE, at the Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to SCE and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the SCE's Interconnection Facilities and Distribution and/or Network Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to SCE under this Agreement during its term. In addition:

- 3.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of SCE, and contain terms and conditions that guarantee payment of any amount that may be due from the Customer, up to an agreed-to maximum amount.
- 3.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to SCE and must specify a reasonable expiration date.

Section 4. Taxes

4.1 Applicable Tax Laws and Regulation

The Parties agree to follow all applicable tax laws and regulations, consistent with Commission policy and Internal Revenue Service requirements.

4.2 Maintenance of Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect SCE's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Section 5. Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

Section 6. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

6.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall SCE be liable for the actions or inactions of the Customer or its subcontractors with respect to obligations of the Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

6.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

Attachment A-1

**Description and Costs of the Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment, shall be itemized and identified as being owned by the Customer or SCE. SCE will provide a best estimate itemized cost, including a cost estimate pursuant to the Cost Envelope Option provisions of Rule 21, Section F.7, if applicable, including overheads and any applicable ITCC, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

1. Description of Generating Facility:

All equipment and facilities comprising the Customer's 1,625 kW (1,772.45 kW CEC-AC) solar photovoltaic generating facility in Hanford California, as disclosed by the Customer in its Application, which consists of (i) five (5) new Chint Power Systems America CPS SCH125KTL-DO-US) 480 V) inverters with an inverter rating of 125 kVA and two (2) existing Advanced Energy Industries Solaron 500 HE (3159502-000G) inverters with an inverter rating of 500 kVA; one (1) new 1.0 MVA 12/0.480 kV (delta wye grounded) padmount transformer and two (2) existing 0.5 MVA 12/0.480 kV (delta-wye grounded) padmount transformer, (ii) the associated infrastructure, (iii) meters and metering equipment, and (iv) appurtenant equipment.

2. Description and Costs of Interconnection Facilities and Metering Equipment:

See FFOA included as Attachment B to this Agreement.

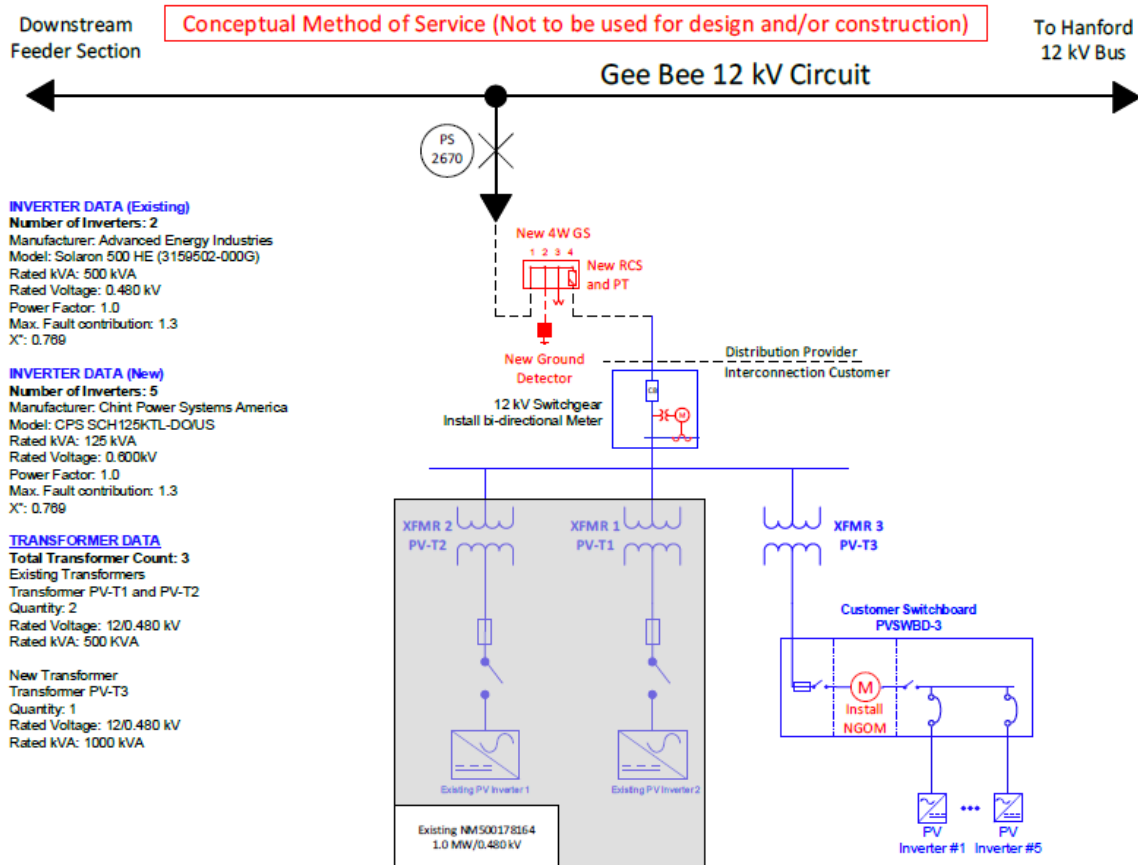
3. Termination of old contract and succession of new contract.

The Parties agree that, upon execution of the Agreement, the Agreement shall succeed the existing Southern California Edison Company Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement ("GFID") for NMID500178164 between Producer and SCE, entered into on October 4, 2013. The GFIA for NMID500178164 shall be terminated on the date the Agreement is fully executed

4. Single-Line Diagram:

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MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199



**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD
NST-444199

Attachment A-2

Description of Distribution and/or Network Upgrades and Cost Responsibility

SCE shall describe the Distribution and/or Network Upgrades and provide an itemized best estimate of the cost, including a cost estimate pursuant to the Cost Envelope Option provisions of Rule 21, Section F.7, if applicable, including overheads and any applicable ITCC, of the Distribution and/or Network Upgrades and annual operation and maintenance expenses associated with such Distribution and/or Network Upgrades. SCE shall functionalize the upgrade costs and annual expenses as either transmission or distribution related.

1. Description of Distribution Upgrades and Network Upgrades and Cost Responsibility:

See FFOA included as Attachment B to this Agreement.

**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
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MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD

NST-444199

Attachment A-3

Milestones

In-Service Date: [REDACTED]

Critical milestones and responsibility as agreed to by the Parties:

	Milestone	Date	Responsible Party
(1)	Provide project payment(s) to SCE in accordance with Section 3.1 of Attachment A of this Agreement	Within twenty (20) Business Days of the effective date of this Agreement	Customer
(2)	Submit complete design package ¹ as requested by SCE	Within twenty (20) Business Days of the effective date of this Agreement	Customer
(3)	Review and approval of Customer's design package ²	Within five (5) Business Days of completion of Milestone (2)	SCE
(4)	Draft of SCE's preliminary design for Interconnection Facilities and Distribution Upgrades	Within [REDACTED] sixty (60) Business Days from approval of Milestone (3)	SCE
(5)	Approve preliminary design for Interconnection Facilities and Distribution Upgrades	Within five (5) Business Days of completion of Milestone (4)	Customer
(6)	Complete final design for Interconnection Facilities and Distribution Upgrades	Within [REDACTED] thirty (30) Business Days of completion of Milestone (5)	SCE
(7)	Complete below grade civil work ³ ("Civil Construction" as defined in Section 2 of Attachment A of the FFOA) with SCE oversight and receive SCE inspector release	Within forty (40) ⁴ Business Days following completion of Milestone (6)	Customer
(8)	Completion of the construction of the Interconnection Facilities and Distribution Upgrades	Within [REDACTED] ninety (90) Business Days following completion of Milestone (7)	SCE

¹ See the Generating Facility's interconnection study report dated 11/20/2023 for design package requirements

² Additional time will be required between Milestone (2) and (3) if the design package is not deemed complete and requires additional information.

³ Delays in obtaining requisite easements and/or permits and customer delays in constructing all civil work for the underground scope in accordance with SCE Electrical Design Standards will result in additional time required to complete Milestone (8) as completion of this milestone is dependent on completion of all civil work.

⁴ Timeline is only an estimate and is dependent upon project design specifications and Customer's ability to complete.

**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD

NST-444199

	Milestone	Date	Responsible Party
(9)	Submit proof of insurance coverage in accordance with Section 9 of this Agreement	At least ten (10) Business Days prior to the date of Parallel Operation	Customer
(10)	In-Service Date ⁵ and schedule commissioning testing	Following completion of Milestone (8)	Customer
(11)	Testing of SCE's Interconnection Facilities and testing of the Customer's Interconnection Facilities and Generating Facility in accordance with Rule 21 Sections F.5 and L.5	Within ten (10) Business Days following completion of Milestone 10.	Customer and SCE
(12)	Notification to SCE of completion of commissioning testing in accordance with Rule 21 Sections F.5 and L.5	Following completion of Milestone 11	Customer
(13)	SCE's written authorization for Parallel Operation of the Generating Facility in compliance with Rule 21 Section F.5 (b)	Within five (5) Business Days after the provision of any required documentation and satisfaction of any inspections and testing requirements in Rule 21 and compliance with the terms of this Agreement	SCE
(14)	Expected date of Parallel Operation	Following completion of Milestone 13 which is 245 business days from Milestone 2	Customer

Agreed to by:

For SCE: _____ Date: _____
Andrea Tozer

For the Customer: _____ Date: _____
Frank Senteno

⁵ Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or other unforeseen events, or [ESR](#) violations could delay the actual in-service dates of SCE's Interconnection Facilities and Distribution Upgrades beyond those specified. SCE shall use Reasonable Efforts to complete engineering, procurement and installation of the Distribution Provider's Interconnection Facilities and Distribution Upgrades by the dates set forth above.



**SOUTHERN CALIFORNIA EDISON COMPANY
NET BILLING TARIFF OR NET ENERGY METERING AND RENEWABLE
ELECTRICAL GENERATING FACILITY SIZED GREATER THAN ONE
MEGAWATT INTERCONNECTION AGREEMENT**

CITY OF HANFORD

NST-444199

Attachment B
(If Applicable)

FACILITIES FINANCING AND OWNERSHIP AGREEMENT

(Provided by SCE)

1. PARTIES:

The Parties to this Facilities Financing and Ownership Agreement (FFOA) are, City of Hanford (Customer), and Southern California Edison Company, (SCE). Customer and SCE are sometimes referred to herein individually as "Party," and collectively as "Parties."

2. RECITALS:

- 2.1 Customer has applied to interconnect a 1,635 kW (Gross Nameplate capacity) Generating Facility that will be operated in parallel with SCE's Distribution System. Said Generating Facility is described in Section 2 and Attachment A-1 of the Generating Facility Interconnection Agreement ("GFIA") between the Parties to which this FFOA is attached. SCE has assigned the Generating Facility identification number NST-444199 to this facility.
- 2.2 The electrical facilities installed, owned, operated and maintained by SCE described in Attachment A, attached hereto, are required to interconnect Customer's Generating Facility to the SCE Distribution System pursuant to SCE's Rule 21. Such electrical facilities may include Interconnection Facilities, Distribution Upgrades and Network Upgrades.
- 2.3 Pursuant to SCE's Rule 21 all or a portion of the Interconnection Facilities, Distribution Upgrades and Network Upgrades are provided at the Customer's expense by SCE as "Added Facilities" as defined in SCE's Rule 2.H.

3. AGREEMENT:

The Parties agree as follows:

- 3.1 Unless otherwise defined herein, initially capitalized terms shall have the same meanings as defined in the GFIA or Section C of SCE's Rule 21. If any term is defined in both the GFIA and Rule 21, the definition in Rule 21 shall prevail.
- 3.2 The Parties agree to the arrangements as indicated in this Section 3.2 for the financing, design, installation, operation, maintenance, and ownership of the Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment A, attached hereto.
 - 3.2.1 SCE, at Customer's expense, shall install, own, operate, and maintain the Interconnection Facilities, Distribution Upgrades and Network Upgrades described as "Customer-Financed Added Facilities" in Attachment A, attached hereto.
 - 3.2.2 Customer shall finance, install, own, operate, and maintain the Interconnection Facilities described as "Customer-Constructed and Owned Interconnection Facilities" in Attachment A, attached hereto.

4. TERM AND TERMINATION:

- 4.1 This FFOA shall become effective as of the last date entered in Section 11 below. The FFOA shall continue in full force and effect until terminated by (1) either Party on at least thirty (30) days advance written notice or (2) the end of the 20-year term provided under Section 6.3(b) herein or (3) termination of the GFIA to which this FFOA is attached. Upon termination, Customer shall pay all costs and charges incurred to the date of termination pursuant to Section 8.9 herein, including but not limited to charges for engineering, surveying, right-of-way and easement acquisition expenses or any other expense incurred by SCE for the Customer, even if the Interconnection Facilities, Distribution Upgrades and Network Upgrades have not been installed.

- 4.2 Customer agrees to utilize the Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment A, attached hereto, in accordance with Prudent Electrical Practices. If Customer fails to so utilize said Interconnection Facilities, Distribution Upgrades and Network Upgrades, SCE may terminate this FFOA, remove the Interconnection Facilities, Distribution Upgrades and Network Upgrades, and Customer shall be subject to the Termination Charge pursuant to Section 8.9 herein.

5. PROJECT DEVELOPMENT MILESTONES:

Project development milestones, if applicable, are identified in Attachment A-3 of the GFIA.

6. INTERCONNECTION FACILITIES, DISTRIBUTION UPGRADES AND NETWORK UPGRADES PROVIDED AS CUSTOMER-FINANCED ADDED FACILITIES:

The following shall apply for that portion of the Interconnection Facilities, Distribution Upgrades and Network Upgrades specified in Attachment A, attached hereto, as "Customer-Financed Added Facilities."

- 6.1 SCE shall, pursuant to SCE's Rule 21, engineer, design, procure equipment and materials, construct, install, own, operate, and maintain the Customer-Financed Added Facilities.
- 6.2 Customer shall pay to SCE in advance of construction, the estimated total Added Facilities Investment of said Customer-Financed Added Facilities, as set forth in Attachment A, attached hereto, as may be revised pursuant to Sections 8.2 and/or 8.3, herein. If applicable, said cost shall include the estimated Income Tax Component of Contributions (ITCC), pursuant to SCE's Preliminary Statement Part M as filed with the Commission and as may be revised from time to time.
- 6.3 In addition to the payment required under Section 6.2 herein, Customer shall pay to SCE an ownership charge determined as the product of (1) the total Added Facilities Investment in Customer-Financed Added Facilities as set forth in Attachment A, attached hereto, as may be revised pursuant to Sections 8.2 and/or 8.3 herein, and (2) the rate established for the replacement coverage option for "Customer-Financed Added Facilities" agreed to by the Parties as reflected in this Section 6.3 as set forth in SCE's Rule 2.H as filed with the Commission and as may be revised from time to time. Whenever Added Facilities are replaced, the Added Facilities Investment amount used as the basis for determining the ownership charge Customer pays SCE shall be subject to the conditions set forth in Section 8.6 or 8.7 herein. The replacement coverage option for Customer-Financed Added Facilities is as follows:

☐ (a) Replacement Coverage into Perpetuity

Under this option, Customer shall pay to SCE, at SCE's sole option, either

- ☐ (1) A Monthly Charge determined by SCE based upon an initial monthly rate of 0.39 % times the total Added Facilities Investment amount; or,
- ☐ (2) A One-Time Payment determined by SCE representing the present value of the sum of the Monthly Charges for the total Added Facilities Investment amount.

☐ (b) Replacement Coverage with 20-Year Term

Under this Option, for a term of 20 years beginning with the date said Added Facilities are first made available for Customer's use, Customer shall pay to SCE a Monthly Charge determined by SCE based upon an initial monthly rate

of 0.32 % times the total Added Facilities Investment amount. At the end of the 20-year term, this FFOA shall terminate. If the Customer elects to continue to utilize the Added Facilities past the term of this FFOA, Customer and SCE must execute a new Added Facilities agreement without replacement coverage or with replacement coverage in perpetuity pursuant to the provision in SCE's Rule 2 Section H.2.f.(3).

☒ (c) Without Replacement Coverage

Under this option, Customer shall pay SCE a Monthly Charge determined by SCE based upon an initial monthly rate of 0.29 % times the total Added Facilities Investment amount.

7. INTERCONNECTION FACILITIES PROVIDED AS CUSTOMER-CONSTRUCTED AND OWNED INTERCONNECTION FACILITIES:

For that portion of the Interconnection Facilities specified in Attachment A, attached hereto, as "Customer-Constructed and Owned Interconnection Facilities", the Customer is subject to the following:

- 7.1 At Customer's expense, Customer shall finance, engineer, design, acquire equipment and materials, construct, obtain rights-of-way as necessary, install, own, lease or rent, operate, and maintain the Customer-Constructed and Owned Interconnection Facilities. The Customer-Constructed and Owned Interconnection Facilities shall be engineered, designed and constructed to be compatible with SCE's Interconnection Facilities, Distribution Upgrades and Network Upgrades, and in accordance with SCE's Rule 21, as applicable.
- 7.2 SCE shall, at Customer's expense, review Customer's design and require modifications that SCE reasonably determines necessary to assure compatibility with SCE's electrical system and assure SCE system integrity.
- 7.3 Customer shall notify SCE at least thirty (30) days prior to the Parallel Operation of Customer's Generating Facility and SCE shall have the right to inspect the Customer-Constructed and Owned Interconnection Facilities and shall notify Customer of any deficiencies within five (5) days after inspection. Customer must correct any deficiencies prior to Parallel Operation of the Generating Facility.

8. INTERCONNECTION FACILITIES, DISTRIBUTION UPGRADES AND NETWORK UPGRADES BILLING:

- 8.1 Customer shall pay to SCE in advance of any construction by SCE, any one-time costs (including, when applicable, the ITCC) to rearrange existing facilities and/or to provide facilities normally installed by the Customer as set forth in Attachment A, attached hereto, as "One-Time Costs."
- 8.2 Unless otherwise agreed in writing, the costs and charges paid by Customer pursuant to Sections 6.2, 6.3, 7.2, 8.1, and 8.9 herein shall initially be based upon estimated costs. When the recorded book costs have been determined by SCE, the costs and charges paid by Customer under this FFOA shall be revised to be based upon such recorded costs and adjusted retroactively to the date when service was first available by means of such Added Facilities. By executing this FFOA, Customer has been informed and understands SCE's determination of recorded book cost may be delayed and that unless otherwise agreed, retroactive adjustments resulting from such determination may occur at anytime during the term of this FFOA. All amounts billed under this FFOA, unless other terms are mutually agreed upon, shall be payable to SCE within thirty (30) days from the date of presentation of a bill. Any credits resulting from such adjustments will, unless other terms are mutually agreed upon, be refunded to Customer.

- 8.3 SCE shall have the right to revise the initial estimated costs and bill Customer using such revised estimated costs during the period preceding determination of the recorded book costs. SCE shall indicate such revisions on Attachment A, attached hereto, or a superseding Attachment A and provide a copy to Customer. SCE shall commence billing the costs and charges paid by Customer pursuant to this FFOA using such revised estimate not earlier than thirty (30) days from the date the revised estimate is provided to Customer.
- 8.4 Whenever the ownership charge is to be paid by Customer as a Monthly Charge pursuant to Section 6.3 herein, the Monthly Charge shall automatically increase or decrease without formal amendment to this FFOA if the Commission subsequently authorizes a higher or lower percentage rate in the calculation of the costs of ownership for Added Facilities as stated in SCE's Rule 2.H, effective with the date of such authorization.
- 8.5 If it becomes necessary for SCE to alter or rearrange the Added Facilities including, but not limited to, the conversion of overhead facilities to underground, Customer shall be notified of such necessity and shall be given the option to either terminate this FFOA in accordance with Sections 4 and 8.9 herein, or to pay to SCE additional amounts consisting of:
- (a) Revised costs and charges based on the total net additional installed cost of all new and remaining Added Facilities. Such revised costs and charges shall be determined, as applicable, in the same manner as described in Sections 6.2 and 6.3 herein; plus
 - (b) An additional payment of ITCC, and/or one-time cost, if any, for any new Added Facilities which shall be determined in the same manner as described in Sections 6.2 and 8.1 herein; plus
 - (c) The cost to remove any portion of the Added Facilities that are no longer necessary because of alteration or rearrangement, such charge is to be determined by SCE in the same manner as described in Section 8.9 herein.
- 8.6 Whenever Added Facilities are replaced due to damage (caused by other than the Customer's intentional or negligent conduct) or equipment failure and replacement coverage is provided pursuant to Sections 6.3(a) or (b) herein, such replacement will be at SCE's expense with no change in the Added Facilities Investment amount.
- 8.7 Whenever Added Facilities are replaced (1) due to damage or equipment failure and replacement coverage is not provided pursuant to Section 6.3(c) herein, or (2) due to Customer's increased load or generation levels, as determined by SCE, or (3) Customer's intentional or negligent conduct, such replacement will be made by SCE at the Customer's expense, including any applicable ITCC. Any additional amounts due to SCE as a result of such replacement shall be payable by the Customer to SCE within thirty (30) days from the date of presentation of a bill. If such replacement results in a change in the Added Facilities Investment, the Monthly Charge will be adjusted based on the revised added investment amount effective with the date the replaced Added Facilities are first available for Customer's use. Except that, where the replacement of Added Facilities is solely required for SCE's operating convenience or necessity or because of damage caused by the sole negligence or willful act of SCE, no increase shall be made in the Added Facilities Investment amount or the Monthly Charge.
- 8.8 Except as otherwise provided in this FFOA, SCE shall have the right to charge Customer under the terms and conditions of this FFOA commencing with the date SCE, in its sole opinion, determines the Added Facilities are available for Customer's use.

- 8.9 Upon discontinuance of the use of any Added Facilities due to termination of service, termination of this FFOA, or otherwise:
- (a) Customer shall pay to SCE on demand (in addition to all other moneys to which SCE may be legally entitled by virtue of such termination) a Termination Charge defined as the removal cost less the salvage value of the Added Facilities to be removed. Commencing in the sixteenth (16) year after the date service is first rendered by means of said Added Facilities, 20 percent of the Termination Charge shall be subtracted from that charge each year until the total charge is zero.
 - (b) SCE shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Added Facilities located on the Customer's property.
 - (c) SCE may, at its option, alter, rearrange, convey, or retain in place any portion of the Added Facilities located on property other than Customer's property. Where all or any portion of the Added Facilities located on property other than Customer's property are retained in place and used by SCE to provide permanent service to other customers, the facility Termination Charge described in Section 8.9(a), herein, shall be reduced by the recorded installed cost of the retained facilities.
- 8.10 Customer shall not be required to pay the Termination Charge specified in Section 8.9, herein if termination of the use of the Added Facilities is caused solely by SCE. Termination pursuant to Section 4.2 herein or Section 15.2 of the GFIA shall be deemed not to have been caused solely by SCE.
- 8.11 Should any amount billed pursuant to this FFOA not be paid by Customer, SCE shall at any time be entitled to collect such amounts through an offset against any amount SCE may owe to Customer.

9. GENERAL PROVISIONS:

- 9.1 Unless otherwise provided for in this FFOA, Interconnection Facilities connected to SCE's side of the Point of Common Coupling, Distribution Upgrades and Network Upgrades shall be provided, installed, owned, and maintained by SCE at Customer's expense in accordance with SCE's Rule 21.
- 9.2 SCE shall not be obligated to begin construction of Added Facilities prior to Customer's payment of all moneys due as described in Sections 6.2, 6.3, 8.1, and 8.9 herein.
- 9.3 Where it is necessary to install Added Facilities on Customer's property, Customer hereby grants to SCE (a) the right to make such installation on Customer's property including installation of a line extension along the shortest practical route thereon and (b) the right of ingress to and egress from Customer's property as determined by SCE in its sole discretion for any purpose connected with the operation and maintenance of the Added Facilities. Customer shall provide rights-of-way or easements of sufficient space to provide legal clearance from all structures now or hereafter erected on Customer's property for any facilities of SCE.
- 9.4 Where formal rights-of-way or easements are required in, on, under, or over Customer's property or the property of others for the installation of the Added Facilities, SCE shall not be obligated to install the Added Facilities unless and until any necessary permanent rights-of-way or easements, satisfactory to SCE, are granted without cost to SCE. Upon termination of this FFOA in accordance with Section 4, SCE shall quitclaim all easements and rights of way in, on, under, and over Customer's property, which are, as determined by SCE in its sole discretion, no longer required by SCE due to the removal of its Added Facilities.

- 9.5 SCE shall not be responsible for any delay in completion of the installation of the Added Facilities including, but not limited to, delays resulting from shortage of labor or materials, strike, labor disturbances, war, riot, weather conditions, governmental rule, regulation, or order, including orders or judgments of any court or commission, delay in obtaining necessary rights-of-way and easements, act of God, or any other cause or condition beyond control of SCE. SCE shall have the right in the event it is unable to obtain materials or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond SCE's control.
- 9.6 SCE shall not be liable for any loss, damage, or injury arising from SCE's installation, operation, maintenance, or control of the Added Facilities, unless such loss, damage, or injury results from SCE's sole negligence, and, in no event, shall SCE be liable for loss of profits, revenues, or other consequential damages. No adjustment shall be made to reduce billings if damages to, or malfunction of the Added Facilities results from any cause other than the negligence or willful act of SCE.
- 9.7 Added Facilities provided hereunder shall at all times remain the property of SCE.
- 9.8 This FFOA supplements the appropriate application and contract(s) for electric service presently in effect between the Parties.
- 9.9 Customer may assign this FFOA only with SCE's written consent. Such consent shall not be unreasonably withheld. Such assignment shall be deemed to include, unless otherwise specified therein, all of Customer's rights to any refunds, which might become due upon discontinuance of the use of any Added Facilities.

10. GOVERNING LAW

This FFOA shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California and shall, to the extent provided by law, at all times be subject to applicable tariff rules and modification of such rules as directed by the Commission in the exercise of its jurisdiction.

11. SIGNATURES

This FFOA may be executed in counterparts, and by Electronic Signature on the part of SCE and/or the Customer, and copies of a Party's signed signature page may be transmitted to the other Party by facsimile or other electronic means. Copies of the signature page so transmitted may be used for the purpose of enforcing the terms of this FFOA as though they were originals and will not be made inadmissible in any legal or regulatory proceeding concerning this FFOA on the basis of the Best Evidence Rule or similar rule of admissibility.

IN WITNESS WHEREOF, the Parties hereto have caused this FFOA to be executed by their duly authorized representatives. This FFOA is effective as provided in Section 4.1 above.

(Please note the individual signing this FFOA must be duly authorized to bind the Customer to its terms. Accordingly, unless the individual is an "owner of a proprietorship", "officer of a corporation," "director or general manager of an agency," or an equivalent official, please also provide documentation showing the signature authority of the individual who does sign on behalf of the "Customer" – this note to be deleted from the final executable version of the FFOA)

CITY OF HANFORD

**SOUTHERN CALIFORNIA
EDISON COMPANY**

By: _____

By: _____

ATTACHMENT A TO ATTACHMENT B
FACILITIES FINANCING AND OWNERSHIP AGREEMENT
SOUTHERN CALIFORNIA EDISON COMPANY
CITY OF HANFORD
NST-444199

1. Added Facilities Investment for Customer- Financed Facilities
(Provided per Section 3.2.1)

	Component	Original Estimate	Revised Estimate	Recorded Cost
A.	Interconnection Facilities - Net Generation Output Meter (NGOM) kWh/kW metering, to measure net energy output of Customer's Generator. - One (1) new 4-way gas switch upstream of customer primary voltage switchgear. - One (1) new 225 kVA ground detector on new 4-way gas switch position 2. - One (1) remote control switch for generation (RCSG) on position 4 of new gas switch. - New potential transformer on position 4 of new 4-way gas switch.	\$266,824		
B.	Total Added Facilities Investment	\$266,824		
C.	Income Tax Component of Contribution (ITCC) (B x 24%) (eff. 1/1/2018)	\$64,038		
D.	One-Time Costs Telemetry ¹ - Centralized RTU or as required by the utility	\$6,100 ² \$6,100		

¹ SCE acknowledges that the telemetry upgrades required for this project will not be in place as of the execution of this FFOA. Without waiving Customer's obligation to meet the telemetry requirements listed above in Item D, SCE agrees to allow the Generating Facility to be interconnected while the required telemetry upgrades are completed.

² Cost estimate is based on the use of a centralized RTU; should SCE subsequently determine that a centralized RTU cannot be utilized, the cost to provide the required telemetry may be significantly higher and the Customer will be notified in accordance with Sections 8.3 and 8.5 of this FFOA.

ATTACHMENT A TO ATTACHMENT B
FACILITIES FINANCING AND OWNERSHIP AGREEMENT
SOUTHERN CALIFORNIA EDISON COMPANY
CITY OF HANFORD
NST-444199

E.	Customer shall pay to SCE a Monthly Charge determined by SCE based upon an initial monthly rate of 0.29% times the Added Facilities Investment amount shown in Row B. above pursuant to Section 6.3 of this FFOA. (((\$266,824) x 0.xx%)	\$773.78		
F.	Total Amount to be Advanced by Customer (B.+ C.+ D.)	\$336,962		

2. Description of Customer - Constructed and Owned Facilities (Provided per Section 3.2.2)

Interconnection Facilities Component	
a.	All generating unit protective relays, controls and switchgear in compliance with SCE's Rule 21 and Electrical Service Requirements (ESR).
b.	Customer is responsible to procure and construct underground duct banks and related structures required for the Customer-Financed Added Facilities ("Civil Construction") in accordance with specifications and designs provided by SCE. SCE may subsequently determine that the Civil Construction, or a portion thereof, may need to be owned by SCE. Upon such determination, the Civil Construction, or a portion thereof, will be reclassified as Customer-Financed Added Facilities, and Customer shall be required to transfer ownership to SCE. Customer understands and acknowledges that upon such transfer, it shall provide to SCE the final costs of the Civil Construction actually transferred in a form acceptable to SCE, and Customer shall be responsible for the ITCC and Monthly Charge, for the portion of the Civil Construction transferred to SCE.

Note: Cost information need not be provided for Customer-Constructed and Owned Facilities.

3. Financial Security (Provided per Section 3.3 of Attachment A of the GFIA)

Not applicable. Customer will provide full payment for the amounts identified in Section 1 of this Attachment A in accordance with Section 6.2 of the FFOA.



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Adoption of Resolution No. 24-16-R appointing a replacement council member to the District B City Council Seat for the remainder of the unexpired term.

RECOMMENDATION:

Recommendation: Staff recommends that the City Council:

1. Select a replacement Council member via the voting process;
2. Adopt Resolution 24-16-R appointing a replacement Council Member for the District B seat;
and
3. Authorize the Clerk to administer the Oath of Office to the new Council Member.

BACKGROUND:

Council Member Kalish Morrow previously informed the Council of her intent to resign from the Council. Attached is a copy of her resignation letter. The letter states that Council Member Morrow's resignation is effective upon the appointment of her successor.

At the May 23, 2024 special meeting of the City Council, the Council selected a process to accept resumes from interested candidates and conduct interviews in order to appoint a resident from District B to fill the upcoming vacancy and directed staff to move forward with the approved process.

The City Clerk listed the vacancy on the City's website and social media accounts soliciting resumes with a deadline of May 31, 2024 at 4pm. At the June 4, 2024 City Council meeting Study Session, Council will review the resumes and nominate individuals to be interviewed and conduct interviews of each candidate.

During this item, Council may, by a majority vote of the entire body, choose who they intend to appoint and officially take action to do so via adoption the attached resolution. The appointment will be effective for the remainder of Council Member Morrow's term, which expires in 2024.

FISCAL IMPACT:

ATTACHMENTS:

1. Dist B Appointment Resolution
2. Updated Morrow Resignation

3. Aisha Samara Rose Resume Redacted
4. Bernardo J Marez Resume Redacted
5. Jack Schwartz Resume Redacted
6. Martin Devine Resume Redacted
7. Nathan Odom Resume Redacted
8. Rodney Garcia Resume Redacted

RESOLUTION NO. 24-16-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD,
CALIFORNIA, DECLARING A VACANCY IN THE OFFICE OF COUNCIL
DISTRICT B AND APPOINTING _____
TO SERVE THE REMAINDER OF THE UNEXPIRED TERM**

WHEREAS, Kalish Morrow was elected to serve as Council Member for City of Hanford Council District B in 2020; and

WHEREAS, Council Member Morrow's current term will expire in December 2024; and

WHEREAS, Council Member Morrow intends to terminate her residency in District B and has submitted a resignation letter to the City Clerk; and

WHEREAS, Council Member Morrow's resignation will become effective upon the Council's appointment of Council Member Morrow's replacement; and

WHEREAS, the Council invited candidates seeking to fill the District B vacancy to submit resumes to the City; and

WHEREAS, the Council has reviewed candidate applications, and the Council interviewed candidates at a June 4, 2024 Council meeting Study Session; and

WHEREAS, the City Council desires to appoint Council Member Morrow's replacement to fill the vacant office of Council District B for the remainder of Council Member Morrow's unexpired term of office.

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

1. The Council recognizes the receipt of Council Member Morrow's letter of resignation by City Clerk Natalie Corral, effective upon the Council's appointment of Council Member Morrow's replacement.

2. The Council hereby appoints _____ to fill the remaining unexpired term of office of Council District B.

3. This appointment shall be effective immediately and will be effective throughout the remainder of said unexpired term.

PASSED, ADOPTED AND APPROVED this 4th day of June, 2024, by the following
vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Approved _____
TRAVIS PADEN
Mayor

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 4th day of June, 2024.

Date: _____

City Clerk

Mario Cifuentez

From: Kalish Morrow
Sent: Tuesday, May 21, 2024 11:26 AM
To: City Council
Cc: Natalie Corral; Mario Cifuentez
Subject: Resignation

Council et al.,

After having just spoken with the Mayor, and seeing as there is willingness to revisit the appointment process I would like to resign from City Council District B Seat upon appointment of my replacement for the reasons I've mentioned previously.

I feel the appointment to be in the best interest of the city given certain voting minimums, to include various four-fifths voting requirements - such as Emergency Procedures - in our municipal code that would otherwise have negative impacts to vital city operations.

Thank you all again,
Kalish Morrow



Aisha Samara Rose



Hana, Ca 93230



PROFESSIONAL SUMMARY

Goal-oriented professional well-versed in operational practices and regulatory requirements of the US Navy DoD environments. Skilled leader and analytical problem-solver well-versed in budget planning, staff oversight and program management. Skillfully use relationship-building talents and diplomatic communication style to forge long-lasting connections.

SKILLS

- Team Collaboration
- Epi-Pen use
- Documentation and Recordkeeping
- Program Development
- Activity Planning
- Critical Thinking
- Classroom Management
- Interpersonal Communication
- Relationship Building
- Program activities
- Staff Supervision
- Progress Monitoring
- Customer Focus
- Staff Evaluation
- Microsoft Word
- Active Listening
- Issue Resolution
- PPE use
- Customer Service
- Teamwork and Collaboration
- Calm Under Pressure
- Conflict Resolution
- Organization and Time Management
- Verbal Communication
- Basic Math
- Microsoft Office
- Time Management
- Flexible and Adaptable

WORK HISTORY

CYP PROGRAM LEADER

05/2017 to 09/2023

Child Development Center | NAS Lemoore, CA

- Provided outstanding coaching to team of 3 to 4 employees, which boosted morale within department.
- .Cultivated a culture of continuous improvement empowering team members to share ideas and suggestions for program optimization.
- Stayed current on guidelines to maintain compliant program operations.
- .Effectively managed time-sensitive projects delivering results within deadlines without compromising quality standards.
- Maintained high-quality child care standards based on developmentally appropriate practices.
- Led a team of dedicated professionals, providing guidance and mentorship to ensure their success in achieving program objectives.
- Implemented well-received activities and events.
- Observed and assessed classroom activities to verify conformity with quality standards.

- Promoted a positive work environment by cultivating open communication channels within the team and addressing concerns promptly.

PROGRAM ASSISTANT

06/2011 to 05/2017

Child Development Center | NAS Lemoore, Ca

- Assisted with planning and coordinating day-to-day and special program activities.
- Maintained effective schedule balance between rest periods, active play, and instruction.
- Utilized positive reinforcement techniques to encourage good behavior.
- Dispensed snacks and meals to children in accordance with nutritional guidelines.
- Documented children's growth and development.
- Assisted in potty training and toilet hygiene.
- Assisted in tracking attendance records accurately which contributed towards efficient program administration.
- Aided in fostering social-emotional development through consistent reinforcement of appropriate behaviors and conflict resolution strategies.
- Monitored children's activities to verify safety and wellbeing.
- Supported the implementation of assessment tools used to measure individual growth and overall program effectiveness.

EDUCATION

Bachelor of Science | Healthcare Management

09/2020

Capella University, Minneapolis, MN

No Degree | Certified Medical Assisting

04/2007

San Joaquin Valley College, Visalia, CA

No Degree | Multi-Skilled Health Technician

09/2006

Fresno City College, Fresno, CA

High School Diploma

05/1996

Radford High School, Honolulu, HI

MUSIC, SOAP MAKING, T-SHIRT AND HOODIE DESIGNS

I love to play my clarinet and listen to different genres of music. I love making different soap shapes, scents, and colors. I enjoy using my Cricut on t-shirts, hoodies, sweatshirts, and other items.

EXECUTIVE SUMMARY

Dynamic and visionary executive with a history of achieving transformative results in complex business environments. Proven leadership in driving corporate strategy, fostering innovation, and delivering sustainable growth. Recognized for cultivating high-performance teams, building strategic partnerships, and executing initiatives that optimize organizational performance. Adept at navigating challenges, mitigating risks, and capitalizing on opportunities to achieve operational excellence. Seeking an executive role where strategic thinking, leadership acumen, and a passion for driving business success can contribute to the continued growth and prosperity of a forward-thinking organization.

CORE SKILLS AND SPECIALTIES

C-Suite Leadership	Facilitator	Budget Management
Filing Systems	Data Protection	Customer Service
Inventory Control	Project Management	Data Analysis
Calendar Management	Workflow Optimization	Training and Development
Cross-Functional Management	Information Processing	Teacher
Statistical Reporting	Naval Science Instructor	Scheduling
Timekeeping	Expense Reporting	Financial Administration
Office Operations	Support Services	People Relations And Services

Accomplishments

Leadership	Dynamic leader with a proven record of achieving results through strategic guidance and team empowerment. Skilled in fostering innovation and driving positive change. Seeking a leadership role to leverage motivational leadership style and strategic vision for organizational success.
Problem Solver	A proactive problem-solving approach identifies and solves personnel problems before they develop into significant issues, directly influencing the high morale of employees. Uses knowledge of Lean Six Sigma philosophy to assess and improve programs.
Effective Communicator	Accomplished and articulate professional known for being an effective communicator across diverse stakeholders. Adept at distilling complex ideas into clear, concise messages, fostering understanding and alignment. Proven success in delivering compelling presentations, facilitating productive meetings, and building strong collaborative relationships. Skilled in both verbal and written communication, with a keen ability to convey information persuasively and engage audiences at all levels. Seeking a role where exceptional communication skills can be leveraged to enhance team dynamics, drive organizational objectives, and contribute to overall success.

Education	Columbia College: B.S. Interdisciplinary Studies, Minor in Management and Criminal Justice
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Certifications	California Bureau of Security and Investigative Services – Qualified Manager California Bureau of Security and Investigative Services - Certified Instructor State of California Commission on Teacher Credentialing Naval Justice School Newport, RI: Legal Officer School, U.S. Navy Naval Station San Diego, CA: Journeyman Intro to Facilitating (Teaching) Naval Station San Diego, CA: Security Manager School Naval Station San Diego, CA: Casualty Assistance Calls Officer (CACO)
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PROFESSIONAL EXPERIENCE

Qualified Manager - Chief Operating Officer

GalAg Security Services, Clovis CA

Date 2021 – Present

Results-driven with a proven track record of leading successful operational transformations. A strategic and visionary leader, adept at driving organizational efficiency, optimizing processes, and implementing scalable solutions. Possessing extensive experience in developing and executing business strategies to achieve company goals. Known for fostering cross-functional collaboration, enhancing productivity, and ensuring operational excellence. Proven ability to implement innovative initiatives that drive revenue growth and improve overall business performance.

High School Teacher – Senior Naval Science Instructor (NJROTC)

Hanford West High School, Hanford CA

Date 2020 – 2021

Responsible for leading, managing, and implementing the JROTC unit program according to national, state, and district standards. Leads other assigned instructors in promoting cadet intellectual, social, patriotic, character education, and physical growth. Managing and implementing military service's national education curriculum and program requirements to include the preparation, planning, coordination, and supervision of all co-curricular service learning, special activities or events (military ball, drill meets, honor guards, and other extra-curricular activities).

Office Manager

Chimienti & Associates, Visalia, CA

Date: 2019 – 2020

Specializes in voluntary employee benefits, working with top-rated insurance carriers to develop benefit packages designed specifically to provide Brokers and their Clients with innovative solutions. Our comprehensive services include benefits management, administration, compliance and communication, along with state-of-the-art technological resources. Responsible for everyday operation, Human Resource manager, pay roll and budgeting.

Facilitator

Department of Labor Workshop Facilitator
(CALIBRE Systems, Inc.), California Region

Date: 2018 - 2019

Assist transitioning military personnel of all specialties and at various paygrades to identify their transferable skills, translate military terminology and effectively market themselves for the private sector or federal employment. Ensuring the member leaves with a positive outlook, encouraged and equipped with all the tools they need to succeed in securing employment after leaving the military service.

Administrative Director/Personnel Manager

Carrier Air Wing NINE, Lemoore, CA

Dates: 2016-2018

Responsible for the day-to-day operations of the Administrative/Personnel Department consisting of five separate divisions (Administrative, Personnel, Legal, Career Counseling, and Medical). Responsible for the supervision preparation and disposition of reports and correspondence and maintenance of personnel records.

Administrative Director/Executive Director

Naval Postgraduate School, Monterey, CA

Dates: 2015-2016

Responsible for the day-to-day operations of the Administrative/Personnel Department consisting of five separate divisions (Administrative, Personnel, Legal, Career Counseling, and Medical) totaling thirty personnel, for a Command of over 2,300 military and civilian personnel.

Administrative Director/Human Resource Manager

Naval Justice School, Newport RI

Dates: 2013-2015

Managed various federal service employees and various programs to include ensuring accurate and timely feedback using the Interim Performance Appraisal Forms (IPMS) and National Security Personnel System (NSPS).

Naval Science Instructor

Officer Training Command, Newport RI

Dates: 2010-2013

Develop newly commissioned officers morally, mentally, physically, and imbue them with the highest ideals of honor, courage, and commitment in order to prepare them for the Fleet. Facilitated on numerous Naval Subjects.

Administrative Director/Human Resource Manager

Carrier Air Wing TWO, Lemoore, CA

Dates: 2007-2010

Responsible for the day-to-day operations of the Administrative/Personnel Department consisting of five separate divisions (Administrative, Personnel, Legal, Career Counseling, and Medical).

JACK W. SCHWARTZ JR.

[REDACTED]
Hanford, California 93230
[REDACTED]
[REDACTED]

May 30, 2024

VIA PERSONAL DELIVERY AND
EMAIL (ncorral@hanfordca.gov)
Mayor and Members of the Hanford City Council
c/o City Clerk
319 N. Douty Street
Hanford, California 93230

Re: Application for appointment to City Council District B seat

Dear Mayor and Members of the Council:

Please accept this letter and the accompanying resumé as my application for appointment to the City Council District B seat¹.

I first moved to Hanford with my family in 1962. After graduating from Hanford High and spending one year at COS, I left to complete my college education in 1974. I worked most of my professional life in the Bay Area, primarily as a real estate attorney. I moved back to Hanford in 2018.

Even when I lived elsewhere, I maintained contact with Hanford because my family lived here. My father, who served the City of Hanford as the Public Works Director and City Engineer from 1962 until 1980 and continued to serve on various commissions and the Grand Jury thereafter, instilled in me the importance of service to the community. Since moving back to Hanford, I have been involved in community affairs, primarily as president of the board of the Carnegie Museum of Kings County and actively following local and state issues as they arise. Now, I have an opportunity to serve the city, and District B, in an additional substantive way.

Hanford is at a crossroads. We are approaching a population of 60,000 and the City's General Plan envisions a population of 90,000 by 2035. The need for additional housing, public safety and infrastructure improvements, employment and education considerations, and public facilities and services require careful study. The city needs a clear path forward during a time of high unemployment², economic challenges and mandates from the state government that adversely constrains local government's ability to address significant issues efficiently and effectively.

¹ I do not intend to seek election to the District B seat in this year's election.

² Unemployment in Kings County is currently ten percent (10%).

Mayor and Members of the Hanford City Council
May 30, 2024
Page 2

This council and the next council need to address these challenges, many of which have languished without attention for many years. The recently released Revenue Measure Committee Report summarized many of the city's needs to improve services to the community. Further evidence of the need to implement a substantive strategic plan within the constraints of budget and General Plan requirements was recently underscored by a National Community Survey of Hanford residents. The survey revealed community members' perspectives of the services provided by local government, focusing on 10 conditions that help define livability in the city. The gaps between the conditions residents consider important compared to their perceptions of the quality of services in those areas were disheartening at best. For example, 95 percent of those surveyed believe public safety is critical but only 44 percent report being satisfied with the quality of services that make the city safe. Parks and recreation services received an importance score of 79 percent and a perceived quality of services score of only 38 percent.

I want to assist this council, and the new council that will take office after the November 2024 election, in setting the stage for strategically planning how we, as a city, will thrive in the future.

Governing a city is not simple or easy. If it were, we would not be where we are today. Governing a city is, by necessity, a collaborative, sometimes "messy" task.

I do not pretend to know all of the answers. I will bring to the council the same level of dedication and discipline I have brought to every position I have held. I will be a conscientious council member who will devote the time necessary to study the issues, seek input from the residents of District B, other constituencies and work collaboratively with the community, council members and city staff. Working together we can advance the city with a financially responsible goal driven plan. Put simply, although my tenure on the council will be brief, my intention is to serve the city in the most impactful way possible.

Thank you for your time and consideration,



Jack W. Schwartz Jr.

JACK W. SCHWARTZ JR.

Hanford, California 93230

EDUCATION

Juris Doctor, University of California, Hastings College of the Law

Master of Public Administration, University of Southern California

Bachelor of Arts in Political Science, University of California, Berkeley

Graduate, Hanford Union High School

PROFESSIONAL EXPERIENCE

Economic Development Specialist, U.S. Department of Housing and Urban Development, San Francisco Area Office: Advised local government officials and developers on financing of commercial, industrial and multi-family residential developments using Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) funds.

Real Estate Transactions Attorney: Primarily represent investment property owners in real estate transactions and related matters. Currently semi-retired.

PROFESSIONAL LICENSES AND MEMBERSHIPS

The State Bar of California.

Trained Mediator.

Current Non-profit affiliations:

- **Carnegie Museum of Kings County:** President of the Board of Directors.
- **East Bay Rental Housing Association (EBRHA):** Member of the Board of Directors and co-Chair of the Legislative Committee. Past Vice President, Secretary and Treasurer.
- **California Rental Housing Association (CalRHA):** Member of the Board of Directors. Past Vice-President and Chair of the Legislative Committee.
- **National Apartment Association (NAA):** Member.

Martin Devine

[REDACTED] Hanford, CA 93230

Employment

GOCO Consulting 2018-Present

At Goco Consulting I've been a multifunction employee performing at various times canvassing, petitioning, managing a canvassing crew, office work, data entry and organization of petitions.

Clark Pest Control 2008-2015

Maintained State of California Branch 2 and Branch 3 structural pest control licenses.

Commercial Pest Control Technician Fresno, CA 2008-2012

Commercial Pest Control Technician Visalia, CA 2012-2015

Operated a commercial pest control route consisting of approximately 300 commercial businesses of various types and sizes. Maintained and operated a company vehicle. Assessed pest control needs of various businesses, maintained rodent and insect control and issued monthly/weekly reports. Performed sales of pest control services, evaluating various businesses for their pest control needs.

San Joaquin Pest Control 1992-2008

Maintained State of California Branch 2 and Branch 3 structural pest control licenses.

Branch Manager – Hanford 2006-2008

Operated the Hanford Branch of SJPC, hiring of employees, training new hires, ordering needed supplies, maintaining vehicles and the office, customer relations and sales of pest control services.

Wood Destroying Pests and Organisms (Termite) Inspector 2004-2006

Performed inspections of homes and commercial buildings for the presence of and damage from wood destroying pests and/or organisms and any conditions which could lead to the presence of and/or damage from wood destroying pests and/or organisms. Wrote and filed legal reports of findings. Sales of termite eradication/prevention treatments.

Pest Control Technician 1992-2004

Operated a commercial pest control route consisting of approximately 350-425 residential homes and commercial businesses of various types. Maintained and operated a company vehicle. Assessed pest control needs of home owners and various businesses, maintained rodent and insect control and issued reports as needed. Performed sales of pest control services, evaluating various residential homes or businesses for their pest control needs.

Service

Carnegie Museum of Kings County

Volunteer 2022-Present

City of Hanford Revenue Measure Committee

Served as Chairman 2024

City of Hanford Planning Commission

Commissioner 2022-2026

Served as Chairman 2023-2024

Local Agency Formation Commission (LAFCo) County of Kings

Alternate Public Member 2021-2024

Public Member 2024-2028

City of Hanford City Council Member - District C

2016-2020 Served as council liaison to Main Street Hanford and Hanford Chamber of Commerce, appointed to Kings County Association of Governments (KCAG), San Joaquin Joint Powers Authority (SJJPA), Kings County Area Public Transit Agency (KAPTA), Kings County Local Agency Formation Commission (LAFCo) and the Kings County Economic Development Association (Kings EDC).

Kings County Republican Central Committee – District 5

Committee Member 2002-2012

Personal References

Dave Ayers - Former City of Hanford Mayor [REDACTED]

Joel Olsson - Goco Consulting [REDACTED]

Sue Sorenson – Former City of Hanford Mayor [REDACTED]

Nathan Odom

May 29, 2024

Dear Hanford City council,

Please consider allowing me the privilege and responsibility of filling the Hanford City Council District B vacancy. I have lived in Hanford since I was two years old, and spent most of my adult life in service of one form or another to this town.

I have devoted copious amounts of time to the study of the myriad crisis we face in economics, energy, governance, food, and education, and the proven solutions therein, as well as non-violent communication, conflict resolution, and the psychodynamics underlying social behavior.

I have no party preference, and choose to look at each issue as it relates to the larger whole, through a lens of ecosystem science, and logic. I understand the responsibility I am requesting, and were it granted, would honor it by balancing logic and vision with the obligation to represent the opinions of my constituents.

Hanford is where I've chosen to better the world, and it's where I'm raising my family. I believe I am an ideal choice for the interim position of Hanford City Council District B. Thank you for your consideration.

Sincerely,

Nathan Paul Odom

Nathan Odom

Hanford Ca, 93230, USA

Objective

For every problem we face in today's world, there are several solutions already modeled by other capable communities, some even scaled. It is my objective to learn as much as I can about these solutions, and to bring them home for experimentation and collaboration within Hanford, and while at it, make a living.

Education

Regenerative Soil

2023-Current

Currently studying the deep science of soil and plant health, and the wide swath of scalable applications under Matt Powers, a leader in regenerative agriculture science.

Soil Food Web School

2022-2023

A high level introduction to the living soil ecosystem, its inhabitants and their relationships; the most abundant biosphere on earth, foundational to all life.

Natural Building Workshop

Wild Thingz Eco Farm 2019

The fundamentals, mixture and application of COB, an ancient natural building technique utilizing clay, straw, and water to build structurally sound, energy efficient structures.

Permaculture Design Certification

Sunburst Permaculture, SB 2018

Official introduction to the permaculture design framework and philosophy; a design lens informed by ecosystem dynamics, and successfully symbiotic human cultures.

Communication Studies

College of the Sequoias

2009-2010

High School Diploma

Hanford West High School 2008

Employment

Owner – Chicken Farm

August 2021 to Present

Manage livestock, feed animals, build and maintain coops, enclosures, nesting boxes, and automatic waterers, collect and wash eggs, slaughter, package, and label chicken, manage crop and livestock nutrition, maintain equipment, social media management. I sell at the Visalia Farmer's Market, and direct-to-consumer.

Freelance – Video Production

August 2018 to Current

Offering video production services, and flyer/poster design to small businesses and individuals in the area.

Farm Manager – Rancho Notso Grande

April 2023 to August 2023

April 2021 to August 2021

April 2018 to August 2018

Handled on-farm sales, tours, events, inventory, and occasional farmer's markets, as well as wholesale. Managed 10 employees, grounds maintenance, and social media.

Market Sales – Rancho Notso Grande

April 2022 to August 2022

April 2020 to August 2020

April 2019 to August 2019

Managed inventory, maintained thorough product and farm knowledge, farmers market correspondence, and sales.

Apprentice Producer – Hanford Fox Theater

June 2016 to April 2017

- Maintained business website, and social media
- Stage Sound/Lighting - set up, and tear down • Projector
- Managed inventory
- Maintained/repaired Theater Building, Stage, and Backstage
- Analyzed music charts, and tour routes to find feasible performers within the theater budget
- Heavy equipment

Bartender – Lush Fine Wines

August 2013 to April 2017

- Greeted guests in a timely manner.
- Maintained full knowledge of beverage list and promotions.
- Waited on multiple customers at the bar, and throughout the bar area.
- Carefully followed safety and sanitation policies handling food and beverages.
- Processed orders on a computerized point of sale system.
- Upheld strict cash handling procedures.
- Verified that guests at the bar were of legal age.

Skills

- Communication: 10+ years
- Sales: 10+ years
- Leadership: 5+ years
- Public Speaking: 5+ years
- Non Violent Communication: 3+ years
- Conflict resolution: 3+ years
- Permaculture Design: 7+ years
- Video Production: 8+ years
- Journalism: 3+ years
- Community Organizing: 5+ years

Community Involvement

Hanford Art Hop

2016 – 2021

I organized and managed downtown Hanford's monthly art hop, maintained artist and musician directories, placed talent at 5-12 locations per month, and created marketing materials including video, flyer, poster, and walking maps.

Hidden Valley Park

2017-2018

I was instrumental in organizing community action in favor of preserving 20 acres of promised Hidden Valley Park land. I organized two music festivals, a concert, uncovered lost documents, collected 1k petition signatures, and kept the community informed of developments.

How's Hanford Weekly Show

2019-2021

I produced and hosted a weekly live-show covering local news, events, and politics.

Council Live-Streams

I consistently live-streamed Hanford City Council meetings for two years, and was credited with prompting council's decision to invest in live-stream equipment.

Hanford Events Community Calendar

For roughly a year I hosted a community calendar online.

Ssussdriad

2010 – Current

Passions and Hobbies

The study of:

- Human psychodynamics
- Social cascades
- Permaculture
- Regenerative agriculture
- Human cultural evolution
- Non violent communication
- Governance structures
- Broad economic solutions
- Alternative education
- Human nutrition
- World history
- Placemaking
- Surfing

References

John Olivas

Rancho Notso Grande – Owner

Jerret Garcia

Eureka Oxygen - Sales

Rodney Garcia
[REDACTED]
Hanford, CA 93230
[REDACTED]

I am applying for, and requesting consideration, for the City of Hanford, City Council seat for District B. I believe I am a viable candidate for the position, as my prior education and experience has prepared me to represent the City of Hanford. I have experience in legislative, administrative and legal research and writing that will benefit the Council. I am also a lifelong resident of Hanford, having been born and raised here, and have lived in District B for more than 50 years.

Experience:

Reknrod Investigations 4/07 – 10/22
Hanford, CA
Owner / Operator: Private Investigator

Tulare County Public Defender's Office 10/95 – 4/05
Visalia, CA
Public Defender Criminal Investigator II
Paralegal

Tulare County Family Support 3/93 – 10/95
Visalia, CA
Paralegal II

Kings County District Attorney's Office 7/81 – 10-87
Hanford, CA
Director of the Victim/Witness Assistance Program
Paralegal

The White House 3/80 – 1/81
Washington, DC
White House Staff Assistant
Legislative Researcher

EDUCATION:

San Joaquin Valley College 7/10 – 12/11
Hanford, CA
AS Degree, Administration of Business
GPA: 3.95

John Hancock College 3/00 – 6/02
Lompoc, CA
Criminal Defense Investigator's Association Certificate
GPA: 3.75

San Joaquin School of Law 3/90 – 10/92
Clovis, CA
Paralegal Certificate
GPA: 3.5

College of the Sequoia's 6/86 – 10/92
Visalia, CA
Administration of Justice, 38 units
GPA: 4.0
Recognized by the National Family Law Review for Outstanding Student

Antioch School of Law 11/79 – 2/81
Washington, DC
Legal Technician III / Paralegal III
GPA: 3.5

Community Activities:

Kings County Library 8/05 – 6-06
Hanford, CA
Volunteer

Roosevelt Elementary School 7/94 – 4/99
Hanford, CA
PTA Member

Babe Ruth Bambino Baseball 2/96 – 8/99
Hanford, CA
President

Little League Baseball 4/99 – 7/04
Hanford, CA
President, Coach & Umpire



AGENDA STAFF REPORT

MEETING DATE: 6/4/2024	AGENDA SECTION: GENERAL BUSINESS
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SUBJECT:

Recognition of Departing Council Member Kalish Morrow

RECOMMENDATION:

Recommendation: That the City Council recognize the service of Council Woman Morrow to the City of Hanford and the Community prior to her pending resignation date.

BACKGROUND:

Ms. Kalish Morrow, District B Council member, has previously notified the Council of her intent to resign from Council, effective June 4, 2024. Attached is a copy of her resignation letter. The email states that Council Member Morrow's resignation would have been effective upon the appointment of her successor.

At the June 4, 2024, regular meeting of the City Council, the Council intends to appoint a replacement for the District B seat. Upon the adoption of the resolution appointing her successor, staff is asking Council to honor Ms. Morrow for her service to the community.

FISCAL IMPACT:

ATTACHMENTS:

1. Updated Morrow Resignation

Mario Cifuentez

From: Kalish Morrow
Sent: Tuesday, May 21, 2024 11:26 AM
To: City Council
Cc: Natalie Corral; Mario Cifuentez
Subject: Resignation

Council et al.,

After having just spoken with the Mayor, and seeing as there is willingness to revisit the appointment process I would like to resign from City Council District B Seat upon appointment of my replacement for the reasons I've mentioned previously.

I feel the appointment to be in the best interest of the city given certain voting minimums, to include various four-fifths voting requirements - such as Emergency Procedures - in our municipal code that would otherwise have negative impacts to vital city operations.

Thank you all again,
Kalish Morrow

Council Future Agenda Items				
Originated Date	Item	Originator	Staff Lead	Date Estimate
12/5/2023	Council review of a variety of Zoning Ordinance Clean-Up Items and direction on proposed amendments to several chapters.	Council Direction	Gabrielle Myers	7/2/2024
4/10/2024	Direction from the City Council regarding a variety of items related to a possible Citywide Tax Measure			6/11/2024
4/11/2024	Presentation to the City Council regarding proposed Guiding Documents for the Hanford Fire Dept and Fire Prevention efforts in the City of Hanford	City Manager	Daniel Perkins	6/18/2024