



# AGENDA

## REGULAR MEETING OF THE LAKEPORT CITY COUNCIL

(ALSO MEETS AS THE CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, THE LAKEPORT INDUSTRIAL DEVELOPMENT AUTHORITY, THE MUNICIPAL FINANCING AGENCY OF LAKEPORT and THE SUCCESSOR AGENCY TO THE FORMER LAKEPORT REDEVELOPMENT AGENCY)

Tuesday, April 2, 2019

City Council Chambers, 225 Park Street, Lakeport, California 95453

Any person may speak for three (3) minutes on any agenda item; however, total public input per item is not to exceed 15 minutes, extended at the discretion of the City Council. This rule does not apply to public hearings. Non-timed items may be taken up at any unspecified time.

### RECEPTION:

**5:45 p.m.**

Reception with City Council Members, Lakeport Police Volunteers and members of the various City of Lakeport Committees and Commissions.

6:00 p.m.

### **I. CALL TO ORDER & ROLL CALL:**

### **II. PLEDGE OF ALLEGIANCE:**

### **III. ACCEPTANCE OF AGENDA/ URGENCY ITEMS:**

Move to accept agenda as posted, or move to add or delete items.

*To add item, Council is required to make a majority decision that an urgency exists (as defined in the Brown Act) and a 2/3rds determination that the need to take action arose subsequent to the Agenda being posted.*

### **IV. CONSENT AGENDA:**

*The following Consent Agenda items are expected to be routine and noncontroversial. They will be acted upon by the Council at one time without any discussion. Any Council Member may request that any item be removed from the Consent Agenda for discussion under the regular Agenda. Removed items will be considered following the Consent Calendar portion of this agenda.*

#### **A. Ordinances:**

Waive reading except by title, of any ordinances under consideration at this meeting for either introduction or passage per *Government Code* Section 36934.

#### **B. Minutes:**

Approve minutes of the City Council regular meeting of March 19, 2019 and the special meeting of March 22, 2019.

#### **C. Warrants:**

Approve the warrant register of March 28, 2019.

#### **D. Renew Emergency Resolution: Mendocino Complex Fire**

Confirm the continuing existence of a local emergency for the Mendocino Complex Fire.

#### **E. Renew Emergency Resolution: February 2019 Storms**

Confirm the continuing existence of a local emergency for the February 2019 Storms.

#### **F. Side Letter:**

Approve the side letter agreement for the City of Lakeport Police Officers Association amending shift differential pay and adding supervisor trainee premium pay.

#### **G. Audit Approval:**

Accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

#### **H. AB 1600 Report**

Adopt the proposed resolution to reaffirm the necessity of AB 1600 development impact fees.

### **V. PUBLIC PRESENTATIONS/REQUESTS:**

#### **A. Public Input:**

*Any person may speak for 3 minutes about any subject within the authority of the City Council, provided that the subject is not already on tonight's agenda. Persons wishing to address the City Council are required to complete a Citizen's Input form and submit it to the City Clerk prior to the meeting being called to order. While not required, please state your name and address for the record. NOTE: Per Government Code §54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda.*

#### **B. Proclamation:**

Mayor Barnes to present a Proclamation declaring April 7<sup>th</sup> – 13<sup>th</sup> as National Volunteer week in the City of Lakeport and to honor Lakeport Police Volunteers.

#### **C. Proclamation:**

Mayor to read a Proclamation honoring City of Lakeport Committee and Commission members.

### **VI. COUNCIL BUSINESS:**

## A. Community Development Director

1. Urgency Ordinance  
Introduction: Small Cell  
Facilities:

Approve the proposed urgency ordinance adding chapter 17.41 of title 17 of the Lakeport Municipal Code establishing regulations for wireless communication facilities

**VII. CITY COUNCIL COMMUNICATIONS:**

## A. Miscellaneous Reports, if any:

**VII. ADJOURNMENT:**

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 225 Park Street, Lakeport, California, during normal business hours. Such documents are also available on the City of Lakeport's website, [www.cityoflakeport.com](http://www.cityoflakeport.com), subject to staff's ability to post the documents before the meeting.

The City of Lakeport, in complying with the *Americans with Disabilities Act (ADA)*, requests individuals who require special accommodations to access, attend and/or participate in the City meeting due to disability, to please contact the City Clerk's Office, (707) 263-5615, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

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Hilary Britton, Deputy City Clerk

# MINUTES

## REGULAR MEETING OF THE LAKEPORT CITY COUNCIL

(ALSO MEETS AS THE CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, THE LAKEPORT INDUSTRIAL DEVELOPMENT AUTHORITY, THE MUNICIPAL FINANCING AGENCY OF LAKEPORT and THE SUCCESSOR AGENCY TO THE FORMER LAKEPORT REDEVELOPMENT AGENCY)

Tuesday, March 19, 2019

City Council Chambers, 225 Park Street, Lakeport, California 95453

### CLOSED SESSION:

Mayor Barnes called the meeting to order at 5:16 p.m. Mayor Barnes adjourned the meeting to closed session at 5:16 p.m. to consider the following:

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code § 54957)  
Title: City Manager
2. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6)  
Employee Organization: Lakeport Police Officers Association (LPOA)  
Names of City Negotiators: City Manager Silveira, Administrative Services Director Buendia

### Report out of Closed Session:

There was no reportable action out of closed session.

### I. CALL TO ORDER & ROLL CALL:

Mayor Barnes called the meeting to order at 6:00 p.m., with Council Members Mattina, Parlet, Spurr, Turner and Mayor Barnes present.

### II. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Kevin Ingram.

### III. ACCEPTANCE OF AGENDA/ URGENCY ITEMS:

A motion was made by Council Member Mattina, seconded by Council Member Turner, and unanimously carried by voice vote to accept agenda as posted, or move to add or delete items.

### IV. CONSENT AGENDA:

#### A. Ordinances:

Waive reading except by title, of any ordinances under consideration at this meeting for either introduction or passage per *Government Code* Section 36934.

#### B. Minutes:

Approve minutes of the City Council regular meeting of March 5, 2019.

#### C. Renew Emergency Resolution: Mendocino Complex Fire

Confirm the continuing existence of a local emergency for the Mendocino Complex Fire.

#### D. Renew Emergency Resolution: February 2019 Storms

Confirm the continuing existence of a local emergency for the February 2019 Storms.

#### E. Application 2019-010:

Approve event application 2019-010, with staff recommendations, for the 2019 Camp & Shine VW Car Show.

#### F. Application 2019-011:

Approve event application 2019-011, with staff recommendations, for the 2019 Child Festival in the Park.

#### G. Census 2020:

Adopt a resolution supporting the 2020 Census efforts.

#### Vote on the Consent Agenda:

A motion was made by Council Member Spurr, seconded by Council Member Parlet, and unanimously carried by voice vote to approve the Consent Agenda, items A-F.

### V. PUBLIC PRESENTATIONS/REQUESTS:

#### A. Public Input:

Members of the Del Lago Homeowners Association addressed the Council regarding road conditions in the Del Lago neighborhood and providing pictures to the Council. The following residents spoke: Meg Harper, President of the Del Lago Homeowners Association; Sharon Plotner; Dave Stimmel; Val Schweifler; and Nancy Ruzicka.

Frank Dollosso asked the Council to consider changing the ordinance against burning within the city limits which has led to a lot of overgrowth.

Erin McNabb also spoke in favor of lifting the burn ban.

**VI. COUNCIL BUSINESS:**

**A. Community Development Director**

**1. Change Order #1:**

The staff report was presented by Community Development Director Ingram.

A motion was made by Council Member Turner, seconded by Council Member Parlet, and unanimously carried by voice vote to authorize the City Manager to sign Contract Change Order No. 1 with ENGIEW Services to allow for the completion of the citywide Solar and Energy Efficiency Retrofit Project.

**2. Software Purchase:**

The staff report was presented by Community Development Director Ingram.

A motion was made by Council Member Mattina, seconded by Council Member Turner, and unanimously carried by voice vote to approve the purchase of SmartGov permit tracking software and authorize the City Manager to sign a licensing agreement with Dude Solutions.

**VII. CITY COUNCIL COMMUNICATIONS:**

**A. Miscellaneous Reports, if any:**

City Manager Silveira gave no report.

City Attorney Ruderman gave no report.

Public Works Director Grider reported that Lakeshore is now open, however, Library Park will remain closed due to saturation. The playground received lake water contamination, which will require removal and replacement of the bark.

Finance Director Walker announced the new website is now live.

Chief Rasmussen gave no report.

Community Development Director Ingram reported there was a community meeting soliciting input regarding a Prop 68 parks grant.

Administrative Services Director/City Clerk Buendia gave no report.

Mayor Barnes gave no report.

Council Member Parlet gave no report.

Council Member Mattina reported that she would be attending a LAFCO meeting tomorrow.

Council Member Spurr reported he will be attending a policy committee meeting for the League of California Cities. He reported that the Chamber may not be sponsoring the Octoberfest this year.

Council Member Turner announced that March 27<sup>th</sup> is the 2019 Mayors for Meals event at the Lakeport Senior Center.

**VII. ADJOURNMENT:**

Attest:

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Tim Barnes, Mayor

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Kelly Buendia, City Clerk

**MINUTES  
SPECIAL MEETING  
OF THE LAKEPORT CITY COUNCIL  
Friday, March 22, 2019  
9:00 a.m.  
City Hall, 225 Park Street, Lakeport, California 95453**

**CALL TO ORDER:**

Mayor Barnes called the Special Meeting to order at 9:00 a.m. Council Members Mattina, Parlet, and Spurr were present, with Council Member Turner absent.

**WORKSHOP:**

Council and staff discussed accomplishments from the Year 2018/19 and goals for the 2019-2020 fiscal year.

Public Comment was taken from Nancy Ruzicka.

**ADJOURNMENT:**

Mayor Barnes adjourned the meeting at 12:01 p.m.

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Tim Barnes, Mayor

Attest:

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Kelly Buendia, City Clerk

## CITY OF LAKEPORT

*Over 125 years of community  
pride, progress and service*



3/28/2019

I hereby certify that the attached list of warrants has been audited, extensions are proper, purchase orders have been issued, and department heads have been given the opportunity to review and sign claim forms.

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Nicholas Walker  
Finance Director



Lakeport

# Bank Transaction Report

## Transaction Detail

Issued Date Range: 02/28/2019 - 03/28/2019

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
<b>Bank Account: 15-0352000798 - POOLED CASH BANK</b>							
02/28/2019		<a href="#">54824</a>	101 TRAILER & RV	Accounts Payable	Outstanding	Check	-3,695.53
02/28/2019		<a href="#">54825</a>	ADVENTIST HEALTH UKIAH VALLEY	Accounts Payable	Outstanding	Check	-777.53
02/28/2019		<a href="#">54826</a>	ALPHA ANALYTICAL LABORATORIES	Accounts Payable	Outstanding	Check	-1,937.00
02/28/2019		<a href="#">54827</a>	Void Check	Accounts Payable	Voided	Check	0.00
02/28/2019		<a href="#">54828</a>	AmWINS GROUP BENEFITS, INC.	Accounts Payable	Outstanding	Check	-18,368.24
02/28/2019		<a href="#">54829</a>	APEX TECHNOLOGY MGMT, INC.	Accounts Payable	Outstanding	Check	-1,601.60
02/28/2019		<a href="#">54830</a>	ARAMARK UNIFORM SERVICES	Accounts Payable	Outstanding	Check	-22.14
02/28/2019		<a href="#">54831</a>	AT&T	Accounts Payable	Outstanding	Check	-245.43
02/28/2019		<a href="#">54832</a>	AT&T CALNET3	Accounts Payable	Outstanding	Check	-105.07
02/28/2019		<a href="#">54833</a>	AXON ENTERPRISE, INC.	Accounts Payable	Outstanding	Check	-2,035.80
02/28/2019		<a href="#">54834</a>	BB&T GOVERNMENTAL FINANCE	Accounts Payable	Outstanding	Check	-37,733.99
02/28/2019		<a href="#">54835</a>	CASCADE FIRE EQUIPMENT	Accounts Payable	Outstanding	Check	-174.74
02/28/2019		<a href="#">54836</a>	CHRISP COMPANY	Accounts Payable	Outstanding	Check	-190,082.17
02/28/2019		<a href="#">54837</a>	CLEARLAKE LAVA, INC.	Accounts Payable	Outstanding	Check	-1,011.36
02/28/2019		<a href="#">54838</a>	CLEARLAKE REDI-MIX INC.	Accounts Payable	Outstanding	Check	-732.85
02/28/2019		<a href="#">54839</a>	CONSER LAND SURVEYING	Accounts Payable	Outstanding	Check	-9,650.00
02/28/2019		<a href="#">54840</a>	DAVIS TIRE & AUTO REPAIR	Accounts Payable	Outstanding	Check	-380.11
02/28/2019		<a href="#">54841</a>	DEEP VALLEY SECURITY	Accounts Payable	Outstanding	Check	-237.90
02/28/2019		<a href="#">54842</a>	DEPT OF JUSTICE	Accounts Payable	Outstanding	Check	-210.00
02/28/2019		<a href="#">54843</a>	ENTERPRISE - EAN SERVICES, LLC	Accounts Payable	Outstanding	Check	-44.25
02/28/2019		<a href="#">54844</a>	EUREKA OXYGEN COMPANY	Accounts Payable	Outstanding	Check	-213.86
02/28/2019		<a href="#">54845</a>	FERRELLGAS	Accounts Payable	Outstanding	Check	-670.57
02/28/2019		<a href="#">54846</a>	FOSTER MORRISON CONSULTING, LTD.	Accounts Payable	Outstanding	Check	-11,640.00
02/28/2019		<a href="#">54847</a>	G & G PRINTING SERVICES	Accounts Payable	Outstanding	Check	-59.27
02/28/2019		<a href="#">54848</a>	GRAINGER	Accounts Payable	Outstanding	Check	-2,123.90
02/28/2019		<a href="#">54849</a>	GRANITE CONSTRUCTION COMPANY	Accounts Payable	Outstanding	Check	-1,960.07
02/28/2019		<a href="#">54850</a>	HACH CHEMICAL COMPANY	Accounts Payable	Outstanding	Check	-122.64
02/28/2019		<a href="#">54851</a>	HECTOR HEREDIA	Accounts Payable	Outstanding	Check	-21.50
02/28/2019		<a href="#">54852</a>	HILARY BRITTON	Accounts Payable	Outstanding	Check	-11.95
02/28/2019		<a href="#">54853</a>	HILLSIDE HONDA	Accounts Payable	Outstanding	Check	-42.89
02/28/2019		<a href="#">54854</a>	IMAGE SALES, INC.	Accounts Payable	Outstanding	Check	-21.31
02/28/2019		<a href="#">54855</a>	KAYLENE STRUGNELL	Accounts Payable	Outstanding	Check	-271.00
02/28/2019		<a href="#">54856</a>	KELSEYVILLE LUMBER	Accounts Payable	Outstanding	Check	-187.69
02/28/2019		<a href="#">54857</a>	LAKE COUNTY ELECTRIC SUPPLY	Accounts Payable	Outstanding	Check	-489.21
02/28/2019		<a href="#">54858</a>	MC MASTER-CARR SUPPLY CO.	Accounts Payable	Outstanding	Check	-8,838.05
02/28/2019		<a href="#">54859</a>	MENDO MILL & LUMBER CO.	Accounts Payable	Outstanding	Check	-1,316.47

**Bank Transaction Report**
**Issued Date Range: -**

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
02/28/2019		<a href="#">54860</a>	MYERS STEVENS & TOOHEY & CO.	Accounts Payable	Outstanding	Check	-326.70
02/28/2019		<a href="#">54861</a>	NETWORK FLEET, INC.	Accounts Payable	Outstanding	Check	-189.50
02/28/2019		<a href="#">54862</a>	NOR-CAL TELECOM	Accounts Payable	Outstanding	Check	-90.00
02/28/2019		<a href="#">54863</a>	O'REILLY AUTO PARTS	Accounts Payable	Outstanding	Check	-41.74
02/28/2019		<a href="#">54864</a>	PACE ENGINEERING, INC.	Accounts Payable	Outstanding	Check	-664.00
02/28/2019		<a href="#">54865</a>	PACE SUPPLY #03391-00	Accounts Payable	Outstanding	Check	-11,674.72
02/28/2019		<a href="#">54866</a>	PACIFIC REDWOOD MEDICAL GROUP-JOB CARE	Accounts Payable	Outstanding	Check	-608.00
02/28/2019		<a href="#">54867</a>	PEOPLE SERVICES, INC.	Accounts Payable	Outstanding	Check	-180.00
02/28/2019		<a href="#">54868</a>	PG&E	Accounts Payable	Outstanding	Check	-669.85
02/28/2019		<a href="#">54869</a>	PLAZA PAINT & SUPPLIES	Accounts Payable	Outstanding	Check	-228.36
02/28/2019		<a href="#">54870</a>	PRECISION WIRELESS SERVICE	Accounts Payable	Outstanding	Check	-38,370.75
02/28/2019		<a href="#">54871</a>	REDWOOD COAST FUELS	Accounts Payable	Outstanding	Check	-647.90
02/28/2019		<a href="#">54872</a>	REMIF	Accounts Payable	Outstanding	Check	-2,690.99
02/28/2019		<a href="#">54873</a>	RICOH, USA	Accounts Payable	Outstanding	Check	-317.30
02/28/2019		<a href="#">54874</a>	ROGER WHEELER	Accounts Payable	Outstanding	Check	-260.00
02/28/2019		<a href="#">54875</a>	ROYAL AUTOMOTIVE CENTER	Accounts Payable	Outstanding	Check	-10.00
02/28/2019		<a href="#">54876</a>	SHRED-IT USA LLC	Accounts Payable	Outstanding	Check	-434.81
02/28/2019		<a href="#">54877</a>	STAPLES BUSINESS CREDIT	Accounts Payable	Outstanding	Check	-777.69
02/28/2019		<a href="#">54878</a>	STAPLES CREDIT PLAN	Accounts Payable	Outstanding	Check	-184.83
02/28/2019		<a href="#">54879</a>	SYAR INDUSTRIES, INC.	Accounts Payable	Outstanding	Check	-1,642.41
02/28/2019		<a href="#">54880</a>	TECHNOFLO SYSTEMS	Accounts Payable	Outstanding	Check	-1,317.66
02/28/2019		<a href="#">54881</a>	TELEDYNE	Accounts Payable	Outstanding	Check	-5,156.93
02/28/2019		<a href="#">54882</a>	THE WORKS INC/MLS - LSQ FUNDING GROUP	Accounts Payable	Outstanding	Check	-929.04
02/28/2019		<a href="#">54883</a>	TRI-CITIES ANSWERING SERVICE	Accounts Payable	Outstanding	Check	-170.70
02/28/2019		<a href="#">54884</a>	USA BLUE BOOK	Accounts Payable	Outstanding	Check	-882.82
02/28/2019		<a href="#">54885</a>	VERIZON WIRELESS	Accounts Payable	Outstanding	Check	-357.62
02/28/2019		<a href="#">54886</a>	VICTOR RICO	Accounts Payable	Outstanding	Check	-393.00
02/28/2019		<a href="#">54887</a>	WEST CONSULTANTS, INC.	Accounts Payable	Outstanding	Check	-4,097.61
02/28/2019		<a href="#">54888</a>	WESTGATE PETROLEUM CO., INC.	Accounts Payable	Outstanding	Check	-199.65
03/01/2019		<a href="#">54817</a>	AFLAC	Accounts Payable	Outstanding	Check	-732.46
03/01/2019		<a href="#">54818</a>	CA STATE DISBURSEMENT UNIT	Accounts Payable	Outstanding	Check	-466.67
03/01/2019		<a href="#">54819</a>	FRANCHISE TAX BOARD	Accounts Payable	Outstanding	Check	-150.00
03/01/2019		<a href="#">54820</a>	LAKEPORT EMPLOYEE'S ASSOC	Accounts Payable	Outstanding	Check	-390.00
03/01/2019		<a href="#">54821</a>	LPOA	Accounts Payable	Outstanding	Check	-610.00
03/01/2019		<a href="#">54822</a>	NATIONWIDE RETIREMENT SOLUTION	Accounts Payable	Outstanding	Check	-1,015.00
03/01/2019		<a href="#">54823</a>	VALIC - C/O JP MORGAN CHASE	Accounts Payable	Outstanding	Check	-2,594.75
03/01/2019		<a href="#">DFT0001208</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,364.94
03/01/2019		<a href="#">DFT0001209</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,392.73
03/01/2019		<a href="#">DFT0001210</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,212.49
03/01/2019		<a href="#">DFT0001211</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,422.08
03/01/2019		<a href="#">DFT0001212</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-3,951.66
03/01/2019		<a href="#">DFT0001213</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-5,240.39
03/01/2019		<a href="#">DFT0001214</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-1,055.14



# Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
03/01/2019		<a href="#">DFT0001215</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,189.66
03/01/2019		<a href="#">DFT0001216</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-48.36
03/01/2019		<a href="#">DFT0001217</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-7.64
03/01/2019		<a href="#">DFT0001218</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-3,517.80
03/01/2019		<a href="#">DFT0001219</a>	CA EMP DEVELOPMENT DEPT	Accounts Payable	Outstanding	Bank Draft	-3,588.77
03/01/2019		<a href="#">DFT0001220</a>	CA EMP DEVELOPMENT DEPT	Accounts Payable	Outstanding	Bank Draft	-1,213.00
03/01/2019		<a href="#">DFT0001221</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-11,056.25
03/01/2019		<a href="#">DFT0001222</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-116.56
03/04/2019		<a href="#">54889</a>	LAKEPORT DISPOSAL, INC.	Accounts Payable	Outstanding	Check	-40,022.82
03/14/2019		<a href="#">54898</a>	ADAMS ASHBY GROUP, LLC.	Accounts Payable	Outstanding	Check	-3,210.00
03/14/2019		<a href="#">54899</a>	ADASTRAGOV INC.	Accounts Payable	Outstanding	Check	-21,750.00
03/14/2019		<a href="#">54900</a>	ADVENTIST HEALTH UKIAH VALLEY	Accounts Payable	Outstanding	Check	-26.75
03/14/2019		<a href="#">54901</a>	ALPHA ANALYTICAL LABORATORIES	Accounts Payable	Outstanding	Check	-1,923.00
03/14/2019		<a href="#">54902</a>	Void Check	Accounts Payable	Voided	Check	0.00
03/14/2019		<a href="#">54903</a>	APPLIED DEVELOPMENT ECONOMICS	Accounts Payable	Outstanding	Check	-6,708.00
03/14/2019		<a href="#">54904</a>	ARAMARK UNIFORM SERVICES	Accounts Payable	Outstanding	Check	-44.28
03/14/2019		<a href="#">54905</a>	AT&T	Accounts Payable	Outstanding	Check	-351.14
03/14/2019		<a href="#">54906</a>	AT&T CALNET3	Accounts Payable	Outstanding	Check	-1,759.96
03/14/2019		<a href="#">54907</a>	CANNON WATER TECHNOLOGY INC.	Accounts Payable	Outstanding	Check	-684.00
03/14/2019		<a href="#">54908</a>	CASCADE FIRE EQUIPMENT	Accounts Payable	Outstanding	Check	-121.80
03/14/2019		<a href="#">54909</a>	CCAC	Accounts Payable	Outstanding	Check	-200.00
03/14/2019		<a href="#">54910</a>	CODE PUBLISHING	Accounts Payable	Outstanding	Check	-37.50
03/14/2019		<a href="#">54911</a>	COMMUNITY DEVELOPMENT SERVICES	Accounts Payable	Outstanding	Check	-2,500.00
03/14/2019		<a href="#">54912</a>	COUNTY OF LAKE-AUDITOR	Accounts Payable	Outstanding	Check	-20,292.00
03/14/2019		<a href="#">54913</a>	DAVIS TIRE & AUTO REPAIR	Accounts Payable	Outstanding	Check	-50.00
03/14/2019		<a href="#">54914</a>	DEBRA ENGLAND	Accounts Payable	Outstanding	Check	-675.00
03/14/2019		<a href="#">54915</a>	DEEP VALLEY SECURITY	Accounts Payable	Outstanding	Check	-237.90
03/14/2019		<a href="#">54916</a>	DEPT OF JUSTICE	Accounts Payable	Outstanding	Check	-66.00
03/14/2019		<a href="#">54917</a>	DOUG GRIDER	Accounts Payable	Outstanding	Check	-251.00
03/14/2019		<a href="#">54918</a>	EASTSHORE CONSULTING	Accounts Payable	Outstanding	Check	-500.00
03/14/2019		<a href="#">54919</a>	ENTERPRISE - EAN SERVICES, LLC	Accounts Payable	Outstanding	Check	-391.35
03/14/2019		<a href="#">54920</a>	ESRI	Accounts Payable	Outstanding	Check	-1,600.00
03/14/2019		<a href="#">54921</a>	FERRELLGAS	Accounts Payable	Outstanding	Check	-1,620.67
03/14/2019		<a href="#">54922</a>	FOSTER MORRISON CONSULTING, LTD.	Accounts Payable	Outstanding	Check	-16,489.72
03/14/2019		<a href="#">54923</a>	GHD, INC.	Accounts Payable	Outstanding	Check	-380.75
03/14/2019		<a href="#">54924</a>	GRAINGER	Accounts Payable	Outstanding	Check	-97.33
03/14/2019		<a href="#">54925</a>	GRANITE CONSTRUCTION COMPANY	Accounts Payable	Outstanding	Check	-13,498.54
03/14/2019		<a href="#">54926</a>	GUTTER MASTERS	Accounts Payable	Outstanding	Check	-1,320.00
03/14/2019		<a href="#">54927</a>	HACH CHEMICAL COMPANY	Accounts Payable	Outstanding	Check	-192.17
03/14/2019		<a href="#">54928</a>	HIGH COUNTRY SECURITY	Accounts Payable	Outstanding	Check	-255.00
03/14/2019		<a href="#">54929</a>	HOTSYPACIFIC	Accounts Payable	Outstanding	Check	-3,479.18
03/14/2019		<a href="#">54930</a>	INTERSTATE BATTERY SYSTEM	Accounts Payable	Outstanding	Check	-286.68
03/14/2019		<a href="#">54931</a>	IT'S ABOUT TIME, INC	Accounts Payable	Outstanding	Check	-166.58

## Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
03/14/2019		<a href="#">54932</a>	J & J PUMPS, INC.	Accounts Payable	Outstanding	Check	-1,839.17
03/14/2019		<a href="#">54933</a>	JJACPA, INC.	Accounts Payable	Outstanding	Check	-15,100.00
03/14/2019		<a href="#">54934</a>	KELSEYVILLE TNT MINI STORAGE	Accounts Payable	Outstanding	Check	-828.00
03/14/2019		<a href="#">54935</a>	KEVIN M. INGRAM	Accounts Payable	Outstanding	Check	-36.13
03/14/2019		<a href="#">54936</a>	LAKE COUNTY ELECTRIC SUPPLY	Accounts Payable	Outstanding	Check	-811.06
03/14/2019		<a href="#">54937</a>	LAKE COUNTY RECORD BEE	Accounts Payable	Outstanding	Check	-566.34
03/14/2019		<a href="#">54938</a>	LAKE COUNTY WASTE SOLUTIONS	Accounts Payable	Outstanding	Check	-1.50
03/14/2019		<a href="#">54939</a>	LEXIS NEXIS RISK SOLUTIONS	Accounts Payable	Outstanding	Check	-30.00
03/14/2019		<a href="#">54940</a>	MARSH USA, INC	Accounts Payable	Outstanding	Check	-14,071.75
03/14/2019		<a href="#">54941</a>	MATT MAZZEI CHEVROLET	Accounts Payable	Outstanding	Check	-25,975.84
03/14/2019		<a href="#">54942</a>	MC MASTER-CARR SUPPLY CO.	Accounts Payable	Outstanding	Check	-153.67
03/14/2019		<a href="#">54943</a>	MEDIACOM	Accounts Payable	Outstanding	Check	-1,270.90
03/14/2019		<a href="#">54944</a>	MENDO MILL & LUMBER CO.	Accounts Payable	Outstanding	Check	-1,858.00
03/14/2019		<a href="#">54945</a>	NAPA AUTO - LAKE PARTS	Accounts Payable	Outstanding	Check	-1,158.99
03/14/2019		<a href="#">54946</a>	NATIONAL BUSINESS FURNITURE	Accounts Payable	Outstanding	Check	-1,849.12
03/14/2019		<a href="#">54947</a>	NFP NATIONAL ACCOUNT SERVICES	Accounts Payable	Outstanding	Check	-1,055.00
03/14/2019		<a href="#">54948</a>	NORTH COAST COMMUNITY PLANNING	Accounts Payable	Outstanding	Check	-1,350.00
03/14/2019		<a href="#">54949</a>	NORTHERN SAFETY CO., INC.	Accounts Payable	Outstanding	Check	-260.01
03/14/2019		<a href="#">54950</a>	NUSO	Accounts Payable	Outstanding	Check	-242.24
03/14/2019		<a href="#">54951</a>	OE PUBLIC & MISC EE'S	Accounts Payable	Outstanding	Check	-14,256.00
03/14/2019		<a href="#">54952</a>	O'REILLY AUTO PARTS	Accounts Payable	Outstanding	Check	-188.38
03/14/2019		<a href="#">54953</a>	PACE SUPPLY #03391-00	Accounts Payable	Outstanding	Check	-4,647.34
03/14/2019		<a href="#">54954</a>	PAUL R. CURREN	Accounts Payable	Outstanding	Check	-11,741.87
03/14/2019		<a href="#">54955</a>	PEOPLE SERVICES, INC.	Accounts Payable	Outstanding	Check	-200.00
03/14/2019		<a href="#">54956</a>	PG&E	Accounts Payable	Outstanding	Check	-32,074.57
03/14/2019		<a href="#">54957</a>	PITNEY BOWES GLOBAL FINANCIAL SVCS	Accounts Payable	Outstanding	Check	-166.01
03/14/2019		<a href="#">54958</a>	PLAZA PAINT & SUPPLIES	Accounts Payable	Outstanding	Check	-284.73
03/14/2019		<a href="#">54959</a>	POLESTAR COMPUTERS	Accounts Payable	Outstanding	Check	-4,583.57
03/14/2019		<a href="#">54960</a>	PRENTICE, LONG & EPPERSON	Accounts Payable	Outstanding	Check	-544.50
03/14/2019		<a href="#">54961</a>	QUINCY ENGINEERING, INC.	Accounts Payable	Outstanding	Check	-7,542.50
03/14/2019		<a href="#">54962</a>	R.B. PETERS	Accounts Payable	Outstanding	Check	-179.80
03/14/2019		<a href="#">54963</a>	R.S. HUGHES	Accounts Payable	Outstanding	Check	-121.11
03/14/2019		<a href="#">54964</a>	REDWOOD FORD	Accounts Payable	Outstanding	Check	-32,078.68
03/14/2019		<a href="#">54965</a>	REMIF	Accounts Payable	Outstanding	Check	-148.01
03/14/2019		<a href="#">54966</a>	REMIF	Accounts Payable	Outstanding	Check	-194,252.00
03/14/2019		<a href="#">54967</a>	REMIF	Accounts Payable	Outstanding	Check	-60,250.40
03/14/2019		<a href="#">54968</a>	RICOH USA, INC.	Accounts Payable	Outstanding	Check	-51.72
03/14/2019		<a href="#">54969</a>	RICOH, USA	Accounts Payable	Outstanding	Check	-266.66
03/14/2019		<a href="#">54970</a>	ROGER WHEELER	Accounts Payable	Outstanding	Check	-260.00
03/14/2019		<a href="#">54971</a>	ROGERS' GLASS	Accounts Payable	Outstanding	Check	-298.20
03/14/2019		<a href="#">54972</a>	RON COOLEY	Accounts Payable	Outstanding	Check	-195.44
03/14/2019		<a href="#">54973</a>	RON LADD	Accounts Payable	Outstanding	Check	-251.00
03/14/2019		<a href="#">54974</a>	ROY HASTINGS	Accounts Payable	Outstanding	Check	-2,000.00

## Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
03/14/2019		<a href="#">54975</a>	RYAN PROCESS, INC.	Accounts Payable	Outstanding	Check	-1,059.03
03/14/2019		<a href="#">54976</a>	S & K AUTOMOTIVE & TOWING	Accounts Payable	Outstanding	Check	-300.00
03/14/2019		<a href="#">54977</a>	SHN CONSULTING ENGINEERS & GEO	Accounts Payable	Outstanding	Check	-2,162.50
03/14/2019		<a href="#">54978</a>	SHRED-IT USA LLC	Accounts Payable	Outstanding	Check	-119.34
03/14/2019		<a href="#">54979</a>	STAPLES BUSINESS CREDIT	Accounts Payable	Outstanding	Check	-325.16
03/14/2019		<a href="#">54980</a>	SYAR INDUSTRIES, INC.	Accounts Payable	Outstanding	Check	-1,938.96
03/14/2019		<a href="#">54981</a>	THE WORKS INC/MLS - LSQ FUNDING GROUP	Accounts Payable	Outstanding	Check	-995.40
03/14/2019		<a href="#">54982</a>	TIRE HUB	Accounts Payable	Outstanding	Check	-2,519.41
03/14/2019		<a href="#">54983</a>	TOM CARLTON	Accounts Payable	Outstanding	Check	-350.00
03/14/2019		<a href="#">54984</a>	TRIEPEI SMITH & ASSOCIATES, INC.	Accounts Payable	Outstanding	Check	-1,665.00
03/14/2019		<a href="#">54985</a>	U.S. BANK	Accounts Payable	Outstanding	Check	-10,010.68
03/14/2019		<a href="#">54986</a>	UKIAH PAPER SUPPLY, INC.	Accounts Payable	Outstanding	Check	-632.89
03/14/2019		<a href="#">54987</a>	VERIZON CONNECT NWF, INC.	Accounts Payable	Outstanding	Check	-189.50
03/14/2019		<a href="#">54988</a>	VERIZON WIRELESS	Accounts Payable	Outstanding	Check	-253.19
03/14/2019		<a href="#">54989</a>	WESTGATE PETROLEUM CO., INC.	Accounts Payable	Outstanding	Check	-6,346.95
03/14/2019		<a href="#">54990</a>	WILDA SHOCK	Accounts Payable	Outstanding	Check	-1,500.00
03/14/2019		<a href="#">54991</a>	YOLO COUNTY FLOOD CONTROL	Accounts Payable	Outstanding	Check	-460.26
03/15/2019		<a href="#">54890</a>	AFLAC	Accounts Payable	Outstanding	Check	-802.47
03/15/2019		<a href="#">54891</a>	CA STATE DISBURSEMENT UNIT	Accounts Payable	Outstanding	Check	-466.67
03/15/2019		<a href="#">54892</a>	FRANCHISE TAX BOARD	Accounts Payable	Outstanding	Check	-116.60
03/15/2019		<a href="#">54893</a>	LAKEPORT EMPLOYEE'S ASSOC	Accounts Payable	Outstanding	Check	-390.00
03/15/2019		<a href="#">54894</a>	LEGALSHIELD	Accounts Payable	Outstanding	Check	-221.30
03/15/2019		<a href="#">54895</a>	LPOA	Accounts Payable	Outstanding	Check	-610.00
03/15/2019		<a href="#">54896</a>	NATIONWIDE RETIREMENT SOLUTION	Accounts Payable	Outstanding	Check	-1,015.00
03/15/2019		<a href="#">54897</a>	VALIC - C/O JP MORGAN CHASE	Accounts Payable	Outstanding	Check	-2,594.75
03/15/2019		<a href="#">DFT0001224</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,121.89
03/15/2019		<a href="#">DFT0001225</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,146.83
03/15/2019		<a href="#">DFT0001226</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,368.90
03/15/2019		<a href="#">DFT0001227</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,593.31
03/15/2019		<a href="#">DFT0001228</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-4,000.74
03/15/2019		<a href="#">DFT0001229</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-5,305.46
03/15/2019		<a href="#">DFT0001230</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-986.07
03/15/2019		<a href="#">DFT0001231</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-2,046.32
03/15/2019		<a href="#">DFT0001232</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-47.43
03/15/2019		<a href="#">DFT0001233</a>	CALPERS	Accounts Payable	Outstanding	Bank Draft	-7.64
03/15/2019		<a href="#">DFT0001234</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-3,691.92
03/15/2019		<a href="#">DFT0001235</a>	CA EMP DEVELOPMENT DEPT	Accounts Payable	Outstanding	Bank Draft	-4,105.95
03/15/2019		<a href="#">DFT0001236</a>	CA EMP DEVELOPMENT DEPT	Accounts Payable	Outstanding	Bank Draft	-1,261.03
03/15/2019		<a href="#">DFT0001237</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-12,105.19
03/15/2019		<a href="#">DFT0001238</a>	IRS	Accounts Payable	Outstanding	Bank Draft	-349.68
03/19/2019		<a href="#">54999</a>	LAKEPORT DISPOSAL, INC.	Accounts Payable	Outstanding	Check	-39,818.02
03/28/2019		<a href="#">55003</a>	ALPHA ANALYTICAL LABORATORIES	Accounts Payable	Outstanding	Check	-1,756.00
03/28/2019		<a href="#">55004</a>	AmWINS GROUP BENEFITS, INC.	Accounts Payable	Outstanding	Check	-18,368.24

**Bank Transaction Report**
**Issued Date Range: -**

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
03/28/2019		<a href="#">55005</a>	BONNIE SHARP	Accounts Payable	Outstanding	Check	-251.00
03/28/2019		<a href="#">55006</a>	BRAD RASMUSSEN	Accounts Payable	Outstanding	Check	-162.00
03/28/2019		<a href="#">55007</a>	COLANTUANO, HIGHSMITH &	Accounts Payable	Outstanding	Check	-9,325.70
03/28/2019		<a href="#">55008</a>	COUNTY OF LAKE-ANIMAL CONTROL	Accounts Payable	Outstanding	Check	-494.75
03/28/2019		<a href="#">55009</a>	DEBRA ENGLAND	Accounts Payable	Outstanding	Check	-675.00
03/28/2019		<a href="#">55010</a>	DEPT OF JUSTICE	Accounts Payable	Outstanding	Check	-105.00
03/28/2019		<a href="#">55011</a>	DOUG GRIDER	Accounts Payable	Outstanding	Check	-251.00
03/28/2019		<a href="#">55012</a>	G & G PRINTING SERVICES	Accounts Payable	Outstanding	Check	-25.01
03/28/2019		<a href="#">55013</a>	GRANITE CONSTRUCTION COMPANY	Accounts Payable	Outstanding	Check	-1,814.50
03/28/2019		<a href="#">55014</a>	HAINES & COMPANY, INC.	Accounts Payable	Outstanding	Check	-267.47
03/28/2019		<a href="#">55015</a>	HD SUPPLY CONSTRUCTION & INDUSTRIAL-WHITE CAP	Accounts Payable	Outstanding	Check	-399.86
03/28/2019		<a href="#">55016</a>	ICE WATER DISTRIBUTORS INC.	Accounts Payable	Outstanding	Check	-43.50
03/28/2019		<a href="#">55017</a>	INDUSTRIAL ELECTRIC MOTORS	Accounts Payable	Outstanding	Check	-97.07
03/28/2019		<a href="#">55018</a>	JASON FERGUSON	Accounts Payable	Outstanding	Check	-162.00
03/28/2019		<a href="#">55019</a>	KEVIN M. INGRAM	Accounts Payable	Outstanding	Check	-53.36
03/28/2019		<a href="#">55020</a>	LAKE COUNTY ELECTRIC SUPPLY	Accounts Payable	Outstanding	Check	-1,937.11
03/28/2019		<a href="#">55021</a>	LAKE COUNTY RECORD BEE	Accounts Payable	Outstanding	Check	-105.77
03/28/2019		<a href="#">55022</a>	LAKE COUNTY SUPERIOR COURT	Accounts Payable	Outstanding	Check	-1,122.49
03/28/2019		<a href="#">55023</a>	LAKEPORT MAIN STREET ASSN.	Accounts Payable	Outstanding	Check	-4,000.00
03/28/2019		<a href="#">55024</a>	LONE STAR SIX, INC.	Accounts Payable	Outstanding	Check	-300.00
03/28/2019		<a href="#">55025</a>	MUNI SERVICES	Accounts Payable	Outstanding	Check	-300.00
03/28/2019		<a href="#">55026</a>	NETWORK INNOVATIONS, INC.	Accounts Payable	Outstanding	Check	-104.00
03/28/2019		<a href="#">55027</a>	O'REILLY AUTO PARTS	Accounts Payable	Outstanding	Check	-182.66
03/28/2019		<a href="#">55028</a>	PACE SUPPLY #03391-00	Accounts Payable	Outstanding	Check	-1,138.22
03/28/2019		<a href="#">55029</a>	PAVEMENT ENGINEERING INC.	Accounts Payable	Outstanding	Check	-365.00
03/28/2019		<a href="#">55030</a>	PERKINS SEPTIC TANK CLEANING	Accounts Payable	Outstanding	Check	-407.81
03/28/2019		<a href="#">55031</a>	PITNEY BOWES - SUPPLIES	Accounts Payable	Outstanding	Check	-175.61
03/28/2019		<a href="#">55032</a>	R.B. PETERS	Accounts Payable	Outstanding	Check	-32.56
03/28/2019		<a href="#">55033</a>	R.S. HUGHES	Accounts Payable	Outstanding	Check	-143.84
03/28/2019		<a href="#">55034</a>	REMIF	Accounts Payable	Outstanding	Check	-61,144.60
03/28/2019		<a href="#">55035</a>	RICOH, USA	Accounts Payable	Outstanding	Check	-554.07
03/28/2019		<a href="#">55036</a>	RON LADD	Accounts Payable	Outstanding	Check	-251.00
03/28/2019		<a href="#">55037</a>	S&J HOSPITALITY, LLC	Accounts Payable	Outstanding	Check	-40.50
03/28/2019		<a href="#">55038</a>	SHRED-IT USA LLC	Accounts Payable	Outstanding	Check	-371.02
03/28/2019		<a href="#">55039</a>	SYAR INDUSTRIES, INC.	Accounts Payable	Outstanding	Check	-24.64
03/28/2019		<a href="#">55040</a>	THATCHER COMPANY OF CA., INC.	Accounts Payable	Outstanding	Check	-3,534.41
03/28/2019		<a href="#">55041</a>	THE WORKS INC/MLS - LSQ FUNDING GROUP	Accounts Payable	Outstanding	Check	-353.92
03/28/2019		<a href="#">55042</a>	UNION BANK, N.A.	Accounts Payable	Outstanding	Check	-74,803.72
03/28/2019		<a href="#">55043</a>	VALLEY TOXICOLOGY SERVICES INC	Accounts Payable	Outstanding	Check	-170.00
03/28/2019		<a href="#">55044</a>	VERIZON WIRELESS	Accounts Payable	Outstanding	Check	-214.79
03/28/2019		<a href="#">55045</a>	WESTGATE PETROLEUM CO., INC.	Accounts Payable	Outstanding	Check	-1,040.12
03/28/2019		<a href="#">55046</a>	WILDA SHOCK	Accounts Payable	Outstanding	Check	-1,500.00

Bank Transaction Report

	Issued Date Range: -
Bank Account 15-0352000798 Total: (250)	-1,302,687.11
Report Total: (250)	-1,302,687.11

# Bank Transaction Report

Issued Date Range: -

## Summary

Bank Account	Count	Amount
<a href="#">15-0352000798 POOLED CASH BANK</a>	250	-1,302,687.11
<b>Report Total:</b>	<b>250</b>	<b>-1,302,687.11</b>

Cash Account	Count	Amount
<a href="#">**No Cash Account**</a>	2	0.00
<a href="#">998 998-0000-101000 POOLED CASH - WEST AMERICA</a>	248	-1,302,687.11
<b>Report Total:</b>	<b>250</b>	<b>-1,302,687.11</b>

Transaction Type	Count	Amount
Bank Draft	30	-84,515.83
Check	220	-1,218,171.28
<b>Report Total:</b>	<b>250</b>	<b>-1,302,687.11</b>



# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☐  
Lakeport Redevelopment Successor Agency ☐  
Lakeport Industrial Development Authority ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** Continuation of Local Emergency Declaration – Mendocino Complex Fires

**MEETING DATE:** 04/02/2019

**SUBMITTED BY:** Margaret Silveira, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to review the need to continue the proclamation declaring a Local State of Emergency due to conditions of extreme peril as a result of the River Fire, re-named along with the Ranch Fire, the Mendocino Complex fire and provide direction.

### BACKGROUND/DISCUSSION:

On July 28, 2018, the Director of Emergency Services for the City of Lakeport declared a local State of Emergency in connection with the conditions of extreme peril to the safety of persons and property within the city as a result of the River Fire, re-named the Mendocino Complex fire in combination with the Ranch Fire. In accordance with the Emergency Services Act Section 8630(b) and Lakeport Municipal Code section 2.28.130, the City Council ratified the declared emergency on July 30, 2018 under Resolution 2679 (2018). Under Lakeport Municipal Code section 2.28.150, the City Council shall review, at least every 14 days, the need for continuing the emergency declaration until the local emergency is terminated.

The City Council, at a Special Meeting on August 13, 2018, continued the emergency declaration via Resolution 2680 (2018). The City Council subsequently continued the emergency declaration on August 21, 2018, September 18, 2018, October 2, 2018, October 16, 2018, November 6, 2018, November 20, 2018, December 4, 2018, December 18, 2018, January 15, 2019, February 5, 2019, February 19, 2019, March 5, 2019, and March 19, 2019. Since a need still exists for the declaration, Council is asked to review and continue the declaration. Should the need continue, staff will return this item at the next regularly scheduled City Council meeting.

### OPTIONS:

Approve the need for the continuation of the proclamation declaring a Local State of Emergency due to Mendocino Complex fire; or proclaim the termination of the Local State of Emergency

### FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No      If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☐ Other:

Comments:

**SUGGESTED MOTIONS:** Move to confirm the continuing existence of a local emergency in the City of Lakeport.

☒ **Attachments:**      1. Resolution No. 2679 (2018)



**RESOLUTION NO. 2679 (2018)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT RATIFYING THE  
DIRECTOR OF EMERGENCY SERVICES' PROCLAMATION OF A LOCAL EMERGENCY  
IN THE CITY OF LAKEPORT**

**WHEREAS**, Chapter 2.28 of the Lakeport Municipal Code, adopted as Ordinance Number 832 of the City of Lakeport empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when the City of Lakeport is affected or likely to be affected by a public calamity and the City Council is not in session, subject to ratification by the City Council within seven (7) days; and

**WHEREAS**, conditions of extreme peril to the safety of persons and property have arisen within this City as a result of a fire commencing on or about 1:01 p.m. on the 27th day of ~~June~~July, 2018, called the River Fire and later re-named the Mendocino Complex along with the Ranch Fire, which commenced on or about 12:05 p.m. on the 27th day of July, 2018, at which time the City Council of the City of Lakeport was not in session; and

**WHEREAS**, the City Manager, acting as the Director of Emergency Services of the City of Lakeport, did proclaim the existence of a local emergency within the City on the 28th day of July, 2018; and

**WHEREAS**, the Governor of the State of California proclaimed a state of emergency in the Lake County as a result of the Mendocino Complex on the 28th day of July, 2018; and

**WHEREAS**, the City Council does hereby find that aforesaid conditions of extreme peril did warrant and necessitate the proclamation of existence of a local emergency.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED** that the City Council hereby proclaims a local emergency due to the existence or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the City of Lakeport; and

**IT IS FURTHER RESOLVED AND ORDERED** that the Director of Emergency Services' Proclamation of Existence of a Local Emergency is hereby ratified and confirmed; and

**IT IS FURTHER RESOLVED AND ORDERED** that the local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Lakeport; and

**IT IS FURTHER RESOLVED AND ORDERED** that during the existence of this local emergency the powers, functions and duties of the Disaster Council of the City of Lakeport and its Director of Emergency Services shall be those prescribed by state law, and by the ordinances and resolutions of this City; and

**IT IS FURTHER ORDERED** that a copy of this Resolution be forwarded to the State Director of the Office of Emergency Services; and

**IT IS FURTHER ORDERED** that Margaret Silveira, Director of Emergency Services of the City of Lakeport, is hereby designated as the authorized representative of the City of Lakeport for the purpose of receipt, processing, and coordination of all inquiries and requirements necessary to obtain available State and Federal assistance.

This resolution shall be effective upon its adoption.

**THIS RESOLUTION** was passed by the City Council of the City of Lakeport at a special meeting thereof on the 30th day of July, 2018, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

  
\_\_\_\_\_  
MIREYA G. TURNER, Mayor

ATTEST:

  
\_\_\_\_\_  
KELLY BUENDIA, City Clerk



# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☐  
Lakeport Redevelopment Successor Agency ☐  
Lakeport Industrial Development Authority ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** Continuation of Local Emergency Declaration – February Storms

**MEETING DATE:** 04/02/2019

**SUBMITTED BY:** Margaret Silveira, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to review the need to continue the proclamation declaring a Local State of Emergency due to conditions of extreme peril as a result of the February 2019 Storms and provide direction.

### BACKGROUND/DISCUSSION:

On February 28, 2019, the Director of Emergency Services for the City of Lakeport declared a local State of Emergency in connection with the conditions of extreme peril to the safety of persons and property within the city as a result of the February 2019 storms. In accordance with the Emergency Services Act Section 8630(b) and Lakeport Municipal Code section 2.28.130, the City Council ratified the declared emergency on March 5, 2019, and March 19, 2019 under Resolution 2704 (2019). Under Lakeport Municipal Code section 2.28.150, the City Council shall review, at least every 14 days, the need for continuing the emergency declaration until the local emergency is terminated.

Since a need still exists for the declaration, Council is asked to review and continue the declaration. Should the need continue, staff will return this item at the next regularly scheduled City Council meeting.

### OPTIONS:

Approve the need for the continuation of the proclamation declaring a Local State of Emergency due to the February 2019 storms; or proclaim the termination of the Local State of Emergency

### FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☐ Other:

Comments:

**SUGGESTED MOTIONS:** Move to confirm the continuing existence of a local emergency in the City of Lakeport.

☒ **Attachments:**      1. Resolution No. 2704 (2019)

**RESOLUTION NO. 2704 (2019)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LAKEPORT CONFIRMING EXISTENCE OF A LOCAL EMERGENCY**

**WHEREAS**, Chapter 2.28 of the Lakeport Municipal Code, adopted as Ordinance Number 832 of the City of Lakeport empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when the City of Lakeport is affected or likely to be affected by a public calamity and the City Council is not in session, subject to ratification by the City Council within seven (7) days; and

**WHEREAS**, conditions of extreme peril to the safety of persons and property have arisen within this City as a result of rain storms, wind, and flooding commencing on or about February 26, 2019, at which time the City Council of the City of Lakeport was not in session; and

**WHEREAS**, the City Council does hereby find that aforesaid conditions of extreme peril did warrant and necessitate the proclamation of existence of a local emergency; and

**WHEREAS**, the Director of Emergency Services of the City of Lakeport did proclaim the existence of a local emergency within the City on the 28<sup>th</sup> day of February, 2019; and

**WHEREAS**, the Governor of the State of California proclaimed a state of emergency in Lake County due to atmospheric river storm systems, which caused widespread damage and flooding; and

**WHEREAS**, the City Council does hereby find that aforesaid conditions of extreme peril did warrant and necessitate the proclamation of existence of a local emergency.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED** that the City Council hereby proclaims a local emergency due to the existence or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the City of Lakeport; and

**IT IS FURTHER RESOLVED AND ORDERED** that the Director of Emergency Services' Proclamation of Existence of a Local Emergency is hereby ratified and confirmed; and

**IT IS FURTHER RESOLVED AND ORDERED** that the local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Lakeport; and

**IT IS FURTHER RESOLVED AND ORDERED** that during the existence of this local emergency the powers, functions and duties of the Disaster Council of the City of Lakeport and its Director of Emergency Services shall be those prescribed by state law, and by the ordinances and resolutions of this City; and

**IT IS FURTHER ORDERED** that a copy of this Resolution be forwarded to the State Director of the Office of Emergency Services; and

**IT IS FURTHER ORDERED** that Margaret Silveira, Director of Emergency Services of the City of Lakeport, is hereby designated as the authorized representative of the City of Lakeport for the purpose of receipt, processing, and coordination of all inquiries and requirements necessary to obtain available State and Federal assistance.

**This resolution shall be effective upon its adoption.**

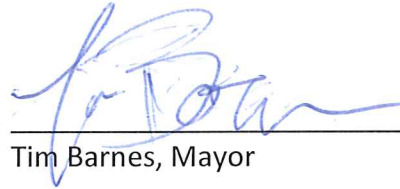
**THIS RESOLUTION** was passed by the City Council of the City of Lakeport at a regular meeting thereof on the 5<sup>th</sup> day of March, 2019, by the following vote:

AYES: Mayor Barnes, Council Members Mattina, Parlet, Spurr and Turner

NOES: None

ABSTAINING: None

ABSENT: None

  
\_\_\_\_\_  
Tim Barnes, Mayor

ATTEST:

  
\_\_\_\_\_  
Kelly Buendia, City Clerk



**SIDE LETTER AGREEMENT FOR THE CITY OF  
LAKEPORT POLICE OFFICERS ASSOCIATION  
AMENDING SHIFT DIFFERENTIAL PAY AND  
ADDING SUPERVISOR TRAINEE PREMIUM PAY**





**CITY OF LAKEPORT  
POLICE DEPARTMENT**

**BRAD RASMUSSEN, CHIEF OF POLICE**

**2025 SOUTH MAIN STREET  
LAKEPORT, CALIFORNIA  
95453**

**TELEPHONE 707 263-5491  
FAX 707 263-3846  
E-MAIL [info@lakeportpolice.org](mailto:info@lakeportpolice.org)**

**SIDE LETTER AGREEMENT FOR CITY OF LAKEPORT POLICE OFFICERS ASSOCIATION  
AMENDING SHIFT DIFFERENTIAL PAYMENT**

The City of Lakeport Police Officers Association ("UNION") and City of Lakeport ("CITY") agree that the following amendments will be made to section 6.1.3 of the current Memorandum of Understanding ("MOU"). Section 6.1.3 - Shift Differential Pay, shall now read:

Those working regular or overtime shifts designated by management as "swing" shift or "graveyard" shift will be paid \$.83 per hour for those hours worked within the designated shift. For example, a typical swing shift would be hours worked between 4:30 p.m. and 2:30 a.m. and a typical graveyard shift would be hours worked between 8:30 p.m. and 6:30 a.m.

Any officer assigned to Swing or Graveyard shift, who is called in early or held over beyond the assigned shift is not entitled to the shift differential for hours beyond the assigned shift. However, appropriate overtime will be paid, if required. As an example, an officer assigned to Graveyard shift who is asked to report to work two hours early for operational needs, would be paid overtime, if required, on the additional two hours but shift differential would only apply for the normal ten hours. While the department works the 4-10 schedule, there should be no more than ten hours of shift differential pay per shift.

This amendment shall go in to effect on the date executed and will not allow for retroactive reimbursements or collections.

In addition, the UNION and City of Lakeport CITY agree that the 6.1.9 should be added to the current Memorandum of Understanding MOU to read as follows:

6.1.9 – Supervisor Trainee. At the Police Chief's discretion, up to two Officers may be designated as Supervisor Trainee and receive a premium of 5% of base wages for the pay-periods assigned. This premium pay will become effective March 19, 2019. Supervisor Trainee designation is a one-year collateral duty assignment that is offered in conjunction with existing duties and may be terminated at the Police Chief's direction without due process.

City of Lakeport

LPOA

\_\_\_\_\_  
Margaret Silveira  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tyler Trouette  
LPOA President

\_\_\_\_\_  
3/20/19  
Date





# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☒  
Lakeport Redevelopment Successor Agency ☒  
Lakeport Industrial Development Agency ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** Comprehensive Annual Financial Report (CAFR), Fiscal Year 2017-18

**MEETING DATE:** 04/02/2019

**SUBMITTED BY:** Nicholas Walker, Finance Director

**PURPOSE OF REPORT:** ☒ Information only ☐ Discussion ☐ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council, City of Lakeport Municipal Sewer District and the Lakeport Redevelopment Successor Agency is being asked to receive and file the City's CAFR for the fiscal year ended June 30, 2018.

### BACKGROUND/DISCUSSION:

Management is pleased to present the City's CAFR for the year ended June 30, 2018. This document is the official, audited financial report of the City and includes the audit report from the City's external, independent auditor, JJACPA. It was issued on March 15, 2019 and posted to the City's website.

The information presented throughout the year has not been materially revised in the CAFR, and the auditor recommended no significant changes to the City's financial report. A letter in this regard from the City's auditor to the City Council is attached.

### OPTIONS:

Receive and file the communication letter and CAFR for the fiscal year 2016-17.

### FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☐ Other:

Comments:

### SUGGESTED MOTIONS:

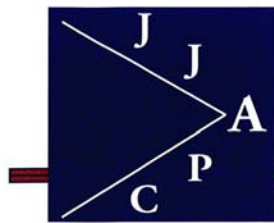
Move to accept the CAFR for the year ended June 30, 2018.

- ☒ **Attachments:**
1. Auditor Communications Letter to Those Charged with Governance
  2. Lakeport CAFR, 2017-18
  3. Lakeport Single Audit Report

**CITY OF LAKEPORT**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND  
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

**JUNE 30, 2018**

**JJACPA, Inc.**

A Professional Accounting Services Corp.

March 15, 2019

City Council  
City of Lakeport  
Lakeport, California

We have audited the basic financial statements of the City of Lakeport (City) as of and for the year, ended June 30, 2018, and have issued our report thereon dated March 15, 2019. 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 June 26, 2018, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity 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 entity'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.

**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, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity'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. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year ended June 30, 2018. 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 useful lives of capital assets ("useful lives") and pension plan liabilities.

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). Pension plan liabilities are valued based upon actuarial assumptions as developed by the City's Plan provider. These assumptions and estimates can result in material changes to liabilities and corresponding deferred inflows and outflows on a year to year basis. We evaluated the key factors and assumptions used to develop the useful lives and pension plan liabilities and determined that they are reasonable in relation to the basic financial statements taken as a whole according to industry standards.

### *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 commitments and contingencies.

## **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. Management has corrected all identified 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. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

To update pension disclosures for GASB 68 management made correcting entries of \$764,738 for deferred outflows of resources, \$295,570 for the pension expense adjustment, \$714,445 for the net pension obligation, and \$245,277 for the deferred inflows of resources.

To implement disclosures for GASB 75 management made correcting entries of \$82,899 for the OPEB expense adjustment, \$5,044,798 for the net OPEB obligation, and \$4,276,404 for a prior period adjustment.

## **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 March 15, 2019.

## **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 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 City, 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 entity's auditors.

## Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Very truly yours,

*Joseph J Arch, CPA*

JOSEPH J ARCH, CPA  
President/CEO  
JJACPA, INC





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LAKEPORT, CALIFORNIA

FISCAL YEAR ENDED JUNE 30, 2018



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Lakeport, California  
Fiscal Year Ended June 30, 2018

Prepared By  
Finance Department  
City of Lakeport





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City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018

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## Introductory Section



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**MEMORANDUM**

**DATE:** March 15, 2018

**TO:** Citizens of the City of Lakeport  
Honorable Mayor and Members of the City Council and City Manager

**FROM:** City Manager Margaret Silveira

**RE:** Presentation of the Comprehensive Annual Financial Report

---

California Government Code sections 25250 and 25253 require that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the City of Lakeport (City) for the fiscal year ended June 30, 2018, is hereby published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's basic financial statements have been audited by JJACPA, Inc., an accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The financial statements included in this report were audited in accordance with generally accepted auditing standards and government auditing standards. The independent auditors concluded that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City's basic financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

As the City did expend over \$750,000 of federal money during this reporting period, and will be required to conduct a broader, federally mandated CFR 200 Uniform Guidance "Single Audit" designed to meet the special needs of federal grantor agencies. This report will be provided by the independent auditor in a separate document.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.



This report combines the financial statements of the City, the Successor Agency to the Lakeport Redevelopment Agency (Successor Agency), and the City of Lakeport Municipal Sewer District (CLMSD) in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The financial operations of the Successor Agency and CLMSD, though legally separate from the City, are closely related to the City. The City Council members serve as the governing board of the CLMSD, which is presented as a blended component unit in the financial statements. Component units are legally separate entities for which the primary government is financially accountable. For a more detailed overview of the City's component units, see the Management Discussion and Analysis (MD&A) and the Notes to the Basic Financial.

### **Profile of the Government**

The City of Lakeport is a partial service city (as opposed to full service) in that it provides most typical municipal functions, including public safety (police), public works, community development and parks and recreation. In addition, the City provides water and wastewater services. It does not provide library or fire protection, as those are activities of the County of Lake and the Lakeport Fire Protection District, respectively.

It operates in a council-manager form of government, whereby the council serves as the legislative body and the City Manager its executive. The City Manager is responsible for directing and supervising the administration of all departments of the City, to ensure that laws, ordinances, orders, resolutions, contracts, leases, and franchises are enforced and executed, and for appointing all City employees.

The Lakeport City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Mayor Pro Tem are chosen by the Council through its own policy. The Mayor conducts the Council meetings and represents the City in ceremonial occasions.

The City Council serves as the policy board for the municipality. It provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, City Clerk, and all members of advisory boards and commissions.

Incorporated on April 30, 1888 as a general law city, Lakeport serves as the administrative seat for the County of Lake and with a residential population of 5,134<sup>1</sup> in a 2.4 square-mile area, Lakeport is graced with a strong business base and a well-established residential community.

Lakeport is a travel and recreation-oriented destination and fortunate to have a large area serving as a hub for recreational activities for Lake County. The Lakeport business environment is positive and well organized. Driven by an active chamber of commerce, local businesses are community-oriented and engaged in City-business partnerships, including Main Street renovations, façade improvements, events and promotions. The City's permanent retail trade area population is approximately 35,000 people with 45,000 within a 10-mile radius. Lakeport's historic downtown area is the center of commercial activity within the community. There are also commercial areas along Lakeport Boulevard, Parallel Drive, Eleventh Street, North High Street, and South Main Street.

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<sup>1</sup> 2018 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties and the State, January 1, 2018.

The annual budget provides a comprehensive statement of the City's organization, operations and resources and it expresses City Council and CLMSD Board policies and priorities in all areas of the City's operations. The budget process is the vehicle through which the City establishes goals and objectives, and prioritizes the desired programs or services that the City should provide, and which can be financed by the City's projected revenue for the budget year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). It is the means through which policy decisions are made, effected, controlled and monitored. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

In addition to the budget planning process, the City maintains budgetary controls. The City's objective in maintaining budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs subject to policy defined in the City's Administrative Regulations. The City Council may amend the budget by resolution during the fiscal year.

### **Citywide Achievements in FY 2017/18**

The biggest challenge for 2016-17 fiscal year were the winter storms of 2017. Fortunately, the California Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA), declared Lake County a disaster area, which provides reimbursement for over 90% of the storm expenses.

One of the city's biggest challenges for 2017-18 was paperwork for the recovery funds. Staff with a very special thanks to Doug Grider the city's public works director, for taking on this challenge. The flood event in January and February of 2017 resulted in damage throughout the City. Several projects in Library Park that became necessary after the winter floods of 2017 have been completed and more are underway. City staff are working on insurance claims and reimbursements allowed by FEMA. To date, the repair of street lights, replacement of bark in the play area, Third Street boat ramp, repair of lawn sprinklers and removal of debris have been completed. The fence will remain in place through the summer until the new seawall is built. The seawall project is ongoing as the City requested mitigation measures to change the design from cinderblocks to construction using sheet pile, a tongue-in-groove corrugated metal material that will last longer. The sheet pile will be two feet higher than the sidewalk with a cap to prevent waves from overtopping and rolling into the Park, which caused most of the destruction that occurred last year. The change has approved, environmental and other reviews will take place, with construction activity anticipated this fall. The total storm damage costs exceed \$2.5 million.

*Capital Projects:* The City has begun to make to much anticipated street improvements. In 17/18 Gieslman, portions of 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup>, Armstrong, Brush and Beach St. all received substantial upgrades. A new play structure was installed at Library Park. The purchase of a camera van will aid the City in the implementation of and I&I identification and reduction program.

*Public Safety Programs:* The Department worked to increase community awareness on a variety of issues including traffic safety, downtown foot patrol and, traffic enforcement in and around our schools.

*Economic Developments.* The City was awarded \$400,000 Community Development Block Grant (CDBG) funds for a business loan program and for implementing American's with Disabilities upgrades at Carnegie Library.

**Measure I:** Measure I, passed by a simple majority (50% plus 1) of Lakeport voters in November of 2004, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. Measure J, passed in conjunction with Measure I, was a distinctly separate, advisory measure indicating the voting public's preference for the use of Measure I proceeds.

Each year, the City Council appropriates resources in the amount of revenue expected from Measure I for projects, programs, and activities that are in the spirit of the measure. Below is a schedule of what those were and what resources were allocated to them.

Actual Revenue		2017-18			
Measure I: Transaction and Use Tax		\$680,789			
Fiscal Year 2017-18 Uses and Projects	Cost	General Fund Share	Other Financing Sources	Recommended Measure I Share	Total Funding
General road maintenance & rebuild	\$ 1,985,439	\$ 914,339	\$1,071,100	\$ 172,856	\$ 1,985,439
Parks, buildings and grounds	712,123	481,723	230,400	91,070	712,123
Westshore Pool	52,506	52,506	-	9,926	52,506
Public Safety - Police	2,182,528	2,152,528	30,000	406,936	2,182,528
	\$4,932,596	\$3,601,096	\$1,331,500	\$ 680,789	\$4,932,596

**Measure Z:** Measure Z, passed by a simple majority (50% plus 1) of Lakeport voters in November of 2017, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. The measure included a five-member oversight committee which meets quarterly.

	<b>2017-18 Budget</b>	<b>2017-18 Actual</b>
Measure I: Transaction and Use Tax	\$1,480,000	\$1,444,111
Net Decline in Other Tax and Other Revenue	(217,000)	(132,612)
Net Increase from Measure Z	\$1,263,000	\$1,311,499
Maintenance of Services:		
Roads and Public Works Salaries Reallocated to General Fund	90,000	89,465
12th Police Officer Position	50,000	-
Police Officer SRO Position	25,000	25,000
Police Salary Increases for Improved Retention	90,000	90,000
General Fund Employee and Operations Cost Increases	166,000	-
Measure Z Revenues Available for 17/18 Projects	\$842,000	\$1,107,034
<b>Fiscal Year 2017-18 Recommended Uses and Projects</b>	<b>Recommended Measure Z Share 2017-18 Budget</b>	<b>Recommended Measure Z Share 2017-18 Actual</b>
3 Police Vehicles	\$ 115,000	\$ 109,204
Dump Truck	110,000	154,144
Asphalt Roller	40,000	22,749
Kabota All Purpose Vehicle	30,000	25,047
Street Repair Material	105,000	78,890
Playground Structure	70,000	70,000
Upgraded Tables, Trash Receptacles at Library Park	20,000	17,402
City Hall Customer Service Upgrades	30,000	30,000
Increases to Police Operational Costs	94,000	90,000
Additional Public Works/ Roads Employee	30,000	30,000
Beach St. Overlay	8,000	8,000
Giselman Paving	130,000	116,558
Budgeted Surplus for Reserve	60,000	355,040
	<b>\$ 842,000</b>	<b>\$ 1,107,034</b>

## **Economic Condition and Fiscal Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of revenue, it is important to look at the economy in the context of people's wherewithal for producing general fund tax revenues.

Lake County's economy continues to slowly recover from the Great Recession of 2008-09. The recovery is evidenced by slight improvements in the unemployment rate, consumer spending (through sales tax analysis), building permits, and planning work.

The City's economic development efforts and implementation of revised financial policies are intended to help to promote Lakeport's long-term fiscal stability. This was a cornerstone in management's approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

According to the State of California; Employment Development Department; Historical Employment and Labor Force Data, during the fiscal year ended June 2018, the City saw the positive employment trends of the last four years continue. As reported by the State Employment Development Department, the local unemployment rate decreased by 0.5% to 5.1% at June 30, 2018, compared to 5.6% at June 30, 2017. This represents the lowest unemployment rate in the past ten years.

Sales and Use taxes, the City's largest sources of discretionary revenue saw substantial growth which is a result of a recovering economy. Future projections of anticipated growth are relatively flat in upcoming years.

Median home prices increased 15% to \$298,800 over June 2017 (according to the California Association of Realtors). Total property taxes increased slightly as the housing market continues to recover.

Overall revenue results for FY 2017/18 improved positively over the prior year. Several factors, including passage of Measure Z and collection of associated revenues, pension costs, energy market volatility and actions by the federal and state governments, continue to cause concern about the sustainability of a healthy local economy. The City, along with governments at all levels, remains under pressure to contain operating expenditures to ensure that such costs do not grow at a rate that exceeds revenue growth. A balanced budget in the short- and long-term can quickly become unbalanced if costs are not managed closely. Many of the current economic uncertainties however are offset by positive economic developments, leading to an overall outlook of cautious optimism.

Top Ten Revenues Compared			Percent
General Fund	FY 16-17	FY 16-17	Change
Sales and use tax - Measure Z	\$1,351,487	\$ 350,118	286.0%
Sales tax - Bradley-Burns	1,351,303	1,298,766	4.0%
Sales and use tax - Measure I	680,789	870,788	-21.8%
Property tax	478,094	392,400	21.8%
Property tax in lieu of VLF	412,059	398,294	3.5%
Franchise fees	256,370	254,483	0.7%
Building Permits	166,150	54,159	206.8%
Business Licence Tax	85,816	73,009	17.5%
Plan Review Fees	75,254	21,733	246.3%
Transient occupancy tax (TOT)	62,124	228,024	-72.8%
<b>Total</b>	<b>\$4,919,446</b>	<b>\$3,941,774</b>	<b>24.8%</b>

### **Long-term Financial Planning**

For the City, as with governmental jurisdictions throughout the nation, continuing fiscal challenges have required a redoubling of efforts to address current and future budget shortfalls while working to prioritize and maintain the level of services that the residents of Lakeport have come to expect. Traditional funding sources for parks, public safety, and community development are shrinking or have disappeared but with the passage of Measure Z, some of this pressure will ease. The immediate challenges continue to be the dissolution of the Redevelopment Agency by the State, major cuts in revenues distributed through Federal and State grant programs and increasing health and pension costs.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the third year in a row that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

Preparation of this comprehensive annual financial report could not have been accomplished on a timely basis without the support and cooperation of many members of the City of Lakeport's staff. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a timely basis. Appreciation is also expressed to the Mayor and the City Council for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

Respectively Submitted



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Margaret Silveria  
City Manager

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Certificate of Achievement for Excellence in Financial Reporting

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lakeport  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018

List of Officials

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CITY COUNCIL

LAKEPORT REDEVELOPMENT SUCCESSOR AGENCY BOARD OF  
 DIRECTORS CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT BOARD OF DIRECTORS

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Mireya Turner	Mayor
Tim Barnes	Mayor Pro Tem
Kenneth Parlet	Council Member
Stacey Mattina	Council Member
George Spurr	Council Member

MANAGEMENT TEAM

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Margaret Silveira	City Manager
David Ruderman	City Attorney
Brad Rasmussen	Chief of Police
Nicholas Walker	Finance Director
Kelly Buendia	City Clerk/Administrative Services Director
Doug Grider	Interim Public Works Director
Kevin Ingram	Community Development Director





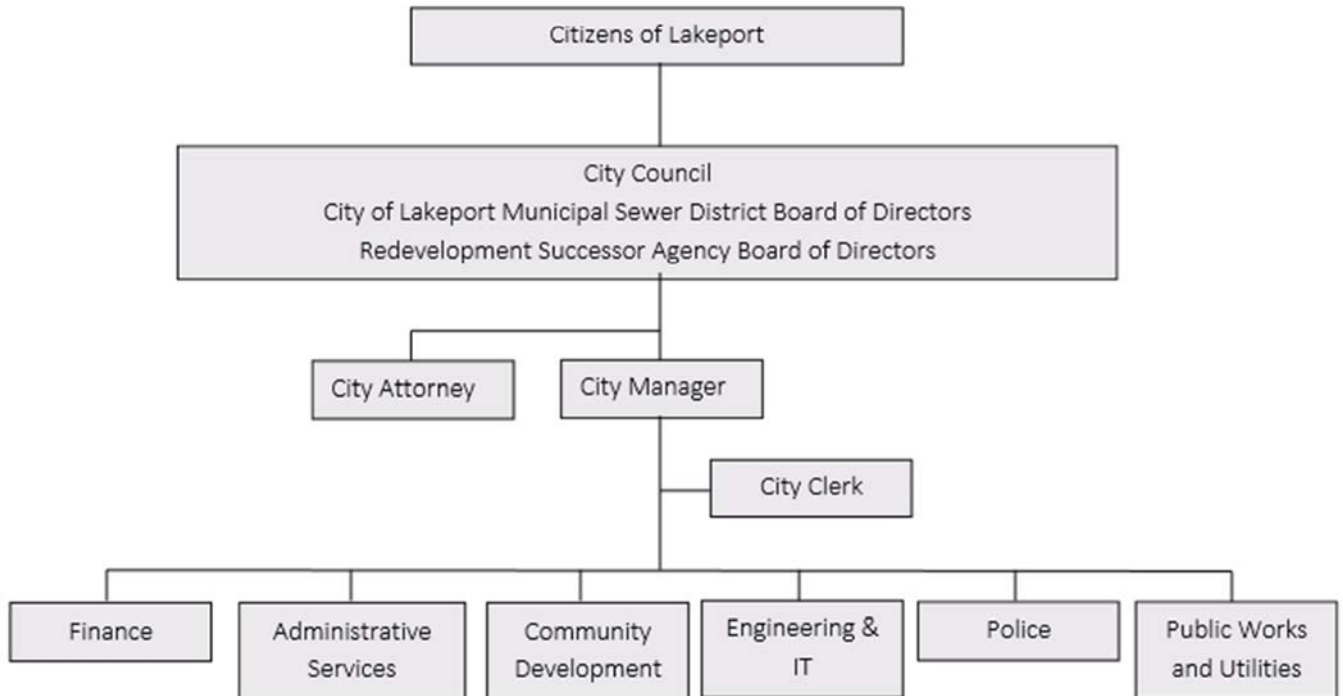
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City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

City Organizational Chart

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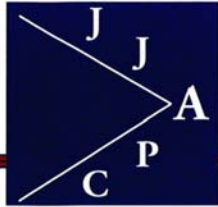
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## FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules



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**JJACPA, Inc.**

A Professional Accounting Services Corp.

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Lakeport  
Lakeport, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Lakeport, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and City Council  
The City of Lakeport  
Lakeport, California  
Page 2

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–19, the Schedule of Changes in the Net OPEB Liability and Ratios on page 104, The Net OPEB Liability Schedule of Contributions on page 105, the City's Schedules of Contributions, Pensions on pages 106, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 107, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the introductory section and statistical sections 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 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it

#### ***Implementation of New Accounting Standards***

As disclosed in the Note 1 to the financial statements, the City implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," during the fiscal year 2018. Our opinion is not modified with respect to this matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

March 15, 2019

*JJACPA, Inc.*  
JJACPA, Inc.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis

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This section provides a narrative overview and analysis of the financial activities of the City of Lakeport (City) for the fiscal year ended June 30, 2018. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's Net Position decreased \$21.21 million to \$21.17 million. This is a slight decrease year over year, several factors are notable and are discussed in more detail subsequently in the analysis.
- At the close of the most recent fiscal year the City's governmental funds reported combined fund balances of \$9.2 million, a increase of \$1.2 million in comparison with the prior fiscal year. Approximately 1% of combined fund balance at June 30, 2018, (\$68 thousand) is available for spending at the government's discretion (*unassigned fund balance*). The balance of the General Fund increased \$3.2 million to \$3.9 million.
- The Budget vs. Actual variance for the General Fund was \$926 thousand.
- The Water Enterprise Net Position increased \$588 thousand and the Sewer Enterprise Net Position increased \$1.1 million.

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information.
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net position and the Statement of Activities. The Statement of Net position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works and administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the City's enterprise activities are reported here, including Water, Sewer, and the C.V. Starr Center. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2018, the City's major funds are as follows:

Governmental Funds:

- ◆ General Fund
- ◆ HOME Program Income Special Revenue
- ◆ 2012 HOME Grant Special Revenue
- ◆ General Capital Projects

For the fiscal year ended June 30, 2018, the City adopted annual appropriated budgets for all funds. Budgetary comparison schedules have been provided for the general fund and major governmental funds to demonstrate compliance with this budget and may be found on pages 38-39.

**Proprietary funds.** The City maintains Enterprise-type and Internal Service proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Sewer, and C.V. Starr Center activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building maintenance, information technology assets, and its fleet of vehicles.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

Proprietary Funds:

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 52–102 of this report. Required Supplementary Information follows the notes on page 102.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 112-148 of this report.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 exceeded liabilities by \$21,171,401 as of June 30, 2018. The following table represents a comparative analysis of the net assets of governmental and business-type activities as of June 30, 2018 and June 30, 2017.

Summary of Net Position

	2018			2017		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 10,096,238	\$ 6,556,549	\$ 16,652,787	\$ 8,119,922	\$ 1,529,802	\$ 9,649,724
Noncurrent assets	12,296,899	23,672,734	35,969,633	12,023,523	24,043,632	36,067,155
Total assets	22,393,137	30,229,283	52,622,420	20,143,445	25,573,434	45,716,879
Deferred outflows of resources	1,845,249	805,327	2,650,576	1,371,111	514,727	1,885,838
Total assets and deferred outflows of resources	24,238,386	31,034,610	55,272,996	21,514,556	26,088,161	47,602,717
Current and other liabilities	1,166,824	1,170,609	2,337,433	986,080	967,199	1,953,279
Long-term liabilities	10,106,188	19,070,269	29,176,457	6,856,120	14,752,791	21,608,911
Total liabilities	11,273,012	20,240,878	31,513,890	7,842,200	15,719,990	23,562,190
Deferred inflows of resources	1,700,773	886,932	2,587,705	1,852,845	980,137	2,832,982
Total liabilities and deferred inflows of resources	12,973,785	21,127,810	34,101,595	9,695,045	16,700,127	26,395,172
Net position:						
Net investment in						
Capital Assets	12,296,899	9,185,934	21,482,833	12,023,523	10,502,579	22,526,102
Restricted	844,500	784,742	1,629,242	1,034,137	500,441	1,534,578
Unrestricted (deficit)	(1,876,798)	(63,876)	(1,940,674)	(1,238,149)	(1,614,986)	(2,853,135)
Total net position	\$ 11,264,601	\$ 9,906,800	\$ 21,171,401	\$ 11,819,511	\$ 9,388,034	\$ 21,207,545

Overall, total Net Position decrease by approximately \$36 thousand. The city significantly improved its cash position. Primarily caused by the collection of bond proceeds and the collection of insurance proceeds for a large claim on damages caused by the 2017 Winter Storms. This was offset by long term debt as a result of the bond proceeds and the restatement of the City's OPEB liability in accordance with GASB 75.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

A large portion (140%) of the City of Lakeport's net assets reflect its investment in capital assets (e.g., land, easements, buildings, machinery, and infrastructure); less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City of Lakeport's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted Net Position increased \$912 thousand over the previous year. The increase in unrestricted Net Position is primarily due to the receipt of insurance proceeds received from a claim for damages caused by the 2017 Winter Storms federally declared disaster.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2018, and 2017, follows:

	2018			2017		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 126,097	\$ 5,387,698	\$ 5,513,795	\$ 88,290	\$ 4,886,037	\$ 4,974,327
Grants and contributions:						
Operating	285,277	-	285,277	321,134	-	321,134
Capital	784,112	-	784,112	599,485	1,096,530	1,696,015
General revenues:						
Sales taxes	3,383,579	-	3,383,579	2,519,672	-	2,519,672
Property taxes	931,679	316,863	1,248,542	918,053	414,720	1,332,773
Transient and other taxes	62,124	-	62,124	228,024	-	228,024
Licenses and franchises	652,736	-	652,736	399,868	-	399,868
Fines, forfeitures and penalties	22,824	-	22,824	18,604	-	18,604
Use of money and property	53,819	48,773	102,592	145,829	49,885	195,714
Other revenues	1,807,367	-	1,807,367	146,315	-	146,315
Pension credit	-	-	-	819,889	-	819,889
Total revenues	8,109,614	5,753,334	13,862,948	6,205,163	6,447,172	12,652,335
Expenses:						
Governmental activities:						
General government	873,488	-	873,488	969,261	-	969,261
Community development	313,505	-	313,505	409,727	-	409,727
Roads and infrastructure	1,374,901	-	1,374,901	906,019	-	906,019
Housing and support programs	500,861	-	500,861	21,493	-	21,493
Economic development	113,257	-	113,257	137,348	-	137,348
Public safety	1,917,400	-	1,917,400	1,986,385	-	1,986,385
Parks, buildings, and grounds	403,719	-	403,719	433,308	-	433,308
Interest and fiscal charges	93,234	-	93,234	78,282	-	78,282
Business-type activities:	-	-	-	-	-	-
Water	-	1,792,625	1,792,625	-	1,247,036	1,247,036
Sewer	-	2,239,698	2,239,698	-	2,737,186	2,737,186
Total expenses	5,590,365	4,032,323	9,622,688	4,941,823	3,984,222	8,926,045
Excess (Deficiency) of revenues over expenditures before transfers	2,519,249	1,721,011	4,240,260	1,263,340	2,462,950	3,726,290
Payments to PERS side fund	-	-	-	-	-	-
Transfers	-	-	-	15,000	(15,000)	-
Transfer to successor agency	-	-	-	177,993	-	177,993
Change in net position	2,519,249	1,721,011	4,240,260	1,456,333	2,447,950	3,904,283
Net position:						
Beginning of year	11,819,511	9,388,034	21,207,545	10,363,178	6,940,084	17,303,262
Adjustments	(3,074,159)	(1,202,245)	(4,276,404)	-	-	-
Beginning, as adjusted	8,745,352	8,185,789	16,931,141	10,363,178	6,940,084	17,303,262
End of year	\$ 11,264,601	\$ 9,906,800	\$ 21,171,401	\$ 11,819,511	\$ 9,388,034	\$ 21,207,545

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$13,862,948 for the fiscal year ended June 30, 2018, which represents a 9% increase over the previous fiscal year. Significant revenues for the City for fiscal year 2017/2018 were derived from charges for services (39%) grants and contributions (8%), sales and use tax (24%), transient occupancy tax (1%) and property tax (9%).

Following is a discussion of variances in key revenues from the prior fiscal year:

1. **Charges for Services.** Charges for Services increased approximately \$540k which is a considered a significant but sustainable increase at it entirely consisted of increased usage of water, sewer and solid waste.
2. **Grants and Contributions.** Annual receipts decreased approximately \$948k as the City received a large USDA grant in the prior year.
3. **Sales and Use Tax.** Sales and use taxes increased by \$864k primarily due to revenues earned on the newly enacted Measure Z sales and use tax and a slight increase due to the still slowly recovering consumer market.
4. **Transient Occupancy Tax.** Annual receipts decreased by \$166k largely due to a one-time collection of delinquent Transient Occupancy Tax in the prior year.
5. **Property Tax.** Property taxes increased by \$84k due to continued recovery of the local housing market.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$9,622,688 which represents a 8% increase over the previous fiscal year. Governmental activity expenses totaled \$5,590,365 or 58% of total expenses. Public safety costs represented (34%) of total governmental activities expenses, followed by general government (16%) and public works (32%). Business-type activities incurred \$4,032,323 of expenses during the fiscal year or 42% of the total City expenses.

Following is a discussion of significant variances in key expense categories from the prior fiscal year:

1. **General Government.** Year over Year general government expenses decrease \$51k or 5% as a result of conservative budgeting and spending.
2. **Public Safety.** Expenses decreased \$69k or 3% as a result of the departments inability to fill position openings
3. **Public Works.** Expenses increased \$439k or 32% as a result of increased street repair and improvement projects to achieve the community goal of improving the City's streets and roads.
4. **Water Enterprise.** Expenses decreased \$189k or 9%. The decrease is the result of conservative budgeting and spending.
5. **Sewer Enterprise.** Expenses decreased \$313k or 12%. The decrease is the result of conservative budgeting and spending.

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2018, and 2017, are as follows:

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 873,488	\$ 736,487	\$ 969,261	\$ 869,103
Community development	313,505	223,426	409,727	(42,294)
Roads and infrastructure	1,374,901	441,787	906,019	671,784
Housing and support programs	500,861	500,861	21,493	21,493
Economic development	113,257	113,257	137,348	137,348
Public safety	1,917,400	1,882,108	1,986,385	1,763,890
Parks, buildings, and grounds	403,719	403,719	433,308	433,308
Interest and fiscal charges	93,234	93,234	78,282	78,282
Total	<u>\$ 5,590,365</u>	<u>\$ 4,394,879</u>	<u>\$ 4,941,823</u>	<u>\$ 3,932,914</u>



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

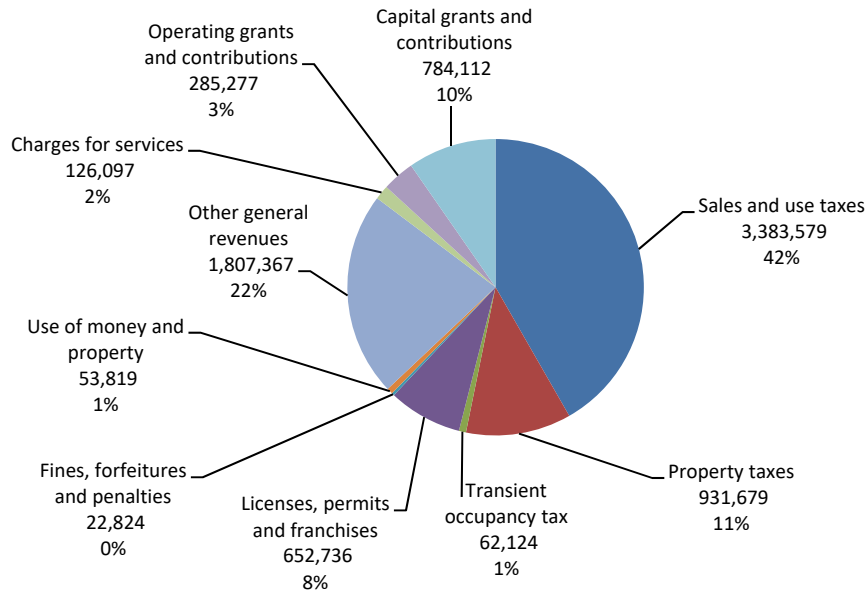
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

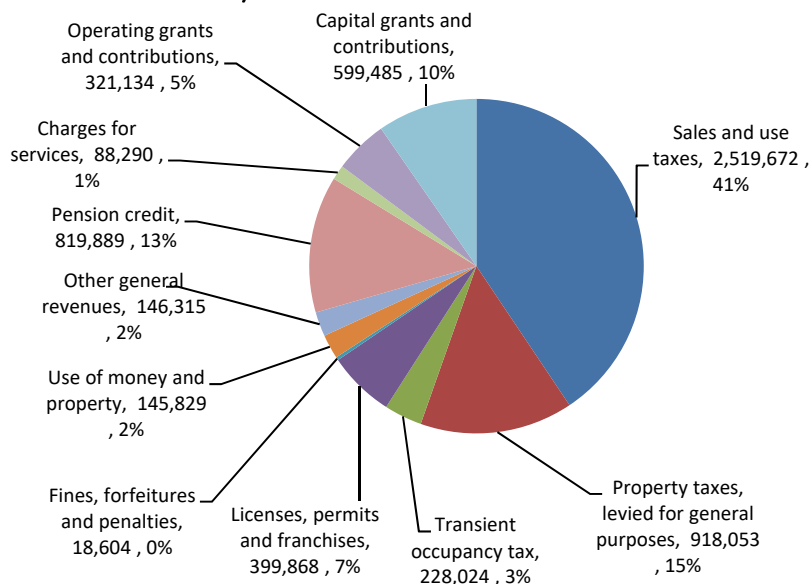
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2018, and 2017, are as follows:

Revenues by Source - Governmental Activities 2018



Revenues by Source - Governmental Activities 2017



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

**Business-type Activities**

Business-type activities have increased the City's net position by \$1,721,011. The City has two business-type activities: Water and Sewer.

The Water enterprise increased 36% to \$2.1 million; the Sewer Enterprise Net Position increased 17% from \$6.7 million to \$7.8 million.

Water operating revenues exceeded operating expenses by \$732,935, primarily due to increased use of water by consumers and a conservative approach to budgeting and spending which was successfully implemented.

Sewer operating revenues exceeded operating expenses by \$457,942 again primarily due to increased use of water by consumers and a conservative approach to budgeting and spending which was successfully implemented.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

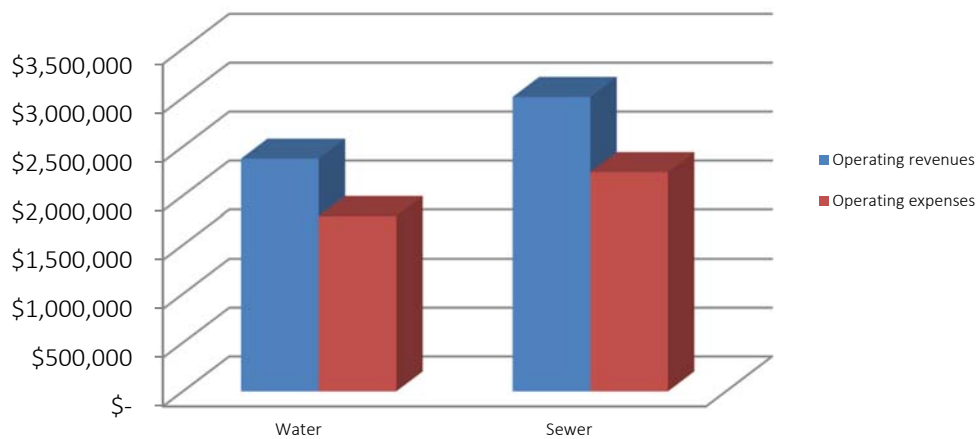
Management's Discussion and Analysis, Continued

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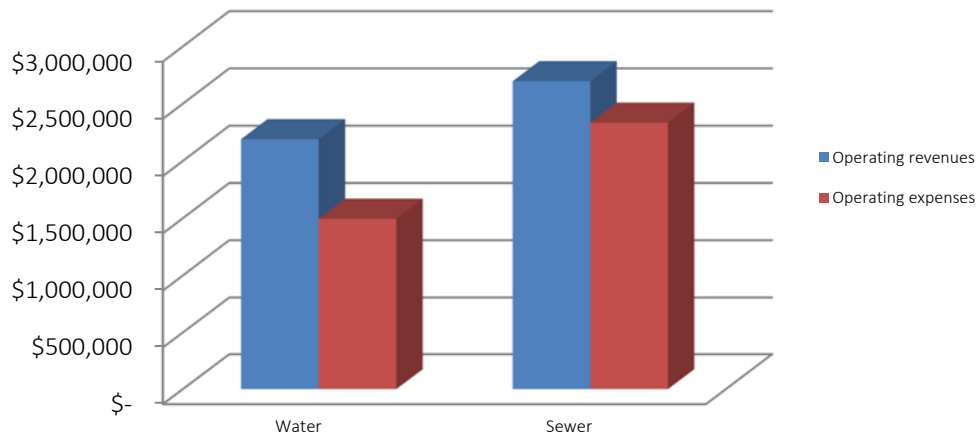
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

Operating Revenues and Expenses  
Business-type Activities  
2018



Operating Revenues and Expenses  
Business-type Activities  
2017



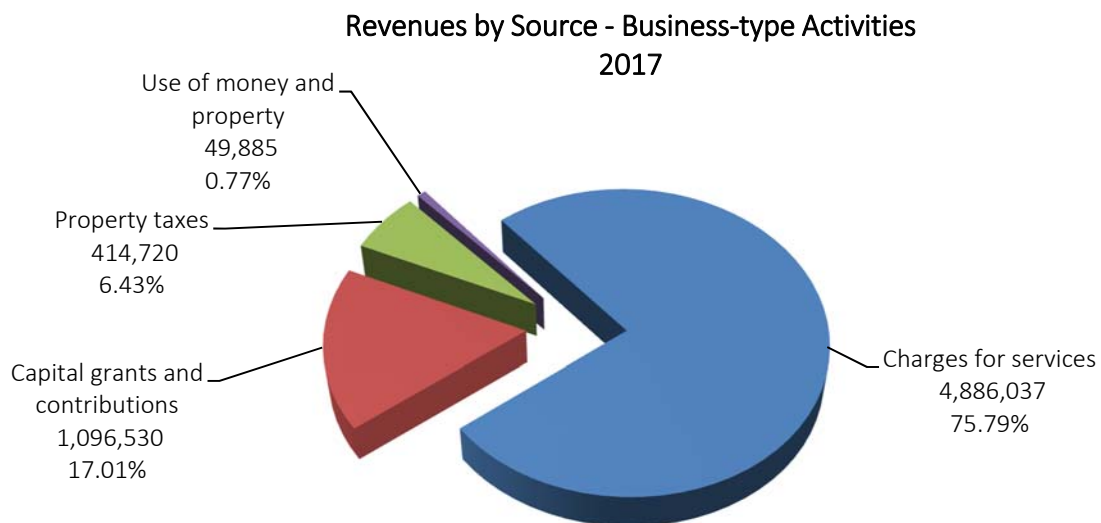
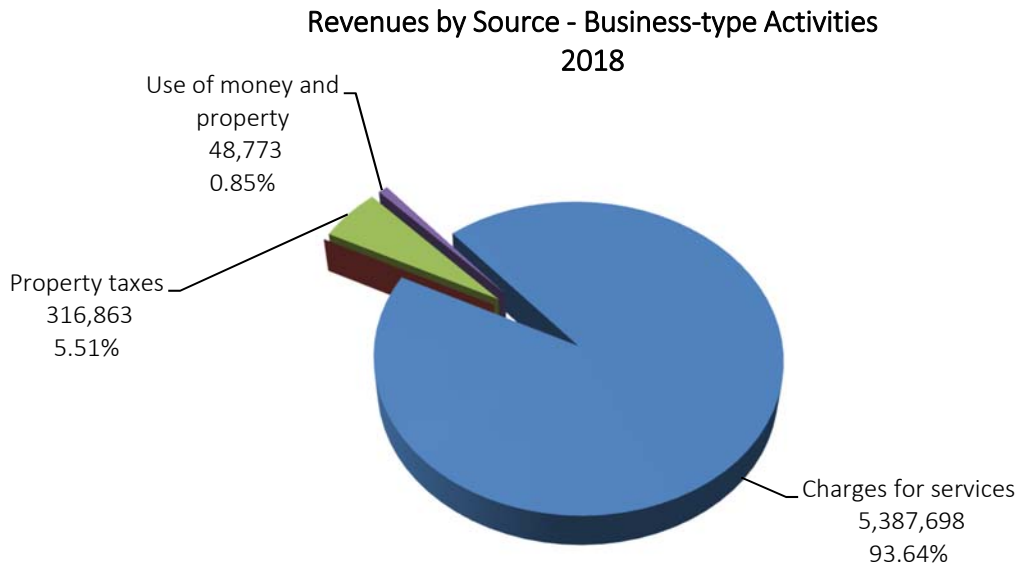
City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2018, and 2017, are as follows:



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Lakeport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

**Governmental funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2018, the City's governmental funds reported combined fund balances of \$9,174,656. This is a decrease of \$547k from last year.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2018, General Fund unassigned fund balance totaled \$341,065. Total governmental fund balance increased \$1.8 million from the prior year. The increase results from insurance proceeds received on a claim filed for damages incurred during the 2017 Winter Storms flood event which was declared a federal disaster.

HOME Program Income Special Revenue was closed in the fiscal year ended June 30, 2018.

2012 HOME Grant Special Revenue fund balance remained increased \$1.4 as the notes receivable were moved into this fund for consistency of reporting.

General Capital Projects saw a \$6k and was closed in the fiscal year ended June 30, 2018.

**Proprietary funds.** Further detail on the change in net position may be found in the section titled **Business-type Activities** on page 14.

**Budgetary Highlights**

**General Fund**

The difference between the final budget and actual revenues differs favorably by \$924,686. Expenditures were held below budget by \$1 million with savings across nearly all categories. Most notably public works and public safety. The savings for public safety were primarily the result of the departments inability to fill open positions. The savings for public works was a result of capital projects that were not completed as anticipated.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2016
Land	\$ 1,652,983	\$ 1,652,983	\$ 2,475,403	\$ 2,475,403	\$ 4,128,386	\$ 4,128,386
Construction in progress	369,052	2,604,844	568,217	8,770,982	937,269	11,375,826
Buildings and improvements	3,913,444	3,749,862	8,963,637	1,099,188	12,877,081	4,849,050
Improvements	5,909,935	3,857,297	10,927,915	10,866,162	16,837,850	14,723,459
Vehicles and equipment	451,485	158,537	737,562	831,897	1,189,047	990,434
Total	<u>\$ 12,296,899</u>	<u>\$ 12,023,523</u>	<u>\$ 23,672,734</u>	<u>\$ 24,043,632</u>	<u>\$ 35,969,633</u>	<u>\$ 36,067,155</u>

There were no significant changes in Capital Assets. More detail of the capital assets and current activity can be found in the notes to the financial statements on Page 58 for significant accounting policies and Note 7 on Page 72 for other capital asset information.

Debt Administration

For the year ended June 30, 2018, the City issued \$3.4 million in bonds to fund Wastewater System Improvements through a USDA bong/grant program. The City also refinanced 2007 Wastewater Revenue bonds in the amount of \$2.7 million. The bonds are discussed further in Note 8.

Economic Outlook

At the time of budget preparation for FY 2018/19, the economic outlook for the City continued to be stable. The General Fund Budget for FY 2018/19 of approximately \$6 million was adopted in June of 2018. Particularly positive revenue categories are charges for services and sales and use tax which have shown slow but steady growth over the past three years.

The FY 2018/19 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2018/19 Adopted Budget anticipates modest increases in most revenues.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018

Management's Discussion and Analysis, Continued

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GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Additional information may be found on our website at [www.cityoflakeport.com](http://www.cityoflakeport.com). Below is the contact address for questions about the report or requests for additional financial information.

City of Lakeport  
Finance Department  
225 Park Street  
Lakeport, CA 95453



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## Government-Wide Financial Statements

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all City Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all of its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all of its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the City of Lakeport Municipal Sewer District, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for their activities.

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City of Lakeport, California  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,032,503	\$ 4,974,936	\$ 11,007,439
Restricted cash and investments	198,101	490,268	688,369
Receivables:			
Accounts	1,242,356	874,522	2,116,878
Loans/Notes receivable	2,623,278	136,228	2,759,506
Prepaid items and inventory	-	80,595	80,595
Internal balances	-	-	-
<b>Total current assets</b>	<b>10,096,238</b>	<b>6,556,549</b>	<b>16,652,787</b>
Capital assets:			
Nondepreciable	4,257,827	3,043,619	7,301,446
Depreciable	8,039,072	20,629,115	28,668,187
<b>Total noncurrent assets</b>	<b>12,296,899</b>	<b>23,672,734</b>	<b>35,969,633</b>
<b>Total assets</b>	<b>22,393,137</b>	<b>30,229,283</b>	<b>52,622,420</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	1,845,249	805,327	2,650,576
<b>Total deferred outflows of resources</b>	<b>1,845,249</b>	<b>805,327</b>	<b>2,650,576</b>
<b>Total assets and deferred outflows</b>	<b>\$ 24,238,386</b>	<b>\$ 31,034,610</b>	<b>\$ 55,272,996</b>
<b>LIABILITIES</b>			
Accounts payable	570,156	262,131	832,287
Accrued payroll liabilities	328,967	14,185	343,152
Other liabilities	-	109,967	109,967
Deposits payable	-	67,838	67,838
Compensated absences - current portion	95,706	58,282	153,988
Due within one year	171,995	658,206	830,201
<b>Total current liabilities</b>	<b>1,166,824</b>	<b>1,170,609</b>	<b>2,337,433</b>
Long-term liabilities:			
Compensated absences	138,023	97,332	235,355
Due after one year	2,458,770	14,779,826	17,238,596
Net OPEB obligation	3,636,650	1,408,148	5,044,798
Net pension liability	3,872,745	2,784,963	6,657,708
<b>Total noncurrent liabilities</b>	<b>10,106,188</b>	<b>19,070,269</b>	<b>29,176,457</b>
<b>Total liabilities</b>	<b>11,273,012</b>	<b>20,240,878</b>	<b>31,513,890</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - Business license tax	22,459	-	22,459
Pension Plan	1,678,314	886,932	2,565,246
<b>Total deferred inflows of resources</b>	<b>1,700,773</b>	<b>886,932</b>	<b>2,587,705</b>
<b>NET POSITION</b>			
Net investment in capital assets	12,296,899	9,185,934	21,482,833
Restricted for:			
Law enforcement	200,707	-	200,707
Housing programs	198,101	-	198,101
Transportation infrastructure	445,692	-	445,692
Debt service	-	373,231	373,231
Assessment district	-	316,610	316,610
Depreciation reserve	-	94,901	94,901
Unrestricted (deficit)	(1,876,798)	(63,876)	(1,940,674)
<b>Total net position</b>	<b>11,264,601</b>	<b>9,906,800</b>	<b>21,171,401</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 24,238,386</b>	<b>\$ 31,034,610</b>	<b>\$ 55,272,996</b>

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

City of Lakeport, California  
Statement of Activities  
For the year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 873,488	\$ -	\$ 137,001	\$ -
Community development	313,505	48,748	-	41,331
Roads and infrastructure	1,374,901	76,479	113,854	742,781
Housing and support programs	500,861	-	-	-
Economic development	113,257	-	-	-
Public safety	1,917,400	870	34,422	-
Parks, buildings and grounds	403,719	-	-	-
Interest and fiscal charges	93,234	-	-	-
Total governmental activities	5,590,365	126,097	285,277	784,112
Business-type activities:				
Water	1,792,625	2,378,581	-	-
Sewer	2,239,698	3,009,117	-	-
Total business-type activities	4,032,323	5,387,698	-	-
<b>Total primary government</b>	<b>\$ 9,622,688</b>	<b>\$ 5,513,795</b>	<b>\$ 285,277</b>	<b>\$ 784,112</b>

General revenues:

Taxes:

Sales and use taxes

Property taxes, levied for general purposes

Transient occupancy tax, levied for general purposes

Licenses, permits and franchises

Fines, forfeitures and penalties

Use of money and property

Other general revenues

Total general revenues

Change in net position

Net position:

Beginning of year

Adjustments

Beginning, as adjusted

End of year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (736,487)	\$ -	\$ (736,487)
(223,426)	-	(223,426)
(441,787)	-	(441,787)
(500,861)	-	(500,861)
(113,257)	-	(113,257)
(1,882,108)	-	(1,882,108)
(403,719)	-	(403,719)
(93,234)	-	(93,234)
(4,394,879)	-	(4,394,879)
-	585,956	585,956
-	769,419	769,419
-	1,355,375	1,355,375
(4,394,879)	1,355,375	(3,039,504)
3,383,579	-	3,383,579
931,679	316,863	1,248,542
62,124	-	62,124
652,736	-	652,736
22,824	-	22,824
53,819	48,773	102,592
1,807,367	-	1,807,367
6,914,128	365,636	7,279,764
2,519,249	1,721,011	4,240,260
11,819,511	9,388,034	21,207,545
(3,074,159)	(1,202,245)	(4,276,404)
8,745,352	8,185,789	16,931,141
\$ 11,264,601	\$ 9,906,800	\$ 21,171,401

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**ATTACHMENT 2**  
**FUND FINANCIAL STATEMENTS**  
**MAJOR FUNDS**

Fund	Description
General Fund	The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The major revenue sources for this fund are property taxes, sales taxes, franchise fees, business licenses, unrestricted revenues from the state, fines and forfeitures, and interest income. Expenditures are made for community development, public safety, public works, and other services.
HOME Program Income Special Revenue Fund	Fund to track all home loans made by the City using HOME 2007 and 2009 grant awards. Income received in this fund consists of principal and interest payments made by borrowers.
2012 HOME Grant Special Revenue Fund	Fund to track all home loans made and related activities by the City using HOME 2012 grant proceeds. Income received in this fund consists of principal and interest payments made by borrowers.
General Capital Projects Fund	This fund is used to track specific capital projects funded from various other governmental and fiduciary funds. Most notably this fund is used to account for the Downtown Main Street revitalization project.

City of Lakeport, California  
Balance Sheet  
Governmental Funds  
June 30, 2018

	Major Funds		
	General Fund	HOME Program Income Special Revenue	2012 HOME Grant Special Revenue
<b>ASSETS</b>			
Cash and investments	\$ 3,306,986	\$ -	\$ -
Restricted cash and investments	-	-	198,101
Receivables:			
Taxes	682,062	-	-
Interest	-	-	-
Intergovernmental	97,300	-	-
Loans/Notes receivable	-	-	1,386,378
Other receivable	225,470	-	-
Due from other funds	146,553	-	-
Advances to other funds	289,481	-	-
<b>Total assets</b>	<b>\$ 4,747,852</b>	<b>\$ -</b>	<b>\$ 1,584,479</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 445,038	\$ -	\$ -
Accrued payroll liabilities	328,967	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>774,005</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue - Business license taxes	22,459	-	-
<b>Total deferred inflows of resources:</b>	<b>22,459</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and deferred inflows</b>	<b>796,464</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>			
Nonspendable			
Advances to other funds	289,481	-	-
Restricted			
Loans/Notes receivable	-	-	1,386,378
Law enforcement	10,387	-	-
Housing programs	-	-	198,101
Transportation infrastructure	-	-	-
Assigned			
Capital projects	2,000,000	-	-
General reserves	1,199,455	-	-
Subsequent year's budget: appropriation of fund balance	-	-	-
Housing and community programs	-	-	-
Debt service reserve	111,000	-	-
Unassigned (deficit)	341,065	-	-
<b>Total fund balances</b>	<b>3,951,388</b>	<b>-</b>	<b>1,584,479</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 4,747,852</b>	<b>\$ -</b>	<b>\$ 1,584,479</b>

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



General Capital Projects	Nonmajor Governmental Funds	Totals
\$ -	\$ 2,725,517	\$ 6,032,503
-	-	198,101
-	-	682,062
-	-	-
-	237,524	334,824
-	1,236,900	2,623,278
-	-	225,470
-	-	146,553
-	-	289,481
\$ -	\$ 4,199,941	\$ 10,532,272
\$ -	\$ 125,118	\$ 570,156
-	-	328,967
-	289,481	289,481
-	561,152	1,335,157
-	-	22,459
-	-	22,459
-	561,152	1,357,616
-	-	289,481
-	1,236,900	2,623,278
-	190,320	200,707
-	-	198,101
-	445,692	445,692
-	2,004,908	4,004,908
-	-	1,199,455
-	-	-
-	33,589	33,589
-	-	111,000
-	(272,620)	68,445
-	3,638,789	9,174,656
\$ -	\$ 4,199,941	\$ 10,532,272

City of Lakeport, California  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2018

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Total fund balances - total governmental funds		\$ 9,174,656
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		12,296,899
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$ (233,729)	
Pension obligation bonds	(2,630,765)	
Net OPEB obligation	(3,636,650)	
Net pension liability	<u>(3,872,745)</u>	(10,373,889)

Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities

Deferred outflows - pensions	1,845,249	
Deferred outflows - OPEB	-	
Deferred inflows - pensions	<u>(1,678,314)</u>	166,935

**Net Position of governmental activities**

<u>\$ 11,264,601</u>
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The accompanying notes are an integral part of these basic financial statements.

## City of Lakeport, California

## Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

## Governmental Activities

June 30, 2018

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 6,032,503	\$ -	\$ -	\$ -	\$ 6,032,503
Restricted cash and investments	198,101	-	-	-	198,101
Receivables:					
Taxes	682,062	-	-	-	682,062
Interest	-	-	-	-	-
Intergovernmental	334,824	-	-	-	334,824
Loans/Notes receivable	2,623,278	-	-	-	2,623,278
Other receivable	225,470	-	-	-	225,470
Due from other funds	146,553	(146,553)	-	-	-
Advances to other funds	289,481	(289,481)	-	-	-
Internal balances	-	-	-	-	-
<b>Total current assets</b>	<b>10,532,272</b>	<b>(436,034)</b>	<b>-</b>	<b>-</b>	<b>10,096,238</b>
<b>Noncurrent assets:</b>					
Capital assets, net	-	-	12,296,899	-	12,296,899
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>12,296,899</b>	<b>-</b>	<b>12,296,899</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan	-	-	1,845,249	-	1,845,249
OPEB	-	-	0	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 10,532,272</b>	<b>\$ (436,034)</b>	<b>\$ 14,142,148</b>	<b>\$ -</b>	<b>\$ 24,238,386</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 570,156	\$ -	\$ -	\$ -	\$ 570,156
Accrued payroll liabilities	328,967	-	-	-	328,967
Due to other funds	146,553	(146,553)	-	-	-
Advances from other funds	289,481	(289,481)	-	-	-
Compensated absences - current portion	-	-	95,706	-	95,706
Due within one year	-	-	171,995	-	171,995
<b>Total current liabilities</b>	<b>1,335,157</b>	<b>(436,034)</b>	<b>267,701</b>	<b>-</b>	<b>1,166,824</b>
<b>Noncurrent liabilities:</b>					
Long-term liabilities:					
Compensated absences	-	-	138,023	-	138,023
Due after one year	-	-	2,458,770	-	2,458,770
Net OPEB obligation	-	-	3,636,650	-	3,636,650
Net pension liability	-	-	3,872,745	-	3,872,745
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>10,106,188</b>	<b>-</b>	<b>10,106,188</b>
<b>Total liabilities</b>	<b>1,335,157</b>	<b>(436,034)</b>	<b>10,373,889</b>	<b>-</b>	<b>11,273,012</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	22,459	-	-	-	22,459
Pension Plan	-	-	1,678,314	-	1,678,314
<b>Total liabilities and deferred inflows:</b>	<b>1,357,616</b>	<b>(436,034)</b>	<b>12,052,203</b>	<b>-</b>	<b>12,973,785</b>
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	2,912,759	(2,912,759)	-	-	-
Restricted	844,500	(844,500)	-	-	-
Committed	-	-	-	-	-
Assigned	5,348,952	(5,348,952)	-	-	-
Unassigned (deficit)	68,445	(68,445)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	12,296,899	-	12,296,899
Restricted	-	-	844,500	-	844,500
Unrestricted	-	9,174,656	(11,051,454)	-	(1,876,798)
<b>Total fund balances/net position</b>	<b>9,174,656</b>	<b>-</b>	<b>2,089,945</b>	<b>-</b>	<b>11,264,601</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 10,532,272</b>	<b>\$ (436,034)</b>	<b>\$ 14,142,148</b>	<b>\$ -</b>	<b>\$ 24,238,386</b>

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

## City of Lakeport, California

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

For the year ended June 30, 2018

	Major Funds			
	General Fund	HOME Program Income Special Revenue	2012 HOME Grant Special Revenue	General Capital Projects
<b>REVENUES:</b>				
Taxes:				
Sales	\$ 3,383,579	\$ -	\$ -	\$ -
Property	931,679	-	-	-
Transient occupancy	62,124	-	-	-
Business license	85,817	-	-	-
Licenses, permits and franchises	566,919	-	-	-
Fines, forfeitures and penalties	22,824	-	-	-
Intergovernmental	137,001	-	-	-
Use of money and property	45,170	-	1,996	-
Charges for services	126,097	-	-	-
Other revenues	112,490	1,036	-	-
<b>Total revenues</b>	<b>5,473,700</b>	<b>1,036</b>	<b>1,996</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Council	72,860	-	-	-
Administration	267,344	-	-	-
Attorney	47,751	-	-	-
Finance and information technology	238,942	-	-	-
Non-departmental	274,530	-	-	-
Community development:				
Planning	166,113	-	-	-
Building	147,392	-	-	-
Roads and infrastructure:				
Public works	904,995	-	-	-
Engineering	144,197	-	-	-
Housing and support programs	-	118,046	-	-
Economic development	61,045	-	-	-
Public safety	1,827,644	-	-	-
Parks, buildings and grounds	322,722	-	-	-
Capital outlay	58,047	-	-	-
Debt service:				
Principal	170,991	-	99	-
Interest and fiscal charges	93,249	-	-	-
<b>Total expenditures</b>	<b>4,797,822</b>	<b>118,046</b>	<b>99</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>675,878</b>	<b>(117,010)</b>	<b>1,897</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	(4,390)	-	(13,766)	-
Transfers in	35,503	-	1,412,005	-
Transfers out	-	(1,333,895)	-	(6,000)
<b>Total other financing sources (uses)</b>	<b>31,113</b>	<b>(1,333,895)</b>	<b>1,398,239</b>	<b>(6,000)</b>
<b>Net change in fund balances</b>	<b>706,991</b>	<b>(1,450,905)</b>	<b>1,400,136</b>	<b>(6,000)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	3,244,397	1,450,905	184,343	6,000
End of year	\$ 3,951,388	\$ -	\$ 1,584,479	\$ -

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

Other Governmental Funds		Totals	
\$	-	\$	3,383,579
	-		931,679
	-		62,124
	-		85,817
	-		566,919
	-		22,824
932,388		1,069,389	
6,653		53,819	
-		126,097	
1,693,841		1,807,367	
2,632,882		8,109,614	
	-		72,860
	-		267,344
	-		47,751
	-		238,942
	-		274,530
	-		166,113
	-		147,392
591,425		1,496,420	
-		144,197	
37,756		155,802	
52,212		113,257	
16,831		1,844,475	
-		322,722	
296,038		354,085	
		171,090	
		93,249	
994,262		5,910,229	
1,638,620		2,199,385	
(326,903)		(345,059)	
1,317,454		2,764,962	
(1,425,067)		(2,764,962)	
(434,516)		(345,059)	
1,204,104		1,854,326	
2,434,685		7,320,330	
\$ 3,638,789		\$ 9,174,656	

## City of Lakeport, California

## Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2018

Functions/Programs	Compensated			Capital		Loss		Government-
	Fund Based	Absences/	Depreciation	Asset	OPEB	on Loan	Pension plan	wide
		Debt		(Additions)/				
	Totals	Service		Retirements				
Governmental activities:								
General government	\$ 901,427	\$ 12,285	\$ 192,503	\$ -	\$ (49,474)	\$ -	\$ (183,253)	\$ 873,488
Community development	313,505	-	-	-	-	-	-	313,505
Roads and infrastructure	1,640,617	-	75,477	(341,193)	-	-	-	1,374,901
Housing and support programs	155,802	-	-	-	-	345,059	-	500,861
Economic development	113,257	-	-	-	-	-	-	113,257
Public safety	1,844,475	-	72,925	-	-	-	-	1,917,400
Parks, buildings and grounds	322,722	-	80,997	-	-	-	-	403,719
Capital outlay	354,085	-	-	(354,085)	-	-	-	-
Debt service/Interest	264,339	(171,105)	-	-	-	-	-	93,234
Total governmental activities	\$ 5,910,229	\$ (158,820)	\$ 421,902	\$ (695,278)	\$ (49,474)	\$ 345,059	\$ (183,253)	\$ 5,590,365

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

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## City of Lakeport, California

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in

## Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2018

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<b>Net change in fund balances - total governmental funds</b>	<b>\$ 1,854,326</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the

Capital asset purchases capitalized	\$ 695,278	
Depreciation expense	<u>(421,902)</u>	273,376

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Pension obligation bonds	<u>171,105</u>	171,105
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Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB obligation	49,474	
Net Pension obligation	<u>183,253</u>	232,727

<b>Change in Net Position of governmental activities</b>	<u><u>\$ 2,519,249</u></u>
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The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget to Actual - General and Major Special Revenue Funds  
For the year ended June 30, 2018

	General Fund			
	Budgeted Amounts			Variance w/Final
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Sales	3,624,000	3,624,000	3,383,579	\$ (240,421)
Property	890,040	890,040	931,679	41,639
Transient occupancy	100,000	100,000	62,124	(37,876)
Business license	95,000	95,000	85,817	(9,183)
Licenses, permits and franchises	280,050	280,050	566,919	286,869
Fines, forfeitures and penalties	15,500	15,500	22,824	7,324
Intergovernmental	245,633	272,556	137,001	(135,555)
Use of money and property	136,000	136,000	45,170	(90,830)
Charges for services	129,510	129,510	126,097	(3,413)
Other revenues	44,560	44,560	112,490	67,930
<b>Total revenues</b>	<b>5,560,293</b>	<b>5,587,216</b>	<b>5,473,700</b>	<b>(113,516)</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Council	87,562	87,562	72,860	14,702
Administration	290,096	290,096	267,344	22,752
Attorney	68,000	68,000	47,751	20,249
Finance and information technology	236,204	244,641	238,942	5,699
Non-departmental	277,652	277,652	274,530	3,122
Community development:				
Planning	216,534	216,534	166,113	50,421
Building	158,688	158,688	147,392	11,296
Roads and infrastructure:				
Public works	1,042,189	1,111,122	904,995	206,127
Engineering	120,250	120,250	144,197	(23,947)
Housing and support programs	-	-	-	-
Economic development	65,000	65,000	61,045	3,955
Public safety	2,152,528	2,204,528	1,827,644	376,884
Parks, buildings and grounds	534,229	710,329	322,722	387,607
Capital outlay	-	-	58,047	(58,047)
Debt service:				
Principal	181,530	181,530	170,991	10,539
Interest and fiscal charges	100,092	100,092	93,249	6,843
<b>Total expenditures</b>	<b>5,530,554</b>	<b>5,836,024</b>	<b>4,797,822</b>	<b>1,038,202</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>29,739</b>	<b>(248,808)</b>	<b>675,878</b>	<b>924,686</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	(4,390)	(4,390)
Transfers in	29,500	29,500	35,503	6,003
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>29,500</b>	<b>29,500</b>	<b>31,113</b>	<b>1,613</b>
<b>Net change in fund balances</b>	<b>59,239</b>	<b>(219,308)</b>	<b>706,991</b>	<b>926,299</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	3,244,397	3,244,397	3,244,397	-
End of year	\$ 3,303,636	\$ 3,025,089	\$ 3,951,388	\$ 926,299

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

ATTACHMENT 2

HOME Program Income Special Revenue Fund				2012 HOME Grant Special Revenue Fund			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,996	1,996
-	-	-	-	-	-	-	-
-	-	1,036	1,036	-	-	-	-
-	-	1,036	1,036	-	-	1,996	1,996
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	118,046	(98,046)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	99	(99)
-	-	-	-	-	-	-	-
20,000	20,000	118,046	(98,046)	-	-	99	(99)
(20,000)	(20,000)	(117,010)	(97,010)	-	-	1,897	1,897
-	-	-	-	-	-	(13,766)	(13,766)
-	-	-	-	-	-	1,412,005	1,412,005
-	-	(1,333,895)	(1,333,895)	-	-	-	-
-	-	(1,333,895)	(1,333,895)	-	-	1,398,239	1,398,239
(20,000)	(20,000)	(1,450,905)	(1,430,905)	-	-	1,400,136	1,400,136
1,450,905	1,450,905	1,450,905	-	184,343	184,343	184,343	-
\$ 1,430,905	\$ 1,430,905	\$ -	\$ (1,430,905)	\$ 184,343	\$ 184,343	\$ 1,584,479	\$ 1,400,136

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**PROPRIETARY FUNDS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City maintains two enterprise funds: water and sewer described as follows:

Fund	Description
<b>Major Funds:</b>	
Water Enterprise Fund	Chapter 13.04 of the Lakeport Municipal Code provides the authority for City to operate water system. Revenues (fees and charges) are collected to pay for service (water) received.
Sewer Enterprise Fund	Chapter 13.20 of the Lakeport Municipal Code provides the authority for the City to operate sewer system. Revenues (fees and charges) are collected to pay for availability of collection, transportation, treatment, and disposal system. In addition, grazing lease payments, LACOSAN payments for flows, tax revenues, FEMA storm damage reimbursement, OES storm damage reimbursement, and insurance rebates have been credited to this fund.

City of Lakeport, California  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Water	Sewer	Totals
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 584,463	\$ 4,390,473	4,974,936
Restricted cash and investments	173,658	316,610	490,268
Receivables:			
Accounts, net of uncollectibles	330,708	506,025	836,733
Intergovernmental	-	37,789	37,789
Inventory	65,778	14,817	80,595
<b>Total current assets</b>	<u>1,154,607</u>	<u>5,265,714</u>	<u>6,420,321</u>
<b>Noncurrent assets:</b>			
Notes receivable	42,231	93,997	136,228
Capital assets not being depreciated:			
Land	740,170	1,735,233	2,475,403
Construction in progress	568,216	-	568,216
Capital assets being depreciated:			
Buildings and improvements	11,434,334	26,470,773	37,905,107
Machinery, equipment and vehicles	477,182	1,132,191	1,609,373
Less: Accumulated depreciation	(3,959,034)	(14,926,331)	(18,885,365)
<b>Total noncurrent assets</b>	<u>9,303,099</u>	<u>14,505,863</u>	<u>23,808,962</u>
<b>Total Assets</b>	<u>10,457,706</u>	<u>19,771,577</u>	<u>30,229,283</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	417,063	388,264	805,327
<b>Total assets and deferred outflows of resources</b>	<u>\$ 10,874,769</u>	<u>\$ 20,159,841</u>	<u>\$ 31,034,610</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 45,249	\$ 216,882	\$ 262,131
Accrued payroll and benefits	6,837	7,348	14,185
Interest payable	48,306	61,661	109,967
Deposits payable	67,283	555	67,838
Compensated absences - current portion	28,683	29,599	58,282
Pension obligation bonds - current portion	47,503	47,503	95,006
Due within one year	168,200	395,000	563,200
<b>Total current liabilities</b>	<u>412,061</u>	<u>758,548</u>	<u>1,170,609</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	36,988	60,344	97,332
Pension obligation bonds	428,114	428,112	856,226
Due after one year	5,450,600	8,473,000	13,923,600
Net pension liability	1,297,085	1,487,878	2,784,963
Net OPEB liability	664,570	743,578	1,408,148
<b>Total noncurrent liabilities</b>	<u>7,877,357</u>	<u>11,192,912</u>	<u>19,070,269</u>
<b>Total liabilities</b>	<u>8,289,418</u>	<u>11,951,460</u>	<u>20,240,878</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	438,026	448,906	886,932
<b>Total deferred inflows of resources</b>	<u>438,026</u>	<u>448,906</u>	<u>886,932</u>
<b>NET POSITION</b>			
<b>Net Position:</b>			
Net investment in capital assets	3,642,068	5,543,866	9,185,934
Restricted for debt service	142,231	231,000	373,231
Restricted for assessment district	-	316,610	316,610
Restricted depreciation reserve	26,469	68,432	94,901
Unrestricted (deficit)	(1,663,443)	1,599,567	(63,876)
<b>Total net position</b>	<u>2,147,325</u>	<u>7,759,475</u>	<u>9,906,800</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 10,874,769</u>	<u>\$ 20,159,841</u>	<u>\$ 31,034,610</u>

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

## City of Lakeport, California

## Statement of Revenues, Expenses, and Changes in Fund Net Position

## Proprietary Funds

For the year ended June 30, 2018

	Water	Sewer	Totals
<b>OPERATING REVENUES:</b>			
Charges for service	\$ 2,378,581	2,954,231	\$ 5,332,812
Other operating revenue	-	54,886	54,886
<b>Total operating revenues</b>	<b>2,378,581</b>	<b>3,009,117</b>	<b>5,387,698</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	755,899	774,747	1,530,646
Materials, services and supplies	562,346	982,706	1,545,052
Depreciation	327,401	793,722	1,121,123
<b>Total operating expenses</b>	<b>1,645,646</b>	<b>2,551,175</b>	<b>4,196,821</b>
<b>OPERATING INCOME</b>	<b>732,935</b>	<b>457,942</b>	<b>1,190,877</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Property taxes and special assessments	-	316,863	316,863
Investment revenue	2,978	2,578	5,556
Lease revenue	-	43,217	43,217
Interest and fiscal charges expense	(142,710)	(291,911)	(434,621)
Loss on note receivable	(4,269)	(9,503)	(13,772)
Other nonoperating revenue (expenses)	-	612,891	612,891
<b>Total non-operating revenues, net</b>	<b>(144,001)</b>	<b>674,135</b>	<b>530,134</b>
<b>NET INCOME BEFORE TRANSFERS</b>	<b>588,934</b>	<b>1,132,077</b>	<b>1,721,011</b>
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>588,934</b>	<b>1,132,077</b>	<b>1,721,011</b>
<b>NET POSITION:</b>			
Beginning of year	2,126,575	7,261,459	9,388,034
Adjustments	(568,184)	(634,061)	(1,202,245)
Beginning, as adjusted	1,558,391	6,627,398	8,185,789
End of year	<b>\$ 2,147,325</b>	<b>\$ 7,759,475</b>	<b>\$ 9,906,800</b>

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

City of Lakeport, California  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2018

	Water	Sewer	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers/users for services provided	\$ 2,398,420	\$ 2,933,197	\$ 5,331,617
Cash received from interfund services provided	-	-	-
Cash payments to suppliers for goods and services	(646,128)	(965,959)	(1,612,087)
Cash payments to employees for services	(778,404)	(799,675)	(1,578,079)
<b>Net cash provided by operating activities</b>	<b>973,888</b>	<b>1,167,563</b>	<b>2,141,451</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers received (paid)	-	(155,555)	(155,555)
Property taxes and assessments received	-	316,863	316,863
Receipts of nonoperating revenue	-	612,891	612,891
<b>Net cash used by noncapital financing activities</b>	<b>(72,879)</b>	<b>701,336</b>	<b>628,457</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(344,606)	(405,619)	(750,225)
Proceeds from issuance of long-term debt	-	6,156,000	6,156,000
Principal paid on long term debt	(197,703)	(2,769,505)	(2,967,208)
Interest paid on long term debt	(140,278)	(286,662)	(426,940)
Proceeds from lease revenue	-	43,217	43,217
<b>Net cash (used) by capital and related financing activities</b>	<b>(682,587)</b>	<b>2,737,431</b>	<b>2,054,844</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	4,004	2,753	6,757
<b>Net cash provided by investing activities</b>	<b>4,004</b>	<b>2,753</b>	<b>6,757</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>222,426</b>	<b>4,609,083</b>	<b>4,831,509</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	535,695	98,000	633,695
End of year	<u>\$ 758,121</u>	<u>\$ 4,707,083</u>	<u>\$ 5,465,204</u>
<b>Presentation in Statement of Financial Position:</b>			
Cash and investments	\$ 584,463	\$ 4,390,473	\$ 4,974,936
Restricted cash and investments	173,658	316,610	490,268
<b>Total Cash and investments</b>	<u>\$ 758,121</u>	<u>\$ 4,707,083</u>	<u>\$ 5,465,204</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>			
Operating income	\$ 732,935	\$ 457,942	\$ 1,190,877
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	327,401	793,722	1,121,123
(Increase) decrease in current assets:			
Accounts receivable	20,919	(84,934)	(64,015)
Intergovernmental receivables	-	9,359	9,359
Inventory	-	-	-
Prepaid items	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	(83,782)	16,747	(67,035)
Accrued payroll and benefits	(26,174)	(28,767)	(54,941)
Intergovernmental payable	-	-	-
Deposits payable	(1,080)	(345)	(1,425)
Compensated absences	3,669	3,839	7,508
<b>Net cash provided by operating activities</b>	<b>\$ 973,888</b>	<b>\$ 1,167,563</b>	<b>\$ 2,141,451</b>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2018.

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



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ATTACHMENT 2  
FIDUCIARY ACTIVITIES

**Fiduciary funds** account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements. **Private Purpose Trust Funds** are used for resources held for other individuals and entities in a manner similar to private enterprise. The City has the following private purpose trust fund:

Fund	Description
Redevelopment Non-Housing Successor Private Purpose Trust Fund	Accounts for funds collected and disbursed for the dissolution of the former Lakeport Redevelopment Agency related to administration and retirement of enforceable obligations.

City of Lakeport, California  
Statement of Fiduciary Net Position  
Fiduciary Activities  
June 30, 2018

	Redevelopment Non-Housing Successor Private Purpose Trust Fund		Agency Funds
ASSETS			
Current assets:			
Cash and investments	\$	289,406	\$ 391,067
Cash and investments with trustee/fiscal agent		610	-
Accounts receivable		-	11,106
Land held for resale		407,964	-
Total current assets		697,980	402,173
<b>Total assets</b>	\$	697,980	\$ 402,173
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$	1,030	\$ 277
Interest payable		151,450	-
Refundable deposits and trust liabilities		-	401,896
Due within one year		125,000	-
Total current liabilities		277,480	402,173
Long-term liabilities:			
Due after one year		4,530,000	-
Total long-term liabilities		4,530,000	-
<b>Total liabilities</b>		4,807,480	\$ 402,173
NET POSITION (DEFICIT)			
Restricted - debt service reserve		317,228	
Held in trust for benefit of the State		407,964	
Held in trust for outstanding obligations		(4,834,692)	
<b>Total net position (deficit)</b>		(4,109,500)	
<b>Total liabilities and net position (deficit)</b>	\$	697,980	

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

City of Lakeport, California  
Statement of Changes in Fiduciary Net Position  
Redevelopment Agency Successor Private Purpose Trust Fund  
For the year ended June 30, 2018

	Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Property taxes	\$ 487,756
Investment income	1,300
Other additions	655
<b>Total additions</b>	<u>489,711</u>
<b>DEDUCTIONS:</b>	
Administrative costs	79,902
Interest and trustee fees	223,687
<b>Total deductions</b>	<u>303,589</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	186,122
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(4,295,622)</u>
End of year	<u><u>\$ (4,109,500)</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS



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City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Index to Notes to Basic Financial Statements

Page

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

Note 1 - Summary of Significant Accounting Policies .....	52
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City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to government agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

**A. Defining the reporting entity**

The City of Lakeport was incorporated in 1888 under the laws of the State of California. Lakeport operates under a Council-Manager form of government. The City Manager serves as the chief executive for day-to-day operations and long-term planning, including executing the policies and directives of the City Council. Department heads report directly to the City Manager and serve at his or her pleasure.

The City provides a range of municipal services to its citizens including public safety, public works, planning and building regulation, recreation and parks, and water and sewer services.

These financial statements present the financial status of the City and its components units. The component units discussed in the following paragraph are included in the City's financial statements because the City is financially accountable for their operations.

The Redevelopment Agency of the City of Lakeport (the Agency) was established by the City as a separate legal entity in accordance with state law. The purpose of the Agency is to encourage new investment and reinvestment within legally designated redevelopment areas in partnership with property owners. The Agency was dissolved on February 1, 2013 by the State Legislature and California Governor, Jerry Brown.

The Municipal Sewer District No. 1 (CLMSD) was established as a separate legal entity to obtain funding to construct a new sewage treatment plant and pumping stations in 1965. In later years and assessment district was formed for the purpose of financing needed improvements and expansion of the wastewater systems.

Although the component units are legally separate from the City, they are reported on a blended basis as part of the primary government because their boards consist of members of the City Council. The component units' financial statements may be obtained from the City.



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The accounts of the City are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In the fund financial statement in the report, the various funds are grouped into generic funds within four broad fund types. They are as follows:

**Governmental Funds**

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue** Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust of major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Project** Funds are used to account for revenue and expenditures restricted to the acquisition or major capital facilities (other than those financed by proprietary or trust funds).

**Debt Service** Funds are used to account for the accumulation of resources for, and the payment to, governmental long-term debt, both principal and interest.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued
- B. Government-wide and Fund Financial Statements, Continued

**Proprietary Funds**

**Enterprise** Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise –the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. The City accounts for the operation of its water and sewer utility fund on this basis.

**Internal Service** funds are used to account for operations similar to enterprise funds. The difference between the two is that internal service funds provide goods and services to departments and agencies under the primary government. Currently the City does not use an internal service fund.

**Fiduciary Funds**

**Agency** Funds are used to account for assets administered by the City in a trustee capacity or as an agent for other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City reports on two agency funds: Special Deposit Agency Fund which hold funds on deposit from outside parties and Other Post-Employment Benefits (OPEB) Agency Fund which manages resources for retiree health benefits.

**Trust** Funds are used to account for assets held by the government in a trustee capacity. The City reports one private purpose trust fund: Redevelopment Non-Housing Successor Private Purpose Trust Fund which accounts for fund collect and disbursed for the dissolution of the former Lakeport Redevelopment Agency. For more information about the Successor Agency for the Former Lakeport Redevelopment Agency see Note 14. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The City reports the following major funds:

- General Fund
- HOME Program Income Special Revenue
- 2012 HOME Grant Special Revenue
- General Capital Projects
- Water
- Sewer

**C. Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenue and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Measurement focus is the determination of (1) which assets and which liabilities are included on a government's balance sheet and where they are reported, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statement. Revenue is recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when they become both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gas taxes), interest, special assessments levied, state and federal grants and charges for current services. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Revenue from licenses, permits, fines and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred.

All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The government-wide financial statements, as well as the proprietary funds and fiduciary funds (including agency funds) financial statements, are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues) in net total assets.

D. Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Investments

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

F. Receivable and Payables

Balances Representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either “due to/due from other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Receivable and Payables, Continued

governmental funds to indicate they are not available for appropriation, and are not expendable available financial resources.

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measureable and available. The City considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur.

Grants, entitlements or shared revenue is recorded as receivables and revenue in the general, special revenue and capital project funds when they are received or susceptible to accrual. Notes receivables represent individual loans, secured by property liens in favor of the City and the Redevelopment Agency, made through various sources, including the Community Development Block Grant (CDBG) and federal HOME housing programs. When repaid, these amounts are designated for purposes allowed under the aforementioned reuse guidelines.

G. Allowance for Doubtful Accounts

Management has elected to record bad debts using the allowance method.

H. Prepaid Expenses

The prepaid expenses consist of expendables supplies held for consumption and are recorded as expenses when consumed. Materials and supplies used by governmental funds are recorded as expenditures at the time they are purchases or obtained.

I. Capital Assets

**Government-Wide Statements**

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

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

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

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. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The City capitalizes assets with an original cost greater than \$5,000 and with a useful lifespan longer than three years. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5 – 50 years
Roadway improvements	50 years
Sidewalks, curbs and gutters	50 years
Storm drain pipes/structures	50 years
Traffic signal devices	5 – 40 years
Landscaping	30 years
Signage	25 years
Leasehold improvements	5 years
Machinery and equipment	3 – 5 years
Vehicles	3 years

**Fund Financial Statements**

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 way as in the government-wide statements.

J. Compensated Absences

Compensated absences represent the vested portion of accumulate vacation and sick leave. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees. Upon separation, 100% of accrued vacation leave (up to a maximum of 400 hours) and accrued comp time is paid and, depending on longevity, sick leave is paid out up to 50% of the accrued amount. In proprietary funds, a long-term liability for such benefits has been recorded.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Deferred Inflow of Resources

Deferred inflow of resources in governmental funds primarily represents business license taxes collected but unavailable for spending until the next fiscal year.

L. Long-term Liabilities

In both the governmental-wide financial statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable statement of net position. Bond premiums, issuance costs and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognized 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.

M. Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

*Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.

*Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

***Nonspendable Fund Balance –***

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance –***

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

***Committed Fund Balance –***

- Self-imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove, done typically through resolution during the budget process.

***Assigned Fund Balance –***

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance and are done so by the City Manager through the budget process.

***Unassigned Fund Balance –***

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).



City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Equity Classification, Continued

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted fund balance resources first, followed by the unrestricted resources in the Committed and Unassigned fund balances, as they are needed.

The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. [GASB – S54: 17 and 19]

N. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

*Property Valuations* are established by the Lake County Assessor for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII-A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, an increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

*Tax Levies* are limited to one percent of full assessed value which results in a tax rate of one percent assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

*Tax Levy Dates* are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property are not relieved by subsequent renewal or change in ownership.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Property Taxes, Continued

*Tax Collections* are the responsibility of the Lake County Treasurer-Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments.

- The First is due on November 1 of the fiscal year and is delinquent if not paid by December 10;
- The second is due on March 1 of the fiscal year and is delinquent if not paid by April 10.

Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payments must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments. The City has elected to receive the City's portion of the property taxes from the county under the county Teeter Bill program. Under this program, the City receives 100% of the City's share of the levied property taxes in periodic payments with the county assuming the responsibility for the delinquencies.

*Property Tax Administration Fees* – the state of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

*Tax Levy Apportionments* – due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county's auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three fiscal years prior to fiscal year 1979.

O. Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

P. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Information

The City follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed draft budget for the fiscal year commencing July 1 of the next fiscal year. The budget includes proposed expenditures and the means of financing them.
2. If use of fund balance is recommended by the City Manager, resources to be used will be in the following order:
  - a. unassigned fund balance
  - b. assigned
  - c. committed
3. The City Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
4. Prior to July 1, the budget is to be adopted by resolution of the City Council.
5. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City funds and departments. The City Council may amend the budget by minute action during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same fund, and between departments within the General Fund. All appropriations lapse at year end unless encumbered and carried forward upon the approval of the City Manager.

Budgets are adopted for all fund types and are reported on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the City Council.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Pensions

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

S. New or Closed Funds

The City opened one new special revenue fund, Safe Routes to Schools, and closed six special revenue funds:

- CDBG Economic Development Program Income
- Low-Mod Housing
- CDBG Housing Program Income
- Emergency Housing Loan, Micro Enterprise Loan Fund
- Business Stabilization Loan Fund
- CDBG Housing Grants

T. Prior Period Adjustment

Due to the City's adoption of GASB 75, net position was adjusted at June 30, 2018. The following is a reconciliation of the total net position as previously reported at July 1, 2017 to the restated net position.

	Governmental Activities	Business-Type Activities
Net Position at June 30, 2017	\$ 11,819,511	\$ 9,338,034
Adjustment:		
Adoption of GASB 75, OPEB	(3,074,159)	(1,202,245)
Total Adjustments	(3,074,159)	(1,202,245)
Net Position at July 1, 2017. as adjusted	<u>\$ 8,745,352</u>	<u>\$ 8,135,789</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

U. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. 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:

Valuation Date June 30, 2018

Measurement Date June 30, 2018

Measurement Period July 1, 2017 to June 30, 2018

V. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

W. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

*Revenue Limitations Imposed by California Propositions 218 and 26*

Proposition 218, approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes, assessments, and fees. It was enhanced further by the passage of Proposition 26 in 2010, which revised to the definitions of taxes and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees be subject to the voter initiative process and may be rescinded in future years by the voters.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds except for the restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Cash, Cash Equivalents and Investments Pooled

	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 3	3 to 5		
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 9,825,470	\$ 9,825,470
Petty cash	-	-	-	400	400
Total pooled items	-	-	-	9,825,870	9,825,870
Pooled investments, at fair value:					
Interest obligations:					
<u>Par</u> <u>Rate</u>					
0.03%    Money market	610	-	-	-	610
State of California Local Agency Investment Fund	2,550,411	-	-	-	2,550,411
Total pooled investments - interest obligations	2,551,021	-	-	-	2,551,021
Total cash equivalents and investments pooled	\$ 2,551,021	\$ -	\$ -	\$ 9,825,870	\$ 12,376,891

Amounts reported in:

Governmental activities	\$ 6,032,503
Governmental activities - Restricted	198,101
Business-type activities	4,974,936
Business-type activities - Restricted	490,268
Fiduciary activities	680,473
Fiduciary activities - Restricted	610
Total	<u>\$ 12,376,891</u>

Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$9,825,470 and the bank account balance was \$9,733,040. The difference of \$92,370 represented outstanding checks and deposits in transit. Of the total deposit balance, \$250,000 was insured by Federal Depository Insurance Corporation (FDIC), the remaining amount of \$790,125 was collateralized in accordance with California Government Code Section 53600-53609.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted August 16, 2005 (subsequently updated July 6, 2010), and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy 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	Minimum Rating
U.S. Treasury Securities	5 years	None	None	None
U.S. Government Securities	5 years	None	None	None
Bankers' Acceptances	270 days	30%	None	None
Certificates of Deposit	5 years	30%	None	None
Negotiable Certificates of Deposit	5 years	30%	None	None
Repurchase Agreements	30 days	None	None	None
Commercial Paper	31-180 days	15-30%	None	A1/P1
Corporate Medium-term Notes	5 years	30%	None	A1/P1
Mutual Funds	None	15%	None	Two/Three
Passbook Savings	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	\$10M	None	None

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 Lakeport manages its exposure to interest rate risk is by investing in LAIF, whose underlying securities have staggered maturities and are generally due on demand, which provides cash flow and liquidity needed for operations.

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 nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds, as described in detail above.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code. Investments in any one issuer that represent 5% or more of total investments at June 30, 2018 are as follows:

Investment Type	Fair Value	Yield	Concentration
Money market funds	\$ 610	0.29%	0.02%
Local Agency Investment Fund (LAIF)	2,550,411	1.38%	99.98%
Total fair value	<u>\$ 2,551,021</u>		<u>100.00%</u>
	Weighted yield	1.38%	

Custodial Credit Risk

The credit risk for deposits is the risk that, in the event of 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. 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, other than the following provision 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 be 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.*

At June 30, 2018, the City had \$9,483,040 in financial institutions that were not covered by the FDIC but were covered by collateralized securities of the financial institutions where the deposits were maintained.

The credit risk for *investments* is the risk that, in the event of the failure of counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of 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 risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

*Participation in an External Investment Pool*

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for the day to day administration of LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. The State Treasurer determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available. As of June 30, 2018, the City's investment in LAIF was \$2,550,411. The total amount invested by all public agencies at that date was \$22.59 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2018 has a balance of \$88.95 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2018:

Accounts Receivable and Due from Other Governments			
	Receivables	Allowance	Net
Governmental activities:			
Due from other governments:			
Sales taxes	\$ 580,916	\$ -	\$ 580,916
Property taxes	44,238	-	44,238
Grants and subventions	324,680	-	324,680
Other	91,632	-	91,632
Accounts receivable:			
Administrative citations	23,293	-	23,293
Trash accounts	177,597	-	177,597
Total	<u>\$ 1,242,356</u>	<u>\$ -</u>	<u>\$ 1,242,356</u>
Business-type activities:			
Due from other governments	\$ 37,789	\$ -	\$ 37,789
Accounts	865,544	(28,811)	836,733
Total	<u>\$ 903,333</u>	<u>\$ (28,811)</u>	<u>\$ 874,522</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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3. ACCOUNTS RECEIVABLE, Continued

These amounts resulted in the following concentrations in receivables:

**Concentration of Receivables**

Other governments	52.1%
Individuals/businesses	47.9%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

4. LOANS, NOTES RECEIVABLE, AND INTERFUND BORROWING

Through the City's various housing rehabilitation funds, first-time home buyer's funds, and business/economic development loan funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. The City also has loans receivable from employees for computer purchases in the General Fund, as well as a loan from the general fund to the water enterprise fund for a capital purchase of land meant to act as bridge financing until grant/loan proceeds are received from USDA rural development (see Note 16).

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

**4. LOANS, NOTES RECEIVABLE, AND INTERFUND BORROWING, Continued**

Loans and notes receivable for the year ended June 30, 2018, consisted of the following:

**Loans and Notes Receivable**

	Beginning July 1, 2017	Additions	Deletions	Ending June 30, 2018
Major governmental funds:				
General fund	\$ 4,390	\$ -	\$ (4,390)	\$ -
Nonmajor governmental funds:				
Special revenue funds:				
Lakeport Housing	3,854	368,514	-	372,368
CDBG Economic Development PI notes receivable	583,653	864,532	(583,653)	864,532
Low-Mod Housing Fund	384,562	-	(384,562)	-
CDBG Housing Loan PI notes receivable	310,959	-	(310,959)	-
Emergency Housing Assistance Fund	4,989	-	(4,989)	-
Business Stabilization Loan fund notes receivable	50,000	-	(50,000)	-
CDBG Housing Grant Fund	293,389	-	(293,389)	-
HOME Program Income fund notes receivable	1,330,763	-	(1,330,763)	-
2012 HOME Grant	183,900	1,252,478	(50,000)	1,386,378
Total governmental funds	3,150,459	2,485,524	(3,012,705)	2,623,278
Major enterprise funds:				
Water	46,500	-	(4,269)	42,231
Sewer	103,500	-	(9,503)	93,997
Total enterprise funds	150,000	-	(13,772)	136,228
Total loans/notes receivable	\$ 3,300,459	\$ 2,485,524	\$ (3,026,477)	\$ 2,759,506

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
<b>Governmental activities:</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 1,652,983	\$ -	\$ -	\$ -	\$ 1,652,983
Construction in progress	2,604,844	324,181	-	(2,559,973)	369,052
<b>Total nondepreciable assets</b>	<b>4,257,827</b>	<b>324,181</b>	<b>-</b>	<b>(2,559,973)</b>	<b>2,022,035</b>
<b>Depreciable assets:</b>					
Buildings and structures	5,273,036	-	-	315,301	5,588,337
Improvements	5,183,696	-	-	2,244,672	7,428,368
Vehicles and equipment	1,627,105	371,097	-	-	1,998,202
<b>Total depreciable assets</b>	<b>12,083,837</b>	<b>371,097</b>	<b>-</b>	<b>2,559,973</b>	<b>15,014,907</b>
<b>Total</b>	<b>16,341,664</b>	<b>695,278</b>	<b>-</b>	<b>-</b>	<b>17,036,942</b>
<b>Accumulated depreciation:</b>					
Buildings and structures	(1,523,174)	(151,719)	-	-	(1,674,893)
Improvements	(1,326,399)	(192,034)	-	-	(1,518,433)
Vehicles and equipment	(1,468,568)	(78,149)	-	-	(1,546,717)
<b>Total accumulated depreciation</b>	<b>(4,318,141)</b>	<b>(421,902)</b>	<b>-</b>	<b>-</b>	<b>(4,740,043)</b>
<b>Net depreciable assets</b>	<b>7,765,696</b>	<b>(50,805)</b>	<b>-</b>	<b>2,559,973</b>	<b>10,274,864</b>
<b>Total net capital assets</b>	<b>\$ 12,023,523</b>	<b>\$ 273,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,296,899</b>

Depreciation expense of \$421,903 was allocated in the Statement of Activities as follows:

General government	\$ 192,503
Public Safety	72,925
Public Works	75,477
Parks, buildings, grounds	80,997
	<u>\$ 421,902</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Business-type activities:					
Nondepreciable assets:					
Land	\$ 2,475,403	\$ -	\$ -		\$ 2,475,403
Construction in progress	8,770,982	750,226	-	(8,952,991)	568,217
Total nondepreciable assets	11,246,385	750,226	-	(8,952,991)	3,043,620
Depreciable assets:					
Buildings and structures	1,851,423	-	-	8,103,772	9,955,195
Improvements	27,100,693	-	-	849,219	27,949,912
Vehicles and equipment	1,609,373	-	-		1,609,373
Total depreciable assets	30,561,489	-	-	8,952,991	39,514,480
Total	41,807,874	750,226	-	-	42,558,100
Accumulated depreciation:					
Buildings and structures	(752,235)	(239,323)	-		(991,558)
Improvements	(16,234,531)	(787,466)	-		(17,021,997)
Vehicles and equipment	(777,476)	(94,335)	-		(871,811)
Total accumulated depreciation	(17,764,242)	(1,121,124)	-	-	(18,885,366)
Net depreciable assets	12,797,247	(1,121,124)	-	8,952,991	20,629,114
Total business-type capital assets, net	\$ 24,043,632	\$ (370,898)	\$ -	\$ -	\$ 23,672,734

Depreciation expense for capital assets for the year ended June 30, 2018, was charged to functions as follows:

Water	\$ 327,401
Sewer	793,722
	<u>\$ 1,121,123</u>

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Governmental Activities	Beginning Balance 7/1/2017	Additions	Reductions	Ending Balance 6/30/2018	Due within One Year
USDA Police Station Bond	\$ 1,095,000	\$ -	\$ (16,000)	\$ 1,079,000	\$ 17,000
Compensated Absences	221,444	102,961	(90,676)	233,729	95,706
Pension Obligation Bonds - Governmental Share	1,706,870	-	(155,105)	1,551,765	154,995
Total	\$ 3,023,314	\$ 102,961	\$ (261,781)	\$ 2,864,494	\$ 267,701
Business-Type Activities					
USDA Water Revenue Bonds, 2016	\$ 3,182,000	\$ -	\$ (50,200)	\$ 3,131,800	\$ 58,000
Pinnacle Water Loan	2,587,000	-	(100,000)	2,487,000	110,000
Wastewater Revenue Bonds, 2007 Series A Bond	2,580,000	-	(2,580,000)	-	-
Wastewater Revenue Bonds, 2017 Refunding	-	2,723,000	(88,000)	2,635,000	175,000
USDA WasteWater Revenue Bonds, 2017	-	3,433,000	-	3,433,000	68,000
2017 CLMSD Sewer District Assessment Bonds	2,854,000	-	(54,000)	2,800,000	152,000
Pension Obligation Bonds - Business-type Share	1,046,240	-	(95,008)	951,232	95,005
Compensated Absences	148,106	62,924	(55,416)	155,614	69,400
Total	\$ 12,397,346	\$ 6,218,924	\$ (3,022,624)	\$ 15,593,646	\$ 727,405

**Business-type Activities**

**USDA Water Revenue Bonds, 2016**

Total issue \$3,182,000. Annual principal and interest payments of approximately \$109,500, at an interest rate of 2.85%, are due August 1 and February 1 each year, secured by water fund revenue. The total obligation matures in the year 2056.

Balance due \$ 3,131,800

**Pinnacle Water Loan**

Total issue \$2,587,000. Annual principal and interest payments of approximately \$175,250, at an interest rate of 2.65%, are due February 1 and August 1 each year. Payments are secured by water fund revenue. The obligation matures in the year 2035.

Balance due \$ 2,487,000

**Wastewater Revenue Bonds, 2007 Series A**

2007 Series A, total remaining balance of \$2,580,000 was refinanced to 2017 Wastewater Refunding on December 1, 2017. Total issue \$2,723,000. Annual principal is due on October 1 and interest payments at 2.52% are due April 1 and October 1 each year, which are secured by wastewater fund revenue. The total obligation matures in the year 2030. The reacquisition price exceeded the net carrying amount of the old debt by \$143,000. The City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$205,069.

Balance due \$ 2,635,000

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

USDA Wastewater Revenue Bonds, 2017

Series 2017 Wastewater enterprise revenue bonds. Total issue \$3,433,000. Annual principal and interest payments of approximately \$127,000, at an interest rate of 2.125%, are due April 1 and October 1 each year, secured by wastewater fund revenue. The total obligation matures in the year 2057.

Balance due \$ 3,433,000

2017 CLMSD Sewer District Assessment Bonds

2017-1 Sewer Assessment bonds. Total issue \$2,854,000. Annual principal and interest payments of approximately \$230,000, at an interest rate of 2.85%, are due March 2 and September 2 each year, secured by Municipal Sewer District No.1 revenue from the South Assessment District 91-1 area. The total obligation matures in the year 2032.

Balance due \$ 2,800,000

Pension Obligation Bonds

On June 22, 2015, the City entered into an agreement with Umpqua Bank to obtain a loan in the amount of \$3,184,000 to pay their PERS side fund obligation at an interest rate of 4.25% maturing in 17 years on January 1, 2033. Interest is payable semi-annually on January 1 and July 1. The obligation is payable from revenues received from the General, Water and Sewer Funds, 62% of the payments charged to governmental activities and the remaining 38% split evenly between the Water and Sewer Funds. The maturity schedule for the bonds is as follows:

**Debt Service Schedule**

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Pension Obligation Bonds		Pension Obligation Bonds		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 72,540	\$ 32,977	\$ 44,460	\$ 20,212	\$ 117,000	\$ 53,189
2020	119,040	61,620	72,960	37,767	192,000	99,387
2021	118,420	56,574	72,580	34,675	191,000	91,249
2022	117,180	51,554	71,820	31,597	189,000	83,151
2023	115,320	46,586	70,680	28,553	186,000	75,139
2024-2028	546,220	161,275	334,780	98,846	881,000	260,121
2029-2033	463,045	52,385	283,952	32,107	746,997	84,492
Total	\$ 1,551,765	\$ 462,971	\$ 951,232	\$ 283,757	\$ 2,502,997	\$ 746,728
Due within one year	\$ 72,540	\$ 32,977	\$ 44,460	\$ 20,212	\$ 117,000	\$ 53,189
Due after one year	1,479,225	429,994	906,772	263,545	2,385,997	693,539
Total	\$ 1,551,765	\$ 462,971	\$ 951,232	\$ 283,757	\$ 2,502,997	\$ 746,728

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

Future Debt Service

Future debt service for Governmental and Business-type activities at June 30, 2018 is as follows for all debt except compensated absences and claims liabilities:

Debt Service Schedule

Business-type

Year Ending June 30,	2017 CLMSD Assessment Bonds Series-2017-1		Business-type Activities			
			Wastewater Revenue Bonds Series Refunding		Pinnacle Water Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 152,000	\$ 77,634	\$ 175,000	\$ 64,197	\$ 110,000	\$ 64,448
2020	159,000	73,202	180,000	59,724	113,000	61,493
2021	161,000	68,642	184,000	55,138	116,000	58,459
2022	168,000	63,954	189,000	50,438	118,000	55,359
2023	174,000	59,081	194,000	45,612	122,000	52,179
2024-2028	929,000	218,296	1,046,000	151,250	658,000	210,144
2029-2033	1,057,000	77,021	667,000	24,809	750,000	116,998
2034-2038	-	-	-	-	500,000	20,114
Total	\$ 2,800,000	\$ 637,830	\$ 2,635,000	\$ 451,168	\$ 2,487,000	\$ 639,194
Due within one year	\$ 152,000	\$ 77,634	\$ 175,000	\$ 64,197	\$ 110,000	\$ 64,448
Due after one year	2,648,000	560,196	2,460,000	386,971	2,377,000	574,746
Total	\$ 2,800,000	\$ 637,830	\$ 2,635,000	\$ 451,168	\$ 2,487,000	\$ 639,194

Year Ending June 30,	USDA Water Revenue Bonds, 2016		USDA WasteWater Revenue Bonds, 2017		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 66,800	\$ 50,526	\$ 68,000	\$ 72,229	\$ 571,800	\$ 329,034
2020	59,900	49,564	56,000	70,911	567,900	314,894
2021	60,900	48,587	58,000	69,700	579,900	300,526
2022	61,900	47,593	59,000	68,457	595,900	285,801
2023	62,900	46,583	60,000	67,193	612,900	270,648
2024-2028	330,200	217,182	320,000	316,072	3,283,200	1,112,944
2029-2033	357,900	189,353	354,000	280,287	3,185,900	688,468
2034-2038	388,100	159,189	394,000	240,550	1,282,100	419,853
2039-2043	420,800	126,475	438,000	196,393	858,800	322,868
2044-2048	456,400	91,003	485,000	147,422	941,400	238,425
2049-2053	495,000	52,533	541,000	92,958	1,036,000	145,491
2054-2058	371,000	12,157	600,000	32,428	971,000	44,585
Total	\$ 3,131,800	\$ 1,090,745	\$ 3,433,000	\$ 1,654,600	\$ 14,486,800	\$ 4,473,537
Due within one year	\$ 66,800	\$ 50,526	\$ 68,000	\$ 72,229	\$ 571,800	\$ 329,034
Due after one year	3,065,000	1,040,219	3,365,000	1,582,371	13,915,000	4,144,503
Total	\$ 3,131,800	\$ 1,090,745	\$ 3,433,000	\$ 1,654,600	\$ 14,486,800	\$ 4,473,537



City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

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6. LONG TERM LIABILITIES, Continued

Various bond indentures contain limitations and restrictions, with which, in the opinion of management, the City is in compliance.

*Compensated Absences*

The City records employee absences, such as vacation, illness, deferred overtime, and holidays, for which it is expected that employees will be paid as compensated absences. The governmental activities compensated absences balance at June 30, 2018 was \$233,729 with \$95,706 expected to be paid within a year and to be liquidated by the general fund; the business-type activities compensated absences balance at June 30, 2018 was \$155,614 with \$69,400 expected to be paid within a year. Of which the water fund will liquidate \$65,671 and the sewer fund \$89,943.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES

Restricted Net Position Detail		
	Governmental Activities	Business-type Activities
Restricted for:		
Law enforcement	\$ 200,707	\$ -
Housing programs	198,101	-
Transportation infrastructure	445,692	-
Debt service reserve	-	373,231
Assessment district debt service	-	316,610
Depreciation reserve	-	94,901
Total	<u>\$ 844,500</u>	<u>\$ 784,742</u>

- Restrictions of Net position for Law enforcement, Housing programs and Transportation infrastructure are the same as described on the next page as restrictions of fund balances.
- Debt service reserve: the amount of funds in the water and sewer enterprise restricted per the loan and bond covenants of the outstanding debt.
- Assessment district debt service: consists of funds held for the repayment of the Series 1993 bond. The funds are restricted by a bond covenant.
- Depreciation reserve: the amount of funds set aside to meet USDA project requirements in the Water and Sewer funds.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES, Continued

Fund Balance Detail

Nonspendable:	
Long-term interfund advances	\$ 289,481
Total nonspendable	<u>289,481</u>
Restricted:	
Loans/notes receivable	2,623,278
Law enforcement	200,707
Housing programs	198,101
Transportation infrastructure	445,692
Total restricted	<u>3,467,778</u>
Assigned:	
Capital projects	4,004,908
General reserves	1,199,455
Subsequent year's budget: appropriation of fund balance	-
Housing and community programs	33,589
Debt service reserve	111,000
Total assigned	<u>5,348,952</u>
Unassigned:	
General fund	341,065
Special revenue funds	(272,620)
Total unassigned	<u>68,445</u>
Total fund balance	<u>\$ 9,174,656</u>

The following describe the purpose of each nonspendable, restricted, committed, assigned, and unassigned category used by the City:

**Nonspendable**

- ***Loans/notes receivable*** – used to segregate that portion of fund balance to indicate that long-term loans or notes receivable do not represent available, spendable resources even though they are components of assets.
- ***Long-term interfund advances*** – cash transfers to special revenue funds to provide financing for those activities. This also includes a loan from the general fund to the water fund for a capital purchase, reported on the statement face as an internal balance.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

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7. NET POSITION/FUND BALANCES, Continued

Restricted

- **Law enforcement** – comprised of asset forfeiture money and subventions received from the state for the use in police activities.
- **Housing programs** – consists of cash and notes receivable expressly reserved for the use in providing housing for low and moderate income residents.
- **Transportation infrastructure** – reserved in special revenue funds to finance transportation projects funded by state and federal sources.

Assigned

- **Capital projects** – funds committed by the City Council from the general fund for the replacement of docks, an infrastructure improvement project.
- **General reserves** – funds identified as operating reserves by management and the City Council.
- **Subsequent year's budget: appropriation of fund balance** – amount appropriated from prior budgetary surpluses in the general fund to finance one-time uses, primarily capital projects.
- **Housing and community assistance** – resources held for emergency housing and business stabilization programs.
- **Debt service reserve** – funds reserved by management for future debt service payments related to capital acquisitions.

Unassigned

- **Special revenue fund deficits** – deficit fund balances in four special revenue funds.

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Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES, Continued

Fund Deficits

Deficit fund balances consisted of the following:

Non-Major Special Revenue Funds

Fund Name	Fund Number	Deficit Amount	Discussion/Explanation
Parkland Dedication Fund	202	(175,140)	Deficit resulted from a large payment to the Witt loan in fiscal year 2013. Financing for that payment came from advance from the general fund and will be repaid from park dedication fees.
Lakeport Housing Program	209	(42,427)	This fund was used to acquire certain properties for the City over the last decade. Management has elected to keep this fund balance in a negative balance as income to the fund will reduce it. Financing in the interim will come from the general fund.
Lakshore Storm Damage Repair	410	(55,053)	While final construction had been completed at year end, final inspections were pending. A matching contribution from the general fund will be determined upon completion of said inspections, audit and closeout of the capital project fund.
Safe Routes to School	411	(1,350)	Immaterial accounts receivable were not recorded to offset the accrued expenditures in this fund. Timing of invoicing for costs associated with this capital project was unknown at year end and revenue recognition was not determined met.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

**8. INTERFUND TRANSACTIONS AND INTERFUND BORROWING**

With City Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditure on behalf of another fund. Transfers between funds during the fiscal year 2017 were as follows:

Transfers were made to close out old funds and accounts that were no longer in use and to reimburse the general fund for program-related general administrative costs.

	<u>Transferred In</u>	<u>Transferred Out</u>
<b>Governmental Funds</b>		
Major funds:		
Fund: 110 - GENERAL FUND	\$ 35,503	\$ -
Fund: 239 - HOME PROGRAM INCOME		1,333,895
Fund: 240 - 2012 HOME GRANT	1,412,005	-
Fund: 130 - GENERAL CAPITAL PROJECTS	-	6,000
Total major funds	<u>1,447,508</u>	<u>1,339,895</u>
<b>Non-major funds:</b>		
<b>Special revenue funds:</b>		
Fund: 207 - PROP 172 PUBLIC SAFETY	-	29,500
Fund: 209 - LAKEPORT HOUSING	437,946	-
Fund: 210 - CDBG ECONOMIC DEVELOPMENT PROGRAM INCOME	-	236,846
Fund: 219 - LOW-MOD HOUSING	-	396,911
Fund: 228 - CDBG HOUSING PROGRAM INCOME	-	298,224
Fund: 232 - EMERGENCY HOUSING LOAN	-	29,680
Fund: 233 - MICRO ENTERPRISE REVLOVING LOAN	-	1,819
Fund: 234 - BUSINESS STABILIZATION LOAN	-	74,818
Fund: 238 - CDBG HOUSING GRANT	-	357,269
Fund: 241 - CDBG GRANT 2014	879,508	-
Total non-major funds	<u>1,317,454</u>	<u>1,425,067</u>
Total Transfers	<u>\$ 2,764,962</u>	<u>\$ 2,764,962</u>

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

8. INTERFUND TRANSACTIONS AND INTERFUND BORROWING, Continued

Interfund Borrowing and Internal Balances

Borrowing Fund (Due To)			Lending Fund (Due From)		
Fund Number	Fund Name	Amount	Fund Number	Fund Name	Amount
410	Lakeshore Storm Damage Repair	\$ 69,050	110	General Fund	\$ 69,050
241	CDBG Grant 2014	77,503	110	General Fund	77,503
Total due to		<u>\$ 146,553</u>	Total due from		<u>\$ 146,553</u>

Borrowing Fund (Advances To)			Lending Fund (Advances From)		
Fund Number	Fund Name	Amount	Fund Number	Fund Name	Amount
202	Parkland Dedication	\$ 175,140	110	General Fund	\$ 175,140
604	Lakeport Housing	114,341	110	General Fund	114,341
Total advances to		<u>\$ 289,481</u>	Total advances from		<u>\$ 289,481</u>
		<u>\$ 436,034</u>	Total interfund borrowing		<u>\$ 436,034</u>

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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9. RISK MANAGEMENT

The City is an associate member of the Redwood Empire Municipal Insurance Fund (REMIF), a public entity pool comprised of fifteen northern California charter and associate member cities. REMIF is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of REMIF is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to REMIF for its workers' compensation, general liability and property coverage.

The City of Lakeport participates in the following three REMIF programs:

General Liability Insurance

Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Lakeport self-insures for the first \$5,000 of each loss and pays 100% of all losses incurred under \$5,000. The City does not share or pay for losses of other cities under \$5,000, depending on the entity's deductible amount. Participating cities then share in the next \$5,000 to \$500,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. REMIF is a member of the California Joint Powers Risk Management Authority, which provides REMIF with an additional \$9,500,000 liability insurance coverage over and above REMIF retention level of \$500,000.

Workers' Compensation

Periodic deposits are paid by member cities and are adjusted retrospectively to cover costs. The City of Lakeport is self-insured for the first \$5,000 of each loss and pays 100% of all losses incurred under \$5,000. The City does not share or pay for losses of other cities under \$5,000.

Losses of \$10,000 to \$300,000 are prorated among all participating cities. Losses in excess of \$300,000 are covered by excess insurance purchased by participating cities, as part of the pool, to State statutory limits.

Property Insurance

The City participates in REMIF's property insurance program. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments. The City of Lakeport has a deductible level of \$10,000 and a coverage limit of \$300,000,000 declared value.



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

9. RISK MANAGEMENT, Continued

Risk Management Coverage		
Amount	Coverage Provider	Payment Source
General liability claims:		
\$0 - \$5,000	Self-insured retention	City funds
5,001 - 500,000	Public Agency Risk Sharing Authority	Shared risk pool
500,001 - 9,500,000	California Affiliated Risk Management Authorities	Shared risk pool
5,000,001 - 15,000,000	Commercial reinsurance	
15,000,001 - 25,000,000	California Affiliated Risk Management Authorities	Shared risk pool
Workers' compensation claims:		
\$0 - \$5,000	Self-insured retention	City funds
5,001 - 300,000	Public Agency Risk Sharing Authority	Shared risk pool
300,001 +	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance	
50,000,001 - 300,000,000	Insurance	
Property insurance claims:		
\$0 - \$10,000	Deductible	City funds
10,001 - 300,000,000	REMIF coverage of declared value	Shared risk pool

The City did not have any settlements which exceeded its liability coverage. The City does not have any accrued liability or reserves for fiscal year 2018.

The following is a summary of the most recent financial statements of REMIF as of and for the fiscal year ended June 30, 2017:

Total assets	\$ 21,917,772
Total deferred outflows of resources	851,545
Total liabilities	(26,887,778)
Total Deferred inflows of resources	(105,039)
Members' equity	<u>\$ (4,223,500)</u>
Total revenue	\$ 24,020,234
Total expense	<u>(25,618,977)</u>
Operating income (loss)	<u>\$ (1,598,743)</u>

REMIF issues a separate comprehensive annual financial report. Copies of that report may be obtained from REMIF at Post Office Box 885, Sonoma, California 95476.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS annual financial report may be obtained from the Executive Office, 400 "P" Street, Sacramento, California, 95814.

General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government 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 10 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.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

**Benefits Provided**

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	9%
Required employer contribution rates	10.110%	6.533%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	17.875%	11.99%

**Contributions**

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

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

For the year ended June 30, 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	PEPRA - Miscellaneous	PEPRA Safety
Contributions - employer	\$ 113,812	\$ 54,873	\$ 48,673	\$ 49,041
Contributions - employee (paid employer)	\$ 90,768	\$ 27,641	\$ 46,558	\$ 47,024

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

As of June 30, 2018, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 4,498,928
Safety	2,158,780
Total Net Pension Liability	<u>\$ 6,657,708</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

City of Lakeport, California  
 Basic Financial Statements  
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Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

The City's proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2017	0.11527%	0.03744%
Proportion - June 30, 2018	0.11413%	0.03613%
Change - Increase (Decrease)	-0.00114%	-0.00131%

For the year ended June 30, 2018, the City recognized an increase in pension expense of \$182,821.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 1,186,183	\$ -
Differences between expected and actual experiences	-	64,773
Differences between projected and actual investment earnings	286,712	-
Differences between the employer's contributions and proportionate share of the contributions	3,693	492,705
Change in employer's proportion	695,597	2,007,768
Pension contributions subsequent to measurement date	478,391	-
Total	\$ 2,650,576	\$ 2,565,246

The \$478,391 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	
2019	\$ (653,984)
2020	31,222
2021	399,062
2022	(169,362)
2023	-
Thereafter	-

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funs
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

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

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

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

**Rates of Return**

	New Strategic Allocation	Real Return Years 1-10 <sup>(1)</sup>	Real Return Years 11+ <sup>(2)</sup>
Global equity	47%	5.25%	5.71%
Global fixed income	19%	0.99%	2.43%
Inflation sensitive	6%	0.45%	3.36%
Private equity	12%	6.83%	6.95%
Real estate	11%	4.50%	5.13%
Infrastructure and forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	100%		

<sup>(1)</sup> An expected inflation of 2.5% used for this period.

<sup>(2)</sup> An expected inflation of 3.0% used for this period.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

**10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability as of June 30, 2017			
Miscellaneous	\$ 7,209,531	\$ 4,498,928	\$ 2,253,957
Safety	3,685,080	2,158,780	911,106
Total	<u>\$ 10,894,611</u>	<u>\$ 6,657,708</u>	<u>\$ 3,165,063</u>

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2018, the Local Government reported a payable of \$12,803 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.



City of Lakeport, California  
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 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS

Plan Description

The City's single-employer defined benefit retiree health plan provides certain health care benefits to qualified retired employees until they become eligible for Medicare benefits. Employees of the City may become eligible for these benefits when they reach normal retirement age while working for the City based upon years of service.

Funding Policy

The City recognizes the cost of providing these benefits by expensing their monthly insurance premiums. Other postemployment benefits paid by the City for the year totaled \$324,908.

The plan provisions and benefits are summarized below:

Benefit types provided	Medical only
Duration of benefits	Lifetime
Required service	12 years
Minimum age	50
Dependent coverage	Yes
City contribution % <sup>(1)</sup>	12-14 years of service: 40%
	15-17 years of service: 60%
	18-20 years of service: 80%
	21+ years of service: 100%
City cap	Active cap (currently a % of premium)

<sup>(1)</sup> Applies to City contribution for active coverage. Those hired prior to 4/6/99 are entitled to the active contribution upon retirement subject only to the minimum pension eligibility requirements.

City of Lakeport, California  
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Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

OPEB Eligibility Summary

Inactive employees receiving benefits	39
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>11</u>
Total number of participants	<u>50</u>

**Contributions**

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the City's cash contributions were \$324,908.

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Salary Increases	2.75%
Investment Rate of Return	3.80%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS' Membership Data for all funds.
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS' Membership Data for all funds.
Healthcare Trend Rate	4%

Notes:

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup> The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.80 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in the OPEB Liability*

The changes in the net OPEB liability for the Plan are as follows:

	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at 6/30/2017*	\$ 5,127,697	\$ -	\$ 5,127,697
Changes for the year			
Service Cost	52,362	-	52,362
Interest	189,647	-	189,647
Contributions - employer	-	324,908	(324,908)
Benefit payments	(324,908)	(324,908)	-
Net Changes	(82,899)	-	(82,899)
Balance at 6/30/2018**	\$ 5,044,798	\$ -	\$ 5,044,798

\*Measurement date 6/30/2016

\*\* Measurement date 6/30/2017

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The discount rate used for the fiscal year end 2018 is 3.80%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	<b>Discount Rate</b>	<b>Valuation</b>	<b>Discount Rate</b>
Change in Discount Rate	<b>1% Lower</b>	<b>Discount Rate</b>	<b>1% Higher</b>
Net OPEB Liability	\$ 5,696,351	\$ 5,044,798	\$ 4,505,716

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

Change in Healthcare Cost Trend Rate	Trend 1% Lower	Current Trend	Trend 1% Higher
Net OPEB Liability	\$ 4,519,645	\$ 5,044,798	\$ 5,653,609

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2018)

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$242,009. As of fiscal year ended June 30, 2018, the City did not report any deferred outflows or inflows of resources related to OPEB.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Lakeport that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2441 (2012).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2013. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

**Loans and Notes Receivable**

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. Some of these loans were transferred to the successor agency and are reported in the respective trust fund.

Loans and notes receivable for the fiscal year 2018 consisted of the following:

<b>Redevelopment Successor Private Purpose Trust Notes Receivable</b>				
	Beginning July 1, 2017	Additions	Deletions	Ending June 30, 2018
Redevelopment Facade Enhancement Loans	\$ 20,849	\$ -	\$ (20,849)	\$ -
Total loans/notes receivable	<u>\$ 20,849</u>	<u>\$ -</u>	<u>\$ (20,849)</u>	<u>\$ -</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Redevelopment Successor Private Purpose Trust Debt Service Activity					
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Due within one year
Fiduciary activities:					
2004 Series B RDA Tax Exempt Bonds	\$ 690,000	\$ -	\$ (55,000)	\$ 635,000	\$ 55,000
2016 Tax Allocation Bonds	4,120,000	-	(100,000)	4,020,000	70,000
Total fiduciary activities	<u>\$ 4,810,000</u>	<u>\$ -</u>	<u>\$ (155,000)</u>	<u>\$ 4,655,000</u>	<u>\$ 125,000</u>

2004 Series B Bonds

2004 Series B bond, total issue \$1,170,000. Annual principal is due on September 1 and interest payments are due semi-annually, at an annual interest rate of 5.31%, September 1 and March 1 each year. Payments are secured by redevelopment tax increment revenue, maturing in year 2027.

*Balance due* \$ 690,000

2016 Tax Allocation Bond

2016 Tax Allocation Bond, total issue \$4,120,000. Annual principal is due on September 1 and interest payments are due semi-annually, September 1 and March 1 each year. Payments are secured by redevelopment tax increment revenue, maturing in year 2034.

*Balance due* \$ 4,120,000

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Future debt service for Fiduciary Activities at June 30, 2018, is as follows:

June 30,	2004 Series B RDA Tax Exempt Bond		2016 Tax Allocation Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 55,000	\$ 34,070	\$ 70,000	\$ 156,500	\$ 125,000	\$ 190,570
2020	60,000	30,988	75,000	153,950	135,000	184,938
2021	65,000	27,544	145,000	149,550	210,000	177,094
2022	65,000	23,871	145,000	143,750	210,000	167,621
2023	70,000	20,058	160,000	137,650	230,000	157,708
2024-2028	320,000	37,008	1,020,000	583,650	1,340,000	620,658
2029-2033	-	-	1,760,000	297,850	1,760,000	297,850
2034-2038	-	-	645,000	19,275	645,000	19,275
	<u>\$ 635,000</u>	<u>\$ 173,539</u>	<u>\$ 4,020,000</u>	<u>\$ 1,642,175</u>	<u>\$ 4,655,000</u>	<u>\$ 1,815,714</u>
Due within one year	\$ 55,000	\$ 34,070	\$ 70,000	\$ 156,500	\$ 125,000	\$ 190,570
Due after one year	580,000	139,469	3,950,000	1,485,675	4,530,000	1,625,144
	<u>\$ 635,000</u>	<u>\$ 173,539</u>	<u>\$ 4,020,000</u>	<u>\$ 1,642,175</u>	<u>\$ 4,655,000</u>	<u>\$ 1,815,714</u>

13. SUBSEQUENT EVENTS

On July 18, 2018, the City issued \$4,770,000 revenue bonds to fund a solar and energy efficiency retrofit project. The interest rate on the bonds is 2.0 - 3.5 percent and the maturity date is October 1, 2043.



City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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**14. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*, as amended, and No. 57, *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans"*, for OPEB. Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2018. The City implemented during fiscal year ended June 30, 2018.

The GASB has issued Statement No. 81, *"Irrevocable Split-Interest Agreements."* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2017. This statement had no effect on these financial statements.

The GASB has issued Statement No. 82, *"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73."* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement had no effect on these financial statements.

The GASB has issued Statement No. 83, *"Certain Asset Retirement Obligations."* The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2019.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2018

Notes to the Basic Financial Statements, Continued

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**14. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

The GASB has issued Statement No. 84, "*Fiduciary Activities*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

The GASB has issued Statement No. 85, "*Omnibus 2017*." The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement had no effect on these financial statements.

The GASB has issued Statement No. 86, "*Certain Debt Extinguishment Issues*." The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement had no effect on these financial statements.

The GASB has issued Statement No. 87, "*Leases*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and 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 leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Lakeport, California**  
**Required Supplementary Information - Schedule of Changes**  
**in the Net OPEB Liability and Related Ratios**  
for the Measurement Periods Ended June 30,

	2018
<b>Total OPEB Liability</b>	
Service Cost	\$ 52,362
Interest on the total OPEB liability	189,647
Differences between expected and actual experience	-
Changes of benefit terms	-
Changes of assumptions	-
Benefit payments	(324,908)
<b>Net change in total OPEB liability</b>	<b>(82,899)</b>
<b>Total OPEB liability - beginning</b>	<b>5,127,697</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 5,044,798</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 324,908
Contributions - employee	
Actual investment income	-
Administrative expense	-
Benefit payments	(324,908)
<b>Net change in plan fiduciary net position</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 5,044,798</b>
Covered payroll	\$ 2,570,660
Net OPEB liability as a percentage of covered payroll	196.25%

**Notes to Schedule**

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the initial year of implementation, only one year is currently available

## City of Lakeport, California

## Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2018

Fiscal Year Ended June 30,	2018
Actuarially Determined Contribution (ADC)	\$ 324,908
Contributions in relation to the ADC	324,908
Contribution deficiency ( excess)	\$ -
Covered payroll	2,570,660
Contributions as a percentage of covered payroll	12.64%

**Notes to Schedule**

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the initial year of implementation, only one year is currently available

## City of Lakeport, California

## Required Supplementary Information - Schedule of Contributions

**Miscellaneous Plan**

Last 10 Fiscal Years\*

	2018	2017
Contractually required contribution (actuarially determined)	\$ 299,811	\$ 279,716
Contributions in relation to the actuarially determined contributions	(299,811)	(279,716)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 1,854,631	\$ 1,727,792
Contribution as a percentage of covered payroll	16.17%	16.19%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only two years are available. Additional years will be presented as they become available.

**Safety Plan**

Last 10 Fiscal Years\*

	2018	2017
Contractually required contribution (actuarially determined)	\$ 178,679	\$ 175,590
Contributions in relation to the actuarially determined contributions	(178,679)	(175,590)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 716,030	\$ 701,870
Contribution as a percentage of covered payroll	24.95%	25.02%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only two years are available. Additional years will be presented as they become available.

City of Lakeport, California  
Required Supplementary Information - Schedule of City's Proportionate Share  
of Net Pension Liability

**Miscellaneous Plan**

Last 10 Fiscal Years*	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.11413%	0.11527%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 4,498,927	\$ 4,004,316
Plan's Covered Payroll	\$ 1,854,631	\$ 1,727,792
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	242.58%	231.76%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.17%	78.69%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 575,409	\$ 550,660

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable

\* Due to a change in CalPERS reporting information, only two years are available.

Additional years will be presented as they become available.

**Safety Plan**

Last 10 Fiscal Years*	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.03613%	0.03744%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,158,780	\$ 1,938,947
Plan's Covered Payroll	\$ 716,030	\$ 701,870
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	301.49%	276.25%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.21%	79.63%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 301,957	\$ 261,963

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable

\* Due to a change in CalPERS reporting information, only two years are available.

Additional years will be presented as they become available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**ATTACHMENT 2**  
**NONMAJOR SPECIAL REVENUE FUNDS**

**Special Revenue Funds** account for revenues received that have special restrictions placed on their use or are committed to expenditure for specified purposes either through statute or by Council policy. The City has a number of different special revenue funds which are part of the non-operating budget. The City's nonmajor special revenue funds include the following:

<b>Fund</b>	<b>Description</b>
<b>Parkland Dedication Fund</b>	State law and General Plan provide for new development to fund expansion of park systems to compensate for added demand of growth. Fees are collected at time of recordation of parcel and subdivision maps (see Section 16.16.040 Lakeport Municipal Code).
<b>Gas Tax Fund</b>	Established to account for revenues and expenditures on road-related projects in the City. Financing is provided by the City's share of the statewide tax on gasoline and other fuels.
<b>Prop 172 Public Safety Fund</b>	A city or county that received Prop 172 funds must place the revenues in a special revenue fund to be expended only on public safety services as defined in Government Code Section 30052. Maintenance of effort provision in the statute requires the City to maintain funding levels to public safety functions.
<b>Lakeport Housing Fund</b>	A special revenue fund established for the provision of affordable housing.
<b>CDBG Economic Development Program Income Fund</b>	This fund receives payments of prior year's business loans. Expenditures from this fund must comply with adopted reuse plans. \$5,000 is allocated for economic development activities and \$5,000 for administrative support provided by planning staff.
<b>BSCC Law Enforcement Subvention</b>	This fund reports the receipt of state subvention from the Board of State and Community Corrections (BSCC) appropriated to local municipal law enforcement agencies for specified police activities.
<b>Low-Mod Housing Fund</b>	This fund tracked the housing activities of the former redevelopment agency.
<b>CDBG Housing Program Income Fund</b>	This fund is used for reinvestment into housing programs from program income generated by past housing grants, i.e., CDBG, HOME, etc.
<b>Emergency Housing Loan Fund</b>	Emergency and special assistance funds from federal CDBG funds restricted for housing.
<b>Micro Enterprise Revolving Loan Fund</b>	Business loans to micro businesses that meet the Target Income Group (TIG) requirement 233.
<b>Business Stabilization Loan Fund</b>	This fund is used to administer loans to local businesses facing financial hardship.

**ATTACHMENT 2**  
**NON-MAJOR SPECIAL REVENUE FUNDS, Continued**

Fund	Description
<b>CDBG Housing Grants Fund</b>	This fund is used to track expenditures and notes receivable related to the CDBG housing grants.
<b>Tenth Street Drainage Fund</b>	Restricted fund/set aside by developer of Willow Tree Shopping Center.
<b>Lakeport Blvd Improvement Fund</b>	Special assessment of developer to mitigate traffic impacts of K-Mart (now Bruno's) development in 1987.
<b>South Main Street Improvement Fund</b>	Special assessment of developer to mitigate traffic impacts of K-Mart.
<b>Parkside Traffic Mitigation Fund</b>	Traffic mitigation fees are required as a mitigation measure of Parkside Subdivision.
<b>Parallel/Bevins Storm Maintenance Fund</b>	Fund set up to account for revenue received and expenditures made in conjunction with development along the Parallel Drive and Bevins Drive corridor.
<b>Forbes Creek Trail Fund</b>	To construct a non-motorized trail in Westside Park around the perimeter of the park consistent with the Westside Park Master Plan. Funds provided by the State Parks and Recreation Department through the Recreational Trails (RT) program.
<b>Lakeshore Storm Damage Repair Fund</b>	On Lakeshore Boulevard from 75' south of Sayre Street, north through Jones Street to clear concrete debris from below the existing sea wall, reinforce the embankment with sheet pile, and backfill the wall. Repair the roadway, curb, and gutter failure by cutting out failed sections and replacing the base rock and AC paving. Funds provided by the Federal government through Caltrans' administration of the Emergency Relief (ER) Program.
<b>Storm Drainage Fund</b>	Assessments are made against larger properties to pay for prior and future storm drain projects (see Chapter 3.16 Lakeport Municipal Code).
<b>Lakeshore Blvd. HSIPL (Safety)</b>	Special revenue fund established to account for expenditure related to the federal highway funding.
<b>2017 Storm Capital Projects</b>	Accounts for capital projects resulting from the 2017 Winter storms which were declared a federal disaster.

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City of Lakeport, California  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	CDBG Economic Development Program Income
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 164,253	\$ 102,470	\$ 71,914	\$ -
Receivables:					
Intergovernmental	-	-	5,952	-	-
Loans/Notes	-	-	-	372,368	-
Other	-	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 164,253</u>	<u>\$ 108,422</u>	<u>\$ 444,282</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	175,140	-	-	114,341	-
<b>Total liabilities</b>	<u>175,140</u>	<u>-</u>	<u>-</u>	<u>114,341</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable:					
Loans receivable	-	-	-	372,368	-
Restricted:					
Law enforcement	-	-	108,422	-	-
Transportation infrastructure	-	164,253	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Housing and community assistance	-	-	-	-	-
Unassigned (deficit)	(175,140)	-	-	(42,427)	-
<b>Total fund balances</b>	<u>(175,140)</u>	<u>164,253</u>	<u>108,422</u>	<u>329,941</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 164,253</u>	<u>\$ 108,422</u>	<u>\$ 444,282</u>	<u>\$ -</u>

ATTACHMENT 2

BSCC Law Enforcement Subvention	Low-Mod Housing	CDBG Housing Program Income	Emergency Housing Loan	Micro Enterprise Revolving Loan	Business Stabilization Loan	CDBG Housing Grants	Tenth Street Drainage
\$ 81,898	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 86,249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 81,898	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 86,249
\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	19	-	-	-	-	-
-	-	-	-	-	-	-	-
81,898	-	-	-	-	-	-	-
-	-	-	-	-	-	-	86,249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,898	-	-	-	-	-	-	86,249
\$ 81,898	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 86,249

(continued)

## City of Lakeport, California

## Combining Balance Sheet

## Nonmajor Special Revenue and Capital Projects Funds, Continued

June 30, 2017

	Lakeport Blvd Improvement	South Main St Improvement	Parkside Traffic Mitigation	Parallel/Bevins Storm Maintenance	Forbes Creek Trail
<b>ASSETS</b>					
Cash and investments	\$ 118,265	\$ 40,855	\$ 17,463	\$ 20,191	\$ -
Receivables:					
Intergovernmental	-	-	-	-	-
Loans/Notes	-	-	-	-	-
Other	-	-	-	-	-
<b>Total assets</b>	<u>\$ 118,265</u>	<u>\$ 40,855</u>	<u>\$ 17,463</u>	<u>\$ 20,191</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	1,584	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>1,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable:					
Loans receivable	-	-	-	-	-
Restricted:					
Law enforcement	-	-	-	-	-
Transportation infrastructure	118,265	39,271	17,463	20,191	-
Assigned:					
Capital projects	-	-	-	-	-
Housing and community assistance	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>118,265</u>	<u>39,271</u>	<u>17,463</u>	<u>20,191</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 118,265</u>	<u>\$ 40,855</u>	<u>\$ 17,463</u>	<u>\$ 20,191</u>	<u>\$ -</u>

ATTACHMENT 2

Lakeshore Storm Damage Repair	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant 2014	Safe Routes to School	Sub-total Special Revenue	2017 Storm Capital Projects	Non-major Governmental Totals
\$ -	\$ 135,517	\$ 5,014	\$ -	\$ -	\$ 844,108	1,881,409	2,725,517
14,447	-	-	217,125	-	237,524	-	237,524
-	-	-	864,532	-	1,236,900	-	1,236,900
-	-	-	-	-	-	-	-
<u>\$ 14,447</u>	<u>\$ 135,517</u>	<u>\$ 5,014</u>	<u>\$ 1,081,657</u>	<u>\$ -</u>	<u>\$ 2,318,532</u>	<u>\$ 1,881,409</u>	<u>\$ 4,199,941</u>
\$ 450	\$ -	\$ 1,988	\$ 106,033	1,350	\$ 110,074	\$ 15,044	\$ 125,118
69,050	-	-	77,503	-	146,553	-	146,553
-	-	-	-	-	289,481	-	289,481
<u>69,500</u>	<u>-</u>	<u>1,988</u>	<u>183,536</u>	<u>1,350</u>	<u>546,108</u>	<u>15,044</u>	<u>561,152</u>
-	-	-	864,532	-	1,236,900	-	1,236,900
-	-	-	-	-	190,320	-	190,320
-	-	-	-	-	445,692	-	445,692
-	135,517	3,026	-	-	138,543	1,866,365	2,004,908
-	-	-	33,589	-	33,589	-	33,589
(55,053)	-	-	-	(1,350)	(272,620)	-	(272,620)
<u>(55,053)</u>	<u>135,517</u>	<u>3,026</u>	<u>898,121</u>	<u>(1,350)</u>	<u>1,772,424</u>	<u>1,866,365</u>	<u>3,638,789</u>
<u>\$ 14,447</u>	<u>\$ 135,517</u>	<u>\$ 5,014</u>	<u>\$ 1,081,657</u>	<u>\$ -</u>	<u>\$ 2,318,532</u>	<u>\$ 1,881,409</u>	<u>\$ 4,199,941</u>

(concluded)

## City of Lakeport, California

## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the year ended June 30, 2018

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	CDBG Economic Development Program Income
<b>REVENUES:</b>					
Intergovernmental revenue	\$ -	113,854	\$ 34,422	\$ -	\$ -
Use of money and property	-	232	137	754	-
Other revenues	-	-	-	8,959	2,051
<b>Total revenues</b>	-	114,086	34,559	9,713	2,051
<b>EXPENDITURES:</b>					
Current:					
Roads and infrastructure:					
Public works	-	36,676	-	-	-
Housing and support programs	-	-	-	23,394	-
Economic development	-	-	-	-	14,890
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	-	36,676	-	23,394	14,890
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	77,410	34,559	(13,681)	(12,839)
<b>OTHER FINANCING SOURCES (USES):</b>					
Loss on note receivable	-	-	-	(3,853)	(233,699)
Transfers in	-	-	-	437,946	-
Transfers out	-	-	(29,500)	-	(236,846)
<b>Total other financing sources and uses</b>	-	-	(29,500)	434,093	(470,545)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	77,410	5,059	420,412	(483,384)
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	(175,140)	86,843	103,363	(90,471)	483,384
End of year	\$ (175,140)	\$ 164,253	\$ 108,422	\$ 329,941	\$ -



ATTACHMENT 2

BSCC Law Enforcement Subvention	Low-Mod Housing	CDBG Housing Program Income	Emergency Housing Loan	Micro Enterprise Revolving Loan	Business Stabilization Loan	CDBG Housing Grant 2010	Tenth Street Drainage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	-	-	-	-	-	-	54
-	2,017	8,293	1,200	-	3,301	-	-
26	2,017	8,293	1,200	-	3,301	-	54
-	-	-	-	-	-	-	-
-	457	12,291	1,501	20	93	-	-
-	-	-	-	-	-	4,686	-
16,831	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,831	457	12,291	1,501	20	93	4,686	-
(16,805)	1,560	(3,998)	(301)	(20)	3,208	(4,686)	54
-	(37,071)	(42,465)	(1,571)	-	-	-	-
-	-	-	-	-	-	-	-
-	(396,911)	(298,224)	(29,680)	(1,819)	(74,818)	(357,269)	-
-	(433,982)	(340,689)	(31,251)	(1,819)	(74,818)	(357,269)	-
(16,805)	(432,422)	(344,687)	(31,552)	(1,839)	(71,610)	(361,955)	54
98,703	432,422	344,687	31,552	1,839	71,610	361,955	86,195
\$ 81,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,249

(continued)

## City of Lakeport, California

## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

## Nonmajor Special Revenue and Capital Projects Funds, Continued

For the year ended June 30, 2018

	Lakeport Blvd Improvement	South Main St Improvement	Parkside Traffic Mitigation	Parallel/Bevins Storm Maintenance	Forbes Creek Trail
<b>REVENUES:</b>					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	73	-	11	12	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<u>73</u>	<u>-</u>	<u>11</u>	<u>12</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Current:					
Roads and infrastructure:					
Public works	-	14	-	-	-
Housing and support programs	-	-	-	-	-
Economic development	-	-	-	-	-
Public safety	-	-	-	-	-
Capital outlay	-	23,331	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>23,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>73</u>	<u>(23,345)</u>	<u>11</u>	<u>12</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Loss on note receivable	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>73</u>	<u>(23,345)</u>	<u>11</u>	<u>12</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	118,192	62,616	17,452	20,179	-
End of year	<u>\$ 118,265</u>	<u>\$ 39,271</u>	<u>\$ 17,463</u>	<u>\$ 20,191</u>	<u>\$ -</u>

ATTACHMENT 2

Lakeshore Storm Damage Repair	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant 2014	Safe Routes to School	Sub-total Special Revenue	2017 Storm Capital Projects	Non-major Governmental Totals
\$ 494,383	\$ -	\$ 5,000	41,331	\$ -	\$ 688,990	243,398	\$ 932,388
-	63	12	5,279	-	6,653	-	6,653
-	-	-	-	-	25,821	1,668,020	1,693,841
494,383	63	5,012	46,610	-	721,464	1,911,418	2,632,882
550,105	4,630	-	-	1,350	591,425	-	591,425
-	-	-	-	-	37,756	-	37,756
-	-	-	32,636	-	52,212	-	52,212
-	-	-	-	-	16,831	-	16,831
-	6,662	1,988	234,606	-	266,587	29,451	296,038
550,105	11,292	1,988	267,242	1,350	964,811	29,451	994,262
(55,722)	(11,229)	3,024	(220,632)	(1,350)	(243,347)	1,881,967	1,638,620
-	-	-	(8,244)	-	(326,903)	-	(326,903)
-	-	-	879,508	-	1,317,454	-	1,317,454
-	-	-	-	-	(1,425,067)	-	(1,425,067)
-	-	-	871,264	-	(434,516)	-	(434,516)
(55,722)	(11,229)	3,024	650,632	(1,350)	(677,863)	1,881,967	1,204,104
669	146,746	2	247,489	-	2,450,287	(15,602)	2,434,685
\$ (55,053)	\$ 135,517	\$ 3,026	\$ 898,121	\$ (1,350)	\$ 1,772,424	\$ 1,866,365	\$ 3,638,789

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NONMAJOR GOVERNMENTAL FUNDS BUDGET COMPARISONS

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Parkland Dedication Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	-	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(175,140)	(175,140)	(175,140)	-
End of year	\$ (175,140)	\$ (175,140)	\$ (175,140)	\$ -

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Gas Tax Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 139,007	\$ 139,007	\$ 113,854	\$ (25,153)
Use of money and property	500	500	232	(268)
<b>Total revenues</b>	<u>139,507</u>	<u>139,507</u>	<u>114,086</u>	<u>(25,421)</u>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	135,000	135,000	36,676	98,324
<b>Total expenditures</b>	<u>135,000</u>	<u>135,000</u>	<u>36,676</u>	<u>98,324</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,507</u>	<u>4,507</u>	<u>77,410</u>	<u>(123,745)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>4,507</u>	<u>4,507</u>	<u>77,410</u>	<u>(123,745)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	86,843	86,843	86,843	-
End of year	<u>\$ 91,350</u>	<u>\$ 91,350</u>	<u>\$ 164,253</u>	<u>\$ (123,745)</u>

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Prop 172 Public Safety Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 29,500	\$ 29,500	\$ 34,422	\$ 4,922
Use of money and property	-	-	137	137
<b>Total revenues</b>	<u>29,500</u>	<u>29,500</u>	<u>34,559</u>	<u>5,059</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	29,500	29,500	-	29,500
<b>Total expenditures</b>	<u>29,500</u>	<u>29,500</u>	<u>-</u>	<u>29,500</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>34,559</u>	<u>(24,441)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(29,500)	(29,500)	(29,500)	-
<b>Total other financing sources and uses</b>	<u>(29,500)</u>	<u>(29,500)</u>	<u>(29,500)</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(29,500)</u>	<u>(29,500)</u>	<u>5,059</u>	<u>(24,441)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	103,363	103,363	103,363	-
End of year	<u>\$ 73,863</u>	<u>\$ 73,863</u>	<u>\$ 108,422</u>	<u>\$ (24,441)</u>



## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Lakeport Housing Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 754	\$ 754
Other revenues	4,800	4,800	8,959	4,159
<b>Total revenues</b>	<u>4,800</u>	<u>4,800</u>	<u>9,713</u>	<u>4,913</u>
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	4,800	4,800	23,394	(18,594)
<b>Total expenditures</b>	<u>4,800</u>	<u>4,800</u>	<u>23,394</u>	<u>(18,594)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(13,681)</u>	<u>23,507</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	(3,853)	(3,853)
Transfer in	-	-	437,946	437,946
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>434,093</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>-</u>	<u>-</u>	<u>420,412</u>	<u>23,507</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	(90,471)	(90,471)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,941</u>	<u>\$ (66,964)</u>

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## CDBG Economic Development Program Income Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue			\$ -	\$ -
Use of money and property	500	14,500	-	(14,500)
Other revenue	-	10,000	2,051	(7,949)
<b>Total revenues</b>	<b>500</b>	<b>24,500</b>	<b>2,051</b>	<b>(22,449)</b>
<b>EXPENDITURES:</b>				
Current:				
Economic development	27,000	27,000	14,890	12,110
<b>Total expenditures</b>	<b>27,000</b>	<b>27,000</b>	<b>14,890</b>	<b>12,110</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(26,500)	(2,500)	(12,839)	(34,559)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	(233,699)	(233,699)
Transfers out	-	-	(236,846)	(236,846)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(470,545)</b>	<b>(236,846)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>				
	(26,500)	(2,500)	(483,384)	(271,405)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	483,384	483,384	483,384	-
End of year	\$ 456,884	\$ 480,884	\$ -	\$ (271,405)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## BSCC Law Enforcement Subvention Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 33,661	\$ 33,661	\$ -	\$ (33,661)
Use of money and property	200	200	26	(174)
<b>Total revenues</b>	<b>33,861</b>	<b>33,861</b>	<b>26</b>	<b>(33,835)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	16,831	16,831	16,831	-
Capital outlay	-	30,000	-	-
<b>Total expenditures</b>	<b>16,831</b>	<b>46,831</b>	<b>16,831</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,030</b>	<b>(12,970)</b>	<b>(16,805)</b>	<b>(33,835)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>17,030</b>	<b>(12,970)</b>	<b>(16,805)</b>	<b>(33,835)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	98,703	98,703	98,703	-
End of year	\$ 115,733	\$ 85,733	\$ 81,898	\$ (33,835)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Low-Mod Housing Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	2,017	2,017
<b>Total revenues</b>	-	-	2,017	2,017
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	10,000	10,000	457	9,543
<b>Total expenditures</b>	10,000	10,000	457	9,543
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(10,000)	(10,000)	1,560	(7,526)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	(37,071)	
Transfers out	-	-	(396,911)	(396,911)
<b>Total other financing sources and uses</b>	-	-	(433,982)	(396,911)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	(10,000)	(10,000)	(432,422)	(404,437)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	432,422	432,422
End of year	\$ (10,000)	\$ (10,000)	\$ -	\$ 27,985

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## CDBG Housing Program Income Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	8,293	8,293
<b>Total revenues</b>	-	-	8,293	8,293
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	12,000	12,000	12,291	(291)
<b>Total expenditures</b>	12,000	12,000	12,291	(291)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(12,000)	(12,000)	(3,998)	8,584
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on not receivable			(42,465)	
Transfers out	-	-	(298,224)	(298,224)
<b>Total other financing sources and uses</b>	-	-	(340,689)	(298,224)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	(12,000)	(12,000)	(344,687)	(289,640)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	344,687	344,687	344,687	-
End of year	\$ 332,687	\$ 332,687	\$ -	\$ (289,640)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Emergency Housing Loan Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
Other revenues	-	-	1,200	1,200
<b>Total revenues</b>	-	-	1,200	1,200
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	6,000	6,000	1,501	4,499
<b>Total expenditures</b>	6,000	6,000	1,501	4,499
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(6,000)	(6,000)	(301)	(3,299)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on not receivable			(1,571)	
Transfers out	-	-	(29,680)	(29,680)
<b>Total other financing sources and uses</b>	-	-	(31,251)	(29,680)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	(6,000)	(6,000)	(31,552)	(32,979)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	31,552	31,552	31,552	-
End of year	\$ 25,552	\$ 25,552	\$ -	\$ (32,979)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Micro Enterprise Revolving Loan Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	0	0	20	(20)
<b>Total expenditures</b>	-	-	20	(20)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(20)	20
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(1,819)	(1,819)
<b>Total other financing sources and uses</b>	-	-	(1,819)	(1,819)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	(1,839)	(1,799)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	1,839	1,839	1,839	-
End of year	\$ 1,839	\$ 1,839	\$ -	\$ (1,799)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Business Stabilization Loan Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	24,000	24,000	3,301	(20,699)
<b>Total revenues</b>	<u>24,000</u>	<u>24,000</u>	<u>3,301</u>	<u>(20,699)</u>
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	-	-	93	(93)
Economic development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>24,000</u>	<u>24,000</u>	<u>3,208</u>	<u>(20,606)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	0	0	(74,818)	(74,818)
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>(74,818)</u>	<u>(74,818)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>24,000</u>	<u>24,000</u>	<u>(71,610)</u>	<u>(95,424)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	71,610	71,610	71,610	-
End of year	<u>\$ 95,610</u>	<u>\$ 95,610</u>	<u>\$ -</u>	<u>\$ (95,424)</u>



## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## CDBG Housing Grant 2010 Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	4,686	(4,686)
<b>Total expenditures</b>	-	-	4,686	(4,686)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(4,686)	4,686
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(357,269)	(357,269)
<b>Total other financing sources and uses</b>	-	-	(357,269)	(357,269)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	(361,955)	(352,583)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	361,955	361,955	361,955	-
End of year	\$ 361,955	\$ 361,955	\$ -	\$ (352,583)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Tenth Street Drainage Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	300	300	54	(246)
<b>Total revenues</b>	<b>300</b>	<b>300</b>	<b>54</b>	<b>(246)</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>300</b>	<b>300</b>	<b>54</b>	<b>(246)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>300</b>	<b>300</b>	<b>54</b>	<b>(246)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	86,195	86,195	86,195	-
End of year	\$ 86,495	\$ 86,495	\$ 86,249	\$ (246)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Lakeport Blvd Improvement Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	400	400	73	(327)
<b>Total revenues</b>	<u>400</u>	<u>400</u>	<u>73</u>	<u>(327)</u>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>400</u>	<u>400</u>	<u>73</u>	<u>(327)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>400</u>	<u>400</u>	<u>73</u>	<u>(327)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	118,192	118,192	118,192	-
End of year	<u>\$ 118,592</u>	<u>\$ 118,592</u>	<u>\$ 118,265</u>	<u>\$ (327)</u>

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## South Main Street Improvement Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	60,250	60,250	-	(60,250)
<b>Total revenues</b>	60,250	60,250	-	(60,250)
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	14	(14)
Capital outlay	60,000	60,000	23,331	
<b>Total expenditures</b>	60,000	60,000	23,345	(14)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	250	250	(23,345)	(60,236)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	-	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	250	250	(23,345)	(60,236)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	62,616	62,616	62,616	-
End of year	\$ 62,866	\$ 62,866	\$ 39,271	\$ (60,236)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Parkside Traffic Mitigation Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	50	50	11	(39)
<b>Total revenues</b>	<b>50</b>	<b>50</b>	<b>11</b>	<b>(39)</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>50</b>	<b>50</b>	<b>11</b>	<b>(39)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing</b>				
<b>sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING</b>				
<b>SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER</b>				
<b>FINANCING (USES)</b>	<b>50</b>	<b>50</b>	<b>11</b>	<b>(39)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	17,452	17,452
End of year	\$ 50	\$ 50	\$ 17,463	\$ 17,413

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Parallel/Bevins Storm Maintenance Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	50	50	12	(38)
<b>Total revenues</b>	<b>50</b>	<b>50</b>	<b>12</b>	<b>(38)</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>50</b>	<b>50</b>	<b>12</b>	<b>(38)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing</b>				
<b>sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING</b>				
<b>SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER</b>				
<b>FINANCING (USES)</b>	<b>50</b>	<b>50</b>	<b>12</b>	<b>(38)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	20,179	20,179	20,179	-
End of year	\$ 20,229	\$ 20,229	\$ 20,191	\$ (38)

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Forbes Creek Trail Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Use of money and property	-	-	-	-
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	-	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Lakeshore Storm Damage Repair Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	725,678	725,678	494,383	(231,295)
<b>Total revenues</b>	<u>725,678</u>	<u>725,678</u>	<u>494,383</u>	<u>(231,295)</u>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	775,000	775,000	550,105	224,895
<b>Total expenditures</b>	<u>775,000</u>	<u>775,000</u>	<u>550,105</u>	<u>224,895</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(49,322)</u>	<u>(49,322)</u>	<u>(55,722)</u>	<u>(456,190)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing     sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(49,322)</u>	<u>(49,322)</u>	<u>(55,722)</u>	<u>(456,190)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	669	669	669	-
End of year	<u>\$ (48,653)</u>	<u>\$ (48,653)</u>	<u>\$ (55,053)</u>	<u>\$ (456,190)</u>



## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Storm Drainage Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 500	\$ 63	\$ (437)
<b>Total revenues</b>	<u>500</u>	<u>500</u>	<u>63</u>	<u>(437)</u>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	10,000	10,000	4,630	5,370
Capital outlay	20,000	20,000	6,662	13,338
<b>Total expenditures</b>	<u>30,000</u>	<u>30,000</u>	<u>11,292</u>	<u>18,708</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(29,500)</u>	<u>(29,500)</u>	<u>(11,229)</u>	<u>(19,145)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(29,500)</u>	<u>(29,500)</u>	<u>(11,229)</u>	<u>(19,145)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	146,746	146,746	146,746	-
End of year	<u>\$ 117,246</u>	<u>\$ 117,246</u>	<u>\$ 135,517</u>	<u>\$ (19,145)</u>

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Lakeshore Blvd HSIPL (Safety) Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 5,000	\$ -
Use of money and property	-	-	12	12
<b>Total revenues</b>	-	-	5,012	-
<b>EXPENDITURES:</b>				
Capital outlay	-	-	1,988	(1,988)
<b>Total expenditures</b>	-	-	1,988	(1,988)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	3,024	1,988
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	-	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	3,024	1,988
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	2	2	2	-
End of year	\$ 2	\$ 2	\$ 3,026	\$ 1,988

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## CDBG Grant 2014 Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue			41,331	
Use of money and property	-	-	5,279	5,279
<b>Total revenues</b>	-	-	46,610	-
<b>EXPENDITURES:</b>				
Economic development	12,000	12,000	32,636	(20,636)
Capital outlay	225,000	225,000	234,606	(9,606)
<b>Total expenditures</b>	237,000	237,000	267,242	(30,242)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(237,000)	(237,000)	(220,632)	30,242
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	(8,244)	-
Transfer in	-	-	879,508	-
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	-	-	871,264	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>				
	(237,000)	(237,000)	650,632	30,242
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	247,489	247,489	247,489	-
End of year	\$ 10,489	\$ 10,489	\$ 898,121	\$ 30,242

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## Safe Routes to School Fund

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	1,350	(1,350)
<b>Total expenditures</b>	-	-	1,350	(1,350)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(1,350)	1,350
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	-	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	(1,350)	1,350
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	247,489	247,489	247,489	-
End of year	\$ 247,489	\$ 247,489	\$ 246,139	\$ 1,350

## City of Lakeport, California

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

## 2017 Storm Capital Projects Fund

For the year ended June 30, 2018

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 243,398	\$ 243,398
<b>Total revenues</b>	-	-	1,911,418	1,911,418
<b>EXPENDITURES:</b>				
Capital outlay	-	-	29,451	(29,451)
<b>Total expenditures</b>	-	-	29,451	(29,451)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	1,881,967	1,881,967
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	1,881,967	1,881,967
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(15,602)	(15,602)	(15,602)	-
End of year	\$ (15,602)	\$ (15,602)	\$ 1,866,365	\$ 1,881,967

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

**ATTACHMENT 2**  
**AGENCY FUNDS**

**Agency funds** are used to account for resources held by the City in a purely custodial capacity for other governments, individuals, or private organizations. The City's agency funds include the following:

<b>Fund</b>	<b>Description</b>
<b>Special Deposit Agency Fund</b>	Resources held for outside parties that are not available for spending by the City.
<b>Other Post-Employment Benefits (OPEB) Agency Fund</b>	Resources for other post-employment benefits (OPEB) are managed and maintained in this fund. This includes City contributions to retiree health (medical, dental, vision, etc.)

City of Lakeport, California  
Combining Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2018

	Special Deposit Agency Fund	OPEB Agency Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ 415,933	\$ (24,866)	\$ 391,067
Receivables:			
Accounts and other	-	11,106	11,106
<b>Total assets</b>	<u>\$ 415,933</u>	<u>\$ (13,760)</u>	<u>\$ 402,173</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 277	\$ -	\$ 277
Refundable deposits and trust liabilities	415,656	(13,760)	401,896
<b>Total liabilities</b>	<u>\$ 415,933</u>	<u>\$ (13,760)</u>	<u>\$ 402,173</u>

City of Lakeport, California  
Combining Fiduciary Changes in Assets and Liabilities  
Agency Funds  
For the year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>Special Deposit Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 416,639	\$ -	\$ (706)	\$ 415,933
Receivables:				
Accounts and other	4,356	-	(4,356)	-
Interest	739	-	(739)	-
<b>Total assets</b>	<u>\$ 421,734</u>	<u>\$ -</u>	<u>\$ (5,801)</u>	<u>\$ 415,933</u>
<b>Liabilities:</b>				
Accounts payable	\$ 191	\$ 277	\$ (191)	\$ 277
Refundable deposits and trust liabilities	421,543		(5,887)	415,656
<b>Total liabilities</b>	<u>\$ 421,734</u>	<u>\$ 277</u>	<u>\$ (6,078)</u>	<u>\$ 415,933</u>
<b>OPEB Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 6,684	\$ -	\$ (31,550)	\$ (24,866)
Accounts and other	-	11,106	-	11,106
<b>Total assets</b>	<u>\$ 6,684</u>	<u>\$ 11,106</u>	<u>\$ (31,550)</u>	<u>\$ (13,760)</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
OPEB trust obligation	6,684	-	(20,444)	(13,760)
<b>Total liabilities</b>	<u>\$ 6,684</u>	<u>\$ -</u>	<u>\$ (20,444)</u>	<u>\$ (13,760)</u>



**ATTACHMENT 2**  
**STATISTICAL SECTION**

This part of the City of Lakeport's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

<b>Schedules</b>	<b>Content</b>	<b>Page(s)</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	150-158
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees, and intergovernmental revenue are the City's most significant revenue sources.	160-164
<b>Debt Capacity</b>	These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	166-168
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	170-171
<b>Operating Information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	170-174

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. Information was available beginning with the year ended June 30, 2004, for the financial trend schedules.

## City of Lakeport, California

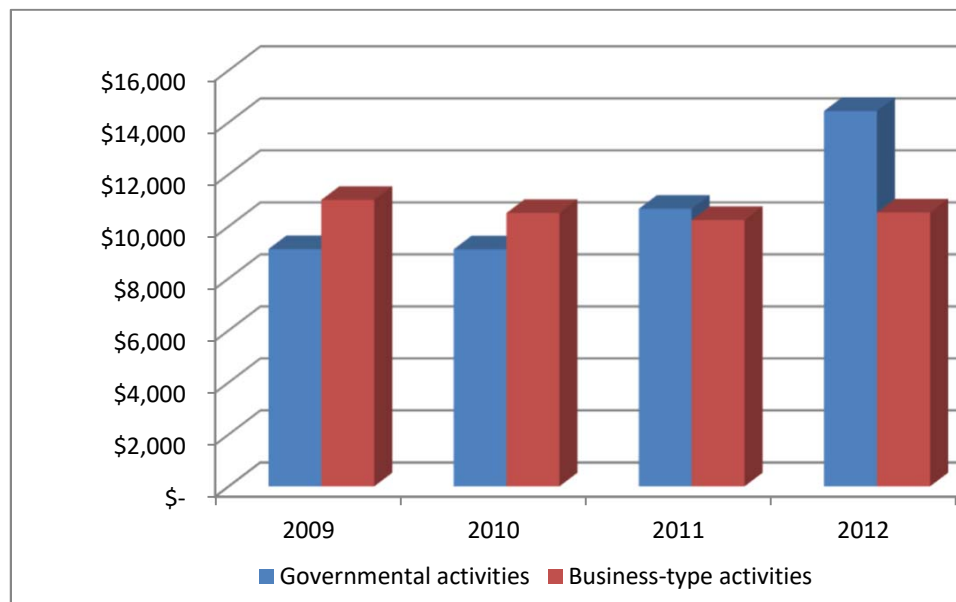
## Net Position by Component

Fiscal year ended June 30 (last ten fiscal years)

(Accrual basis of accounting)

(In thousands)

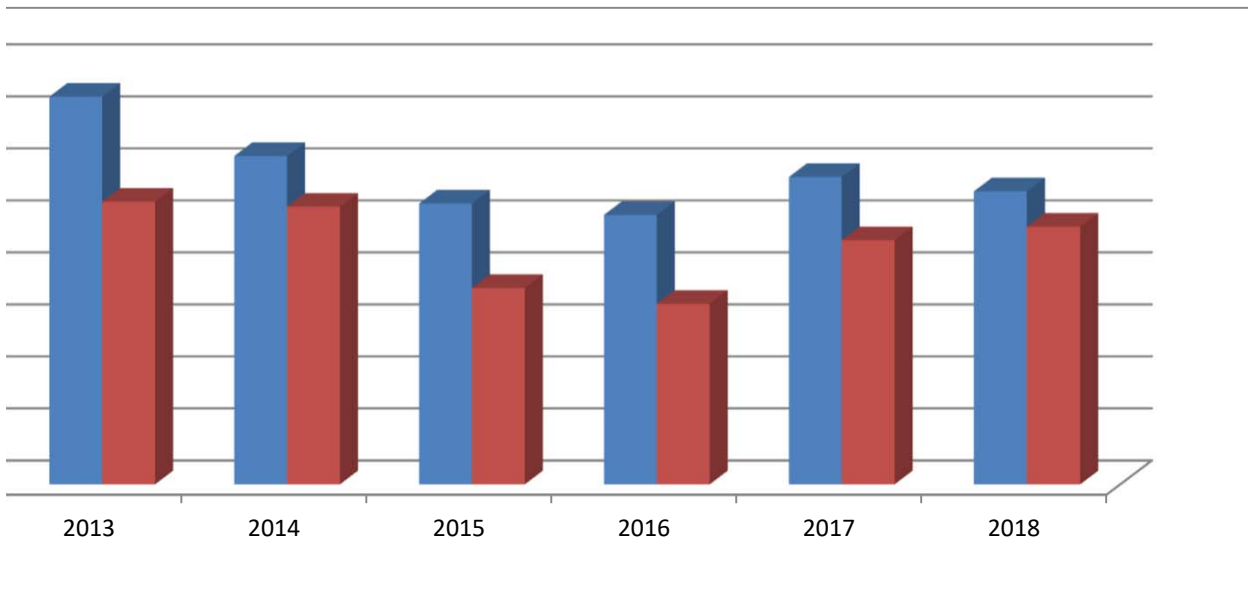
	2009	2010	2011
<b>Governmental activities</b>			
Net investment in capital assets	\$ (478)	\$ 164	\$ 1,278
Restricted	-	-	2,603
Unrestricted	9,603	8,950	6,790
<b>Total governmental activities net position</b>	<b>\$ 9,125</b>	<b>\$ 9,114</b>	<b>\$ 10,671</b>
<b>Business-type activities</b>			
Net investment in capital assets	\$ 8,661	\$ 8,216	7,606
Restricted	-	-	797
Unrestricted	2,356	2,297	1,839
<b>Total business-type activities net position</b>	<b>\$ 11,017</b>	<b>\$ 10,513</b>	<b>\$ 10,242</b>
<b>Primary government</b>			
Net investment in capital assets	\$ 8,183	\$ 8,380	\$ 8,884
Restricted	-	-	3,400
Unrestricted	11,959	11,247	8,629
<b>Total primary government net position</b>	<b>\$ 20,142</b>	<b>\$ 19,627</b>	<b>\$ 20,913</b>



Source: City Finance Department

ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
\$ 6,352	\$ 6,299	\$ 6,060	\$ 9,444	\$ 9,627	\$ 12,024	\$ 12,297
5,463	7,388	3,796	4,180	1,537	1,034	845
2,618	1,223	2,769	(2,823)	(801)	(1,238)	(1,877)
<u>\$ 14,433</u>	<u>\$ 14,910</u>	<u>\$ 12,625</u>	<u>\$ 10,801</u>	<u>\$ 10,363</u>	<u>\$ 11,820</u>	<u>\$ 11,265</u>
\$ 7,510	\$ 7,291	\$ 6,726	\$ 7,485	\$ 8,844	\$ 10,503	\$ 9,186
2,413	2,194	3,253	3,827	580	500	785
604	1,386	692	(3,760)	(2,483)	(1,615)	(64)
<u>\$ 10,527</u>	<u>\$ 10,871</u>	<u>\$ 10,671</u>	<u>\$ 7,552</u>	<u>\$ 6,941</u>	<u>\$ 9,388</u>	<u>\$ 9,907</u>
\$ 13,862	\$ 13,590	\$ 12,786	\$ 16,929	\$ 18,471	\$ 22,527	\$ 21,483
7,876	9,582	7,049	8,007	2,117	1,534	1,630
3,222	2,609	3,461	(6,583)	(3,284)	(2,853)	(1,941)
<u>\$ 24,960</u>	<u>\$ 25,781</u>	<u>\$ 23,296</u>	<u>\$ 18,353</u>	<u>\$ 17,304</u>	<u>\$ 21,208</u>	<u>\$ 21,172</u>



## City of Lakeport, California

## Changes in Net Position

Fiscal year ended June 30 (last ten fiscal years)

(Accrual basis of accounting)

(In thousands)

	2009	2010	2011
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 1,936	\$ 3,364	\$ 1,955
Community development	-	-	358
Roads and infrastructure	1,330	735	1,476
Sanitation	-	-	-
Housing and support programs	-	-	174
Redevelopment/economic development	-	-	200
Public safety	1,565	1,831	1,785
Parks and recreation	364	323	313
Interest on long term debt	315	302	309
Total governmental activities expenses	5,510	6,555	6,570
Business-type activities:			
Water utility	1,370	1,356	1,413
Sewer utility	2,632	2,476	2,289
Total business-type activities expenses	4,002	3,832	3,702
<b>Total primary government expenses</b>	9,512	10,387	10,272
<b>Program revenues:</b>			
Governmental activities:			
Charges for services:			
General government	656	575	330
Community development	-	-	82
Roads and infrastructure	110	2	41
Sanitation	-	-	-
Public safety	25	103	25
Parks and recreation	19	-	-
Operating grants and contributions	588	680	816
Capital grants and contributions	333	391	1,146
Total governmental activities program revenues	1,731	1,751	2,440
Business-type activities:			
Charges for services:			
Water utility	1,278	1,242	1,176
Sewer utility	1,669	1,716	1,623
Capital grants and contributions	-	-	-
Total business-type activities program revenues	2,947	2,958	2,799
<b>Total primary government program revenues</b>	4,678	4,709	5,239
<b>Net (Expense)/Revenue:</b>			
Governmental activities	(3,779)	(4,804)	(4,130)
Business-type activities	(1,055)	(874)	(903)
<b>Total primary government net expense</b>	(4,834)	(5,678)	(5,033)

## ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
\$ 737	\$ 887	\$ 830	\$ 775	\$ 962	\$ 969	\$ 873
268	283	242	307	451	410	314
1,344	1,151	1,226	1,418	893	906	1,375
421	439	452	438	-	-	-
511	18	134	83	108	21	501
293	11	82	39	237	137	113
1,529	1,542	1,664	1,713	1,959	1,986	1,917
282	382	327	534	437	433	404
359	8	4	-	42	78	93
5,744	4,721	4,961	5,307	5,089	4,940	5,590
1,550	1,596	1,759	1,808	2,523	1,247	1,793
2,408	2,363	2,481	2,536	3,342	2,737	2,240
3,958	3,959	4,240	4,344	5,865	3,984	4,032
9,702	8,680	9,201	9,651	10,954	8,924	9,623
-	4	4	22	-	-	-
63	20	22	22	30	-	49
-	-	-	-	-	87	76
529	511	467	469	-	-	-
-	7	7	4	46	2	1
26	-	-	-	5	-	-
298	199	-	686	463	321	285
783	429	-	2,687	1,994	599	784
1,699	1,170	500	3,890	2,538	1,009	1,195
1,439	1,471	1,691	1,826	2,062	2,190	2,379
1,934	1,683	2,480	2,787	2,812	2,696	3,009
360	38	-	-	-	1,097	-
3,733	3,192	4,171	4,613	4,874	5,983	5,388
5,432	4,362	4,671	8,503	7,412	6,992	6,583
(4,045)	(3,551)	(4,461)	(1,417)	(2,551)	(3,931)	(4,395)
(225)	(767)	(69)	269	(991)	1,999	1,355
(4,270)	(4,318)	(4,530)	(1,148)	(3,542)	(1,932)	(3,040)

## City of Lakeport, California

## Changes in Net Position, Continued

Fiscal year ended June 30 (last ten fiscal years)

(Accrual basis of accounting)

(In thousands)

	2009	2010	2011
<b>General Revenues and Other Changes in Net Position:</b>			
Governmental activities:			
Sales tax	1,719	935	3,753
Property taxes	2,031	2,547	-
Transient occupancy taxes	100	89	-
Other taxes	79	-	300
Franchise fees	98	113	-
Fines, forfeitures, and penalties	-	-	-
Use of money and property	120	58	25
Other revenues	526	503	1,610
Sale of land held for resale	-	-	-
Transfers in (out)	-	-	-
Extraordinary gain	-	-	-
Special items	-	-	-
Total governmental activities	4,673	4,245	5,688
Business-type activities:			
Property taxes	352	329	383
Use of money and property	66	41	39
Other revenues	-	-	210
Transfers in (out)	-	-	-
Total business-type activities	418	370	632
<b>Total primary government</b>	<b>5,091</b>	<b>4,615</b>	<b>6,320</b>
<b>Changes in Net Position:</b>			
Governmental activities	894	(559)	1,558
Business-type activities	(637)	(504)	(271)
<b>Total primary government</b>	<b>\$ 257</b>	<b>\$ (1,063)</b>	<b>\$ 1,287</b>

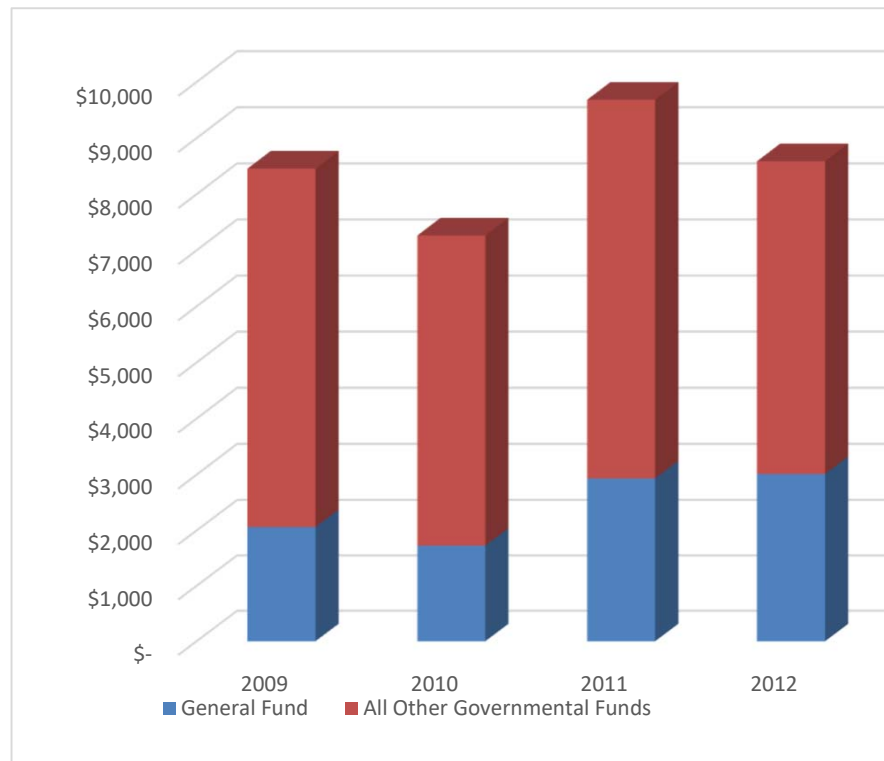
Note: The City implemented Governmental Accounting Standards Board Statement No. 68 and No. 71 (GASB 54 and GASB 71) for fiscal year ended June 30, 2015. The implementation resulted in a prior period adjustment of \$6,305,808 for Governmental activities and \$690,158 for Business-type activities.

ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
1,948	2,176	2,371	2,039	2,091	2,520	3,384
835	928	860	852	873	918	932
82	85	95	58	200	228	62
82	95	70	92	412	400	653
132	225	277	200	-	-	-
-	-	39	41	-	19	23
141	194	205	299	148	146	54
405	324	97	260	397	146	1,807
-	-	-	-	-	-	-
-	-	(2,418)	-	(33)	193	-
4,181	-	-	-	-	-	-
-	-	-	-	(1,974)	820	-
7,806	4,027	1,596	3,841	2,114	5,390	6,914
369	426	-	-	310	415	317
36	41	38	41	37	50	49
104	645	-	-	-	-	-
-	-	-	-	33	(15)	-
509	1,112	38	41	380	450	366
8,315	5,139	1,634	3,882	2,494	5,840	7,280
3,761	476	(2,865)	2,424	(437)	1,458	2,519
284	345	(31)	310	(611)	2,448	1,721
\$ 4,045	\$ 821	\$ (2,896)	\$ 2,734	\$ (1,048)	\$ 3,906	\$ 4,240

City of Lakeport, California  
Fund Balances of Governmental Funds  
Fiscal year ended June 30 (last ten fiscal years)  
(Modified accrual basis of accounting)  
(In thousands)

	2009	2010	2011
<b>General Fund</b>			
Nonspendable	\$ -	\$ -	\$ 408
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	133
Unassigned	2,063	1,727	2,394
<b>Total general fund</b>	<u>\$ 2,063</u>	<u>\$ 1,727</u>	<u>\$ 2,935</u>
<b>All Other Governmental Funds</b>			
Nonspendable	\$ 1,616	\$ 2,287	\$ 2,404
Restricted	5,800	4,731	2,603
Committed	-	-	-
Assigned	22	150	2,041
Unassigned	(1,044)	(1,630)	(298)
<b>Total all other governmental funds</b>	<u>6,394</u>	<u>5,538</u>	<u>6,750</u>
<b>Total all governmental funds</b>	<u>\$ 8,457</u>	<u>\$ 7,265</u>	<u>\$ 9,685</u>

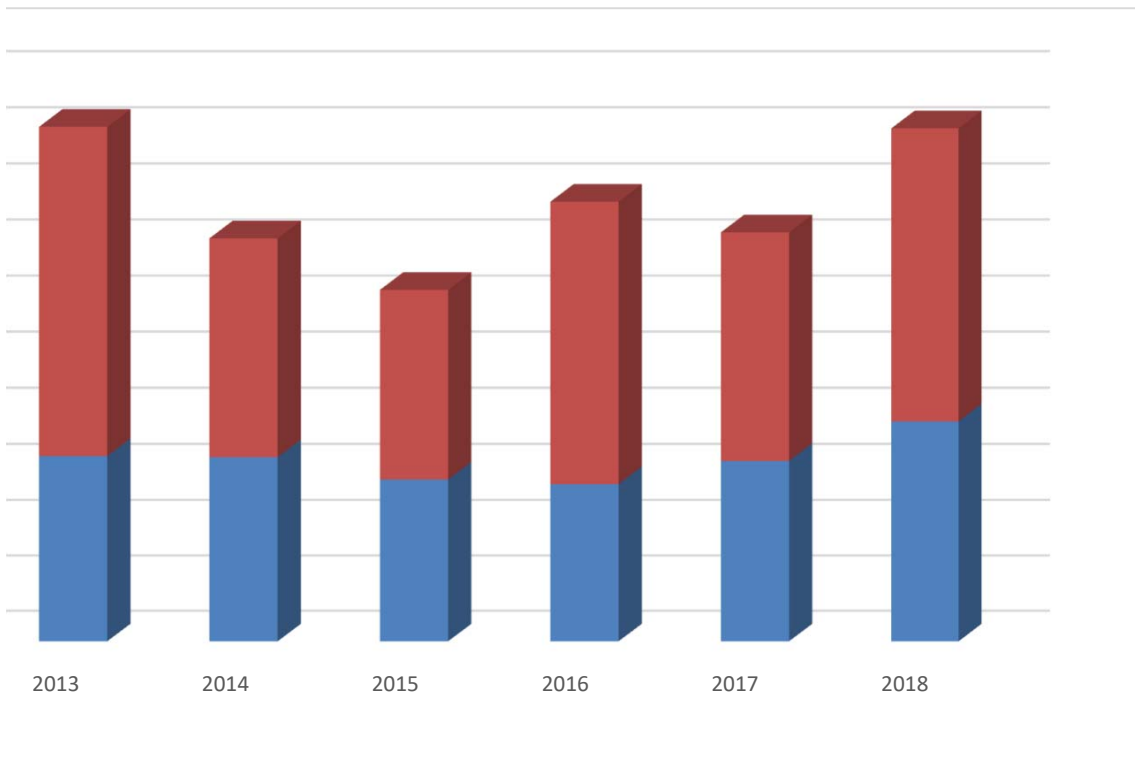


Source: City Finance Department



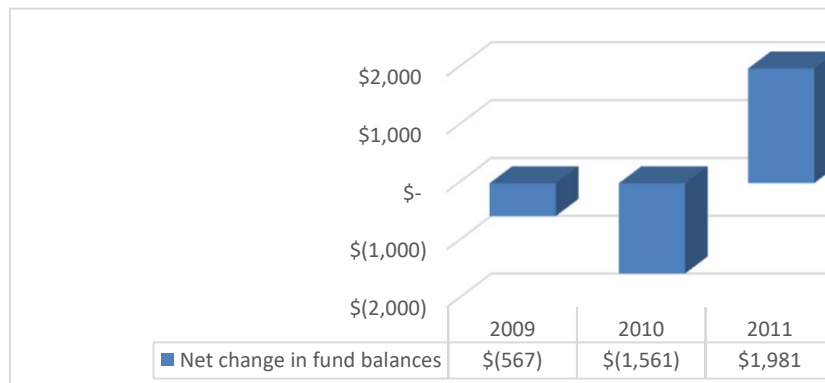
ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
\$ 1,541	\$ 1,511	\$ 1,087	\$ 374	\$ 329	\$ 294	\$ 289
-	-	23	14	21	21	10
1,470	-	182	362	421	421	-
-	1,821	2,021	2,165	2,062	2,172	3,310
-	-	-	-	-	337	341
<u>\$ 3,011</u>	<u>\$ 3,332</u>	<u>\$ 3,313</u>	<u>\$ 2,915</u>	<u>\$ 2,833</u>	<u>\$ 3,245</u>	<u>\$ 3,951</u>
\$ 2,859	\$ 2,639	\$ 516	\$ -	\$ 3,012	\$ 2,992	\$ 2,623
2,383	3,237	3,773	4,165	1,516	1,013	834
360	373	-	-	-	-	-
297	7	-	427	777	351	2,038
(321)	(387)	(387)	(1,212)	(271)	(281)	(273)
<u>5,578</u>	<u>5,869</u>	<u>3,902</u>	<u>3,380</u>	<u>5,034</u>	<u>4,075</u>	<u>5,223</u>
<u>\$ 8,589</u>	<u>\$ 9,201</u>	<u>\$ 7,215</u>	<u>\$ 6,295</u>	<u>\$ 7,867</u>	<u>\$ 7,320</u>	<u>\$ 9,175</u>



City of Lakeport, California  
 Changes in Fund Balances of Governmental Funds  
 Fiscal year ended June 30 (last ten fiscal years)  
 (Modified accrual basis of accounting)  
 (In thousands)

	2009	2010	2011
<b>Revenues</b>			
Taxes	\$ 4,027	\$ 1,071	\$ 3,753
Licenses, permits, and franchises	62	3,684	271
Fines and forfeitures	23	155	29
Use of money and property	120	21	25
Intergovernmental revenue	921	58	1,407
Charges for services	724	504	477
Other revenues	527	503	1,610
<b>Total revenues</b>	<b>6,404</b>	<b>5,996</b>	<b>7,572</b>
<b>Expenditures</b>			
Current			
General government	2,905	3,820	1,557
Community development	-	-	327
Roads and infrastructure	1,096	813	1,432
Sanitation	-	-	-
Housing and support programs	-	-	174
Redevelopment/economic development	-	-	-
Public safety	1,549	1,997	1,645
Parks, buildings, and ground	301	259	313
Capital outlay	802	589	1,262
Debt service			
Cost of issuance	-	-	-
Principal retirement	74	121	107
Interest	244	277	289
<b>Total expenditures</b>	<b>6,971</b>	<b>7,876</b>	<b>7,106</b>
<b>Reconciliation of Governmental Revenues</b>			
<b>Less Expenditures to Fund Equity</b>			
Revenues over (under) expenditures	(567)	(1,880)	467
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Proceeds from capital lease	-	319	-
Proceeds from issuance of debt	-	-	-
Payments to PERS side fund	-	-	-
Pass-through obligations	-	-	(186)
SERAF payments	-	-	(64)
Housing loans	-	-	2,082
Extraordinary gain (loss)	-	-	-
Transfers in	1,069	756	4,719
Transfers out	(1,069)	(756)	(5,037)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>319</b>	<b>1,514</b>
<b>Net change in fund balances</b>	<b>\$ (567)</b>	<b>\$ (1,561)</b>	<b>\$ 1,981</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.7%</b>	<b>6.0%</b>	<b>7.7%</b>



Source: City Finance Department

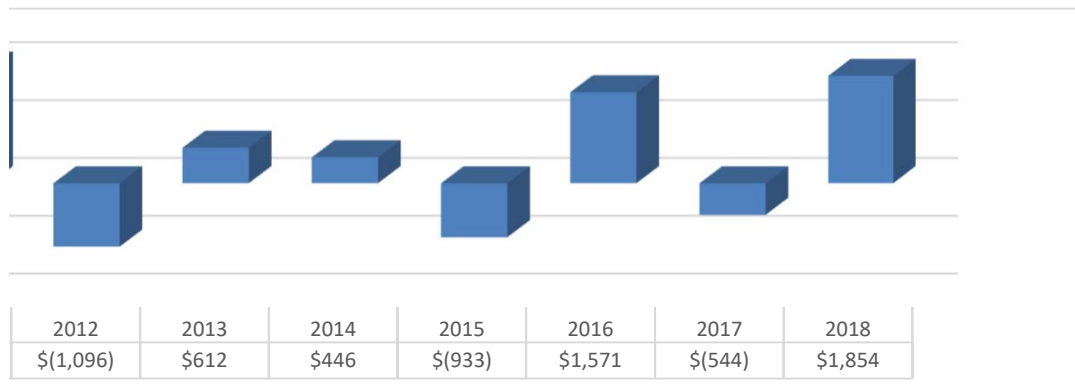
ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
\$ 2,943	\$ 3,285	\$ 3,397	\$ 3,045	\$ 3,244	\$ 3,739	\$ 4,463
134	225	277	283	315	327	567
29	18	39	41	18	19	23
165	194	205	299	463	921	1,069
859	629	579	686	148	146	54
619	542	500	517	80	88	126
100	305	97	174	2,391	146	1,807
4,849	5,198	5,094	5,045	6,659	5,386	8,110

606	799	710	856	796	671	901
268	295	244	311	401	410	314
833	891	948	1,096	737	1,066	1,641
421	439	452	438	-	-	-
511	30	136	83	96	21	156
293	23	84	39	211	137	113
1,529	1,553	1,666	1,721	1,784	1,920	1,844
292	484	329	536	365	355	323
192	-	8	931	531	2,388	354

-	-	-	-	-	-	-
168	64	67	-	92	175	171
235	8	4	-	42	78	93
5,348	4,586	4,648	6,011	5,055	7,221	5,910

(499)	612	446	(966)	1,604	(1,835)	2,199
-	-	-	-	-	3	-
-	-	-	-	-	-	-
-	-	-	-	1,974	1,095	-
-	-	-	-	(1,974)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
409	-	-	-	-	-	(345.06)
(1,006)	-	-	-	-	-	-
2,959	146	39	49	65	760	2,765
(2,959)	(146)	(39)	(16)	(98)	(567)	(2,765)
(597)	-	-	33	(33)	1,291	(345)
\$ (1,096)	\$ 612	\$ 446	\$ (933)	\$ 1,571	\$ (544)	\$ 1,854
9.0%	1.8%	1.7%	0.0%	3.3%	6.0%	5.3%



## City of Lakeport, California

## Assessed Value and Actual Value of Taxable Property

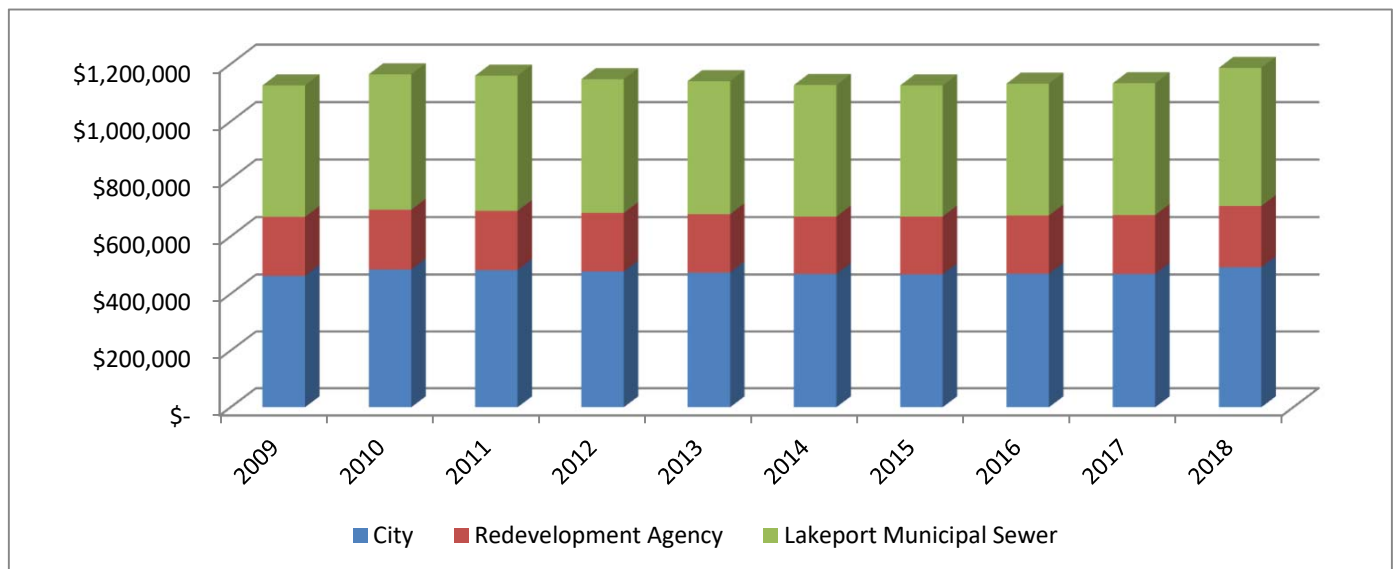
Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

Year Ended	City			Redevelopment Agency			Lakeport Municipal Sewer			Total Direct Tax Rate
	Secured Property	Unsecured Property	Taxable Assessed Value	Secured Property	Unsecured Property	Taxable Assessed Value	Secured Property	Unsecured Property	Taxable Assessed Value	
2009	\$ 440,509	\$ 22,219	\$ 462,728	\$ 191,806	\$ 13,514	\$ 205,320	\$ 435,259	\$ 22,219	\$ 457,478	1.000
2010	461,343	23,351	484,694	195,841	12,547	208,388	448,022	23,234	471,256	1.000
2011	459,145	23,783	482,928	194,025	11,772	205,797	446,871	23,674	470,545	1.000
2012	455,541	22,237	477,778	192,400	11,522	203,922	443,492	22,159	465,651	1.000
2013	452,910	21,527	474,437	191,685	11,425	203,110	441,346	21,454	462,800	1.000
2014	447,317	21,936	469,253	188,055	11,643	199,698	436,127	21,865	457,992	1.000
2015	445,221	22,547	467,768	188,819	12,405	201,224	433,872	22,459	456,331	1.000
2016	449,070	21,098	470,168	190,570	12,008	202,578	437,842	21,020	458,862	1.000
2017	448,318	21,389	469,707	192,454	12,276	204,730	437,231	21,317	458,548	1.000
2018	469,113	23,294	492,407	200,752	12,578	213,330	457,774	23,222	480,996	1.000

Note: In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Note: As of February 1, 2011, the Lakeport Redevelopment Agency was dissolved by the State of California. Property taxes formerly allocated to the Agency are now done so to satisfy existing debt obligations administered by its successor, the City of Lakeport.



Source: Lake County Auditor-Controller

## City of Lakeport, California

## Direct and Overlapping Tax Rates

Fiscal year ended June 30 (last ten fiscal years)

(Rate per \$1,000 of assessed value)

Year Ended	Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct	Lakeport Unified High School Bond	Mendocino Community College	Total Tax Rate
2009	1.00000	1.00000	0.03434	0.01500	1.04934
2010	1.00000	1.00000	0.04275	0.02300	1.06575
2011	1.00000	1.00000	0.03767	0.02300	1.06067
2012	1.00000	1.00000	0.44340	0.02300	1.46640
2013	1.00000	1.00000	0.04261	0.00977	1.05238
2014	1.00000	1.00000	0.04628	0.02400	1.07028
2015	1.00000	1.00000	0.04464	0.02300	1.06764
2016	1.00000	1.00000	0.11494	0.02500	1.13994
2017	1.00000	1.00000	0.10699	0.02200	1.12899
2018	1.00000	1.00000	0.10867	0.02100	1.12967

**Note:** Jurisdictions within Lake County have the authority to tax properties within their jurisdictions. Properties lying within multiple jurisdictions therefore can be assessed by multiple jurisdictions. The overlapping debt statement presents the debt for all jurisdictions with territory overlapping the City. Debt of overlapping jurisdictions is allocated based upon the assessed value of that jurisdiction within City as compared to total assessed value for that jurisdiction. In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies whose boundaries include the subject property. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Kelseyville Unified School Bonds, Lucerne Elementary School Bond, Lake Sanitation Bonds, County Service Area #6, Callayomi Water, Clearlake Oaks Water, Konocti Unified School Bond, Middletown Unified School Bond, Upper Lake High School Bond, Lakeport Unified High School Bonds, Yuba Community College Bonds, and Mendocino Community College.

## City of Lakeport, California

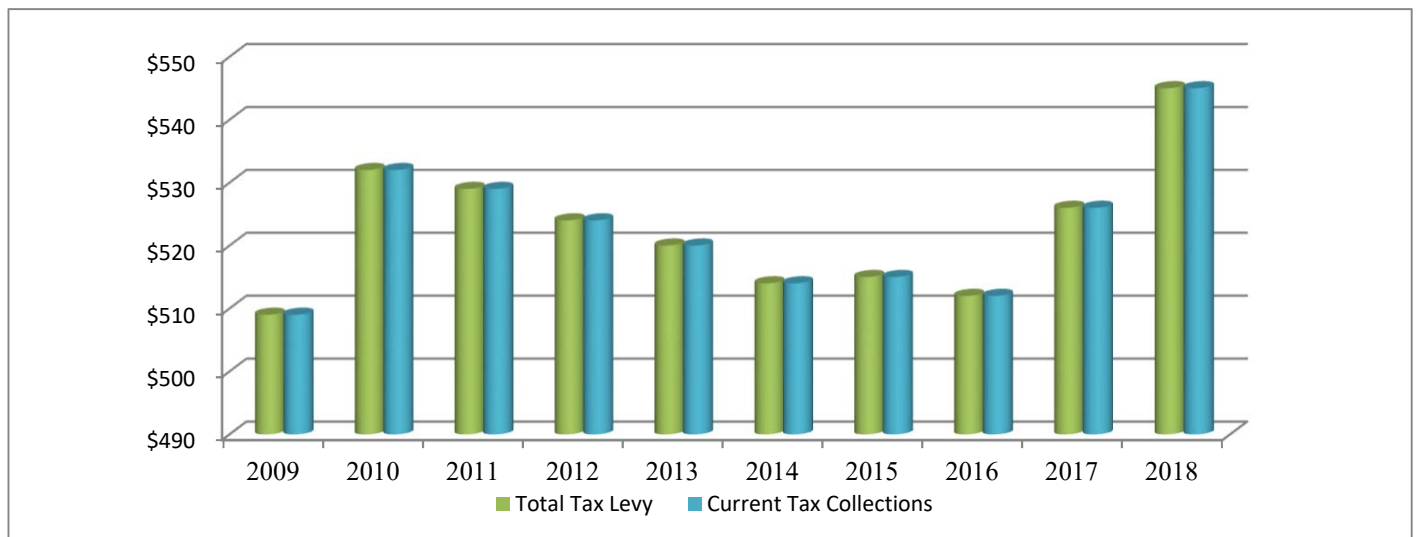
## Property Tax Collections and Levies

Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 509	\$ 509	100%	-	\$ 509	100%
2010	532	532	100%	-	532	100%
2011	529	529	100%	-	529	100%
2012	524	524	100%	-	524	100%
2013	520	520	100%	-	520	100%
2014	514	514	100%	-	514	100%
2015	515	515	100%	-	515	100%
2016	512	512	100%	-	512	100%
2017	526	526	100%	-	526	100%
2018	545	545	100%	-	545	100%

Note: Amounts reported and collected under the Teeter Plan, in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.



Source: Lake County Auditor-Controller

City of Lakeport, California  
Principal Property Tax Payers  
Last fiscal year and ten years ago  
(In thousands)

Property Owner	2017-18			2008-09		
	Assessed Valuation	Rank	Percent of Total	Assessed Valuation	Rank	Percent of Total
Safeway, Inc.	\$ 18,145	1	31.34%	\$ -	-	0.00%
Arton, Inc.	6,173	2	10.66%	3,140	6	19.59%
California Aviv, LLC	6,839	3	11.81%	-	-	0.00%
Lany Lakeport Limited Partnership	6,007	4	10.37%	6,593	1	41.13%
Bruno's Property Management, LLC	5,807	5	10.03%	4,140	4	25.83%
Pontus Vault Portfolia LLC	4,018	6	6.94%			
Shoreline Mini Storage LLC	3,474	7	6.00%	-	-	0.00%
Offenbach Revocable Inter Vivos Trust	2,859	8	4.94%	-	-	0.00%
1 1st Street LLC	1,979	9	3.42%			
625 16th Street, LLC	2,602	10	4.49%	2,156	9	13.45%
<b>Total</b>	<b>\$ 57,903</b>		<b>100.00%</b>	<b>\$ 16,029</b>		<b>100.00%</b>

Note: The amounts shown above include assessed value data for both the City and the Redevelopment Agency (RDA). Information prior to the years above was not maintained by the City.

**Source:** Lake County Auditor-Controller's Office

**Source:** Lake County Auditor-Controller

## City of Lakeport, California

## Top 25 Principal Sales Tax Remitters (listed alphabetically)

Last fiscal year and previous five years

2018	2017	2016	2015
Bruno's Foods	Bruno's Foods	Bruno's Foods	Bruno's Foods
Burger King Restaurants	Burger King Restaurants	Burger King Restaurants	Burger King Restaurants
Chevron Service Stations	Chevron Service Stations	Chevron Service Stations	Chevron Service Stations
CVS Pharmacy	CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores
Eureka Oxygen Company	Express Service Stations	Express Service Stations	Express Service Stations
Express Service Stations	Grocery Outlet	Grocery Outlet	Grocery Outlet
Grocery Outlet	Jimmy's Deli	Hillsdale Honda/Yamaha	Hillsdale Honda/Yamaha
K Mart Stores	K Mart Stores	K Mart Stores	Jimmy's Deli
Kentucky Fried Chicken	Kathy Fowler Chevy Pontiac GMC	Kathy Fowler Chevy Pontiac GMC	K Mart Stores
Matt Mazzei Chevrolet	Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chevy Pontiac GMC
McDonald's Restaurants	Kentucky Fried Chicken	Kentucky Fried Chicken	Kathy Fowler Chrysler Jeep Dodge
NAPA Auto Parts	Matt Mazzei Chevrolet	McDonald's Restaurants	Kentucky Fried Chicken
New Trend Wireless	McDonald's Restaurants	NAPA Auto Parts	McDonald's Restaurants
O'Meara Bros. Brewing Company	NAPA Auto Parts	O'Meara Bros Brewing Restaurant	NAPA Auto Parts
O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts
Park Place Restaurant	Park Place Restaurant	Park Place Restaurant	Park Place Restaurant
Plaza Paint & Supplies of Lakport	Renee's Café	Renee's Café	Renee's Café
Redwood Oil Company	Round Table Pizza	Round Table Pizza	Round Table Pizza
Renee's Café	Safeway Stores	Safeway Stores	Safeway Stores
Round Table Pizza	Shell Service Stations	Shell Service Stations	Shell Service Stations
Safeway Stores	Taco Bell	Taco Bell	Taco Bell
Taco Bell	West Lake Auto Center	Tower Mart Service Stations	Tower Mart Service Stations
Tesoro Service Stations	New Trend Wireless	West Lake Auto Center	West Lake Auto Center
West Lake Auto Center	Z Wireless	New Trend Wireless	Z Wireless

Note: The lists above include both public and private entities and, therefore, the dollar values have been omitted because of information. Rankings are determined by the sales dollar volume.



2014	2013	2012
Bruno's Foods	Bruno's Foods	Bruno's Foods
Burger King Restaurants	Burger King Restaurants	Burger King Restaurants
Chevron Service Stations	Chevron Service Stations	Chevron Service Stations
CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores
Express Service Stations	Express Service Stations	Express Service Stations
Grocery Outlet	Grocery Outlet	GK Enterprises
Hillsdale Honda/Yamaha	Hillsdale Honda/Yamaha	Grocery Outlet
K Mart Stores	K Mart Stores	Hillsdale Honda/Yamaha
Kathy Fowler Chevy Pontiac GMC	Kathy Fowler Chevy Pontiac GMC	K Mart Stores
Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chevy Pontiac GMC
Mackey Tire Center	Kentucky Fried Chicken	Kathy Fowler Chrysler Jeep Dodge
McDonald's Restaurants	Lake Parts	Kentucky Fried Chicken
NAPA Auto Parts	Mackey Tire Center	Mackey Tire Center
New Trend Cellular	McDonald's Restaurants	McDonald's Restaurants
O'Reilly Auto Parts	New Trend Cellular	New Trend Cellular
Park Place Restaurant	O'Reilly Auto Parts	O'Reilly Auto Parts
Renee's Café	Park Place Restaurant	Park Place Restaurant
Round Table Pizza	Renee's Café	Renee's Café
Safeway Stores	Round Table Pizza	Round Table Pizza
Shell Service Stations	Safeway Stores	Safeway Stores
T&T On the Lake Restaurant	T&T On the Lake Restaurant	T&T On the Lake Restaurant
Taco Bell	Taco Bell	Taco Bell
Tower Mart Service Stations	Tesoro Service Stations	Tesoro Service Stations
West Lake Auto Center	Tower Mart Service Stations	Tower Mart Service Stations

he information is not public

City of Lakeport, California  
 Direct and Overlapping Debt  
 Fiscal year ended June 30, 2018  
 (In thousands)

<b>2018 Assessed Valuation (in thousands)</b>		\$	492,407
		<b>% Applicable</b>	<b>Debt 6/30/18</b>
<b>Overlapping Tax and Assessment Debt:</b>			
Mendocino-Lake Community College District - GO Bonds	4.65%	\$	3,359,816
Lakeport Unified School District - GO Bonds	41.38%		4,676,245
USDA Police Station Bond	100.00%		1,079,000
2004 Tax Allocation Bonds, Series B	100%		635,000
Successor Agency to the Redevelopment Agency of the City of Lakeport - Series 2016 Tax Allocation Refunding Bonds	100%		4,020,000
Sewer District Improvement Bonds, 2017-1	100%		2,800,000
<b>Total overlapping tax and assessment debt</b>			<b>\$ 16,570,061</b>
<b>Overlapping General Fund Debt:</b>			
Mendocino-Lake Community College District - Capital Lease	4.65%	\$	46,355
City of Lakeport Pension Obligation Bonds	100%		2,618,000
<b>Total overlapping general fund debt</b>			<b>2,664,355</b>
<b>Combined total debt</b>			<b>\$ 19,234,416 <sup>(1)</sup></b>
<b><u>Ratios to 2015-2016 Assessed Valuation:</u></b>			
Total Overlapping Tax and Assessment Debt	3.04%		
Total Combined Debt	3.66%		

<sup>(1)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue bonds.

**Note:** The overlapping debt statement presents the debt for all jurisdictions with territory overlapping the City. Debt of overlapping jurisdictions is allocated based upon the assessed value of that jurisdiction within the City as compared to total assessed value for that jurisdiction.

**Source:** City Finance Department

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## City of Lakeport, California

## Legal Debt Margin Information

Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

	2009	2010	2011	2012
Assessed value	\$ 440,509	\$ 461,343	\$ 459,145	\$ 455,541
Conversion percentage	25%	25%	25%	25%
Adjusted assessed value	110,127	115,336	114,786	113,885
Debt limit percentage	15%	15%	15%	15%
Debt limit	16,519	17,300	17,218	17,083
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 16,519	\$ 17,300	\$ 17,218	\$ 17,083
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

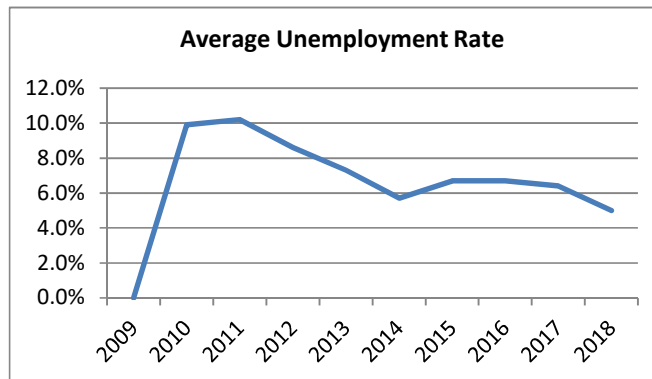
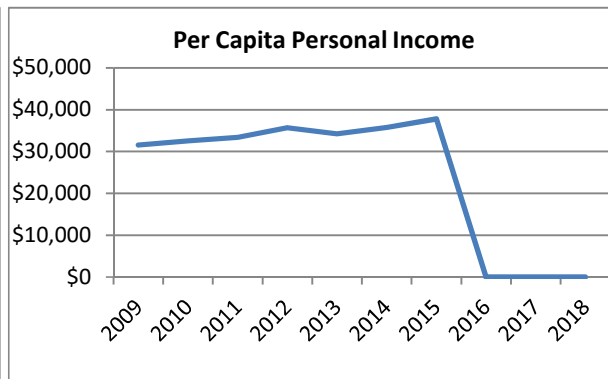
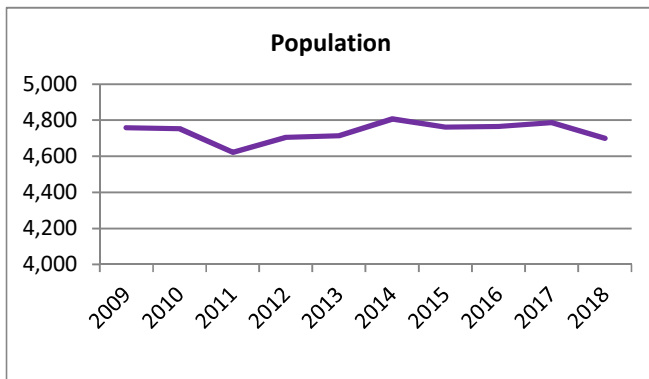
Note: The City does not have any outstanding general obligation debt subject to the

ATTACHMENT 2

2013	2014	2015	2016	2017	2018
\$ 452,910	\$ 447,317	\$ 445,221	\$ 449,070	\$ 448,318	\$ 469,113
25%	25%	25%	25%	25%	25%
113,228	111,829	111,305	112,268	112,080	117,278
15%	15%	15%	15%	15%	15%
16,984	16,774	16,696	16,840	16,812	17,592
-	-	-	-	-	-
\$ 16,984	\$ 16,774	\$ 16,696	\$ 16,840	\$ 16,812	\$ 17,592
0%	0%	0%	0%	0%	0%

City of Lakeport, California  
Demographic and Economic Statistics  
Last ten calendar years

Year	Population <sup>(1)</sup>	Personal Income (in thousands) <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate (%) <sup>(3)</sup>
2009	4,758	\$ 2,033,960	\$ 31,577	N/A
2010	4,753	2,107,287	32,543	9.9% (4)
2011	4,622	2,146,801	33,375	10.2% (4)
2012	4,705	2,285,560	35,721	8.6% (4)
2013	4,713	2,392,214	34,268	7.3% (4)
2014	4,807	NA	35,764	5.7% (4)
2015	4,762	NA	37,807	6.7% (5)
2016	4,765	NA	NA	6.7% (5)
2017	4,786	NA	NA	6.4% (5)
2018	4,699	NA	NA	5.0%



Note: Information presented is for the Lake County Region, except for population and unemployment data, since separate data is not available for the City of Lakeport.

**Sources:**

<sup>(1)</sup> 2011 State Department of Finance

<sup>(2)</sup> U.S. Department of Commerce Bureau of Economic Analysis

<sup>(3)</sup> U.S. Department of Commerce Bureau of Economic Analysis: Personal Income Summary

<sup>(4)</sup> Bureau of Labor Statistics

<sup>(5)</sup> State of California Employment Development Department Labor Market Information

City of Lakeport, California  
Principal Employers  
Current and Ten Years Ago

Employer	2017-18			2009-10		
	Employees	Rank	Percent of Top 10 Employment (%)	Employees	Rank	Percent of Top 10 Employment (%)
County of Lake	795	1	22.5%	850	2	23.4%
Sutter Lakeside Hospital	406	2	11.5%	443	3	12.2%
Konocti Unified School District	398	3	11.3%	355	1	9.8%
St. Helena Hospital	371	4	10.5%	362	3	10.0%
Robinson Rancheria Resort & Casino	325	5	9.2%	318	5	8.8%
Twin Pine Casino	283	6	8.0%	216	10	6.0%
Calpine Corp.	280	7	7.9%	352	8	9.7%
Wal-Mart	251	8	7.1%	259	6	7.1%
Kelseyville Unified School District	226	9	6.4%	-	-	0.0%
Middletown Unified School District	192	10	5.4%	-	-	0.0%
Konocti Vista Casino Resort	-	-	0.0%	220	9	6.1%
Konocti Harbor Resort & Spa	-	-	0.0%	250	7	6.9%
Total	3,527		100.0%	3,625		100.0%

Note: Information presented is for the Lake County Region, Major Lake County Employers, since separate data is not available for the City of Lakeport.

Source: Lake County Marketing Program

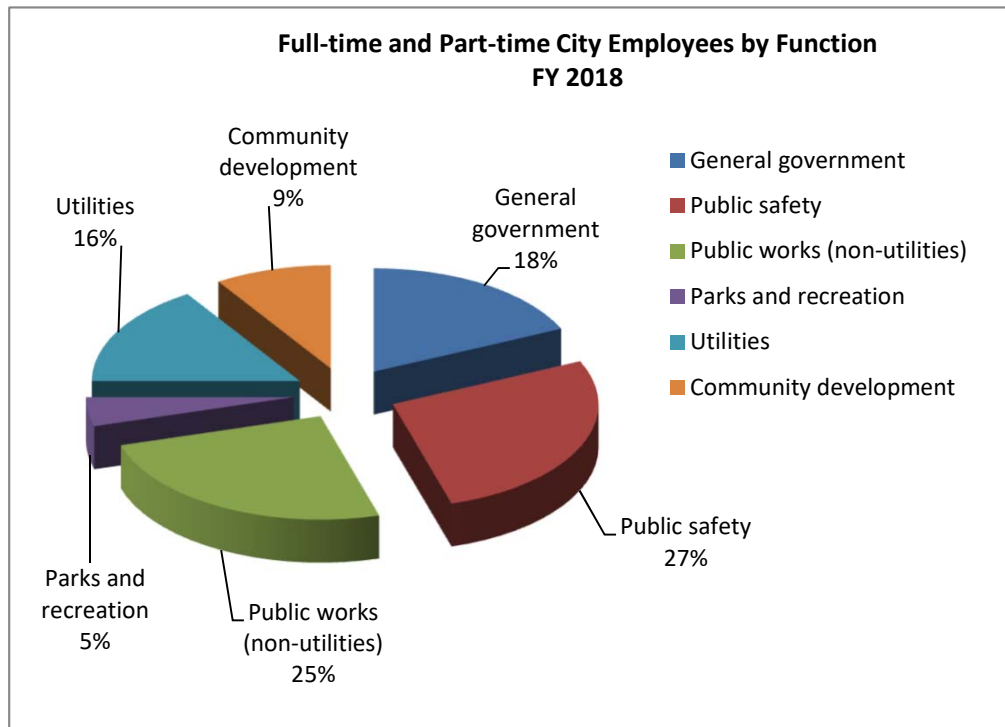
Source: Lake County Marketing Program

## City of Lakeport, California

## Full-time and Part-time City Employees by Function

Fiscal year ended June 30 (last ten calendar years)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	10	11	7	8	9	9	8	6	8	9
Public safety	14	15	17	14	16	15	14	4	12	15
Public works (non-utilities)	17	18	9	9	12	12	7	22	11	10
Parks and recreation	11	15	10	10	13	1	15	4	2	2
Utilities	16	17	9	11	6	6	9	13	7	8
Community development	5	5	9	10	6	4	5	8	4	5
<b>Total</b>	<b>73</b>	<b>81</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>47</b>	<b>58</b>	<b>57</b>	<b>44</b>	<b>49</b>



Source: City Finance Department



## City of Lakeport, California

## Capital Asset Statistics by Function

Fiscal year ended June 30 (last ten fiscal years)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police :										
Stations	1	1	1	1	1	1	2	2	2	2
Public works:										
Streets (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	221	221	221	221	221	221	221	221	221	221
Parks and recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Treatment facilities	2	2	2	2	2	2	2	2	2	2
Sewer:										
Pump stations	9	9	9	9	9	9	9	9	9	9

**Source:** City Finance Department**Sources:** City Police, Community Development, and Public Works departments

## City of Lakeport, California

## Capital Asset Statistics

Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

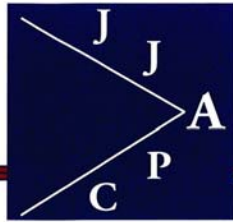
	2009	2010	2011
<b>Governmental activities:</b>			
Land	\$ 399	\$ 399	\$ 729
Construction-in-progress	-	428	-
Buildings and structures	2,619	2,619	2,619
Improvements/CIP	3,042	3,138	4,465
Equipment and vehicles	995	1,533	1,533
Total	7,055	8,117	9,346
Accumulated depreciation:			
Buildings and structures	898	950	1,003
Improvements/CIP	454	548	641
Equipment and vehicles	671	747	823
Total	2,023	2,245	2,467
<b>Total governmental net capital assets</b>	<b>\$ 5,032</b>	<b>\$ 5,872</b>	<b>\$ 6,879</b>
<b>Business-type activities:</b>			
Land	\$ 1,775	\$ 1,775	\$ 1,775
Construction-in-progress	-	-	1,840
Buildings and structures	-	-	1,840
Improvements/CIP	27,817	27,841	26,222
Equipment and vehicles	670	670	538
Total	30,262	30,286	32,215
Accumulated depreciation:			
Buildings and structures	460	497	533
Improvements/CIP	10,262	10,999	11,681
Equipment and vehicles	479	473	525
Total	11,201	11,969	12,739
<b>Total business-type net capital assets</b>	<b>\$ 19,061</b>	<b>\$ 18,317</b>	<b>\$ 19,476</b>

Source: City Finance Department

ATTACHMENT 2

2012	2013	2014	2015	2016	2017	2018
\$ 729	\$ 653	\$ 653	\$ 1,653	\$ 1,653	\$ 1,653	\$ 1,653
-	-	-	-	452	452	369
2,619	2,695	2,695	5,173	5,240	5,240	5,588
4,475	4,475	4,475	4,697	4,776	4,776	7,428
1,533	1,533	1,566	1,585	1,621	1,621	1,998
9,356	9,356	9,389	13,108	13,742	13,742	17,036
1,055	1,110	1,165	1,284	1,403	1,403	1,675
732	847	961	1,075	1,201	1,201	1,518
998	1,100	1,203	1,305	1,390	1,390	1,547
2,785	3,057	3,329	3,664	3,994	3,994	4,740
\$ 6,571	\$ 6,299	\$ 6,060	\$ 9,444	\$ 9,748	\$ 9,748	\$ 12,296
\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
1,840	1,840	1,840	3,129	6,342	6,342	568
1,840	1,840	1,840	1,840	1,852	1,852	9,955
26,936	27,129	27,593	27,022	27,101	27,101	27,950
548	552	785	1,444	1,474	1,474	1,609
33,639	33,836	34,533	35,910	39,244	39,244	42,557
570	1,309	643	679	716	716	992
12,457	12,457	13,939	14,704	15,468	15,468	17,022
534	518	529	611	694	694	872
13,561	14,284	15,111	15,994	16,878	16,878	18,886
\$ 20,078	\$ 19,552	\$ 19,422	\$ 19,916	\$ 22,366	\$ 22,366	\$ 23,671

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# JJACPA, Inc.

A Professional Accounting Services Corp.

**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**

**Independent Auditor's Report**

To the Honorable Mayor and City Council  
of the City of Lakeport  
Lakeport, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Lakeport (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 15, 2019

*JJACPA, Inc.*  
**JJACPA, Inc.**

**CITY OF LAKEPORT, CALIFORNIA**  
**SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**City of Lakeport, California**  
**Single Audit Reports**  
**For the year ended June 30, 2018**

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**City of Lakeport, California**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2018**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Expenditures ARRA*	Federal Expenditures Non-ARRA	Total Expenditures
<b>U.S. Department of Agriculture</b>					
<i>Direct Program:</i>					
Community Facilities Loans and Grants	10.776		-	45,000	45,000
Water and Waste Disposal System for Rural Communities	10.760		-	4,173,000	4,173,000
Rural Business Development Grant	10.351		-	40,000	40,000
<b>Total U.S. Department of Agriculture</b>			-	4,258,000	4,258,000
<b>U.S. Department of Housing and Urban Development</b>					
<i>Pass through programs from:</i>					
<u><i>State of California Department of Housing and Community Development</i></u>					
Community Development Block Grant	14.228	14-CDBG-9883	\$ -	\$ 244,144	\$ 244,144
<i>Total for Community Development Block Grant</i>			-	244,144	244,144
<b>Total U.S. Department of Housing and Urban Development</b>			-	244,144	244,144
<b>U.S. Department of Transportation</b>					
<i>Pass through Program From:</i>					
<u><i>State of California Department of Transportation</i></u>					
Emergency Repair	20.205	01924806L	-	494,381	494,381
<b>Total U.S. Department of Transportation</b>			-	494,381	494,381
<b>U.S. Department of Justice</b>					
<i>Direct Program:</i>					
Bullet Proof Vest Program	16.607		-	421	421
<b>Total U.S. Department of Justice</b>			-	421	421
<b>Total Federal Expenditures</b>			\$ -	\$ 4,996,946	\$ 4,996,946

\* ARRA indicates American Recovery and Reinvestment Act of 2009.

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

**City of Lakeport, California**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2018**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. DESCRIPTION OF MAJOR PROGRAMS**

**Water and Waste Disposal Systems for Rural Communities (CFDA #10.760)**

The Water and Waste Program is designed to assist rural communities in obtaining safe drinking water and adequate waste facilities, which are prerequisites for economic growth. In recent years, water and waste systems have been subject to increasingly stringent regulation under the Safe Drinking Water Act and the Clean Water Act. This program is instrumental in providing the financing to build or upgrade rural water and waste facilities.

**3. INDIRECT COST ELECTION**

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



# JJACPA, Inc.

A Professional Accounting Services Corp.

**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**

**Independent Auditor's Report**

The Honorable City Council  
City of Lakeport  
Lakeport, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Lakeport, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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*.

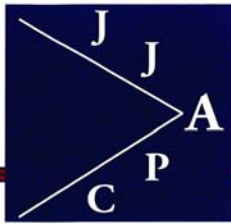
## **Purpose of this Report**

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 15, 2019

*JJACPA, Inc.*

**JJACPA, Inc.  
Dublin, CA**



ATTACHMENT 3  
**JJACPA, Inc.**

A Professional Accounting Services Corp.

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

**Independent Auditor's Report**

The Honorable City Council  
City of Lakeport  
Lakeport, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Lakeport, California's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Lakeport, California (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 15, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

March 15, 2019

*JJACPA, Inc.*  
**JJACPA, Inc.**

**City of Lakeport, California**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2018**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
City of	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**City of Lakeport, California**  
**Schedule of Findings and Questioned Costs, Continued**  
**For the year ended June 30, 2018**

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**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**Section IV – Status of Prior Year Audit Findings**

**Finding 2017-001 – Timeliness**

CFDA Title and Number: Community Facilities Loans and Grants (10.766)  
 Water and Waste Disposal for Rural Communities (10.760)  
 Federal Agency: U.S. Department of Agriculture  
 Pass-through Entity: N/A  
 Year: 2017

**Criteria:** Section 200.512(a) of the Uniform Guidance states that an audit must be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

**Condition:** The City did not complete the audit and submit the data collection form and reporting package within nine months after the end of the fiscal year.

**Questioned Costs:** None

**Context:** The City did not schedule a single audit to be performed until after the deadline had passed.

**Effect or Potential Effect:** The City did not meet the audit requirements as provided in Section 200.512(a).

**Cause:** The City did not have policies in place to have an audit completed or data collection form submitted before the deadline.

**Recommendation:** The City should implement policies and procedures to have the audit completed and data collection form filed before the deadline.

**Status:** Implemented

**Section V – Corrective Action Plan**

There were neither current year findings nor questioned costs (see Section III above).





# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☐  
Lakeport Redevelopment Successor Agency ☐  
Lakeport Industrial Development Agency ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** AB 1600 Annual Update

**MEETING DATE:** 04/02/2019

**SUBMITTED BY:** Nicholas Walker, Finance Director

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Adopt the attached resolution to reaffirm the necessity of development impact fees.

### BACKGROUND/DISCUSSION:

AB 1600 requires the City to produce an annual report on the status of each separate account or fund established for development impact fees. The primary purpose of the annual report is to show the necessity of the continued imposition of development impact fees. Every fifth year the City also is required to make certain findings with respect to the monies collected for development impact fees. Additionally, the five-year report must show what has been done with the fees that have been collected.

To be in full compliance with state law, the City must:

1. Spend or commit development impact fees within five years of collecting them, or
2. Adopt a resolution that makes a finding that a reasonable relationship remains between the current need for the fees and the purpose for which they were proposed originally.

The City currently collects three different types of impact fees which are described in the attached report. Below are the findings for those impact fees that required accumulation beyond five years.

- i. A storm drainage impact fee (also known as an impervious surface fee) has been accumulated beyond five years to fund storm drain improvements, typically associated with road maintenance and repair. The collection of this fee and use of the proceeds are critical in maintaining an effective storm drainage system and meeting the capital improvement requirements of that system imposed on the City by its NPDES permit.
- ii. A water expansion fee has been accumulated beyond five years to fund capital projects related to increasing the capacity and service delivery to City residents directly resulting from new development and other projects that impact the water treatment and distribution system. The collection of this fee is vitally important to ensuring the City can meet the health and safety needs of its citizens as it grows and expands.
- iii. A sewer expansion fee has been accumulated beyond five years to fund capital projects related to increasing the capacity and service delivery to City residents directly resulting from new development and other

projects that impact the sewer collection and treatment system. The collection of this fee is vitally important to ensuring the City can meet the health and safety needs of its citizens as it grows and expands.

Under AB 1600 the City is required to make available to the public a report on development impact fees. The report must be available within 180 days of the close of the fiscal year and must include:

1. A brief description of the type of development impact fee in the account/fund;
2. The amount of the fee;
3. Beginning and ending balances of the account/fund, the amount of the fees collected and the interest earned;
4. Identification of each public improvement on which fees were expended;
5. The amount of expenditures on each improvement;
6. If the agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, an approximate date by which construction of the public improvement will commence;
7. A description of any interfund transfer or loan; and
8. The amount of refunds paid, if any, from a particular fund.

The annual AB 1600 Development Fee Report for fiscal year ended June 30, 2018 will be made available to the public in April, 2019.

**OPTIONS:**

1. Adopt the associated resolution reaffirming the need of the relevant development fees collected by the City.
2. Do not adopt but provide direction to staff.

**FISCAL IMPACT:**

☐ None      ☒ Undetermined      Budgeted Item? ☒ Yes    ☐ No

Budget Adjustment Needed? ☐ Yes    ☒ No    If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund    ☐ Water OM Fund    ☐ Sewer OM Fund    ☒ Other: Storm Drain Improvement Fund, Water Expansion Fund, Sewer Expansion Fund

Comments: The fiscal impact of this item relates to the continued collection of revenue from these impact fees and their use, the expenditures for which have been adopted by Council in the City's annual budget.

**SUGGESTED MOTIONS:**

Move to adopt the attached resolution to reaffirm the necessity of AB 1600 development impact fees.

- ☒ **Attachments:**
1. Resolution No.
  2. AB 1600 Development Impact Fee Report for the Year Ended June 30, 2018

**RESOLUTION NO. \_\_\_\_\_ (2019)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LAKEPORT TO REAFFIRM THE NECESSITY OF DEVELOPMENT  
IMPACT FEES**

**WHEREAS**, The City of Lakeport is required to make certain finding every five years with respect to the unexpended fund balance of certain development impact fee funds pursuant to California Government Code Section 66001; and

**WHEREAS**, the documents reflecting the balance in each development impact fee fund or account, accrued interest in said fund or account, and the amount of expenditure by public facility for the fiscal year have been made available for public review as required by Code Section 66006; and

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

**Section 1.** That the recitations above are true and correct.

**Section 2.** That the following findings are made as required under Government Code Section 66001:

- i. The purpose to which each development impact fee is to be put has been identified.
- ii. There is a continued need for the improvements and that there is a reasonable relationship between the fee and the impacts for development for which the fees are collected.
- iii. The sources and amounts of funding anticipated to complete the financing of capital projects have been identified and will be deposited into the appropriate account upon receipt or during the normal Capital Improvement Program budget cycle.

**Section 3.** That these findings are based on information provided in the City of Lakeport operating budget and Five-Year Capital Improvement Program for the fiscal year 2018-19 and the AB 1600 report for the fiscal year 2017-18 on file with the City Clerk.

The foregoing Resolution was passed and adopted at a regular joint meeting of the City Council on the 2<sup>nd</sup> day of April, 2019, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

---

TIMOTHY BARNES Mayor

ATTEST:

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KELLY BUENDIA, City Clerk

CITY OF LAKEPORT

ANNUAL REPORT OF DEVELOPMENT IMPACT FEES  
(AB 1600 REPORT)

YEAR ENDED JUNE 30, 2018



PREPARED BY  
FINANCE DEPARTMENT

**ATTACHMENT 2**

**City of Lakeport  
Annual Report on Development Impact Fees, Per Government Code 66000  
AB 1600 Statement**

**Analysis of Changes in Fund Balance**

	STORM DRAINAGE FEE (414)	WATER EXPANSION FEE (502)	SEWER EXPANSION FEE (602)
Beginning Balance, 07/01/2017	\$ 146,746	\$ 144,007	\$ 948,728
REVENUE			
Fees	-	75,951	89,003
Interest Earnings	63	199	2,256
Other Revenue	-	-	-
Transfers In	-	-	-
	<u>63</u>	<u>76,150</u>	<u>91,259</u>
EXPENDITURES			
Utilities - Water	-	-	-
Utilities - Sewer	-	-	-
Public Works/Engineering	11,292	-	-
Administration	-	4,269	9,503
Debt service	-	-	-
Transfers Out	-	-	-
	<u>11,292</u>	<u>4,269</u>	<u>9,503</u>
Excess Revenue Over/(Under) Expenditures	(11,229)	71,881	81,756
Ending Balance, 06/30/2018	<u><b>\$ 135,517</b></u>	<u><b>\$ 215,888</b></u>	<u><b>\$ 1,030,484</b></u>

**Expenditures by Project**

	FY 2017-18	% Funded with Development Fee
STORM DRAINAGE IMPACT		
Storm drain replacement and repair	11,292	100.00%
Total	<u><b>\$ 11,292</b></u>	
WATER EXPANSION		
Expansion projects	4,269	100.00%
Total	<u><b>\$ 4,269</b></u>	
SEWER EXPANSION		
Expansion projects	9,503	100.00%
Total	<u><b>\$ 9,503</b></u>	

**Description of Fees**

The AB 1600 Development Fee is used only for the construction and the expansion of infrastructure to accommodate growth, not for operating or maintenance costs. Revenue will be used to maintain infrastructure standards for three capital types:

- Storm Drainage Impact
- Water Expansion
- Sewer Expansion

Storm Drainage Impact AB 1600 development fees are used to fund the design and construction of storm water drainage infrastructure improvements required to mitigate the impact of new development, specifically with the installation of impervious surfaces, such as parking lots, side walks, etc.

Water Expansion AB 1600 development fees are used to fund the design and construction of water supply, water treatment, and water distribution system infrastructure improvements required to mitigate the impact of new development.

Sewer Expansion AB 1600 development fees are used to fund the design and construction of wastewater treatment and collection infrastructure improvements required to mitigate the impact of new development.

**Impact and Expansion Fee Schedule**

Storm Drainage Impact: \$0.10 per square foot of new impervious surface (City Resolution # 1401 (84)).

Water Expansion: \$6,923.00 for a standard 3/4" meter with an escalating cost for larger meters.

Sewer Expansion: \$12,717.00 per unit in the sewer assessment district (CLMSD) South and \$7,456.42, per SFD, in CLMSD North.

# Proclamation

## OF THE CITY COUNCIL OF THE CITY OF LAKEPORT DESIGNATING THE WEEK OF APRIL 7-13, 2019, AS VOLUNTEER WEEK

**WHEREAS**, the entire community can inspire, equip and mobilize people to take action that changes the world; and

**WHEREAS**, individuals and communities are at the center of social change, discovering their power to make a difference; and

**WHEREAS**, during this week all over the nation, service projects will be performed and volunteers recognized for their commitment to service; and

**WHEREAS**, the giving of oneself in service to another empowers the giver and the recipient; and

**WHEREAS**, experience teaches us that government by itself cannot solve all of our nation's social problems; and

**WHEREAS**, volunteers have greatly enhanced the quality of life in the City of Lakeport; and

**WHEREAS**, the Lakeport Police Department has long utilized community members to assist them in their mission; and

**WHEREAS**, these volunteers have generously given of their time and expertise.

**NOW, THEREFORE, BE IT PROCLAIMED** that the Lakeport City Council does hereby proclaim April 7<sup>th</sup> – 13<sup>th</sup>, 2019 as

## Volunteer Week

in the City of Lakeport; and calls upon the citizens of Lakeport to volunteer in their respective communities. By volunteering and recognizing those who serve, we can come together to make a difference.

I have hereunto set my hand and caused the Seal of the City of Lakeport to be affixed this 2<sup>nd</sup> day of April, 2019.

---

TIM BARNES, Mayor

# Proclamation

## OF THE CITY COUNCIL OF THE CITY OF LAKEPORT

**WHEREAS**, volunteers are the keystone of the Lakeport community, enriching our town and improving the quality of life; and

**WHEREAS**, the City of Lakeport is especially fortunate to have the services of dedicated, hardworking, and creative individuals who generously serve our City, and do so without monetary or other compensation, and

**WHEREAS**, the City Council of the City of Lakeport desires to acknowledge these contributions and honor those who have given of their time and talent to benefit their community;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lakeport does hereby recognize and thank the members of the following City of Lakeport Committees and Commissions for their services to the City of Lakeport and conveys its gratitude for a job exceedingly well done:

### The Lakeport Planning Commission

Ken Wicks  
Michael Froio  
Michael Green  
Jeri Driver  
Mark Mitchell

### The Parks and Recreation Commission

Cindy Astrud  
Jen Hanson  
Ben Moore  
Suzanne Lyons  
Wayne Pahnke

### The Lakeport Economic Development Advisory Committee

Wilda Shock  
Pamela Harpster  
Panette Talia

Melissa Fulton  
Denise Combs  
William Eaton  
Terre Logsdon  
Dan Peterson  
Andy Lucas  
Candy de los Santos  
Judy Kanable

**The Traffic Safety Advisory Committee**

Frank Dollosso  
David Brown  
Vicki Cole  
Ashley Barrett  
Nathan Maxman

**and**

**The Measure Z Advisory Committee**

Annette Hopkins  
Susan King  
Verna Schaffer  
Dennis Rollins  
Nathan Speed

I have hereunto set my hand and caused the Seal of the City of Lakeport to be affixed this 2<sup>nd</sup> day of April, 2019.

---

TIM BARNES, Mayor





# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☐  
Lakeport Redevelopment Successor Agency ☐  
Lakeport Industrial Development Agency ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** Adoption of Urgency Ordinance Regulating Wireless Communications Facilities

**MEETING DATE:** 04/02/2019

**SUBMITTED BY:** Kevin Ingram, Community Development Directory

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt an urgency ordinance regulating wireless telecommunications facilities by a four-fifths vote to take effect immediately.

### BACKGROUND/DISCUSSION:

The City does not have a specific ordinance regulating wireless telecommunications facilities. As a result, the City's ability to regulate the location and aesthetics of these facilities is limited to the extent permitted under federal and state law. Specifically, recent changes in the law by the Federal Communications Commission (FCC) regarding fifth generation (5G) networks take effect on April 15, 2019 and purportedly require the City to publish its regulations – including by ordinance – prior to that date for those regulations to be effective. To ensure the City meets this deadline, staff recommends Council adopt an urgency ordinance, effective immediately, to meet the April 15, 2019 deadline. A four-fifths vote is required for adoption. Staff recommends the City Council take action tonight to ensure regulations are in place and staff will follow-up with a non-urgency ordinance after the Planning Commission has an opportunity to further study the issue and make any recommendations it may have at a future date.

Although the City is preempted under federal law from regulating certain aspects of wireless telecommunications facilities and structures, there are a few ways in which the City may exercise control over such structures within the City limits. Under Public Utilities Code sections 7901 and 7901.1, telecommunication utilities may install utility poles (and structures on those poles) in the City's right-of-way, subject to the City's power to impose reasonable time, place, and manner restrictions on utilities' access to the rights-of-way. Under federal law, the City cannot deny a permit for a wireless facility if doing so would "prohibit or have the effect of prohibiting the provision of personal [wireless] services."<sup>1</sup> This includes permits that would otherwise be necessary for the provider to close a significant gap in coverage. The City can, however, require utilities to comply with reasonable requirements on siting, appearance, structure, and other aspects of the facility.<sup>2</sup> Specifically, the City can deny a permit on such grounds if that denial does not prohibit the utility from closing a significant coverage gap.

<sup>1</sup> 47 U.S.C. § 332, subd. (c)(7)(B)(ii).

<sup>2</sup> Pub. Util. Code, § 7901.1.

In September 2018, the FCC approved a new declaratory ruling and order. This order has two parts. First, it provides a regulation that sets new shot clocks for 5G small cell siting. Second, the order clarifies the scope and meaning of two sections of the Communications Act. The FCC explained that the rule is “part of a national strategy to promote the timely buildout of this new [5G Small Cell] infrastructure across the country by eliminating regulatory impediments.”<sup>3</sup> The new rule creates national standards for 5G small cell siting by limiting local authority in several ways. The FCC order stipulates that cities may require only objective information to review an application for a small wireless facility. The City is required to publish all applicable aesthetic and appearance requirements.

The proposed ordinance contains the following regulations for wireless telecommunications facilities:

- Section 17.41.030 requires an applicant for both a new wireless communications facility and modifications to an existing wireless communications facility to first obtain wireless facility permit from the City. City-owned wireless communication facilities are exempt from the permitting requirement.
- Section 17.41.040 establishes the general procedures for applying for a permit to approve or modified wireless communication facilities, including obtaining a wireless facility permit, an encroachment permit (if applicable), and any other permit required by the Municipal Code.
  - New wireless communication facility permits must be approved by the Planning Commission after a public hearing.
  - Substantial modifications to wireless communication facilities must also be approved by the Planning Commission after a public hearing.
  - Minor modifications to wireless communication facilities must also be approved by the Community Development Director.
- Section 17.41.050 specifies the information required for a complete wireless communication facility permit application.
- Section 17.41.060 provides the findings required for approval of a wireless facility permit, including findings regarding a significant gap in wireless service coverage, aesthetic requirements for minimal visual impact, and safety impacts. This section includes more detailed findings the Community Development Director must make for approval of a Minor Modifications to Existing Wireless Facilities.
- Section 17.41.070 establishes the standards for wireless communication facilities focusing on objective measurements and aesthetics. For instance, it prohibits uncamouflaged wireless facilities, requires all wireless facility antennas, mounting hardware, and cabling shall be covered or painted to match the color and texture of the building, tower, or pole on which it is mounted, and prohibits signage or advertisement(s) other than signage required by law or expressly permitted or required by the city.
- Section 17.41.090 provides the standard conditions of approval for small wireless facilities. The standards are consistent with the FCC’s definition of a small wireless facility, and specify that all new facilities are required to meet the standards of applicable sections of the broader Wireless Ordinance. Additionally, this section adds findings the Community Development Director is required to make to approve or deny an application for a small wireless facility. The findings are objective findings. This section also includes the time limits consistent with the shotclock periods established by the FCC. Finally, consistent with the FCC’s rules, this section allows applicants to submit up to five applications for a small wireless facility permit in a batch.
- Section 17.41.100 establishes the appeals process for permits that are denied by the Community Development Director or Planning Commission. The City Council is the appeal body for appeals from both.
- Section 17.41.110 provides standards for independent consultant review of proposed wireless

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<sup>3</sup> Fed. Communications Comm’n., Fact Sheet, FCC-Circ1809-02 (Sept. 5, 2018).

communication facilities if the Community Development Director finds a consultant is necessary.

- Section 17.41.120 establishes maintenance requirements for wireless communication facilities.
- Section 17.41.130 establishes requirements for the removal of abandoned facilities.
- Section 17.41.140 establishes requirements for ownership transfers of wireless communication facilities.
- Section 17.41.150 establishes the basis for revocation of a wireless communication facility permit.
- Section 17.41.160 establishes exceptions to the standards contained within the ordinance if such exception is necessary to comply with state and federal law or regulations.
- Section 17.41.170 provides enforcement provisions.

**OPTIONS:**

1. The City Council could approve the proposed urgency ordinance.
2. The City Council could provide other direction.

**FISCAL IMPACT:**

☒ None      ☐ \$      Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No      If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☐ Other:

Comments:

**SUGGESTED MOTIONS:**

Move to approve the proposed urgency ordinance adding chapter 17.41 of title 17 of the Lakeport Municipal Code establishing regulations for wireless communication facilities.

☒ **Attachments:**

1. An Urgency Ordinance of the City Council of the City of Lakeport Adding Chapter 17.41 of Title 17 of the Lakeport Municipal Code Establishing Regulations for Wireless Communication Facilities

**ORDINANCE NO. \_\_\_\_\_(2019)**

**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKEPORT  
ADDING CHAPTER 17.41 OF TITLE 17 OF THE LAKEPORT MUNICIPAL CODE  
ESTABLISHING REGULATIONS FOR WIRELESS COMMUNICATION FACILITIES**

**WHEREAS**, Government Code sections 36934 and 36937 permit the City Council by a four-fifths vote to adopt an urgency ordinance for the immediate preservation of the public peace, health, or safety;

**WHEREAS**, the City Council finds that the lack of current standards and regulations in the Municipal Code for wireless facilities and the potential liabilities and negative consequences for noncompliance with state and federal regulations (including, without limitation, automatic approvals) present current and immediate threat to the public health, safety and welfare. The City Council further finds and declares that the immediate implementation of the Ordinance is necessary to preserve and protect public health, safety and welfare;

**WHEREAS**, section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub.L No. 112-96, 126 Stat. 156, codified at 47 U.S.C. § 1455) provides that the City “may not deny, and shall approve any eligible facilities request for a modification of an existing wireless tower or base station that does not substantially change the physical dimensions of such tower or base station.” (47 U.S.C. § 1455, subd. (a)(1));

**WHEREAS**, on September 26, 2018, the Federal Communications Commission adopted a Declaratory Ruling and Report and Order (FCC 18-133) adopting 47 C.F.R. section 1.6001 et seq.;

**WHEREAS**, 47 C.F.R. section 1.6001 et seq. implements 47 U.S.C. sections 332(c)(7) and 1455, regulating the collocation, modification, and deployment of wireless facilities;

**WHEREAS**, FCC 18-133 is intended to streamline the process of collocating and deploying small wireless facilities necessary to support the 5G network infrastructure;

**WHEREAS**, FCC 18-133 shortens the shot clock for reviewing small wireless facility permit applications, limits the amount of fees that can be assessed for the review, and regulates aesthetic requirements, among others;

**WHEREAS**, FCC 18-133 took effect on January 14, 2019, and preempts any and all conflicting local ordinances and regulations;

**WHEREAS**, FCC 18-133 requires cities to have small cell facility regulations in place by April 15, 2019

**WHEREAS**, given the short time period before the enforcement date of the new regulations, which require that the City approve applications for small wireless facilities, time is of the essence to review, evaluate, and approve if warranted, applications for small wireless communications facilities;

**WHEREAS**, the immediate adoption of an administrative regulatory process to review, evaluate, and approve if warranted, applications for wireless communications facilities is

necessary to protect the public's health, safety, and welfare by complying with federal law, namely section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012 and the Federal Communications Commission's implementing regulations, thereby preserving to the maximum extent possible the City's ability to regulate modifications to existing wireless communications facilities;

**WHEREAS**, the City Council finds that this Zoning Ordinance Amendment is consistent with the goals, policies, and actions of the General Plan and will not conflict with the General Plan;

**WHEREAS**, this Zoning Ordinance Amendment implements the General Plan's visions and desire for the community, is adopted in the public's interest, and is otherwise consistent with federal and state law;

**WHEREAS**, the City Council finds that this Zoning Ordinance Amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City;

**WHEREAS**, the proposed actions are in compliance with the provisions of the California Environmental Quality Act (CEQA) because this project is categorically exempt from environmental review in accordance with section 21084 of the California Environmental Quality Act (CEQA) pursuant to section 15061(b)(3) of the CEQA Guidelines and because the proposed action is not a project under section 15378(b)(5) of the CEQA Guidelines. A Notice of Exemption is prepared and will be filed in accordance with the CEQA guidelines.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEPORT DOES ORDAIN AS FOLLOWS:**

**Section 1. Recitals Made Findings.**

The City Council of the City of Lakeport hereby declares the above recitals to be true and correct.

**Section 2. Wireless Communication Facilities Ordinance.**

Chapter 17.41 of Title 17 of the Lakeport Municipal Code is hereby added to read as follows:

- 17.41.010 Purpose and intent.**
- 17.41.020 Definitions.**
- 17.41.030 Applicable facilities.**
- 17.41.040 Application procedure in general.**
- 17.41.050 Wireless facility permit application content.**
- 17.41.060 Required findings of approval for wireless permits.**
- 17.41.070 Standards for wireless facilities.**
- 17.41.080 Standard conditions of approval.**
- 17.41.090 Provisions applicable to small wireless facilities.**
- 17.41.100 Appeals.**

- 17.41.110 Independent consultant review.**
- 17.41.120 Maintenance.**
- 17.41.130 Removal of abandoned facilities.**
- 17.41.140 Ownership transfers.**
- 17.41.150. Revocation of a wireless facility permit.**
- 17.41.160. Exception from standards.**
- 17.41.170 Violations.**
- 17.41.180 Severability.**

#### **17.41.010 Purpose and intent.**

- A. The purpose of this chapter is to promote and protect the public health, safety and welfare, preserve the aesthetic character of the Lakeport community, and to reasonably regulate the development and operation of wireless communication facilities within the city to the extent permitted under state and federal law.
- B. This chapter establishes clear guidelines and standards and an orderly process for expedited permit application review intended to facilitate the orderly deployment of wireless transmission equipment to provide advanced communication services to the city, its residents, businesses, and community at large.
- C. The regulations in this city are specifically not intended to, and shall not be interpreted or applied to: (1) prohibit or effectively prohibit the provision of personal wireless services; (2) unreasonably discriminate among functionally equivalent service providers; or (3) regulate wireless communications facilities and wireless transmission equipment on the basis of the environmental effects of radio frequency emissions to the extent that such emissions comply with the standards established by the Federal Communications Commission hereinafter also referred to as "FCC".
- D. This chapter shall be interpreted and applied so as to be consistent with the Communications Act of 1996, section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, applicable state laws, and administrative and court decisions and determinations relating to same.

#### **17.41.020 Definitions.**

This section shall be construed in light of the following definitions:

"Accessory equipment" means any equipment installed, mounted, operated or maintained in close proximity to a wireless communication facility to provide power to the wireless communication facility or to receive, transmit or store signals or information received by or sent from a wireless communication facility.

"Antenna structure" means any antenna, any structure designed specifically to support an antenna or any appurtenances mounted on such a structure or antenna.

“Base station” means the equipment and non-tower supporting structure at a fixed location that enable FCC-licensed or authorized wireless communications between user equipment and a communications network.

“City” means the City of Lakeport.

“Collocation” means the mounting or installation of an antenna on an existing tower, building or structure for the purpose of transmitting and/or receiving radio frequency signals for communications purposes.

“Director” means the City of Lakeport Community Development Director or his or her designee.

“Equipment cabinet” means any transmission or other equipment other than an antenna housed within a protective case. An equipment cabinet may be indoors or outdoors, large or small, movable or immovable. Any equipment case with a heat sink or other cooling mechanism for the equipment inside qualifies as an equipment cabinet.

“Non-tower support structure” means any structure (whether built for wireless purposes or not) that supports wireless transmission equipment under a valid permit at the time the applicant submits its application.

“Open space” includes (1) land which is designated as an open space district, as defined in Chapter 17.14, (2) land in residential zones upon which structures may not be developed by virtue of a restriction on title, (3) all common areas, public and private parks, slope easements, recreational areas and open portions of recreational facilities, and (4) any other area owned by a homeowners association or similar entity.

“Personal communication service” means commercial mobile services provided under a license issued by the FCC. “RF” means radio frequency.

“Significant gap” as applied to an applicant’s personal communication service or the coverage of its wireless communication facilities is intended to be defined in this section consistently with the use of that term in the Communications Act of 1996 and case law construing that statute. Provided that neither that Act nor case law construing it requires otherwise, the following guidelines shall be used to identify such a significant gap:

1. A significant gap may be demonstrated by in-kind call testing.
2. The commission shall accept evidence of call testing by the applicant and any other interested person and shall not give greater weight to such evidence based on the identity of the person who provides it but shall consider (i) the number of calls conducted in the call test, (ii) whether the calls were taken on multiple days, at various times, and under differing weather and vehicular traffic conditions, and (iii) whether calls could be successfully initiated, received and maintained in the area within which a significant gap is claimed.
3. A significant gap may be measured by:
  - a. The number of people affected by the asserted gap in service;

- b. Whether a wireless communication facility is needed to merely improve weak signals or to fill a complete void in coverage; and
- c. Whether the asserted gap affects a state highway or an arterial street which carries significant amounts of traffic.

“Small Wireless Facility” refers to a small wireless facility as defined by the FCC and that meets the following requirements:

- 2. The small wireless facilities:
  - a. Are mounted on structures 50 feet or less in height including their antennas, or
  - b. Are mounted on structures no more than 10 percent taller than other adjacent structures, or
  - c. Do not extend existing structures on which they are located to a height of more than 50 feet or by more than 10 percent, whichever is greater;
- 3. Each antenna associated with the deployment, excluding associated antenna equipment, is no more than three cubic feet in volume;
- 4. All other wireless equipment associated with the structure, including the wireless equipment associated with the antenna and any pre-existing associated equipment, is no more than 28 cubic feet in volume;
- 5. The facilities do not require antenna structure registration under 47 C.F.R. section 17.1 et seq.;
- 6. The facilities are not located on Tribal lands; and
- 7. The facilities do not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in 47 C.F.R. section 1.1307(b).

“Stealth facility” means a wireless communication facility designed and constructed to be integrated into a building or other structure, or placed on or within a building or other structure, so that no portion of any equipment cabinet, transmission equipment, or any other apparatus associated with facility’s function is visible from publicly accessible areas.

“Transmission equipment” means any equipment that facilitates transmission for any FCC-licensed or authorized wireless communication service, including, but not limited to, radio transceivers, antennas and other relevant equipment associated with and necessary to their operation, including coaxial or fiber-optic cable, and regular and backup power supply.

“Wireless” means any FCC-authorized wireless communications service.

“Wireless communication facility” or “wireless facility” or “facility” means any facility that transmits and/or receives electromagnetic waves, including, but not limited to, commercial wireless communications antennas and other types of transmission equipment for the transmission or receipt of such signals, towers or similar structures supporting said equipment, equipment cabinets and connectors, pedestals, meters, tunnels, vaults, splice box, surface location marker, equipment, equipment buildings, parking areas and other related improvements used, or designed to be used, to provide wireless transmission of voice, data,



images or other information. The term also means any facility or transmission equipment used to provide any FCC-authorized wireless communications service including, but not limited to, personal wireless services defined by the Communications Act of 1996 and licensed by the FCC, including, but not limited to, the types commonly known as cellular, personal communications services (“PCS”), specialized mobile radio (“SMR”), enhanced specialized mobile radio (“ESMR”), paging, ground based repeaters for satellite radio services, micro-cell antennas, distributed antenna systems (“DAS”) and similar systems.

“Wireless tower” means any structure built for the sole or primary purpose of supporting any FCC-licensed or authorized antennas and their associated facilities.

#### **17.41.030 Applicable facilities.**

This section applies to all proposed new or modified wireless communication facilities, as follows:

- A. New facilities. All permit applications received after the effective date of the ordinance codified in this chapter must comply with this chapter.
- B. Changes to existing facilities. All permit applications which in any manner whatsoever seek approval to modify a previously approved facility received after the effective date of the ordinance codified in this chapter must comply with this chapter.
- C. Exemptions. This section shall not apply to:
  - 1. City-owned municipal wireless communications facilities.
  - 2. Amateur radio facilities that are under seventy (70) feet in height and is owned and operated by a federally-licensed amateur radio station operator or is used exclusively for receive-only antennas.
  - 3. Over-the-air receiving devices, as defined by the FCC at 47 C.F.R. section 1.4000, with a maximum diameter of one meter (thirty-nine (39) inches) for residential installations, and two (2) meters (seventy-eight (78) inches) for nonresidential installations, and designed, installed, and maintained in compliance with the FCC and the California Public Utilities Commission (hereinafter referred to as the “CPUC”) regulations.

#### **17.41.040 Application procedures in general.**

This chapter applies to all proposed new or modified wireless communication facilities, as follows:

- A. New Facilities. All applications for approval of the installation of new wireless communication facilities in the city must be approved by a wireless facility permit by the planning commission at a public hearing in compliance with this chapter and upon recommendation from the director. No new wireless communication facility shall be installed until the applicant or operator has obtained: (1) a wireless facility permit in compliance with this chapter; (2) an encroachment permit from the public works department (if applicable); and (3) any other permit required by applicable provisions of this code.

B. Changes to Existing Facilities. All permit applications which in any manner whatsoever seek approval to modify a previously approved facility received after the effective date of the ordinance codified in this chapter must be approved by a wireless facility permit by the planning commission at a public hearing for substantial modifications, or the director for minor modifications, in compliance with this chapter. All modifications to an existing personal wireless communications facility shall be subject to the approval of: (1) a wireless facility permit; in addition to (2) an encroachment permit from the public works department (if applicable); and (3) any other permit required by applicable provisions of this code.

C. All wireless communication facilities for which applications were received by the city but not approved prior to the effective date of the ordinance codified in this chapter shall comply with the regulations and guidelines of this chapter.

D. Exemptions. This chapter shall not apply to any city-owned municipal wireless communications facilities.

#### **17.41.050 Wireless facility permit application content.**

A. Applications for the approval of wireless facility permits for wireless communication facilities shall include, but are not necessarily limited to, an application fee and the following information:

1. A clear and complete written analysis that explains how the proposed design complies with the applicable design standards under this chapter to the maximum extent feasible. A complete design justification must identify all applicable standards under this chapter and provide a factually detailed reason why the proposed design either complies or the requirement is preempted by applicable state or federal law; and
2. Scaled visual simulations showing the proposed facility superimposed on photographs of the site and surroundings, to assist the commission in assessing the visual impacts of the proposed facility and its compliance with the provisions of this chapter; and
3. For new facilities, the plans shall include (in plan view and elevations) a scaled depiction of the maximum permitted increase as authorized by section 6409(a) of the 2012 Middle Class Jobs and Tax Relief Act, Title 47, United States Code, section 1455 using the proposed project as a baseline; and
4. A siting analysis which identifies a minimum of two other feasible locations within or without the city which could serve the area intended to be served by the facility, unless the applicant provides compelling technical reasons for providing fewer than the minimum. The alternative site analysis shall include at least one collocation site; and
5. An affirmation, under penalty of perjury, that the proposed installation will be FCC compliant, in that it will not cause members of the general public to be exposed to RF levels that exceed the levels deemed safe by the FCC; and
6. A statement signed by a person with legal authority to bind the applicant attesting under penalty of perjury to the accuracy of the information provided in the application; and

7. A noise study, prepared by a qualified engineer, for the proposed wireless communication facility including, but not limited to, equipment, such as air conditioning units and back-up generators; and

8. A written statement of the applicant's willingness to allow other carriers to collocate on the proposed wireless communication facility wherever technically and economically feasible and aesthetically desirable; and

9. Such other information as the director shall establish from time to time pursuant to the Permit Streamlining Act, Government Code section 65940, or to respond to changes in law or technology.

B. An application for a wireless communication facility in a public right-of-way for which the applicant claims entitlement under Public Utilities Code section 7901 shall be accompanied by evidence satisfactory to the director that the applicant is a telephone corporation or has written authorization to act as an agent for a telephone corporation.

C. Applications for the approval of wireless communication facilities within the public right-of-way shall include certification that the facility is for the use of a telephone corporation or state the basis for its claimed right to enter the right-of-way. If the applicant has a certificate of public convenience and necessity (CPCN) issued by the CPUC, it shall provide a copy of its CPCN.

D. Minor Modification Application Content. All applications for a wireless facility permit for a proposed minor modification to an existing wireless facility which the applicant contends is subject to Title 47, United States Code, section 1455 must include the following items.

1. Application Form. The city's standard application form, available on the city's website or from the Planning Department, as may be amended.

2. Application Fee. An application fee as established by the city council by resolution.

3. Independent Consultant Deposit. An independent consultant fee deposit, if required by the city council by resolution, to reimburse the city for its costs to retain an independent consultant to review the technical aspects of the application.

4. Site and Construction Plans. Complete and accurate plans, drawn to scale, signed, and sealed by a California-licensed engineer, land surveyor, and/or architect, which include the following items.

a. A site plan and elevation drawings for the facility as existing and as proposed with all height and width measurements explicitly stated.

b. A depiction, with height and width measurements explicitly stated, of all existing and proposed transmission equipment.

c. A depiction of all existing and proposed utility runs and points of contact.

d. A depiction of the leased or licensed area of the site with all rights-of-way and easements for access and utilities labeled in plan view.

e. For proposed collocations or modifications to wireless towers, the plans must include scaled plan views and all four elevations that depict the physical dimensions of the wireless tower as it existed on February 22, 2012 or as approved if constructed after February 22, 2012. For proposed collocations or modifications to base stations, the plans must include scaled plan views and all four elevations that depict the physical dimensions of the base station as it existed on February 22, 2012 or as approved if constructed after February 22, 2012.

f. A demolition plan.

5. Visual Simulations. A visual analysis that includes: (a) scaled visual simulations that show unobstructed before-and-after construction daytime and clear-weather views from at least four angles, together with a map that shows the location of each view angle; (b) a color and finished material palette for proposed screening materials; and (c) a photograph of a completed facility of the same design and in roughly the same setting as the proposed wireless communication facility.

6. Statement Asserting that Section 6409 Applies. A written statement asserting that the proposed collocation or modification is an “eligible facilities request” and does not result in a substantial change in the physical dimensions of the facility’s wireless tower or base station, as defined by section 6409, Title 47, United States Code, section 1455, and justifying that assertion. The written statement shall identify and discuss each required finding for approval of a wireless facility minor modification permit and explain the facts that justify the request for the director to make each finding.

7. Prior Permits. True and correct copies of all previously issued permits, including all required conditions of approval and a certification by the applicant that the proposal will not violate any previous permit or conditions of approval or why any violated permit or conditions does not prevent approval under Title 47, United States Code, section 1455 and the FCC’s regulations implementing this federal law.

8. Affirmation of Radio Frequency Standards Compliance. An affirmation, under penalty of perjury, that the proposed installation will be FCC compliant, because it will not cause members of the general public to be exposed to RF levels that exceed the levels deemed safe by the FCC.

9. Structural Analysis. A structural analysis, prepared, signed, and sealed by a California-licensed engineer that assesses whether the proposed wireless communications facility complies with all applicable building codes.

10. Noise Study. A noise study, prepared, signed, and sealed by a California-licensed engineer, for the proposed wireless communication facility including, but not limited to, equipment, such as air conditioning units and back-up generators.; or a written statement signed and sealed by a California-licensed engineer indicating that the proposed modification(s) will not alter the existing noise levels or operational equipment which creates noise.

11. Other Permits. An application for a wireless facility minor modification permit shall include all permit applications with all required application materials for each and every separate permit required by the city for the proposed collocation or modification to an existing personal wireless communications facility, including a building permit, an encroachment permit (if applicable), and an electrical permit (if applicable).

12. Other Information. Such other information as the city may require, as specified in publicly available materials, including information required as stated on the city's website.

**17.41.060 Required findings of approval for wireless permits.**

A. Wireless Facility Permit Findings for New or Substantially Modified Wireless Facility Permits. No wireless facility permit for a proposed new or substantial modification to a wireless communication facility may be approved unless the planning commission finds, at a public hearing for which notice was provided under the standards set forth in Government Code section 65090 and 65091, as follows:

1. The applicant has demonstrated by clear and convincing evidence that the new or substantially modified wireless facility is necessary to close a significant gap in the applicant's wireless service coverage. Such evidence shall include in-kind call testing of existing facilities within the area the applicant contends is a significant gap in coverage to be served by the facility.
2. The applicant has demonstrated by clear and convincing evidence that no feasible alternate site exists that would close a significant gap in the operator's wireless service coverage which alternative site is a more appropriate location for the facility under the standards of this section.
3. The proposed new or substantially modified wireless facility complies with all design standards and other requirements of this section, including the requirement that new or substantially modified facilities be camouflaged.
4. The proposed new or substantially modified wireless facility is consistent with the General Plan and any other applicable provisions of this code.
5. Public notice of the proposed facility was provided under the standards set forth in Government Code sections 65090 and 65091.

B. Additional Findings for New or Substantially Modified Wireless Facility Permits in the Public Rights of Way. In addition to the findings required in subsection (A)(1) above, no proposed new or substantially modified wireless communication facility within a public right-of-way may be approved unless the following findings are made by the planning commission:

1. The proposed facility has been designed to blend with the surrounding environment, with minimal visual impact on the public right-of-way.
2. The proposed facility will not have an adverse impact on the use of the public right-of-way, including but not limited to, the safe movement and visibility of vehicles and pedestrians.

C. **Application Review Periods.** Under federal and state law, the city must act on an application for a wireless facility permit for new facilities within 150 days, and must act on an application for a wireless facility permit for substantial modifications to existing facilities which the applicant does not contend are protected by Title 47, United States Code, section 1455, within 90 days, after the applicant submits the application for a wireless facility permit, unless tolled due to issuance of any notice of incomplete filing or by mutual agreement between the city and the applicant. Under federal and state law, failure to act on a wireless facility permit application within these timelines, excluding tolling periods, may result in the permit being deemed granted by operation of law. In that case, the applicant must still comply with the standard conditions of approval in this section.

D. **Findings Required for Approval of Minor Modifications to Existing Wireless Facilities.** An applicant seeking approval of a collocation or modification to an existing wireless communication facility which the applicant contends is within the protection of Title 47, United States Code, section 1455, and qualifies as a minor or not substantial modification, must apply for and receive approval of a wireless facility permit for a minor modification in compliance with this section. This subsection is intended to comply with the city's obligations under federal law, which provides that the city "may not deny, and shall approve any eligible facilities request for a modification of an existing wireless tower or base station that does not substantially change the physical dimensions of such tower or base station." (47 U.S.C. § 1455, subd. (a)(1), adopted as section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012, Pub.L. No. 112-96, 126 Stat. 156.) This subsection sets forth standards for the city to review an application for a wireless facility minor modification permit submitted by an applicant who asserts that a proposed collocation or modification to an existing personal wireless communications facility is covered by this federal law. The city's review of these applications is structured to comply with the requirements of Title 47, United States Code, section 1455 and the FCC's regulations implementing this federal law, adopted on December 17, 2014 and codified at 47 C.F.R. §§ 1.40001, et seq. This subsection is intended to promote the public's health, safety, and welfare, and shall be interpreted consistent with the Federal Communications Act of 1996 (Pub.L. No. 104-104, 110 Stat. 56), Title 47, United States Code, section 1455, and applicable FCC regulations and court decisions considering these laws and regulations. Under federal law, the city must approve or deny an application for a wireless facility permit for a minor modification, together with any other city permits required for a proposed wireless facility minor modification, within sixty (60) days after the applicant submits the application for a wireless facility permit which the applicant contends is protected by Title 47, United States Code, section 1455, unless tolled due to issuance of any notice of incomplete filing or by mutual agreement between the city and the applicant. Under federal law, failure to act on a wireless facility permit application for a minor modification within the sixty (60) day review period, excluding tolling period, may result in the permit being deemed granted by operation of law. In that case, the applicant must still comply with the standard conditions of approval in this section.

1. The director must approve an application for a wireless facility permit for a minor modification that is a collocation or modification to an existing wireless tower on private

property which the applicant contends is within the protection of Title 47, United States Code, section 1455 only if each of the following findings can be made:

- a. The applicant proposes a collocation or modification to a structure constructed and maintained with all necessary permits in good standing for the sole or primary purpose of supporting any FCC licensed or authorized antennas and their associated facilities;
- b. The proposed collocation or modification does not increase the height of the existing wireless communication facility above its lowest height on February 22, 2012 or as approved if constructed after February 22, 2012 by more than ten percent (10%) or by the height of one additional antenna array with separation from the nearest existing antenna not to exceed twenty (20) feet, whichever is greater;
- c. The proposed collocation or modification does not increase the width of the facility by more than twenty (20) feet or the width of the tower at the level of the appurtenance, whichever is greater;
- d. The proposed collocation or modification does not involve the installation of more than the standard number of new equipment cabinets for the technology involved, not to exceed four;
- e. The proposed collocation or modification does not involve any excavation outside the lease or license area of the facility, including any access or utility easements;
- f. The proposed collocation or modification does not defeat any existing concealment, stealth, or camouflage elements of the support structure; and
- g. The proposed collocation or modification does not violate any prior conditions of approval, except as may be preempted by section 6409, Title 47, United States Code, section 1455, subdivision (a).

2. The director must approve an application for a wireless facility permit for a minor modification that is a collocation or modification to an existing base station on private property which the applicant contends is within the protection of Title 47, United States Code, section 1455 only if each of the following findings can be made:

- a. The applicant proposes a collocation or modification to a structure constructed and maintained with all necessary permits in good standing, whether built for the sole or primary purpose of supporting any FCC licensed or authorized antennas and their associated facilities or not, that currently supports existing wireless transmission equipment;
- b. The proposed collocation or modification does not increase the height of the existing wireless communication facility above its lowest height on February 22, 2012 or as approved if constructed after February 22, 2012 by more than ten percent (10%) or ten (10) feet, whichever is greater;
- c. The proposed collocation or modification does not increase the width of the facility by more than six (6) feet;



- d. The proposed collocation or modification does not involve the installation of more than the standard number of new equipment cabinets for the technology involved, not to exceed four;
  - e. The proposed collocation or modification does not involve any excavation outside the lease or license area of the facility, including any access and utility easements;
  - f. The proposed collocation or modification does not defeat any existing concealment, stealth, or camouflage elements of the support structure; and
  - g. The proposed collocation or modification does not violate any prior conditions of approval, except as may be preempted by section 6409, Title 47, United States Code, section 1455, subdivision (a).
3. The director must approve an application for a wireless facility permit for a minor modification that is a collocation or modification to an existing wireless tower or base station in the public right of way only which the applicant contends is within the protection of Title 47, United States Code, section 1455 if each of the following findings can be made:
- a. The applicant proposes a collocation or modification to either (i) a structure constructed and maintained with all necessary permits in good standing for the sole or primary purpose of supporting any FCC licensed or authorized antennas and their associated facilities or (ii) a structure constructed and maintained with all necessary permits in good standing, whether built for the sole or primary purpose of supporting any FCC licensed or authorized antennas and their associated facilities or not, that currently supports existing wireless transmission equipment;
  - b. The proposed collocation or modification does not increase the height of the existing wireless communication facility above its lowest height on February 22, 2012 or as approved if constructed after February 22, 2012 by more than ten percent (10%) or ten (10) feet, whichever is greater;
  - c. The proposed collocation or modification does not increase the width of the facility by more than six (6) feet;
  - d. The proposed collocation or modification does not involve the installation of more than the standard number of new equipment cabinets for the technology involved, not to exceed four;
  - e. The proposed collocation or modification does not involve either (i) the installation of any new equipment cabinets on the ground, if none already exist, or (ii) the installation of ground equipment cabinets that are more than ten percent (10%) larger in height or overall volume than any existing ground cabinets;
  - f. The proposed collocation or modification does not involve any excavation outside the area in proximity to the existing ground-mounted equipment in the public right of way;



- g. The proposed collocation or modification does not defeat any existing concealment, stealth, or camouflage elements of the existing structure; and
- h. The proposed collocation or modification does not violate any prior conditions of approval, except as may be preempted by section 6409, Title 47, United States Code, section 1455, subdivision (a).

**17.41.070. Standards for wireless facilities.**

- A. All new wireless facilities shall be concealed. The installation of an uncamouflaged wireless facility is prohibited. All new facilities and substantial changes to existing facilities shall include appropriate stealth and concealment techniques given the proposed location, design, visual environment, and nearby uses and structures. Stealth and concealment techniques do not include incorporating faux-tree designs of a kind substantially different than the surrounding live trees. All new architectural features proposed to conceal transmission equipment shall be designed to mimic the existing underlying structure, shall be proportional to the existing underlying structure, and shall use materials in similar quality, finish, color, and texture as the existing underlying structure.
- B. All vents, exhausts and similar features for undergrounded equipment shall be flush to grade to the maximum extent feasible; all above-grade vents, exhausts or similar features shall be designed to blend with the environment to maximum extent feasible.
- C. All wireless facility antennas, mounting hardware, and cabling shall be covered or painted to match the color and texture of the building, tower, or pole on which it is mounted. Equipment cabinets, service panels, and service connections shall be screened by solid walls, landscaping, or berms. Screening shall blend with or enhance the surrounding context in terms of scale, form, texture, materials, and color. Any wireless facility shall be concealed as much as possible by blending into the natural and physical environment. All gates shall be opaque.
- D. Wireless facilities should be collocated with existing wireless facilities, if within one thousand five hundred (1,500) feet of an existing visible wireless facility, unless the city determines that the particular design proposed would not create excessive visual clutter or would otherwise create harms the city cannot ameliorate.
- E. A wireless facility located in the public rights-of-way:
  - 1. Shall, with respect to its pole-mounted components, be located in a concealed manner on an existing or replaced utility pole; or
  - 2. Shall be located in a concealed wireless facility consistent with other existing natural or manmade features in the rights-of-way near the location where the wireless facility is to be located; or
  - 3. Shall, with respect to its pole-mounted components, be located in a concealed wireless facility on a new utility pole, if there are no reasonable alternatives, and the applicant is authorized to construct new utility poles.
- F. The ground-mounted components of a wireless facility shall, whether in or outside of the rights-of-way:

1. To the extent the structures are utility boxes within the meaning of this code, be reviewed and subject to the same approvals as utility boxes installed by other communications companies; and
2. Shall be located flush to grade where necessary to avoid incommoding the public or creating a hazard; and
3. To the extent permitted aboveground, shall otherwise be appropriately screened, landscaped and camouflaged to blend in with the surroundings, and nonreflective paints shall be used. All ground-mounted outdoor transmission equipment and associated enclosures or shelters shall be screened. All wires, cables, and any other connections shall be completely concealed from public view to the maximum extent feasible.

G. Unless it is determined by the city that there is no less intrusive alternative available to close a significant gap in the service provided by a wireless facility; or it is determined that the city is legally required to approve an application, the director may not approve an application for a wireless facility where the application proposes a design that would require extensions from any support structure inconsistent in size with the extensions otherwise permitted under the code.

H. A wireless facility and all subsequent modifications shall be designed and located to minimize the impact on the surrounding neighborhood, and to maintain the character and appearance of the city, consistent with other provisions of the code. To that end, wireless facilities should:

1. Employ the least intrusive design for the proposed location in terms of size, mass, visual and physical impact, and effects on properties from which the wireless facility is visible; and
2. Accommodate collocation consistent with the other design requirements of this section; and
3. Be consistent with the general plan.

I. Without limiting the foregoing, all portions of a wireless facility affixed to a support structure shall be designed to blend in or be screened from view in a manner consistent with the support structure's architectural style, color and materials when viewed from any part of the city. Wireless facilities shall be covered, painted and textured or otherwise camouflaged to match the color and texture of the support structure on which they are mounted. Where the support structure is a building, the wireless facility, including without limitation base station cabinets, remote transmitters and receivers, and antenna amplifiers, shall be placed within the building or mounted behind a parapet screened from public view unless that is not feasible. If the director determines that such in-building placement is not feasible, the equipment shall be roof-mounted in an enclosure or otherwise screened from public view as approved by the community development director.

J. Wireless facilities shall not be lighted except with the authorization of the director. The director may permit lighting at the lowest intensity necessary:

1. For proximity-triggered or timer-controlled security lighting; or

2. To comply with regulations for the illumination of any flag attached to a wireless facility;  
or

3. Where such lighting is required by the director to protect public health or welfare, or as part of the camouflage for a particular design which includes street or decorative lighting as integral to the design and as approved by the director.

K. No facilities may bear any signage or advertisement(s) other than signage required by law or expressly permitted or required by the city. No advertising signage shall be displayed on any wireless facility except for government-required signs shown in the wireless facility permit application. Additionally site identification, address, warning and similar information plates may be permitted where approved by the director.

L. The wireless facility shall not incommode the public (including, without limitation, persons with disabilities) in its use of any structure, or any portion of the rights-of-way.

M. All new facilities and substantial changes to existing facilities shall comply with the applicable height limit for the facility's zone.

N. At no time shall transmission equipment or any other associated equipment (including but not limited to heating and air conditioning units) at any wireless communication facility emit noise that exceeds the applicable limit(s) established in this code.

O. All facilities shall at all times comply with all applicable federal, state, and local building codes, electrical codes, fire codes, and any other code related to public health and safety.

P. All wireless towers shall be designed and situated in a manner that utilizes existing natural or man-made features (including but not limited to topography, vegetation, buildings, or other structures) to visually conceal the wireless tower to the maximum extent feasible.

Q. All accessory equipment associated with the operation of a wireless communication facility shall be located within a building enclosure or underground vault that complies with the development standards of the zoning district in which the accessory equipment is located.

R. Ground-mounted equipment shall be located so as not to cause: (i) any physical or visual obstruction to pedestrian or vehicular traffic; (ii) inconvenience to the public's use of a public right-of-way; or (iii) safety hazards to pedestrians and motorists. In no case shall ground-mounted equipment, walls, or landscaping be less than eighteen (18) inches from the front of the curb.

S. No facility shall be built so as to cause the right-of-way in which the facility is located to fail to comply with the Americans with Disabilities Act.

#### **17.41.080 Standard conditions of approval.**

All facilities subject to a wireless facility permit approved under this chapter, including any facilities for which a wireless facility permit is deemed approved by operation of law, shall be subject to the following conditions:

A. Facilities shall not bear any signs or advertising devices other than legally required certification, warning, or other required seals or signage, or as expressly authorized by the City.

B. Abandonment.

1. Wireless communication facilities that are no longer operating shall be removed at the expense of the applicant, operator, or owner no later than ninety (90) days after the discontinuation of use. Disuse for ninety (90) days or more shall also constitute a voluntary termination by the applicant of any land use entitlement under this code or any predecessor to this code.
2. The director shall send a written notice of the determination of non-operation to the owner and operator of the wireless communication facility, who shall be entitled to a hearing on that determination before the city manager or a hearing officer appointed by the city manager, provided that written request for such a hearing is received by the city clerk within ten (10) days of the date of the notice. No further appeal from the decision of the city manager may be had other than pursuant to Code of Civil Procedure section 1094.5. Upon a final decision of the city manager or the running of the time for a request for a hearing without such a request, the operator shall have ninety (90) days to remove the facility.
3. The operator of a facility shall notify the city in writing of its intent to abandon a permitted site. Removal shall comply with applicable health and safety regulations. Upon completion of abandonment, the site shall be restored to its original condition at the expense of the applicant, operator, or owner.
4. All facilities not removed within the required ninety (90)-day period shall be in violation of this code. In the event the city removes a disused facility upon the failure of the applicant, operator, or owner to timely do so, the applicant, operator, and owner shall be jointly and severally liable for the payment of all costs and expenses the city incurs for the removal of the facilities, including legal fees and costs.

C. The applicant, operator of a facility and property owner (when applicable) shall defend, indemnify and hold the city and its elective and appointed boards, commissions, officers, agents, consultants and employees harmless from and against all demands, liabilities, costs (including attorneys' fees), or damages arising from the city's review and approval of the design, construction, operation, location, inspection or maintenance of the facility.

D. Removal of Unsafe Facilities. If, at any time after ten (10) years of the issuance of a building permit or encroachment permit, or any shorter period permitted by Government Code section 65964(b), any wireless communication facility becomes incompatible with public health, safety or welfare, the applicant or operator of the facility shall, upon notice from the city and at the applicant's or operator's own expense, remove that facility. Written notice of a determination pursuant to this subsection shall be sent to the owner and operator of the wireless communication facility, who shall be entitled to a hearing on that determination before the city manager or a hearing officer appointed by the city manager, provided that written request for such a hearing is received by the city clerk within ten (10) days of the date of the notice. No further appeal from the decision of the city manager may be had other than pursuant to Code of Civil Procedure section 1094.5. Upon a final decision of the city manager or

the running of the time for a request for a hearing without such a request, the operator shall have ninety (90) days to remove the facility.

E. Prior to the issuance of a building permit or encroachment permit, the applicant or owner/operator of the facility shall pay for and provide a performance bond, which shall be in effect until all facilities are fully and completely removed and the site reasonably returned to its original condition. The purpose of this bond is to cover the applicant's or owner/operator of the facility's obligation under the conditions of approval and the city code. The bond coverage shall include, but not be limited to, removal of the facility, maintenance obligations and landscaping obligations. The amount of the performance bond shall be set by the director on a case-specific basis and in an amount reasonably related to the obligations required under this code and all conditions of approval, and shall be specified in the conditions of approval.

F. An applicant shall not transfer a permit to any person or entity prior to completion of construction of a wireless communication facility.

G. The applicant shall submit as-built photographs of the facility within ninety (90) days of installation of the facility, detailing the installed equipment.

H. A wireless communication facility approved by a wireless facility permit may operate only until the 10th anniversary of the date it is first placed into service, unless that sunset date is extended by additional term(s) not to exceed ten (10) years pursuant to a wireless facility permit issued. There is no limit to the number of times the sunset date for a facility may be extended.

I. Any approved wireless communication facility within a public right-of-way shall be subject to such conditions, changes or limitations as are from time to time deemed necessary by the public works director to: (1) protect the public health, safety, and welfare; (2) prevent interference with pedestrian and vehicular traffic; or (3) prevent damage to a public right-of-way or any property adjacent to it. Before the director of public works imposes conditions, changes, or limitations pursuant to this subsection, he or she shall notify the applicant or operator, in writing, by mail to the address set forth in the application or such other address as may be on file with the city. Such change, new limitation or condition shall be effective twenty-four (24) hours after deposit of the notice in the United States mail.

J. The applicant or operator of a wireless communication facility in the public rights-of-way shall not move, alter, temporarily relocate, change, or interfere with any existing public facility, structure or improvement without the prior written consent of the city, and the owner in the circumstance where the owner is not the city. No structure, improvement or facility owned by the city shall be moved to accommodate a wireless communication facility unless: (1) the city determines, in its sole and absolute discretion, that such movement will not adversely affect the city or surrounding residents or businesses; and (2) the applicant or operator pays all costs and expenses related to the relocation of the city's facilities. Every applicant or operator of any wireless communication facility shall assume full liability for damage or injury caused to any property or person by his, her, or its facility. Before commencement of any work pursuant to an encroachment permit issued for any wireless communication facility within a public right-of-way, an applicant shall provide the city with documentation establishing to the city's

satisfaction that the applicant has the legal right to use or interfere with any other facilities within the public right-of-way to be affected by applicant's facilities.

K. In addition to any other conditions of approval permitted under federal and state law and this code that the director deems appropriate or required under this code, all wireless facility permits for minor modifications subject to Title 47, United States Code, section 1455, including any minor modifications for which a wireless facility permit is deemed approved by operation of law, shall include the following conditions of approval:

1. No Automatic Renewal. The grant or approval of a wireless facility minor modification permit shall not renew or extend the underlying permit term.
2. Compliance with Previous Approvals. The grant or approval of a wireless facility minor modification permit shall be subject to the conditions of approval of the underlying permit, except as may be preempted by section 6409(a) of the 2012 Middle Class Jobs and Tax Relief Act, Title 47, United States Code, section 1455.
3. As-Built Plans. The applicant shall submit to the director an as-built set of plans and photographs depicting the entire personal wireless communications facility as modified, including all transmission equipment and all utilities, within ninety (90) days after the completion of construction.
4. Indemnification. To the fullest extent permitted by law, the applicant and any successors and assigns, shall defend, indemnify and hold harmless city, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, but not limited to, actual attorney fees, litigation expenses and court costs of any kind without restriction or limitation, incurred in relation to, as a consequence of, arising out of or in any way attributable to, actually, allegedly or impliedly, in whole or in part, related to the wireless facility minor modification permit and the issuance of any permit or entitlement in connection therewith. The applicant shall pay such obligations as they are incurred by city, its employees, agents and officials, and in the event of any claim or lawsuit, shall submit a deposit in such amount as the city reasonably determines necessary to protect the city from exposure to fees, costs or liability with respect to such claim or lawsuit.
5. Compliance with Applicable Laws. The applicant shall comply with all applicable provisions of this code, any permit issued under this code, and all other applicable federal, state, and local laws. Any failure by the city to enforce compliance with any applicable laws shall not relieve any applicant of its obligations under this code, any permit issued under this code, or all other applicable laws and regulations.
6. Compliance with Approved Plans. The proposed project shall be built in compliance with the approved plans on file with the Planning Department.
7. Violations. The facility shall be developed, maintained, and operated in full compliance with the conditions of the wireless facility minor modification permit, any other applicable permit, and any law, statute, ordinance or other regulation applicable to any development

or activity on the site. Failure of the applicant to cease any development or activity not in full compliance shall be a violation of these conditions. Any violation of this code, the conditions of approval for the wireless facility minor modification permit, or any other law, statute, ordinance or other regulation applicable to any development or activity on the site may result in the revocation of this permit. The remedies specified in this chapter shall be cumulative and the city may resort to any other remedy available at law or in equity and resort to any one remedy shall not cause an election precluding the use of any other remedy with respect to a violation.

8. In the event that a court of competent jurisdiction invalidates or limits, in part or in whole, Title 47, United States Code, section 1455, such that such statute would not mandate approval for the collocation or modification granted or deemed granted under a wireless facility minor modification permit, such permit shall automatically expire twelve (12) months from the date of that opinion.

9. The grant, deemed-grant or acceptance of wireless facility minor modification permit shall not waive and shall not be construed or deemed to waive the City's standing in a court of competent jurisdiction to challenge Title 47, United States Code, section 1455 or any wireless facility minor modification permit issued pursuant to Title 47, United States Code, section 1455 or this code.

L. Annual Monitoring Fee. The owner or operator of a facility subject to a permit under this chapter shall pay to the city an annual monitoring fee as established in the city's Master Fee Schedule. The fee shall be used to recover the city's costs to inspect, review, and monitor compliance with the conditions of the permit.

#### **17.41.090 Provisions applicable to small wireless facilities.**

Unless modified by this section, all provisions of this chapter shall apply to small wireless facilities.

A. Requirements for Small Wireless Facilities Permits. This subsection governs applications for small wireless facilities permits.

1. Purpose. This subsection is intended to comply with the city's obligations under 47 C.F.R. section 1.6001 et seq., which implements 47 U.S.C. sections 332(c)(7) and 1455. This subsection creates a process for the city to review an application for a small wireless facility permit submitted by an applicant who asserts that a proposed collocation of a small wireless facility using an existing structure or the deployment of a small wireless facility using a new structure, and the modifications of such small wireless facilities, is covered by federal law and to determine whether the city must approve the proposed collocation or deployment.

2. Applicability. An applicant seeking approval of a collocation to a structure or a deployment to a new structure which the applicant contends is within the protection of 47 U.S.C. section 1455 shall apply for the following at the same time: (i) a small wireless facility permit; (ii) an encroachment permit from the public works department (if required by applicable provisions of this code); and (iii) any other permit required by applicable



provisions of this code including a building permit, an electrical permit, or a tree report under chapter 17.21.

3. Application Content: All applications for a small wireless facility permit must include the following items:

- a. Application Form. The city's standard application form, available on the city's website or from the planning and building department, as may be amended.
- b. Application Fee. An application fee as established by the city council by resolution.
- c. Independent Consultant Deposit. An independent consultant fee deposit, if required by the city council by resolution, to reimburse the city for its costs to retain an independent consultant to review the technical aspects of the application.
- d. Site and Construction Plans. Complete and accurate plans, drawn to scale, signed, and sealed by a California-licensed engineer, land surveyor, and/or architect, which include the following items.
  - i. A site plan and elevation drawings for the facility as existing and as proposed with all height and width measurements explicitly stated.
  - ii. A depiction, with height and width measurements explicitly stated, of all existing and proposed transmission equipment.
  - iii. A depiction of all existing and proposed utility runs and points of contact.
  - iv. A depiction of the leased or licensed area of the site with all rights-of-way and easements for access and utilities labeled in plan view.
  - v. For proposed collocation or deployment to wireless towers, the plans must include scaled plan views and all four (4) elevations that depict the physical dimensions of the wireless tower as it existed on
  - vi. A demolition plan.
- e. Visual Simulations. A visual analysis that includes: (1) scaled visual simulations that show unobstructed before-and-after construction daytime and clear-weather views from at least four (4) angles, together with a map that shows the location of each view angle; (2) a color and finished material palate for proposed screening materials; and (3) a photograph of a completed facility of the same design and in roughly the same setting as the proposed wireless communication facility.
- f. Statement Asserting that 47 C.F.R. Section 1.6001 et seq. Applies. A written statement asserting that the proposed collocation or deployment is subject to 47 C.F.R. section 1.6001 et seq.
- g. Prior Permits. True and correct copies of all previously issued permits, including all required conditions of approval and a certification by the applicant that the proposal will not violate any previous permit or conditions of approval or why any



violated permit or conditions does not prevent approval under 47 U.S.C. section 1455 and the FCC's regulation implementing this federal law.

h. Affirmation of Radio Frequency Standards Compliance. An affirmation, under penalty of perjury, that the proposed installation will be FCC compliant, because it will not cause members of the general public to be exposed to RF levels that exceed the MPE levels deemed safe by the FCC. A copy of the fully completed FCC form "A Local Government Official's Guide to Transmitting Antenna RF Emission Safety: Rules, Procedures, and Practical Guidance: Appendix A" titled "Optional Checklist for Determination of Whether a Facility is Categorically Excluded" for each frequency band of RF emissions to be transmitted from the proposed facility upon the approval of the application. All planned radio frequency emissions on all frequency bands must be shown on the Appendix A form(s) attached to the application. All planned radio frequency emissions are to be entered on each Appendix A form only in wattage units of "effective radiated power."

i. Structural Analysis. A structural analysis, prepared, signed, and sealed by a California-licensed engineer, for the proposed small wireless facility including, but not limited to, equipment, such as air conditioning units and back-up generators; or a written statement signed and sealed by a California-licensed engineer indicating that the proposed facility will not alter the existing noise levels or operational equipment which creates noise.

j. Other Permits. An application for a small wireless facility permit shall include all permit applications with all required application materials for each and every separate permit required by the city for the proposed collocation or deployment, including a building permit, an encroachment permit (if applicable) and an electrical permit (if applicable).

4. Application Review. Each application for a new or modified small wireless facility permit shall be reviewed by the director. The city must approve or deny an application for a small wireless facility permit, together with any other city permits required for a proposed small wireless facility, within sixty (60) days after the applicant submits an application to collocate a small wireless facility using an existing structure, and within ninety (90) days after the applicant submits an application to deploy a small wireless facility using a new structure. The director shall provide written notice to all property owners within 500 feet of the site of a proposed small wireless facility upon approval of an application for a small wireless facility permit.

5. Tolling Period. Unless a written agreement between the applicant and the city provides otherwise, the application is tolled when the city notifies the applicant within ten (10) days of the applicant's submission of the application that the application is materially incomplete and identifies the missing documents or information. The shot clock may again be tolled if the city provides notice within ten (10) days of the application's resubmittal that it is materially incomplete and identifies the missing documents or information. For an application to deploy small wireless facilities, if the city notifies the applicant on or before the tenth (10th) day after submission that the application is materially incomplete, and

identifies the missing documents or information and the rule or regulation creating the obligation to submit such documents or information, the shot clock date calculation will restart at zero on the date the applicant submits a completed application.

#### 6. Standards Governing Approval by Director

- a. The director shall approve or deny an application to collocate a small wireless facility using an existing structure by evaluating the following standards:
  - i. The existing structure was constructed and maintained with all necessary permits in good standing.
  - ii. The existing structure is fifty (50) feet or less in height, including any antennas, or the existing structure is no more than ten (10) percent taller than other adjacent structures.
  - iii. Each antenna associated with the deployment, excluding associated antenna equipment, is no more than three (3) cubic feet in volume.
  - iv. All other wireless equipment associated with the structure, including the wireless equipment associated with the antenna and any pre-existing associated equipment serving the facility, is no more than twenty-eight (28) cubic feet in volume.
  - v. The small wireless facilities do not extend the existing structure on which they are located to a height of more than fifty (50) feet or by more than ten (10) percent, whichever is greater.
  - vi. The small wireless facility does not require an antenna structure registration under part 47 C.F.R. section 17.1 et seq.
  - vii. The small wireless facility is not located on Tribal lands, as defined under 36 C.F.R. section 800.16(x).
  - viii. For collocations not located within the public right-of-way, the proposed collocation shall be consistent with the standards of sections 17.41.070 and 17.41.080.
  - ix. For collocation located within the public right-of-way, the proposed collocation shall be consistent with the standards of sections 17.41.070 and 17.41.080, except that sections 17.41.070(D), and 17.41.080(I) and (J) do not apply.
  - x. The proposed collocation would be in the most preferred location and configuration within two-hundred and fifty (250) feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred location or configuration within two-hundred and fifty (250) feet would be technically infeasible, applying the preference standards of this section.

- xi. The proposed collocation is designed as a stealth facility, to the maximum feasible extent.
- b. The director must approve an application to deploy a small wireless facility using a new structure only if each of the following findings can be made:
- i. The new structure was constructed and maintained with all necessary permits in good standing;
  - ii. The new structure is fifty (50) feet or less in height, including any antennas, or the new structure is no more than ten (10) percent taller than other adjacent structures;
  - iii. Each antenna associated with the deployment, excluding associated antenna equipment, is no more than three (3) cubic feet in volume;
  - iv. All other wireless equipment associated with the facility, including the wireless equipment associated with the antenna and any pre-existing equipment associated with the facility, is no more than twenty-eight (28) cubic feet in volume;
  - v. The small wireless facility does not require an antenna structure registration under part 47 C.F.R. section 17.1 et seq.
  - vi. The small wireless facility is not located on Tribal lands, as defined under 36 C.F.R. section 800.16(x);
  - vii. For new structures not located within the public right-of-way, the proposed facility shall be consistent with the standards of sections 17.41.070 and 17.41.080.
  - viii. For new structures located within the public right-of-way, the proposed facility shall be consistent with sections 17.41.070 and 17.41.080, except that sections 17.41.070 (D), and 17.41.080(I) and (J) do not apply.
  - ix. The proposed project would be in the most preferred location and configuration within two-hundred and fifty (250) feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred location or configuration within two-hundred and fifty (250) feet would be technically infeasible, applying the preference standards of this section.
  - x. The proposed project is designed as a stealth facility, to the maximum feasible extent.
- c. Small Cell Location and Configuration Preferences. The city prefers that small wireless facilities in the public right of way or in the equivalent right of way on homeowners' association owned lands and private streets be configured on the following support structures, in order of preference from most to least preferred: (1) existing or replacement street light standard; (2) existing or replacement concrete or steel utility pole; (3) existing or replacement wood utility pole; (4) new street light

standard; (5) new utility pole. The city prefers that small wireless facilities outside the public right of way be configured on the following support structures, in order of preference from most to least preferred: (1) on existing, approved wireless facility support structures operating in compliance with this code; (2) on existing buildings or non-tower structures; (3) on existing or replacement utility poles or towers; (4) in new towers meeting the height requirements of the applicable FCC regulations.

7. Conditions of Approval for Small Wireless Facility Permits. In addition to any other conditions of approval permitted under federal and state law and this code that the director deems appropriate or required under this code, all small wireless facility permits under this subsection shall include the following conditions of approval:

- a. No Automatic Renewal. The grant or approval of a small wireless facility permit shall not renew or extend the underlying permit term.
- b. Compliance with Previous Approvals. The grant or approval of a small wireless facility permit shall be subject to the conditions of approval of the underlying permit.
- c. As-Built Plans. The applicant shall submit to the director an as-built set of plans and photographs depicting the entire small wireless facility as modified, including all transmission equipment and all utilities, within ninety (90) days after the completion of construction.
- d. Indemnification. To the fullest extent permitted by law, the applicant and any successors and assigns, shall defend, indemnify and hold harmless the city, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, but not limited to, actual attorney fees, litigation expenses and court costs of any kind without restriction or limitation, incurred in relation to, as a consequence of, arising out of or in any way attributable to, actually, allegedly or impliedly, in whole or in part, related to the wireless facility minor modification permit and the issuance of any permit or entitlement in connection therewith. The applicant shall pay such obligations as they are incurred by the city, its employees, agents and officials, and in the event of any claim or lawsuit, shall submit a deposit in such amount as the city reasonably determines necessary to protect the city from exposure to fees, costs or liability with respect to such claim or lawsuit.
- e. Compliance with Applicable Laws. The applicant shall comply with all applicable provisions of this code, any permit issued under this code, and all other applicable federal, state, and local laws. Any failure by the city to enforce compliance with any applicable laws shall not relieve any applicant of its obligations under this code, any permit issued under this code, or all other applicable laws and regulations.
- f. Compliance with Approved Plans. The proposed project shall be built in compliance with the approved plans on file with the planning and building department.
- g. Violations. The small wireless facility shall be developed, maintained, and operated in full compliance with the conditions of the small wireless facility permit, any

other applicable permit, and any law, statute, ordinance or other regulation applicable to any development or activity on the site. Failure of the applicant to cease any development or activity not in full compliance shall be a violation of these conditions. Any violation of this code, the conditions of approval for the wireless facility minor modification permit, or any other law, statute, ordinance or other regulation applicable to any development or activity on the site may result in the revocation of this permit. The remedies specified in this section shall be cumulative and the city may resort to any other remedy available at law or in equity and resort to any one remedy shall not cause an election precluding the use of any other remedy with respect to a violation.

h. In the event that a court of competent jurisdiction invalidates or limits, in part or in whole, 47 U.S.C. section 1455, such that such statute would not mandate approval for the collocation or deployment granted or deemed granted under a wireless facility minor modification permit, such permit shall automatically expire twelve (12) months from the date of that opinion.

i. The grant, deemed-grant or acceptance of a small wireless facility permit shall not waive and shall not be construed or deemed to waive the city's standing in a court of competent jurisdiction to challenge 47 U.S.C. section 1455 or any small wireless facility permit issued pursuant to 47 U.S.C. section 1455 or this code.

#### 8. Small Wireless Facility Permit Denial Without Prejudice.

a. Grounds for Denial without Prejudice. The director may deny without prejudice an application for a small wireless facility permit in any of the following circumstances:

- i. The director cannot make all findings required for approval of a small wireless facility permit;
- ii. The proposed collocation or deployment would cause the violation of an objective, generally applicable law protecting public health or safety;
- iii. the proposed collocation or deployment involves the removal and replacement of an existing facility's entire supporting structure; or
- iv. the proposed collocation or deployment does not qualify for mandatory approval under 47 U.S.C. section 1455, as may be amended or superseded, and as may be interpreted by any order of the FCC or any court of competent jurisdiction.

b. Procedures for Denial without Prejudice. All small wireless facility permit application denials shall be in writing and shall include: (i) the decision date; (ii) a statement that the city denies the permit without prejudice; (iii) a short and plain statement of the basis for the denial; and (iv) that the applicant may submit the same or substantially the same permit application in the future.

c. Submittal after Denial without Prejudice. After the director denies a small wireless facility permit application, and subject to the generally applicable permit application submittal provisions in this chapter, an applicant shall be allowed to:

- i. submit a new small wireless facility permit application for the same or substantially the same proposed collocation or deployment; or
- ii. submit an appeal of the director's decision to the city council in accordance with section 17.41.100 of this code.

d. **Costs to Review a Denied Permit.** The city shall be entitled to recover the reasonable costs for its review of any small wireless facility permit application. In the event that the director denies a small wireless facility permit application, the city shall return any unused deposit fees within sixty (60) days after a written request from the applicant. An applicant shall not be allowed to submit a small wireless facility permit application for the same or substantially the same proposed modification unless all costs for the previously denied permit application are paid in full.

B. Nothing in this section shall modify the existing standards for non-small wireless facility applications.

C. Nothing in this section shall limit the city's authority to negotiate different standards for small wireless facility applications.

#### **17.41.100. Appeals.**

A. Within fifteen (15) calendar days following the date of any decision by the director or planning commission on a wireless facility permit application, any person or entity may appeal the decision to the city council. The city council may call for the review of a decision by the director or planning commission by a majority vote.

B. Where an appeal is timely filed, the city manager shall prepare a staff report regarding the original decision and shall submit the report to the city council along with the written notice of appeal submitted by the appellant, and shall make the written record available to the city council.

C. The appeal before the city council shall be a public hearing and shall be appropriately noticed. The appellant shall bear all costs for the appeal.

D. The city council shall hear the appeal at a regular city council meeting or at a special meeting of the city council called for the purpose of hearing the appeal, after allowing for sufficient time for the city manager to prepare the written report and compile the written record. To prevent applicants from withholding information or otherwise abusing the appeal process, the city council has the discretion but is not required to hear additional evidence, and may decide the matter solely on the record that was before the director or planning commission.

E. The city council may accept or reject, wholly or in part, or may modify, the made by the director or planning commission. If the decision of the city council regarding the wireless facility permit appeal is to deny the wireless facility permit or conditionally approve the wireless facility permit, the city council shall direct the city manager to prepare written findings referencing substantial evidence in the city's written administrative record and such written

finding shall be provided to the city council for adoption. The applicant and any appellant on the application shall receive a copy of the final written decision approved by the city council.

**17.41.110 Independent consultant review.**

A. Selection by Director. The director may select and retain with the approval of the city manager one or more independent consultants with expertise in communications satisfactory to the director and the city manager in connection with any permit review and evaluation.

B. Scope. The independent consultant shall review the project aspects that involve technical or specialized knowledge and may address:

1. Whether the applicant submitted a complete and accurate application;
2. Whether the facts and materials presented in a particular application tend to support certain statements or analyses in the application;
3. Compliance with any applicable regulations;
4. Any other specific technical or specialized issues requested by the city; and/or
5. Presence or absence of a significant gap in service coverage, as appropriate.

C. Independent Consultant Fee Deposit. The applicant shall pay the cost for any independent consultant fees, along with applicable overhead recovery, through a deposit, estimated by the director, paid at the time the applicant submits an application. The applicant shall pay all consultant fees before the city may act on a permit application. In the event that such costs or fees do not exceed the deposit amount, the city shall refund any unused portion within sixty (60) days after the final building permit is released or, if no final building permit is released, within sixty (60) days after the city receives a written request from the applicant.

**17.41.120. Maintenance.**

A. All wireless communication facilities must comply with all standards and regulations of the FCC, and any other state or federal government agency with the authority to regulate wireless communication facilities.

B. The site and the wireless communication facility, including all landscaping, fencing, and related transmission equipment must be maintained in a neat and clean manner and in accordance with all approved plans.

C. All graffiti on wireless communication facilities must be removed at the sole expense of the permittee within forty-eight (48) hours of notification.

D. A wireless communication facility located in the public right-of-way may not unreasonably interfere with the use of any city property or the public right-of-way by the city, by the general public or by other persons authorized to use or be present in or upon the public right-of-way. Unreasonable interference includes disruption to vehicular or pedestrian traffic, and interference with any other city or public utilities.



E. If any FCC, CPUC or other required license or approval to provide communication services is ever revoked, the permittee must inform the director of the revocation within ten (10) days of receiving notice of such revocation.

**17.41.130. Removal of abandoned facilities.**

A. Any facility whose permit has expired or whose permit has been terminated by the city or that is not operated for a continuous period of one-hundred and eighty (180) days shall be deemed abandoned, and the owner of the facility shall remove the facility within ninety (90) days of receipt of notice from the director notifying the owner of the abandonment.

B. If the facility is not removed within the ninety (90) day period, the director may remove the facility at the permittee's, facility owner's, or landowner's expense pursuant to the city's abatement procedures.

C. If there are two or more users of the permitted facility, this provision shall not become effective until all applicable permits have expired or have terminated or all users cease using the facility.

D. As a condition of approval for permit issuance, the applicant shall provide a separate demolition bond for the duration of the permit, and in the form and manner of surety as determined by the director and approved as to form by the city attorney, with provision for inspection and city removal of the facility in the event of failure to perform by the responsible parties as defined by this chapter.

**17.41.140. Ownership transfers.**

Upon transfer of an approved wireless communication facility or any rights under the applicable permit or approval, the permittee of the facility must within thirty (30) days of such transfer provide written notification to the director of the date of the transfer and the identity of the transferee. The director may require submission of any supporting materials or documentation necessary to determine that the facility is in compliance with the existing permit or approval and all of its conditions including, but not limited to, statements, photographs, plans, drawings, and analysis by a qualified engineer demonstrating compliance with all applicable regulations and standards of the city, FCC, and CPUC.

**17.41.150. Revocation of a wireless facility permit.**

A. A wireless facility permit may be revoked if the permittee is not in compliance with permit conditions, if the permit conditions are not enforceable, or for a failure to comply with any provision of the code relating to the permit, or relating to the wireless facility associated with the permit ("default event"). By way of example and not limitation, a refusal to timely remove facilities located in the rights-of-way where required in connection with a public works project would be a default event.

B. The city manager may revoke a wireless facility permit only after:

1. Written notice of the default event has been provided to the wireless facility permit holder.



2. The wireless facility permit holder has been afforded a reasonable opportunity to cure and comply with its permit, or demonstrate that no default event occurred.
3. If the wireless facility permit holder fails to cure, the city council, or designee, shall conduct a noticed public hearing where the wireless facility permit holder shall be afforded an opportunity to speak and be heard and to provide written material prior to the hearing. If the city council or its designee, after the public hearing, finds that the wireless facility or the wireless facility permit holder has violated any law regulating the wireless facility or has failed to comply with the requirements of this chapter, the wireless facility permit, any applicable agreement or any condition of approval, the city council may revoke the permit.
4. Upon revocation, the city council may require the removal of the wireless facility or take any other legally permissible action or combination of actions necessary to protect the health and welfare of the city.

#### **17.41.160. Exception from standards.**

Notwithstanding the provisions of this chapter, one or more specific exceptions to the standards contained within this chapter may be granted if a denial of an exception would prohibit or have the effect of prohibiting the provision of wireless communications services by the applicant within the meaning of Title 47, United States Code section 332, subdivision (c)(7) or if the denial of the exception is otherwise preempted or prohibited by state or federal law or regulations. The city may grant an exception, on such terms as the city may deem appropriate, in cases where the city determines that the grant of an exception is necessary to comply with state and federal law or regulations. Prior to the issuance of an exception, the applicant shall be required to submit to the director a written explanation setting forth clear and convincing evidence that the location or locations and the design of the facility is necessary to close a significant gap in service coverage, that there is no feasible alternate location or locations, or design, that would close this significant gap in coverage or reduce this significant gap in coverage to less than significant, and that the facility is the least intrusive means to close a significant gap or to reduce it to less than a significant gap in coverage. Exceptions shall be subject to the review and approval by the planning commission at noticed public hearings. The burden is on the applicant to prove significant gaps and least intrusive means as required herein.

#### **17.41.170 Violations.**

It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this chapter. Any person, firm, partnership, or corporation violating any provision of this chapter or failing to comply with any of its requirements will be deemed guilty of an infraction and upon conviction thereof will be punished by fine not exceeding \$1,000.00. Each such person, firm, partnership, or corporation will be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this chapter is committed, continued or permitted by such person, firm, partnership, or corporation, and will be deemed punishable therefor as provided in this chapter. The remedies specified in this chapter shall be cumulative and the city may resort to

any other remedy available at law or in equity and resort to any one remedy shall not cause an election precluding the use of any other remedy with respect to a violation.

#### **17.41.180 Severability.**

In the event that a court of competent jurisdiction holds any section, subsection, paragraph, sentence, clause, or phrase in this chapter unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this chapter and shall not affect the validity of the remaining portions of this chapter. The city hereby declares that it would have adopted each section, subsection, paragraph, sentence, clause, or phrase in this chapter irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses, or phrases in this chapter might be declared unconstitutional, preempted, or otherwise invalid.

#### **Section 3. CEQA.**

The adoption of this Ordinance is exempt from review under the California Environmental Quality Act (CEQA). Pursuant to section 15061(b)(3) of the CEQA Guidelines, CEQA applies only to projects which have the potential for causing a significant effect on the environment. This policy will not result in a significant foreseeable environmental impact. To the extent this Ordinance is determined to be a project within the meaning of CEQA, it is categorically exempt under CEQA Guidelines section 15301 (Existing Facilities) and CEQA Guidelines section 15311 (Accessory Structures).

#### **Section 4. Severability.**

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The city council hereby declares that it would have passed this and each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional on their face or as applied.

#### **Section 5. Declaration of Urgency.**

This Ordinance is hereby declared to be an urgency measure necessary for the immediate protection of the public health, safety and welfare and shall take effect immediately upon passage and adoption if passed and adopted by at least four-fifths vote of the city council under Government Code section 36937.

#### **Section 6. Posting.**

The city clerk shall cause this ordinance to be published and/or posted within fifteen (15) days after its adoption.

This Ordinance was introduced, passed, approved, and adopted by the City Council of the City of Lakeport at a regular meeting thereof on the \_\_ day of \_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

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TIM BARNES, Mayor

ATTEST:

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KELLY BUENDIA, City Clerk