



CERTIFICATE OF APPOINTMENT & OATH OF OFFICE

I, Shonna Oneal, City Clerk of the City of Exeter, State of California, do hereby certify that **DAVE HAILS** was confirmed by the Exeter City Council, to the office of Member, Exeter City Council, District A, for the Short-Term ending November 2022 by Resolution 2020-36 as the only certified candidate by the City Council of City of Exeter pursuant to Elections Code §10229 on August 18, 2020.

Witness my hand and official seal this 8TH day of December 2020

SHONNA ONEAL, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE)ss.
CITY OF EXETER)

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

I, **DAVE HAILS**, do solemnly swear that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Member, Exeter City Council, District A

Subscribed and sworn to before me this 8th day of December 2020.

SHONNA ONEAL, CITY CLERK



CERTIFICATE OF APPOINTMENT & OATH OF OFFICE

I, Shonna Oneal, City Clerk of the City of Exeter, State of California, do hereby certify that **JUSTIN MILLS** was confirmed by the Exeter City Council, to the office of Member, Exeter City Council, District E, by Resolution 2020-38 as the only certified candidate by the City Council of the City of Exeter pursuant to Government Code §10229 on August 18, 2020.

Witness my hand and official seal this 8TH day of December 2020

SHONNA ONEAL, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE)ss.
CITY OF EXETER)

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

I, **JUSTIN MILLS**, do solemnly swear that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Member, Exeter City Council, District E

Subscribed and sworn to before me this 8TH day of December 2020.

SHONNA ONEAL, CITY CLERK



CERTIFICATE OF APPOINTMENT & OATH OF OFFICE

I, Shonna Oneal, City Clerk of the City of Exeter, State of California, do hereby certify that **BARBARA SALLY** was confirmed by the Exeter City Council, to the office of Member, Exeter City Council, District B, by Resolution 2020-37 as the only certified candidate by the City Council of the City of Exeter pursuant to Government Code §10229 on August 18, 2020.

Witness my hand and official seal this 8TH day of December 2020

SHONNA ONEAL, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE)ss.
CITY OF EXETER)

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

I, **BARBARA SALLY**, do solemnly swear that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Member, Exeter City Council, District B

Subscribed and sworn to before me this 8TH day of December 2020.

SHONNA ONEAL, CITY CLERK

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: E3

Wording for Agenda: Reorganization of the City Council – Mayor and Mayor Pro Tem Selection.

Submitting Department: Administration
Contact Name: Adam Ennis, City Administrator
Shonna Oneal, City Clerk
Phone Number: 559-592-9244
Email: adam@exetercityhall.com
soneal@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

ABE.

Department Recommendation:

Staff recommends following nominations the Council, by majority vote, select a representative for the Mayor and Mayor Pro Tem positions.

Summary/Background:

Pursuant to the City's Charter, Mayor and Mayor Pro Tem selection is provided by Ordinance. The City has not adopted an Ordinance outlining this process. Typically, regular reorganization is considered after each general municipal election (where council members are subject to election) and then at other times at the discretion of the Council. With nothing otherwise specified on the subject, Council reorganization should be considered after each municipal election (every two years). This is the process that Council has followed in the past with those selected serving a period of two years.

The Mayor is recognized as the official head of the City of Exeter for all ceremonial purposes, acts as the Presiding Officer at meetings, performs such other duties consistent with the office as may be imposed by the City Council, and preserves strict order and decorum at all times. The Mayor signs ordinances, resolutions and other such items as agreements, contracts, etc., except where otherwise instructed or set forth by policy. In the absence of the Mayor, the Mayor Pro Tem shall perform the duties of the Mayor as outlined above.

Staff will bring an item to Council in the coming months to discuss developing an Ordinance that would call out procedures and criteria for selection of Mayor and Mayor Pro Tem. Once Council adopts an ordinance, Mayor and Mayor Pro Tem selection procedures and criteria could also be called out in the finalized Council Handbook of Rules and Procedures.

Financial Impact: None.

Prior Council/Board Actions: Previous Mayor and Mayor Pro Tem appointments by the Council.

Attachments: None.

Recommended motion to be made by Council/Board: I move to appoint _____ to the position of Mayor. I move to appoint _____ to the position of Mayor Pro Tem.

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: E4

Wording for Agenda: Review and discussion to select and update City Council representation on outside Agency Boards and Committees.

Submitting Department: Administration
Contact Name: Shonna Oneal, City Clerk
Adam Ennis, City Administrator
Phone Number: 559-592-9244
Email: soneal@exetercityhall.com
adam@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

abe

Department Recommendation:

Staff recommends the Council review and consider selections and update representation on the outside Agency Boards and Committees list.

Summary/Background:

Every two years following elections, or more often if necessary, the Council reviews and discusses City Council representation on various outside Agency Boards and Committees. A list of the current outside Agency Board and Committee assignments are attached hereto. Specific information regarding meeting dates, times and locations are mentioned on the attachment. City staff will notify the Boards and Committees of changes, if any, in representation. The City Council representative will be added to the email distribution list of the applicable Boards and Committees to be notified of meetings and to receive agenda materials.

Financial Impact: None.

Prior Council/Board Actions: Previous appointments to outside Agency Boards and Committees.

Attachments: Current Outside Agency Board and Committee assignments list

Recommended motion to be made by Council/Board: I move to select the representatives for each Agency Board/Committee as discussed.

Exeter City Council



Assignments to Boards and Committees

(Revised July 2020)

Council of Cities (Third Wednesday at 3:00 p.m. in Visalia – every other month)

Primary Representative: Council Member Alves
Alternate Representative: Mayor Mary Waterman-Philpot
Staff Representative: City Administrator Adam Ennis

Chamber of Commerce Liaison (Third Thursday of each month at 4:00 p.m. in Exeter)

Mayor Pro Tem Sally

San Joaquin Valley Air Pollution Control District – Special Selection Committee (As needed in Fresno)

Primary Representative: Council Member Hails
Alternate Representative: Public Works Director Daymon Qualls

Tulare County Association of Governments Board & Tulare County Transportation Agency (Third Monday of each month at 1:00 p.m. – Rotating locations within Tulare County)

Primary Representative: Council Member Petty
Alternate Representative: Council Member Alves

Tulare County Regional Transit Agency Board – (Third Monday of each month at 3:00 p.m. – Tulare County Board of Supervisors Chambers or Via Zoom)

Primary Representative: Mayor Waterman-Philpot
Alternate Representative: Council Member Hails

Greater Kaweah Sustainable Groundwater Agency – Rural Communities Committee (Last Monday each month at 1:30 p.m. in Farmersville)

Primary Representative: Mayor Pro Tem Barbara Sally
Alternate: City Administrator Adam Ennis

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: E5

Wording for Agenda: Discussion and direction for appointment or re-appointment of Jim Tyler and Joe Stewart to Planning Commission due to current terms of these two positions expiring at the end of January of 2021.

Submitting Department: Administration
Contact Name: Adam Ennis, City Administrator
Phone Number: (559) 592-4539
Email: adam@exetercityhall.com

Department Recommendation:
Staff recommends that Council discuss and provide staff direction for the appointment or re-appointment of Planning Commissioners due to current terms of two positions expiring at the end of January of 2021.

Summary/Background:
At the end of January of 2021 two Planning Commissioners, Jim Tyler and Joe Stewart, have their current terms expiring. Both Mr. Tyler and Mr. Stewart have expressed a willingness to be re-appointed to the Planning Commissioner positions if it is the Council's desire. Alternatively, Council could choose to appoint other members of the community to the positions through individual selection or advertising and interviews.

Since the two terms expire at the end of January there is some time to re-appoint the existing members or appoint new members. However, if the Council chooses to advertise for either or both of the positions and interview the applicants to make a selection/s, the process should begin soon since there are only two regular Council meetings between now and the end of January to make the appointments. Re-appointment of the existing members or appointment of new members is done by the Mayor with approval of the Council.

Fiscal Impact: None

Prior Council/Board Actions: City Council has made the previous appointments to the Planning Commission.

Attachments: None

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**



Recommended motion to be made by Council/Board;

-1.) I move to re-appoint Jim Tyler to a new 4-year term on the Planning Commission.

-2.) I move to re-appoint Joe Stewart to a new 4-year term on the Planning Commission.

AND/OR,

3.) I move to provide staff direction for appointment to fill one or both of the two Planning Commissioner positions with current commissioner terms expiring at the end of January 2021

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: E6

Wording for Agenda: Adopt Resolution 2020-45 of the City Council of the City of Exeter Declaring Canvass of Returns and Result of General Municipal Elections.

Submitting Department: Administration
Contact Name: Adam Ennis, City Administrator
Shonna Oneal, City Clerk
Phone Number: 559-592-9244
Email: adam@exetercityhall.com
soneal@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**



Department Recommendation:

Staff recommends the Council adopt Resolution 2020-45 as presented.

Summary:

The General Municipal Election was held in the City of Exeter on November 3, 2020 in accordance with law, and the votes thereat (including absentee voters) received cast, and canvassed, and the returns thereof ascertained, determined and declared in all respects as required by law.

The sole item related to the City of Exeter on the ballot this year was Measure P. It asked voters the following question:

“Measure P. City of Exeter Local Control/Essential Services Protection Measure. To protect Exeter’s long-term financial stability; maintain 911 emergency response; keep the community safe; prevent crime; repair streets/potholes; help retain local businesses; keep public areas and parks clean/safe; support youth/senior programs, and other general City services; shall the measure establishing a 1 cent sales tax providing approximately \$800,000 annually until ended by voters; requiring public disclosure of spending, audits, all funds used locally, be adopted? YES/NO”

A total of 3,968 votes were cast on Measure P. The following details the results of the election:

	NUMBER OF VOTES	% OF VOTES CAST
YES	2,769	69.78
NO	1,199	30.22

Pursuant to the certified election results, Exeter voters approved Measure P, the one-cent general sales tax measure. With Council’s approval of the certified election results, the Ordinance implementing Measure P (see attached) will go into effect upon declaration of the vote by the City Council, and/or in accordance with applicable law. Staff recommends Council adopt Resolution 2020-XX Declaring Canvass of Returns and Results of General Municipal Elections.

Background:

On December 10, 2019, Council approved a process and schedule for development of a proposed revenue measure based on placement on the November 2020 election. At the January 28, 2020 meeting, Council established the 2020 Proposed Revenue Measure Advisory Committee (PRMAC) along with committee rules and procedures. The PRMAC was established to review information regarding potential details of a proposed revenue measure and provide findings and recommendations to the Council. The Council formed the PRMAC with a group of seven members; Patricia Thompson (Co-Chairperson), Ted Macaulay (Co-Chairperson), Wes Grim, Alicia Handley, Bob Dickie, Jr., Sandy Blankenship and Jim Tyler.

The PRMAC reviewed staff presentations similar to those presented to Council, with some additional background information. The group received the presentations, asked questions and had discussions at their meetings every Wednesday night beginning February 5, 2020 through March 4, 2020. On March 11, 2020 the PRMAC met and discussed their findings and developed their recommendations for the Council regarding proposed revenue measure details. Due to the COVID-19 pandemic, Council discussion with the PRMAC was postponed to May 19, 2020 to allow time for a clearer vision forward and to continue to meet deadlines for potential placement on the November 2020 election.

On May 19, 2020, the 2020 Proposed Revenue Measure Advisory Committee (PRMAC) presented their findings and recommendations to the City Council regarding the proposed revenue measure. After discussion, Council gave staff direction and authorization to contract with FM3 Research to conduct a community survey to determine the resident's desires regarding the potential revenue measure being placed on the November 2020 ballot.

Through June 2020 staff completed execution of a contract with FM3 Research and provided information to FM3 Research for development of a draft survey and ballot language. After a couple of reviews and discussions between FM3 Research and City staff the survey language was finalized. Surveying of the residents began online in the last week of June and continued by phone into the first two weeks of July. On July 22, 2020 the results of the survey were presented to the Council. Among other findings, the survey found that residents highly value the services provided by the City, and give government and the City Council good favorability ratings. By a 2 to 1 margin, respondents feel that the City is going in the right direction. Priorities identified by the community, which form the basis of staff's recommendation to proceed, included:

- ✓ Requiring transparent, public disclosure of funding
- ✓ Maintaining 911 emergency response
- ✓ Protecting local water supplies
- ✓ Requiring any funds generated by a voter-approved measure, be used locally for local needs
- ✓ Keeping the community safe and preventing crime
- ✓ Keeping public areas and parks clean and safe
- ✓ Fixing deteriorating streets/roads

Further, the survey found that as much as 77% of voters would support a simple majority requirement local funding measure.

At the July 28, 2020 meeting, Council adopted Resolution 2020-35 approving final ballot language, presenting the Ordinance that would be established by approval of the voters and authorization to consolidate the Revenue Measure with the November 2020 General Election.

Financial Impact: No financial impact due to this action. The financial impact of the measure passage itself will be brought to Council at a later date.

Prior Council/Board Actions: Various previous Council discussions and direction on developing the Proposed Revenue Measure and staff presentations on City needs that could be funded by a revenue measure.

February through May of 2020 - Review and development of findings and recommendations by the 2020 PRMAC.

July 28, 2020 – Adopted Resolution 2020-35 approving the final ballot language, presenting the Ordinance, and authorizing the consolidation of the Revenue Measure with the November 2020 General Election.

Attachments: Resolution 2020-45
Ordinance 694

Recommended motion to be made by Council/Board: I move to adopt Resolution 2020-45 as presented.

RESOLUTION 2020-45

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EXETER DECLARING
CANVASS OF RETURNS AND RESULT OF GENERAL MUNICIPAL ELECTIONS**

WHEREAS, by proceedings heretofore duly had and taken, the General Municipal Election was held in the City of Exeter (hereinafter called the “City”) on November 3, 2020; and

WHEREAS, the General Municipal Election was held on said date in accordance with law, and the votes thereat (including absentee voters) received, cast, and canvassed, and the returns thereof ascertained, determined and declared in all respects as required by law.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND DECLARED by the City Council of the City of Exeter, as follows:

1. The foregoing recitals are, and each of them is true and correct and this Council so determines.
2. The City Clerk of the City be and is hereby instructed to enter this resolution on the minutes of this Council as a statement of the result of said election.
3. The total number of ballots received and cast in the City (including absentee ballots) at said general municipal election for **Measure P** are attached and made a part hereof as Exhibit “A”.
4. That the majority of the voters voting on **Measure P** did vote in favor of it and thereby Measure P was carried, and Ordinance 694 is deemed adopted and ratified.

PASSED, ADOPTED AND APPROVED this 8th day of December 2020 by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

MAYOR

ATTEST:

CITY CLERK Shonna Oneal

ORDINANCE 694

AN ORDINANCE ADDING CHAPTER 3.22 TO TITLE 3 OF THE EXETER CODE OF ORDINANCES TO PROVIDE FOR AN ADDITIONAL ONE PERCENT (ONE CENT) LOCAL TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, TO PROVIDE FUNDS TO MAINTAIN LOCAL CITY SERVICES INCLUDING POLICE, STREET MAINTENANCE, PARK MAINTENANCE, YOUTH RECREATIONAL PROGRAMS AND OTHER SERVICES

WHEREAS, in the last several years, State government has taken hundreds of thousands of dollars from Exeter;

WHEREAS, as cities Exeter's size will not be getting any significant help from the State or Federal governments during this pandemic, our City and community must continue to be self-reliant and self-sufficient;

WHEREAS, voter-approved local funding requires that all funds raised stay in Exeter, and not one penny can be taken by the Federal, State or County governments;

WHEREAS, people choose to live in Exeter because of its small-town character, high quality of life, and quality City services, and the City seeks to maintain streets, quality parks, youth recreational programs and senior services, while ensuring Exeter neighborhoods and public areas are clean and safe, making the community a more desirable place to live, do business, and raise a family;

WHEREAS, engineering experts have found Exeter's streets and roads to be below average, or "very poor," and the City must address these safety road repairs before they get even worse and more expensive in the future;

WHEREAS, the Exeter Police Department has reduced crime, with over 500 fewer incidents in the last year alone--and the City wants to keep this momentum going in maintaining response times, solving crimes and keeping the city safe;

WHEREAS, the proposed measure includes fiscal accountability provisions such as public disclosure of all spending and annual independent financial audits; and

WHEREAS, all funds remain in the City of Exeter and cannot be taken by the Federal, State and County government;

THE PEOPLE OF THE CITY OF EXETER DO ORDAIN AS FOLLOWS:

SECTION I. AMENDMENT OF CODE.

The City of Exeter Code of Ordinances is hereby amended by the addition of a new Chapter to Title 3 (Revenue and Finance) to read as follows:

CHAPTER 3.22 TRANSACTIONS AND USE TAX

Sec. 3.22.010 Title.

This ordinance shall be known as the City of Exeter Transactions and Use Tax Ordinance of 2020.

Sec. 3.22.020 Definitions.

The following words and phrases shall be defined as set forth in this Ordinance, except that any term or phrase not defined in this Ordinance shall have the same meaning as that term or phrase is defined in Parts 1.6 and 1.7 of the California Revenue and Taxation Code:

- (a) "City" means City of Exeter.
- (b) "Operative date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance by vote of the electorate on November 3, 2020.
- (c) "Ordinance" means the City of Exeter Transactions and Use Tax Ordinance of 2020.
- (d) "State" means the State of California.

Sec. 3.22.030 Purpose.

This Chapter of the Exeter Code of Ordinances is adopted for the following (and among other) purposes, and directs that the provisions hereof be interpreted liberally in order to accomplish all of its lawful purposes:

- (a) To impose a retail transactions and use tax in accordance with the provisions of California Revenue and Taxation Code Sections 7251 et seq., and Section 7285.9, which authorizes the City to adopt this Ordinance if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- (b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- (c) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization/California Department of Tax and Fee Administration in administering and collecting the California State Transactions and Use Taxes.

(d) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will, to the degree possible consistent with the provisions of Parts 1.6 of Division 2 of the California Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

(e) To provide transactions and use tax revenue to the City to be used for the general governmental purposes of the City and with any transactions and use tax revenue received being placed into the City's general fund.

Sec. 3.22.040 Contract with State.

Prior to the Operative Date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this Ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Sec. 3.22.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a transactions tax is imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.0%) of the gross receipts of the retailer from the sale of all tangible personal property sold at retail within the territory of the City on and after the Operative Date of this Ordinance.

Sec. 3.22.060 Place of Sale.

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination, or unless as otherwise required by applicable law. The gross receipts from the sale shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State.

Sec. 3.22.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use, or other consumption in the City of tangible personal property purchased from any retailer on or after the Operative Date of this Ordinance for storage, use or other consumption in said territory of the City at the rate of one percent (1.0%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State transactions or use tax regardless of the place to which delivery is made.

Sec. 3.22.080 Adoption of Provisions of State Law.

Except as hereinafter provided, and except insofar as they are inconsistent with the provisions of Parts 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are adopted, incorporated and made a part of this Ordinance as though fully set forth in it.

Sec. 3.22.090 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the California Revenue and Taxation Code:

(a) Wherever the State of California is named or referred to as the taxing agency, the name of the City of Exeter shall be substituted. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization (or refers to the California Department of Tax and Fee Administration), State Treasury, or the Constitution of the State of California;

(2) The result of that substitution would require action to be taken by or against the City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization/ California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance;

(3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

A. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

B. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

(4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the California Revenue and Taxation Code.

(b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Sec. 3.22.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the California Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

Sec. 3.22.110 Exemptions and Exclusions.

(a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) There are exempted from the computation of the amount of transactions tax the gross receipts from:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the City which is shipped to a point outside the City pursuant to the contract of sale by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

A. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

B. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

(4) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.

(5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.

(5) For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(d) Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Sec. 3.22.120 Amendments.

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become adopted and a part of this Ordinance without further action of the City Council of the City of Exeter or the City's electorate, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. The City Council may amend this Ordinance to comply with applicable law or as may be otherwise necessary in order to further the Ordinance's stated purposes.

Sec. 3.22.130 Prohibition on Enjoining Collection.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected under this Ordinance.

Sec. 3.22.140 Severability.

In any provision of this Ordinance of the application of it to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 3.22.150 Effective Date.

This Ordinance relates to the levying and collection of the City's transactions and use taxes and shall become effective only if approved by a majority of the voters voting

on the measure at the November 3, 2020, Special Municipal Election. The Operative Date of this Ordinance shall then be as defined in Section 3.22.020(b).

Sec. 22-9.16. Accountability and Oversight.

This ordinance authorizes the City Council to form a Transactions and Use Tax Oversight Committee, to act as an independent citizen's oversight committee for the expenditure of tax revenue collected. The Committee's specific responsibilities shall be established by Resolution of the City Council.

SECTION III. SEVERABILITY.

Any provision of the Exeter Code of Ordinances or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance, except that any existing, duly adopted transactions and use tax existing as of the date of adoption of this Ordinance shall remain in effect and the transactions and use tax imposed by this Ordinance shall be additive thereto.

APPROVED by the following vote of the People of the City of Exeter on November 3, 2020:

	NUMBER OF VOTES	% OF VOTES CAST
YES	2,769	69.78
NO	1,199	30.22

ADOPTED by Declaration of the vote by the City Council of the City of Exeter on _____ day of _____ 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

MAYOR

ATTEST:

CITY CLERK

EXETER CITY COUNCIL ACTION MINUTES

November 10, 2020

A closed session of the City Council, City of Exeter was held on Tuesday, November 10, 2020, at 6:30 p.m., in the Exeter City Council Chambers, 137 North F Street.

COUNCIL PRESENT: Mary Waterman-Philpot, Barbara Sally, Frankie Alves, Dave Hails

COUNCIL ABSENT: None

STAFF PRESENT: Adam Ennis, Julia Lew, John Hall, Daymon Qualls, Shonna Oneal

A. CALL TO ORDER CLOSED SESSION

Mayor Waterman-Philpot called the closed session to order at 6:30 p.m.

B. PUBLIC COMMENTS REGARDING CLOSED SESSION MATTERS

Mayor Waterman-Philpot requested those who wish to speak on matters listed on the Closed Session Agenda to do so at this time.

There were no public comments presented.

C. ADJOURN TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION(S):

Mayor Waterman-Philpot adjourned to closed session at 6:30 p.m.

1. 54957.6 Conference with Labor Negotiators
Agency Negotiator: Adam Ennis
Employee Groups: All represented and unrepresented employees

A regular session of the City Council, City of Exeter was held on Tuesday, November 10, 2020, at 7:00 p.m., in the Exeter City Council Chambers, 137 North F Street.

COUNCIL PRESENT: Mary Waterman-Philpot, Barbara Sally, Frankie Alves, Dave Hails,

COUNCIL ABSENT: None

STAFF PRESENT: Adam Ennis, Julia Lew, John Hall, Daymon Qualls, Chris Tavarez, Shonna Oneal, Lisa Wallis-Dutra

D. CALL TO ORDER REGULAR SESSION AND REPORT ON CLOSED SESSION ITEMS (if any)

Mayor Waterman-Philpot called the regular session to order at 7:00 p.m. City Attorney Julia Lew advised there were no reportable items.

E. PLEDGE OF ALLEGIANCE AND INVOCATION

The Pledge of Allegiance was given by Mayor Pro Tem Sally and an invocation was given by Pastor Allen Whittenburg.

F. SPECIAL PRESENTATIONS (if any):

- a. **Mid Valley Disposal - Annual Presentation and Community Recycling Update** – Sol Flores with Mid-Valley Disposal provided a PowerPoint Presentation highlighting the community recycling update.

G. PUBLIC COMMENTS:

Mayor Waterman-Philpot requested those who wish to speak on matters that are not on the agenda that are within the jurisdiction of the Exeter Council, or to address or request a matter be pulled from the consent calendar to do so at this time. She also stated comments related to Individual Business or Public Hearing items that are listed on the agenda will be heard at the time that matter is addressed on the agenda.

No public comments were presented.

H. CONSENT CALENDAR:

It was moved by Mayor Pro Tem Sally, seconded by Council Member Hails and unanimously carried that the items on the Consent Calendar be approved as presented.

1. **Approve regular and special minutes of October 13, 2020 and November 2, 2020**
2. **Payment of the Bills**
3. **Payroll: October 2, 2020, October 16, 2020 and October 30, 2020**
4. **Treasurer's Report – August**
5. **Adopt Resolution 2020-43 Amending the Position Allocation, Adding the Classification of Records Clerk/Office Assistant and setting the rate of pay at \$2,996 to \$3,642 per month.**

I. INDIVIDUAL BUSINESS ITEMS

1. **Public Hearing to receive and consider comments regarding the City's annual public accounting for development impact fees for Fiscal Year 2019-2020 pursuant to State Law, under Government Code Section 66006.** Finance Director Chris Tavarez provided a report for Council's review and consideration. Mayor Waterman-Philpot opened the public hearing at 7:29 p.m., receiving no public comment, closed the public hearing at 7:29 p.m. Following discussion, it was moved by Council Member Hails, seconded by Council Member Alves and unanimously carried to receive and accept the City's annual public accounting for development impact fees for Fiscal Year 2019-2020 pursuant to State Law, under government Code Section 66006.
2. **Public Hearing to consider establishing a Downtown Zone Parking-In-Lieu Fee and adopt Resolution 2020-44 amending the City of Exeter Impact Fee Schedule to include this fee consistent with California Government Code Section 66000 through 66009.** City Administrator Adam Ennis provided a report for Council's review and consideration. Mayor Waterman-Philpot opened the public hearing at 7:39 p.m., receiving no public comment, closed the public hearing at 7:39 p.m. Following discussion, it was moved by Council Member Alves, seconded by Mayor Pro Tem Sally and unanimously carried to adopt Resolution 2020-44 as presented.

J. CITY COUNCIL ITEMS OF INTEREST

Mayor Pro Tem Sally reported on attending the Exeter Chamber of Commerce meeting. Council Member Alves reported that TCAG and Council of Cities meetings were cancelled this month. Council Member Hails reported on placing flags out with the Boy Scouts for Veteran's Day.

K. CITY ADMINISTRATOR/DEPARTMENT COMMENTS

City Administrator Adam Ennis provided a brief update on City projects, Measure P update, and City Council meeting schedule over the holidays.

L. ADJOURN REGULAR MEETING

Mayor Waterman-Philpot adjourned the regular meeting at 7:53 p.m.

Shonna Oneal City Clerk

ACS/XEROX FINANCIAL SYSTEM
11/05/2020 16:21:58

Payments for Publication

CITY OF EXETER
GL335R-V08.14 PAGE

Approved on 11/05/2020 for Payments Through 11/05/2020

Vendor Name	Description	Amount
A.J. EXCAVATION INC	E PALM ST RECONST PROJEC	469,673.76
AAA QUALITY SERVICES	PORTA POTTY RENTAL	168.16
AFLAC	OCT AFLAC PREMIUM	4,599.39
ASPHALT COATING & SUPPLIES	2 PAILS ASPHALT EMULSION	71.01
AUTOZONE INC	NERFBR4 2019 FD TRUCK	1,207.96
BUTLER/ DANIEL H	AMBUSH TACT OFF TUITION	450.00
BUZZ KILL PEST CONTROL	OCT PEST CONTROL PD	163.00
C.L.E.A.	NOV 2020 LT DISABILITY	49.00
CALIFORNIA BUSINESS MACHINES	PW-10/22-11/21/20 BASE	85.03
CENTRAL CAL WATERWORKS, INC	NOVE 2020 WWTP	6,233.33
CENTRAL VALLEY SWEEPING LLC	OCT STREET SWEEPING	3,150.00
CITY CLERK'S ASSOC OF CALIFORN	VIRTUAL CLASS-EEKHONG	25.00
CITY OF EXETER	9/18-10/18/20 ASSESS	2,194.55
COLLINS & SCHOETTLER	OCT 2020 PLANNING	2,632.50
CRAIGS AUTO PARTS	WWTP TRI POWER VBELT	1,096.86
DELTA LIQUID ENERGY, ARRO AUTO	10/15/20 ALDRIDGE	319.04
DEPT OF TRANSPORTATION	JULY-SEPT 2020 SIGNAL	163.61
DINELEY, DAKOTA	UB DEPOSIT REFUND	108.94
ELITE CORPORATE MEDICAL SERV	MEDICAL CLINIC FEES-54	1,269.00
EMD NETWORKING SERVICES, INC.	OCT 2020 VOIP	1,104.10
EWING IRRIGATION PRODUCTS INC	120-04-SS HUNTER ULTRA	587.92
FASTENAL COMPANY	6"GRY STL STD LCKBX	347.88
FIRST RESPONSE METERING LLC	OCT METER SERVICE	1,445.66
FOOTHILLS SUN-GAZETTE	PN-921-43 PARKING FEE	273.63
FRANCHISE TAX BOARD	E13 W TELEMETRY CTRL	248.64
FRESNO OXYGEN	STD LRG FOWS CYLS	113.07
FRONTIER CALIFORNIA INC.	7122/10/16-11/15/20	250.65
FUSION CLOUD SERVICES LLC	0966-10/18-11/17/20	245.11
GALLS PARENT HOLDINGS LLC	ANTISEPTIC BIOHAND	101.35
GHD INC	VISALIA RD IMPROVEMENT	7,530.00
GRIMSLEY, JOSHUA & PRECILLA	UB DEPOSIT REFUND	10.00
HALL/ JOHN	REIMBURSEMENT-IACP	150.00
HALL, JACOB AARON	UB DEPOSIT REFUND	9.03
HAYES/ CURTIS	MEAL REIMBURSEMENT	30.00
INGRAM DIGITAL ELECTRONICS CO.	E13 W TELEMETRY CTRL	745.91
JENSEN & PILEGARD	BAR, 12IN STRD/XTRAGUARD	74.87
JOHNSON, ALLEN M	UB DEPOSIT REFUND	87.70
KEY EVIDENCE LOCK & SAFE, INC.	CODE CUT-PATRICK	32.01
KIMBALL-MIDWEST	CUTTER-KYLE	344.35
LEAF CAPITAL FUNDING LLC	CH-KYOCERA TA402I	167.47
LEAL/ TRACY	SPONSORS REFUND-JETT PLQ	200.00
LEMUS, BRANDY SANDRA	UB DEPOSIT REFUND	125.16
LYLES UTILITY CONSTRUCTION LLC	PALM ST WTR LINE LOWER	18,758.27
MANSHARDT, ASHLEY LAGENE	UB DEPOSIT REFUND	254.76
METER READINGS HOLDING LLC	IMPLEMENTATION FEE SW-30	21,083.63
MID VALLEY DISPOSAL, LLC	OCT MID VALLEY	83,101.21
MIRELES, SANDRA & PATRICIO	UB DEPOSIT REFUND	92.75
MOONLIGHT MAINTENANCE	OCT PD OFFICE CLEANING	1,797.00

Approved on 11/05/2020 for Payments Through 11/05/2020

Vendor Name	Description	Amount
MOORE TWINING ASSOCIATES, INC	504.1DBCP 10DAY	1,795.00
NELSON, CASSANDRA & SCOTT	UB DEPOSIT REFUND	97.72
POINT EMBLEMS, INC	COLUMNPIPE/REPAIR EW6	40,000.00
PRUDENTIAL OVERALL SUPPLY	10/29/20 UNIFORM SVC	202.66
QUAD KNOPF ENGINEERING	190088 SITE PLAN REVIEW	290.70
ROBERT HALF INTERNATIONAL INC.	WKEND 10/23/20 LOURDES	2,756.80
ROMAN CATHOLIC BISHOP	10/30/20 ARROYO DONATION	18.00
SOUTHERN CALIFORNIA EDISON	9240C-9/24-10/26/20	24,274.82
SOUTHERN CALIFORNIA GAS CO.	0493-09/23-10/23/20	103.80
STANDARD INSURANCE CO.	NOVE2020 LIFE INSURANCE	2,170.37
STROHMAN ENTERPRISE INC	AIMPOINT P-1 3.5 MOA	4,920.00
SUAREZ, MIGUEL G.	UB DEPOSIT REFUND	98.91
SUN BADGE COMPANY	BADGE REPAIR (817)	67.03
TAVAREZ/ CHRIS	20/21 ED. REIMBURSEMENT	519.00
TELSTAR INSTRUMENTS INC	INFLUENT PUMP WWTP	631.00
TEMERLIN/ STEVEN MAURICE	REIMBURSEMENT FOR TRAVEL	462.18
TF TIRE AND SERVICE	245/75R17 FS-MARCUS	1,023.09
THE LEW EDWARDS GROUP	OCT PROF FEE	6,860.00
UNITED RENTALS	1 BLADE 14X125	191.77
UNIVAR SOLUTIONS USA INC	WELL 6 SOD HYPO 12.5%	1,307.07
VALLEY GREEN LANDSCAPE	OCT CITY PARK MAINTENCE	9,170.00
VAST NETWORKS	NOV 2020 UTILITY SYSTEM	1,000.00
VERIZON WIRELESS	9/29-10/28/20	1,321.05
WELCH, DAVID	UB DEPOSIT REFUND	86.74

**

Final Totals... 732,339.98

Approved on 11/09/2020 for Payments Through 11/09/2020

Vendor Name	Description	Amount
KAWEAH PUMP, INC.	EMERGENCY REPAIR EW-6	40,000.00
**	Final Totals...	40,000.00

Approved on 11/19/2020 for Payments Through 11/19/2020

Vendor Name	Description	Amount
ACME ROTARY BROOM SERVICE	2 NH4 RAPTOR 3 ROW BROOM	466.29
ADVENTIST HEALTH TULARE	OCT2020 LAB FEES	482.00
ALLSTEEL INC.	ADMIN/FIN WRK SUR PANELS	13,722.40
AMERICAN BUSINESS MACHINES	CH-735 11/13-12/12/20	5.12
ANDYS HVAC INC	HALO 15HVAC	1,144.00
AT&T	OCT LIVESCAN	435.90
BASIC	NOV COBRA ADMIN FEE	30.00
BEN-E-LECT INC.	DEC 2020 CLAIMS	2,746.90
BURKE/ TRICIA	REFUND PAYMENTUS PAYMENT	200.00
CAL BENNETT'S	ADMIN/FIN DEPT INSTL/REM	7,280.06
CALIFORNIA BUSINESS MACHINES	CH-11/6-12/5/20	52.56
CHARTER COMMUNICATIONS	11/6-12/05/20 MEDIA SVC	97.24
CITY OF VISALIA	NOV2020 ANIMAL SVC FEE	6,316.67
CULLIGAN	OCT PD WATER SVC	157.50
DEPT OF JUSTICE	OCT BLOOD ALCOHOL ANALYS	136.00
EMD NETWORKING SERVICES, INC.	DEC MONTHLY BILLING	3,096.78
EMPLOYMENT DEVELOPMENT DEPT	JUL-SEPT 2020 UIB	1,098.80
EXETER IRRIGATION & SUPPLY	205 ELECTRIC IN-LINE VAL	292.46
EXETER MOTORS, INC.	ELEMENT A	2,076.08
FASTENAL COMPANY	10" CORNPARLORBROOM	14.45
FERGUSON ENTERPRISES INC	LF 1 CTS X CTS COMP COUP	1,703.80
FIRST RESPONSE METERING LLC	MANUAL READS 10/16-24/20	1,600.00
FP MAILING SOLUTIONS	11/08-2/7/21 POSTAGE	109.91
FRONTIER CALIFORNIA INC.	5714-11/04-12/03/20	83.55
GOPHER GETTER	OCT GOPHER SVC	450.00
HIGH SIERRA LUMBER CO.	CORP YARD FRONT DOOR PRO	28.34
JACK GRIGGS INC	OCT 2020 GAS	5,509.93
KENT M. KAWAGOE, PH.D.	PRE-EMP EVAL-TRUJILLO, D	1,050.00
KIMBALL-MIDWEST	CUTTER/LOCK PIN	318.34
LEAF CAPITAL FUNDING LLC	PW-TA2552CI KYOCERA 002	103.93
LEHIGH HANSON, CO.	5.5SK 1" PUMP 50/50 BLEN	621.04
MCCORMICK KABOT JENNER & LEW	OCT LEGAL SERVICES	8,938.95
OFFICE DEPOT	USB THUMB DRIVES	349.26
PRECISION EMPRISE LLC	SIDEWALK OFFSET REPAIR	991.57
PRINCIPAL LIFE INSURANCE CO.	DEC PREMIUMS-36 MEMBERS	4,912.10
PRUDENTIAL OVERALL SUPPLY	11/12/20 UNIFORM SVC	200.78
ROBERT HALF INTERNATIONAL INC.	WKEND-11/06/20 LOURDES	2,481.12
ROGERS, ANDERSON, MALODY &	AUDIT SVC-JUNE-FINAL	7,000.00
ROMAN CATHOLIC BISHOP	11/13/20 ARROYO DONATI	18.00
SELF-HELP ENTERPRISES	2020 LEAP APPLICATION	5,812.50
SHRED-IT USA LLC	11/07 SHRED @ PD	126.25
SIERRA SANITATION INC	STANDING SINK 11/10-12/8	94.78
SILVER & WRIGHT LLP	SEP 221 SOUTH F	1,889.22
SIMMONS TIRE SERVICE	2 ST205/75R15 HERCULES P	220.25
SOUTHERN CALIFORNIA EDISON	9109/10/12-11/10/20	11,912.66
SOUTHERN CALIFORNIA GAS CO.	7144-10/1-11/01/20	63.20
SUBURBAN PIPE & STEEL	6 45-118C POST BALLS	52.82
SUNBELT RENTALS, INC.	STUMP GRINDER RENTAL	350.15

Approved on 11/19/2020 for Payments Through 11/19/2020

Vendor Name	Description	Amount
TEMERLIN/ STEVEN MAURICE	REIMBURSE FOR TRAVEL	462.18
TOWN & COUNTRY CAR WASH	OCT CAR WASH	10.00
TU CO ENVIRONMENTAL HEALTH	WWTP-HW-SM GENERATOR	481.00
UNIVAR SOLUTIONS USA INC	WWTP SOD HYPO 12.5% LIQ	3,481.32
US BANK N.A.	OCT CUSTODY CHARGES	41.50
VALLEY EXPETEC	DEC MONTHLY AGREEMENT	4,477.29
VALLEY UNIFORM CENTER	UNIFORMS,HEMMING,EMBROID	920.45
VOLLMER EXCAVATION, L.P.	COLD MIX DELIVERED	2,784.87
WARREN & BAERG MANUFACTURING	GEARBOX EMER REPAIR WWTP	13,851.06

**

Final Totals... 123,353.33

Approved on 11/23/2020 for Payments Through 11/23/2020

Vendor Name	Description	Amount
PRODUCTIVITY PLUS ACCOUNT	3/8 HYDRAULIC HOSE KYLE	1,401.54
**	Final Totals...	1,401.54

Exeter Mercantile Account Purchases

Approved on 11/23/2020 for Payments Through 11/23/2020

Vendor Name	Description	Amount
VALLEY EXPETEC	NOV LENOVO THINK PADS	2,496.69
	Final Totals...	2,496.69

**

Police Department Laptop Lease Agreement

PERIOD 1 DATING 10/26/2020-11/08/2020 CHECK DATE 11/13/2020
 DIRECT DEPOSIT IS TURNED ON

CHECK NUMBER	CHECK AMOUNT	EMPLOYEE/BANK/VENDOR NAME	CODE	CHECK SEQ
48382	144.00	CLOCEA	4	1 VENDOR STUB ONLY
48383	728.00	EXETER POLICE OFFICER AS	3	1 VENDOR STUB ONLY
48384	219.66	EXETER POLICE OFFICER AS	3A	1 VENDOR STUB ONLY
48385	4,427.10	ENNIS/ADAM	206	1 STUB ONLY
48386	2,478.71	ONEAL/SHONNA N	203	1 STUB ONLY
48387	1,254.70	CARTER/AMY JO	502	1 STUB ONLY
48388	1,323.68	HERNANDEZ/XOCHITL	306	1 STUB ONLY
48389	380.44	SANCHEZ/CESILIA	307	1 STUB ONLY
48390	3,302.49	TAVAREZ/CHRISTOPHER	309	1 STUB ONLY
48391	1,298.77	SEE/EEKHONG	304	1 STUB ONLY
48392	997.83	BELTRAN-TRUJILLO/DIEGO	447	1 STUB ONLY
48393	1,196.41	CARRETERO/VANESSA	402	1 STUB ONLY
48394	2,284.10	CORREA/GABRIEL JR	436	1 STUB ONLY
48395	1,254.10	CULLUM/TRENT	444	1 STUB ONLY
48396	2,198.00	DURKEE/MARK	404	1 STUB ONLY
48397	1,530.81	ECHEVARRIA/TYLER J	443	1 STUB ONLY
48398	2,418.35	FERNANDEZ/CESAR	434	1 STUB ONLY
48399	2,154.05	FRICK/JOCELYNN LEANN	433	1 STUB ONLY
48400	2,368.75	GIEFER/MICHAEL DAVID	438	1 STUB ONLY
48401	1,832.24	GUZMAN/TIMOTHY CHARLES	410	1 STUB ONLY
48402	3,356.38	HALL/JOHN T	406	1 STUB ONLY
48403	1,153.00	HAMPTON/JUSTIN	446	1 STUB ONLY
48404	2,250.29	INGLEHART/BRETT A	411	1 STUB ONLY
48405	1,815.14	KNOX/MARK	442	1 STUB ONLY
48406	2,284.12	WALKER/PAUL	425	1 STUB ONLY
48407	2,404.79	YARBER/ISABEL	422	1 STUB ONLY
48408	899.10	ALDRIDGE/GARY	618	1 STUB ONLY
48409	1,389.47	ARROYO/MARIE	623	1 STUB ONLY
48410	1,302.28	BRASSFIELD/TRAVIS	619	1 STUB ONLY
48411	1,839.43	ESPINOLA/DANIEL M	602	1 STUB ONLY
48412	1,469.13	HUGGINS/KYLE AARON	621	1 STUB ONLY
48413	2,832.97	QUALLS/DAYMON	607	1 STUB ONLY
48414	1,601.97	RAMIREZ/JUAN	608	1 STUB ONLY
48415	497.81	WENDT/EDDIE	626	1 STUB ONLY
48416	1,096.82	MILLAN/MARCUS	622	1 STUB ONLY
48417	1,149.62	MILLER/JAMES	624	1 STUB ONLY
48418	345.11	MIRWALD/PHILIP	625	1 STUB ONLY
48419	1,179.07	QUIROZ/PATRICK P	512	1 STUB ONLY
48420	1,667.40	HAYES/CURTIS W	437	1 STUB ONLY

PERIOD 2 DATING 11/09/2020-11/22/2020 CHECK DATE 11/27/2020
DIRECT DEPOSIT IS TURNED ON

CHECK NUMBER	CHECK AMOUNT	EMPLOYEE/BANK/VENDOR NAME	CODE	CHECK SEQ
1109	63.69	CA STATE DISBURSEMENT UN 2		1 VENDOR CHECK
1110	50.00	TULARE CO SHERIFF'S OFFI 9		1 VENDOR CHECK
1111	2,377.08	PHELPS/KEVIN M	429	1

TOTALS FOR CHECK FORM: CHEK			
NEGOTIABLE CHECKS			COUNTS
2,377.08	*EMPLOYEE CHECKS		1
113.69	*VENDOR CHECKS		2
0.00	*BANK CHECKS		0
2,490.77	**TOTAL NEGOTIABLE CHECKS		3
OTHER CHECKS			
0.00	*MANUAL CHECKS		0
0.00	*CANCELLED CHECKS		0
2,490.77	**TOTAL FOR CHECK FORM		
NON-NEGOTIABLE CHECKS			
0.00	*DIRECT DEPOSIT STUBS		0
0.00	*VENDOR DIR DEP STUBS		0

PERIOD 2 DATING 11/09/2020-11/22/2020 CHECK DATE 11/27/2020
 DIRECT DEPOSIT IS TURNED ON

CHECK NUMBER	CHECK AMOUNT	EMPLOYEE/BANK/VENDOR NAME	CODE	CHECK SEQ
48421	144.00	CLOCEA	4	1 VENDOR STUB ONLY
48422	780.00	EXETER POLICE OFFICER AS	3	1 VENDOR STUB ONLY
48423	235.35	EXETER POLICE OFFICER AS	3A	1 VENDOR STUB ONLY
48424	4,432.35	ENNIS/ADAM	206	1 STUB ONLY
48425	2,478.71	ONEAL/SHONNA N	203	1 STUB ONLY
48426	1,135.89	CARTER/AMY JO	502	1 STUB ONLY
48427	1,323.68	HERNANDEZ/XOCHITL	306	1 STUB ONLY
48428	523.54	SANCHEZ/CESILIA	307	1 STUB ONLY
48429	3,307.74	TAVAREZ/CHRISTOPHER	309	1 STUB ONLY
48430	1,148.77	SEE/EEKHONG	304	1 STUB ONLY
48431	1,514.97	BELTRAN-TRUJILLO/DIEGO	447	1 STUB ONLY
48432	1,201.66	CARRETERO/VANESSA	402	1 STUB ONLY
48433	2,284.10	CORREA/GABRIEL JR	436	1 STUB ONLY
48434	1,440.88	CULLUM/TRENT	444	1 STUB ONLY
48435	2,339.06	DURKEE/MARK	404	1 STUB ONLY
48436	1,265.00	ECHEVARRIA/TYLER J	443	1 STUB ONLY
48437	3,262.67	FERNANDEZ/CESAR	434	1 STUB ONLY
48438	2,141.14	FRICK/JOCELYNN LEANN	433	1 STUB ONLY
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48440	1,549.04	GUZMAN/TIMOTHY CHARLES	410	1 STUB ONLY
48441	3,356.38	HALL/JOHN T	406	1 STUB ONLY
48442	1,153.00	HAMPTON/JUSTIN	446	1 STUB ONLY
48443	2,250.29	INGLEHART/BRETT A	411	1 STUB ONLY
48444	2,036.08	KNOX/MARK	442	1 STUB ONLY
48445	311.21	MACLEAN/JANET L	413	1 STUB ONLY
48446	1,879.21	WALKER/PAUL	425	1 STUB ONLY
48447	2,410.04	YARBER/ISABEL	422	1 STUB ONLY
48448	1,162.21	ALDRIDGE/GARY	618	1 STUB ONLY
48449	1,394.72	ARROYO/MARIE	623	1 STUB ONLY
48450	1,269.67	BRASSFIELD/TRAVIS	619	1 STUB ONLY
48451	1,844.68	ESPINOLA/DANIEL M	602	1 STUB ONLY
48452	1,469.13	HUGGINS/KYLE AARON	621	1 STUB ONLY
48453	2,832.97	QUALLS/DAYMON	607	1 STUB ONLY
48454	1,559.33	RAMIREZ/JUAN	608	1 STUB ONLY
48455	675.60	WENDT/EDDIE	626	1 STUB ONLY
48456	1,312.52	MILLAN/MARCUS	622	1 STUB ONLY
48457	908.11	MILLER/JAMES	624	1 STUB ONLY
48458	866.90	MIRWALD/PHILLIP	625	1 STUB ONLY
48459	1,184.32	QUIROZ/PATRICK P	512	1 STUB ONLY
48460	2,352.61	HAYES/CURTIS W	437	1 STUB ONLY

CITY OF EXETER

PO BOX 237 - 137 N F STREET, EXETER 03221
Phone 592-3710 - Fax 592-3556

Treasurer's Report September 2020

Beginning Balance as of September 1, 2020			\$	852,699.58
<u>Deposits</u>				
	Transfer from Main Account	\$ 40,000.00		
	Transfer from Main Account	\$ 20,000.00		
	Transfer from Old Account	\$ 10,000.00		
	Wire Transfer	\$ 475,000.00		
	#1483	\$ 25,925.21		
	#1484	\$ 122,326.41		
	#1485	\$ 232,024.91		
	#1486	\$ 37,065.07		
	#1487	\$ 8,054.89		
	Direct Deposit #1488	\$ 409,492.23		
				\$ 1,379,888.72
TOTAL DEPOSITS				
<u>Withdrawals</u>				
	City Checks Processed	\$ 901,401.58		
	Payroll EFT	\$ 132,327.49		
	Payroll Checks	\$ 4,356.47		
	CalPERS Retirement costs	\$ 46,444.74		
	P/R Taxes	\$ 24,375.23		
	Def Comp	\$ 1,132.46		
	FSA Disbursements	\$ 1,952.83		
	Bank Charges/Misc	\$ 114.90		
	Chargebacks	\$ 212.89		
	State DU	\$ 737.52		
	Wire Transfer Fee	\$ 15.00		
	Chargeback Fees	\$ 20.00		
	Water RRB Payment	\$ 183,447.67		
	Transfer to Main Account	\$ 10,000.00		
	Transfer to Old Account	\$ 40,000.00		
	Transfer to Old Account	\$ 20,000.00		
TOTAL WITHDRAWALS				\$ 1,366,538.78
				\$ 866,049.52
				\$ 4,275.73
Bank of the Sierra ending balance				\$ 870,325.25
<u>Outstanding Checks</u>				
	General	\$ 141,644.92		
	Payroll	\$ 724.04		
				\$ 142,368.96
				\$ 727,956.29
				\$ 6,868,884.56
Total City Funds 9/30/2020				\$ 7,596,840.85

Ending Bank Balance as of September 30, 2020
Undeposited cash on hand #1489

Adjusted Bank Balance as of September 30, 2020

Ratio of Invested Funds/Available Funds 90%

City of Exeter
Treasurer's Report
Investments as of 9/30/2020

<u>Rate</u>	<u>Maturity Date</u>	<u>Description</u>	<u>Purchase Date</u>	<u>Principal Value</u>
<u>Certificates of Deposit</u>				
1.75%	6/30/2021	WELLS FARGO #5AH48	Dec-19	\$ 249,000
1.70%	1/21/2021	GOLDMAN SACHS BANK USA	Jan-20	\$ 245,000
1.75%	10/29/2021	COMENITY CAPITAL #ASX5	Oct-16	\$ 249,000
1.75%	11/2/2021	DISCOVER BANK #2M39	Nov-16	\$ 247,000
2.40%	11/15/2022	CAPITAL ONE #RKED	Nov-17	\$ 247,000
3.00%	8/9/2021	ALLY BANK #GEE9	Aug-18	\$ 245,000
2.06% Average				<u>\$ 1,482,000</u>
<u>Money Market Funds</u>				
0.685% Demand		Local Agency Investment Fund	Various	\$ 5,078,083
0.001% Demand		US Savings	Various	\$ 30,517
Demand		Charles Schwab	Various	<u>\$ 0.23</u>
				<u>\$ 5,108,600</u>
<u>Government Securities</u>				
1.88%		Federal Home Loan Bank		<u>246,375</u>
			Total Investments	<u>\$ 246,375</u>
				<u>\$ 6,836,975</u>

By - E.See/C. Távarez

CITY OF EXETER

PO BOX 237 - 137 N F STREET, EXETER 93221
Phone 592-3710 - Fax 592-3556

Treasurer's Report October 2020

Beginning Balance as of October 1, 2020 \$ 866,049.52

Deposits

Transfer from Old Account	\$	173,168.80
Wire Transfer	\$	300,000.00
#1489	\$	4,275.73
#1490	\$	82,284.29
#1491	\$	134,406.92
#1492	\$	93,402.70
#1493	\$	35,512.64
Direct Deposit #1494	\$	512,563.64

TOTAL DEPOSITS **\$ 1,335,614.72**

Withdrawals

City Checks Processed	\$	726,205.09
Payroll EFT	\$	202,111.48
Payroll Checks	\$	3,958.09
CalPERS Retirement costs	\$	67,963.44
P/R Taxes	\$	38,274.46
Def Comp	\$	1,132.46
FSA Disbursements	\$	1,878.69
Bank Charges/Misc	\$	114.90
Chargebacks	\$	383.13
State DU	\$	1,106.28
Wire Transfer Fee	\$	15.00
Chargeback Fees	\$	30.00
Sewer Bond 2020 Payment	\$	183,168.80
Transfer to Old Account	\$	173,168.80

TOTAL WITHDRAWALS **\$ 1,399,510.62**

Ending Bank Balance as of October 31, 2020
Undeposited cash on hand #1495

\$ 802,153.62
\$ 6,460.82
808,614.44

Bank of the Sierra ending balance

\$ 808,614.44

Outstanding Checks

General	\$	288,234.88
Payroll	\$	2,722.23

\$ 290,957.11

Adjusted Bank Balance as of October 31, 2020

\$ 517,657.33

Investments

US Savings	\$	30,620.04
Government Agency Bond	\$	246,375.00
CD's	\$	1,482,000.00
Local Agency Investment Fund	\$	4,788,922.48
Fair Market Value Adjustment gain/(loss)	\$	31,909.61
Charles Schwab	\$	<u>0.23</u>

\$ 6,579,827.36

Total City Funds 10/31/2020

\$ 7,097,484.69

Ratio of Invested Funds/Available Funds

93%

City of Exeter
Treasurer's Report
Investments as of 10/31/2020

<u>Rate</u>	<u>Maturity Date</u>	<u>Description</u>	<u>Purchase Date</u>	<u>Principal Value</u>
<u>Certificates of Deposit</u>				
1.75%	6/30/2021	WELLS FARGO #5AH48	Dec-19	\$ 249,000
1.70%	1/21/2021	GOLDMAN SACHS BANK USA	Jan-20	\$ 245,000
1.75%	10/29/2021	COMENITY CAPITAL #ASK5	Oct-16	\$ 249,000
1.75%	11/2/2021	DISCOVER BANK #2M39	Nov-16	\$ 247,000
2.40%	11/15/2022	CAPITAL ONE #RKE0	Nov-17	\$ 247,000
3.00%	8/9/2021	ALLY BANK #GEE9	Aug-18	\$ 245,000
2.06% Average				<u>\$ 1,482,000</u>
<u>Money Market Funds</u>				
0.620% Demand		Local Agency Investment Fund	Various	\$ 4,788,922
0.001% Demand		US Savings	Various	\$ 30,620
		Charles Schwab	Various	<u>\$ 0.23</u>
				<u>\$ 4,819,543</u>
<u>Government Securities</u>				
1.88%		Federal Home Loan Bank		<u>246,375</u>
				<u>\$ 246,375</u>
			Total Investments	<u>\$ 6,547,918</u>

By - E.See/C. Tavaraz

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: F5

Wording for Agenda: Adopt Resolution 2020-46 designating right of way for Visalia Road, over portions of various parcels of real property acquired by the City for the Visalia Road Improvement Project and dedicating these portions of property into public streets, right of way; and authorize the Mayor or City Administrator to execute all documents necessary to formally establish public right of way.

Submitting Department: Public Works
Contact Name: Daymon Qualls
Phone Number: 592-3318
Email: dqualls@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

oBS.

Department

Recommendation:

Staff recommends the Council adopt Resolution 2020-46 as presented.

Summary/Background:

As part of the Visalia Road Improvement Project, it was necessary to negotiate with adjacent property owners for the acquisition of certain portions of real property within the defined right-of-way limits of Visalia Road. These acquired portions of real property must be formally accepted and designated into the City's street right-of-way system.

The process of designating public streets and accepting them into the city street right-of-way system is set forth in Section 1806(b) of the California Streets and Highways Code. The designation and acceptance of these acquired portions of various properties into the City street system will formally establish the specific location of the Visalia Road public street right of way.

This process does not change the City's fee title ownership of the acquired portions of parcels. Street improvements within this public street right of way are being constructed as part of the City's Visalia Road Improvement Project. Establishing the public street right of way also provides public utility companies clarity as to when their facilities are subject to their respective franchise agreements with the City.

The following portions of parcels, more particularly described in the attached grant deeds. are being accepted as public street right-of-way:

- 1) APN #133-280-001 (Ball) North 2.0 feet of Parcel
- 2) APN #133-280-004 (133-072-009 Old APN) (BMT) North 2.0 feet of parcel
- 3) APN #133-280-009 (133-072-029 Old APN) (BMT) North 2.0 feet of Parcel
- 4) APN #133-280-010 (133-072-030 Old APN) (BMT) North 2.0 feet and Northeast corner of Parcel

- 5) APN #133-280-014 (133-072-031 Old APN) (BMT) Northwest corner of Parcel
- 6) APN #138-130-035 (Chun) South 2.0 feet and Southeast corner of Parcel
- 7) APN #133-290-001 (Bank Of The Sierra) Southeast corner of Parcel
- 8) APN #133-280-003 (133-072-008 Old APN) (BMT) North 2.0 feet of Parcel
- 9) APN #135-030-021 (Toledo) North 2.0 feet of Parcel
- 10) APN #138-142-019 (Exeter Investment Group) Southwest portion of Parcel
- 11) APN #135-041-001 (Pathak/Kaur) North 9.50 feet of Parcel
- 12) APN #135-030-019 (Lewis) North 2.0 feet of Parcel
- 13) APN #135-030-020 (Souza) North 2.0 feet of Parcel
- 14) APN #133-290-003 (McDonalds) South 2.0 feet of central portion of Parcel
- 15) APN #133-290-005, APN #133-290-006 and APN #133-290-007 (Tulare County Investments, LLC) Southwest corner of Parcel

Fiscal Impact: None

Prior Council/Board Actions: Numerous Council actions related to the Visalia Road Improvement Project and associated right-of-way acquisition.

Attachments: Resolution 2020-46
Corresponding Grant Deeds

Recommended motion to be made by Council/Board: I move to adopt Resolution 2020-46 as presented, and authorize the Mayor or City Administrator to execute all documents necessary to formally establish public right of way.

RESOLUTION 2020-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EXETER ACCEPTING CITY OWNED PROPERTY INTO THE PUBLIC STREETS SYSTEM

At a regular meeting of the City Council of the City of Exeter, duly called and held on December 8, 2020, at 7:00 p.m., it was moved by Council Member _____ and seconded by Council Member _____ and duly carried that the following resolution be adopted:

WHEREAS, Section 1806(b) of the California Streets and Highways Code states that no public or private street or road shall become a city street or road until the governing body, by resolution, has caused the street or road to be accepted into the city street system; and

WHEREAS, the City of Exeter, as part of the Visalia Road Improvement Project, acquired portions of the following parcels of real property in the City of Exeter, County of Tulare, State of California:

- 1) APN #133-280-001 (Ball) North 2.0 feet of Parcel
- 2) APN #133-280-004 (133-072-009 Old APN) (BMT) North 2.0 feet of parcel
- 3) APN #133-280-009 (133-072-029 Old APN) (BMT) North 2.0 feet of Parcel
- 4) APN #133-280-010 (133-072-030 Old APN) (BMT) North 2.0 feet and Northeast corner of Parcel
- 5) APN #133-280-014 (133-072-031 Old APN) (BMT) Northwest corner of Parcel
- 6) APN #138-130-035 (Chun) South 2.0 feet and Southeast corner of Parcel
- 7) APN #133-290-001 (Bank Of The Sierra) Southeast corner of Parcel
- 8) APN # 133-280-003 (133-072-008 Old APN) (BMT) North 2.0 feet of Parcel
- 9) APN #135-030-021 (Toledo) North 2.0 feet of Parcel
- 10) - APN #138-142-019 (Exeter Investment Group) Southwest portion of Parcel
- 11) APN #135-041-001 (Pathak/Kaur) North 9.50 feet of Parcel
- 12) APN #135-030-019 (Lewis) North 2.0 feet of Parcel
- 13) APN #135-030-020 (Souza) North 2.0 feet of Parcel

14) APN #133-290-003 (McDonalds) South 2.0 feet of central portion of Parcel

15) APN #133-290-005, APN #133-290-006 and APN #133-290-007 (Tulare County Investments, LLC) Southwest corner of Parcel

WHEREAS, the City of Exeter desires to designate right of way for Visalia Road over portions of these parcels of real property and to accept these portions into the city street system and said portions are more particularly described as follows:

See grant deeds attached and made a part thereof,

NOW, THEREFORE, the City Council of the City of Exeter, California, does hereby designate the above-described portions of said parcels of real property and accepts the same into public streets, right of way.

Passed and Adopted at a regular meeting of the City Council of the City of Exeter duly called and held on the 8th day of December, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR MARY WATERMAN – PHILPOT

CITY CLERK SHONNA ONEAL

RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

WE HEREBY CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
TULARE COUNTY, STATE OF CALIFORNIA,
RECORDED ON 12/29/2016
SERIAL NO. 0082812 OF OFFICIAL RECORDS.

CHICAGO TITLE

BY [Signature]

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 133-280-001

GRANT DEED

Resolution No. 2016-13

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Mary E. Ball, sole trustee of the Ball Family Trust (aka the Ball Living Trust), dated
December 28, 1995 ("Grantor")

hereby **GRANT(S)** to the City of Exeter, a municipality of the State of California, the
following described real property in the County of Tulare, State of California:

See Exhibit "A" attached hereto

GRANTOR

[Signature: Mary E. Ball, Trustee]

Mary E. Ball, sole trustee of the Ball
Family Trust (aka the Ball Living Trust),
dated December 28, 1995

Acknowledgment

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

State of California
County of Tulare

On 7-27-16 before me, Giovanni Morales, Notary Public, personally appeared Mary E. Ball, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



**CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA
CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION**

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated December 28, 1995 from Mary E. Ball, sole trustee of the Ball Family Trust (aka the Ball Living Trust) to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on June 14, 2016 and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: _____


CITY CLERK RANDY GROOM

ATTEST:



DEPUTY CITY CLERK SANDRA GULLEN

EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

All that certain real property situate in the County of Tulare, State of California being a portion of Parcel 1 as shown on Parcel Map No. 384, filed July 20, 1973 in Book 4 of Parcel Maps at Page 84, Tulare County Records, described as follows:

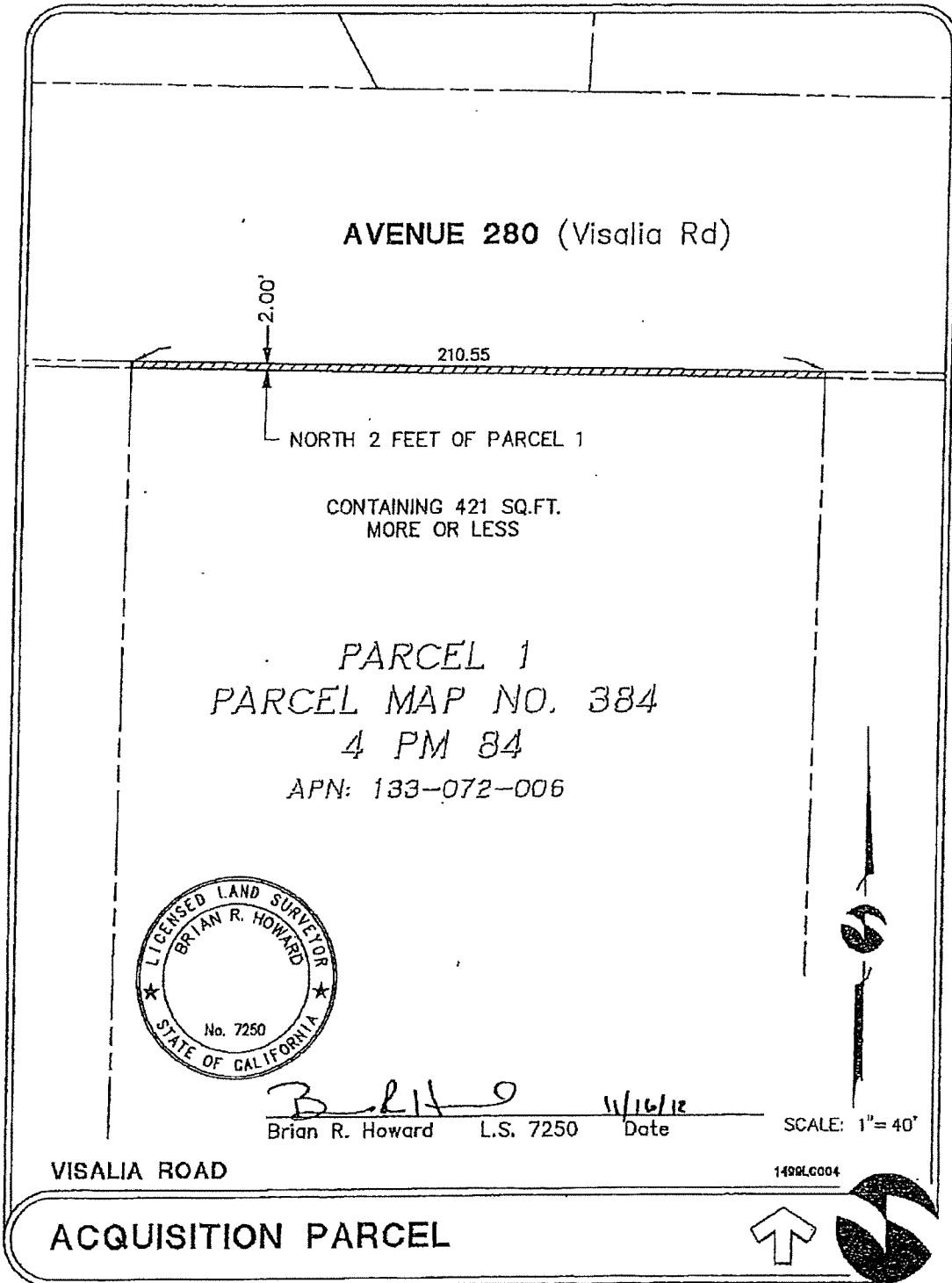
The North 2.00 feet of said Parcel 1 (4 PM 84).

Containing 421 sq. ft. more or less.



B R H 9 03/07/2013
Brian R. Howard LS 7250 Date

EXHIBIT A PAGE 2 OF 2



RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

WE HEREBY CERTIFY THAT THIS IS A FULL
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
TULARE COUNTY, STATE OF CALIFORNIA,
RECORDED ON 11/2/2016
SERIAL NO. 16-006955 OF OFFICIAL RECORDS.

CHICAGO TITLE

BY [Signature]

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

133-280-004 (133-072-009 old APN)
133-280-009 (133-072-029 old APN)
133-280-010 (133-072-030 old APN)
133-280-014 (133-072-031 old APN)

GRANT DEED

Resolution No. 2016-13

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

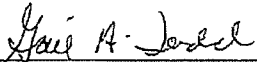
B.M.T., a General Partnership ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the
following described real property in the County of Tulare, State of California:


See Exhibit "A" attached hereto

GRANTOR

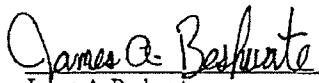
B.M.T., a General Partnership



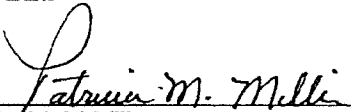
Gail A. Todd
Partner



Duane S. Beshwate
Partner



James A. Beshwate
Partner



Patricia M. Miller
Partner

Acknowledgment

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

State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Gail A. Todd, who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~is~~are subscribed to the within instrument and acknowledged to me that he~~s~~/she~~s~~/they executed the same in his~~r~~/her~~r~~/their authorized capacity~~(ies)~~, and that by his~~r~~/her~~r~~/their signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

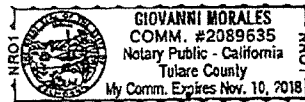
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Duane S. Beshwate, who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~is~~are subscribed to the within instrument and acknowledged to me that he~~s~~/she~~s~~/they executed the same in his~~r~~/her~~r~~/their authorized capacity~~(ies)~~, and that by his~~r~~/her~~r~~/their signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

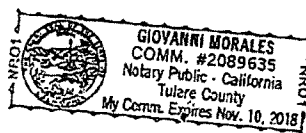
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared James A. Beshwate, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ ~~(is)~~ are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity~~(ies)~~, and that by ~~his~~/her/their signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Patricia M. Miller, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ ~~(is)~~ are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity~~(ies)~~, and that by ~~his~~/her/their signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



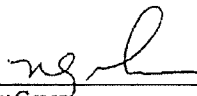
CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA


CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION

This is to certify that the interest in real property conveyed by this Grant Deed dated 8-11-16 from B.M.T., a General Partnership to the City of Exeter, a municipality of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of said grantee the grantee consents to recordation thereof by its duly authorized officer.

Dated: 9/28/16

City of Exeter, a municipality of the State of California

By: 
Randy Groom
City Administrator

By: 
Daymon Qualls
Public Works Director

ATTEST:

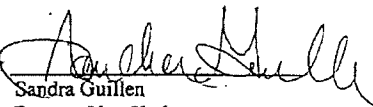
By: 
Sandra Guillen
Deputy City Clerk

EXHIBIT A PAGE 1 OF 8

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of the Northeast quarter of Section 9, Township 19 South, Range 26 East, Mount Diablo Base and Meridian, according to the official plat of the survey of said land on file in the Bureau of Land Management at the date of the issuance of the patent thereof and being a portion of that real property described in the Gift Deed to B.M.T., A General Partnership, recorded March 28, 2002 as Document No. 2002-0023506, Tulare County Records, described as follows:

The North 2.00 feet of said B.M.T. Parcel (2002-0023506).

Containing 219 sq. ft. more or less.



Brian R. Howard LS 7250 11/16/12
Brian R. Howard LS 7250 Date

AVENUE 280 (Visalia Rd)

2.00'

109.27

NORTH 2 FEET

CONTAINING 219 SQ.FT.
MORE OR LESS

B.M.T. PARCEL
DOC.2002-0023506

APN: 133-072-009



B.R.H. 11/16/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 40'

VISALIA ROAD

149SL007

ACQUISITION PARCEL



EXHIBIT A PAGE 3 OF 8

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 1 as shown on Parcel Map No. 765, filed November 14, 1974 in Book 8 of Parcel Maps at Page 65, Tulare County Records, described as follows:

The North 2.00 feet of that portion of said Parcel 1 (8 PM 65) adjoining the South right of way of Avenue 280 (Visalia Road) as said right of way is shown on said Parcel Map No. 756 (8 PM 65).

Containing 334 sq. ft. more or less.



B. R. H. e 11/16/12
Brian R. Howard LS 7250 Date

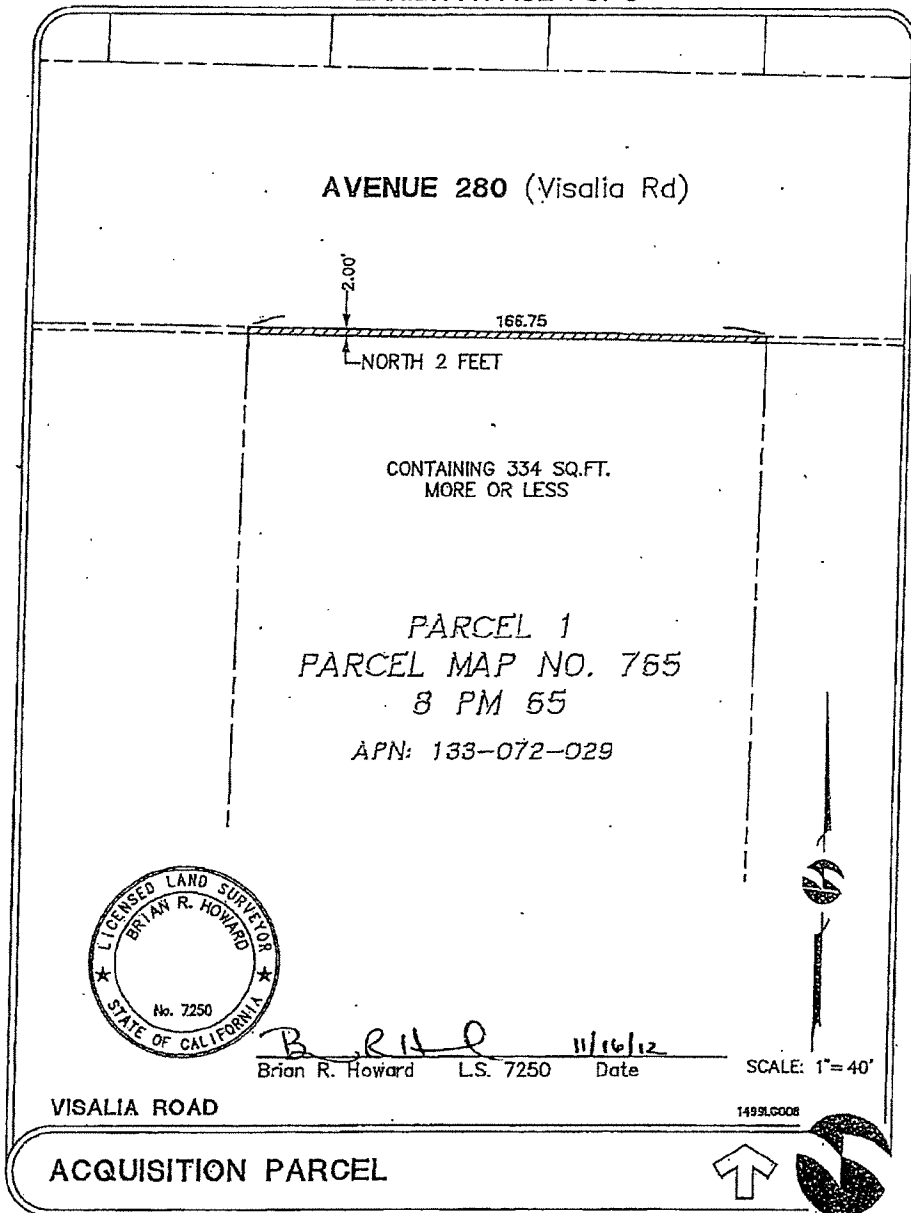


EXHIBIT A PAGE 5 OF 8

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 2 as shown on Parcel Map No. 765, filed November 13, 1974 in Book 8 of Parcel Maps at Page 65, Tulare County Records, described as follows:

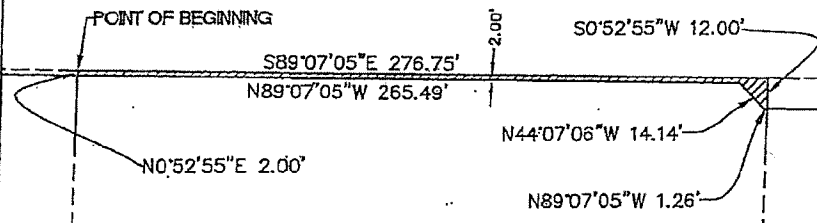
BEGINNING at the Northwest corner of said Parcel 2 (8 PM 65) being on the South right of way of Avenue 280 (Visalia Road) as said right of way is shown on said Parcel Map No. 765 (8 PM 65); thence from said POINT OF BEGINNING along the North line of said Parcel 2 (8 PM 65) South 89° 07' 05" East, 276.75 feet to the Northeast corner of said Parcel 2 (8 PM 65); thence along the East line of said Parcel 2 (8 PM 65) South 0° 52' 55" West, 12.00 feet; thence leaving said East line North 89° 07' 05" West, 1.26 feet; thence North 44° 07' 06" West, 14.14 feet to a line parallel with and 2.00 feet South of the North line of said Parcel 2 (8 PM 65); thence along said parallel line North 89° 07' 05" West, 265.49 feet to the West line of said Parcel 2 (8 PM 65); thence along said West line North 0° 52' 55" East, 2.00 feet to the POINT OF BEGINNING.

Containing 616 sq. ft. more or less.



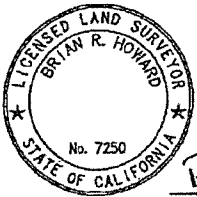
B R H 11/16/12
Brian R. Howard LS 7250 Date

AVENUE 280 (Visalia Rd)



CONTAINING 616 SQ.FT.
MORE OR LESS

PARCEL 2
PARCEL MAP NO. 765
8 PM 65
APN: 133-072-030



Brian R. Howard 11/16/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 50'

VISALIA ROAD

1499LGD09

ACQUISITION PARCEL



EXHIBIT A PAGE 7 OF 8

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 3 as shown on Parcel Map No. 765, filed November 13, 1974 in Book 8 of Parcel Maps at Page 65, Tulare County Records, described as follows:

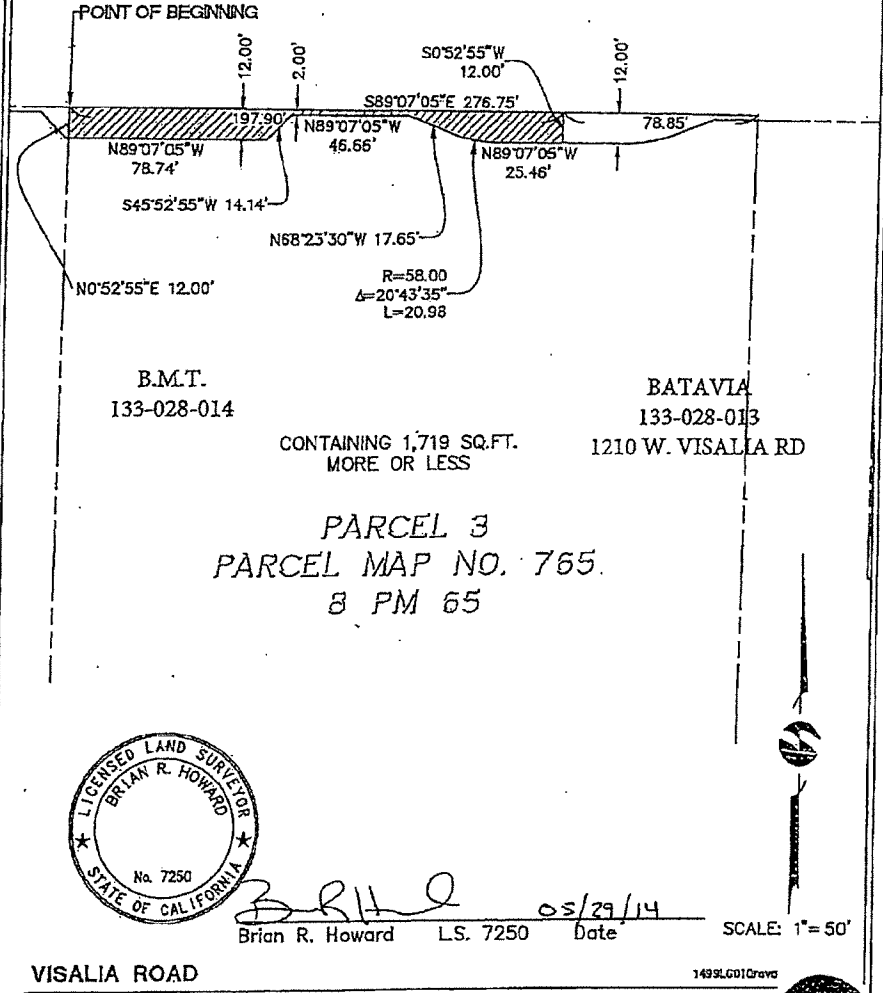
BEGINNING at the Northwest corner of said Parcel 3 (8 PM 65) being on the South right of way of Avenue 280 (Visalia Road) as said right of way is shown on said Parcel Map No. 765 (8 PM 65); thence from said POINT OF BEGINNING along the North line of said Parcel 3 (8 PM 65) South 89° 07' 05" East, 197.90 feet; thence South 0° 52' 55" West, 12.00 feet to a line parallel with and 12.00 feet South of the North line of said Parcel 3 (8 PM 65); thence along said parallel line North 89° 07' 05" West, 25.46 feet; thence leaving said parallel line along a tangent curve to the right, having a radius of 58.00 feet, through a central angle of 20° 43' 35", an arc length of 20.98 feet; thence North 68° 23' 30" West, 17.65 feet to a line parallel to and 2.00 feet South of the North line of said Parcel 3 (8 PM 65); thence along said parallel line North 89° 07' 05" West, 46.66 feet; thence leaving said parallel line South 45° 52' 55" West, 14.14 feet to a line parallel with and 12.00 feet South of the North line of said Parcel 3 (8 PM 65); thence along said parallel line North 89° 07' 05" West, 78.74 feet to the West line of said Parcel 3 (8 PM 65); thence along said West line North 0° 52' 55" East, 12.00 feet to the POINT OF BEGINNING.

Containing 1,719 sq. ft. more or less.


Brian R. Howard LS 7250 05/29/14 Date



AVENUE 280 (Visalia Rd)

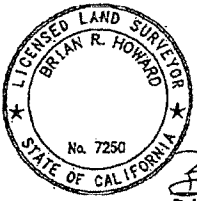


B.M.T.
133-028-014

BATAVIA
133-028-013
1210 W. VISALIA RD

CONTAINING 1,719 SQ.FT.
MORE OR LESS

PARCEL 3
PARCEL MAP NO. 765.
8 PM 65



Brian R. Howard
Brian R. Howard L.S. 7250 Date 05/29/14

SCALE: 1" = 50'

VISALIA ROAD

1499L601Crava

ACQUISITION PARCEL



RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL DOCUMENT AS THE SAME APPEARS IN THE OFFICE OF THE COUNTY RECORDER OF TULARE COUNTY, STATE OF CALIFORNIA.
RECORDED ON July 15, 2016
SERIAL NO. 2016-0041641 OF OFFICIAL RECORDS.

CHICAGO TITLE

BY 

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 138-130-035

GRANT DEED

Resolution No. _____

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Raymond L. Chun and Mary C. Chun, Trustees of the Raymond and Mary Chun Living Trust, dated July 20, 2005 ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the following described real property in the County of Tulare, State of California:

See Exhibit "A" attached hereto

GRANTOR

Raymond L. Chun #29/16
Raymond L. Chun, Trustee of the
Raymond and Mary Chun Trust,
dated July 20, 2005

Mary C. Chun #29/16
Mary C. Chun, Trustee of the
Raymond and Mary Chun Trust,
dated July 20, 2005

Acknowledgment

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

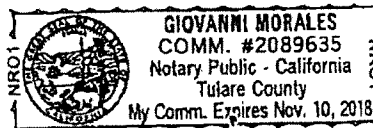
State of California
County of Tulare

On 4-29-16 before me, Giovanni Morales, Notary Public, personally appeared Raymond L. Chun, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

State of California
County of Tulare

On 4-29-16 before me, Giovanni Morales, Notary Public, personally appeared Mary C. Chun, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)

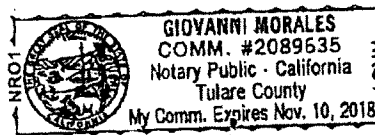


EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

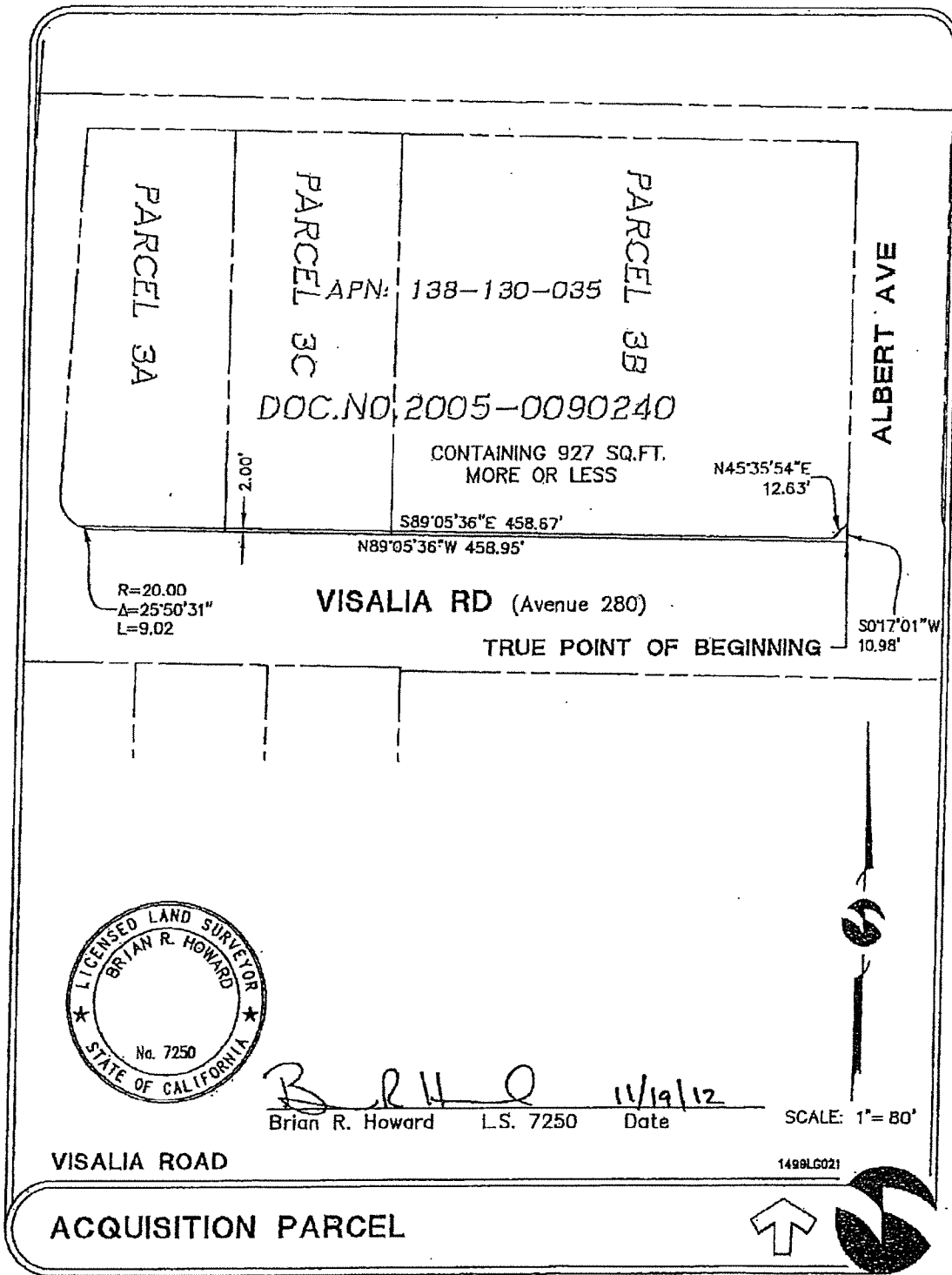
All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of the South half of the Southwest quarter of Section 3, Township 19 South, Range 26 East, Mount Diablo Base and Meridian, according to the official plat of the survey of said land on file in the Bureau of Land Management at the date of the issuance of the patent thereof and being a portion of that real property described as Parcels 3A, 3B and 3C in the Quitclaim Deed to Raymond L. Chun and Mary C. Chun, as trustees of the Raymond and Mary Chun Living Trust Dated July 20, 2005, recorded August 18, 2005 as Document No. 2005-0090240, Tulare County Records, described as follows:

BEGINNING at the Southeast corner of said Parcel 3B (2005-0090240) being on the West right of way of Albert Avenue and the North right of way of Visalia Road; thence from said POINT OF BEGINNING along the South line of said Parcels 3A, 3B and 3C (2005-0090240) North $89^{\circ} 05' 36''$ West, 458.95 feet; thence along the southerly line of said Parcel 3A (2005-0090240) being a tangent curve to the right, having a radius of 20.00 feet, through a central angle of $25^{\circ} 50' 31''$, an arc length of 9.02 feet to a line parallel with and 2.00 feet North of the South line of said Parcels 3A, 3B and 3C (2005-0090240); thence along said parallel line South $89^{\circ} 05' 36''$ East, 458.67 feet to a point 8.98 feet West of, measured at right angles, the East line of said Parcel 3B (2005-0090240); thence North $45^{\circ} 35' 54''$ East, 12.63 feet to the East line of said Parcel 3B (2005-0090240); thence along said East line South $0^{\circ} 17' 01''$ West, 10.98 feet to the POINT OF BEGINNING.

Containing 927 sq. ft. more or less.



Brian R. Howard 11/19/12
Brian R. Howard LS 7250 Date



**CITY OF EXETER, A MUNICIPALITY OF THE
STATE OF CALIFORNIA**

**CERTIFICATE OF ACCEPTANCE AND
CONSENT TO RECORDATION**

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated April 29, 2016 from Raymond L. Chun and Mary C. Chun, Trustees of the Raymond and Mary Chun Living Trust, dated July 20, 2005 ("Grantor"), to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on May 24, 2016, and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: 
CITY CLERK RANDY GROOM

ATTEST:


DEPUTY CITY CLERK SANDRA GUILLEN

Clerk-Recorders
County of
Tulare
ROLAND P. HILL
Clerk Recorder

2016-0068100 . 10/26/2016 1:24PM
REC FEE 0.00

TOTAL 0.00

ND FEE 0.00

CHANGE 0.00

10/26/2016 1:24PM 2016102600142
NB REC0004254

Thank You
Have a Nice Day!

Requested By:
city of exeter



2016-0017528

6
N

Recorded
Official Records
County of
Tulare
ROLAND P. HILL
Clerk Recorder

REC FEE

0.00

01:13PM 30-Mar-2016

NB
Page 1 of 6

RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 133-290-001

GRANT DEED

Resolution No. _____

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

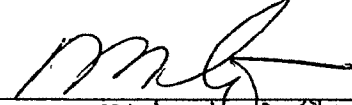
Bank of the Sierra, a California Corporation ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the following described real property in the County of Tulare, State of California:

See Exhibit "A" attached hereto

GRANTOR

Bank of the Sierra, a California Corporation



Name: Michael J. Dugan

Title: VP Chief Banking Officer

Name:

Title:

Acknowledgment

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

State of California
County of Kern

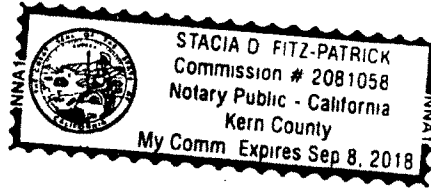
On February 12, 2018 before me, Stacia D FitzPatrick, Notary

Public, personally appeared Michael W Olague, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by (his/her/their signature(s)) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)



Acknowledgment

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

State of California
County of _____

On _____ before me, _____, Notary

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 3 as shown on Parcel Map No. 2864, filed February 19, 1982 in Book 29 of Parcel Maps at Page 65, Tulare County Records, described as follows:

COMMENCING at the Southwest corner of said Parcel 3 (29 PM 65) being on the North right of way of Visalia Road (Avenue 280) as said right of way is shown on said Parcel Map No. 2864 (29 PM 65); thence from said POINT OF COMMENCEMENT along the South line of said Parcel 3 (29 PM 65) South 89° 07' 05" East, 92.33 feet to the TRUE POINT OF BEGINNING; thence from said TRUE POINT OF BEGINNING leaving said South line North 0° 52' 55" East, 0.86 feet; thence South 88° 50' 16" East, 6.00 feet; thence along a tangent curve to the left having a radius of 14.00 feet, through a central angle of 28° 08' 49", an arc length of 6.88 feet to a point of reverse curve; thence along said reverse curve having a radius of 16.00 feet, through a central angle of 27° 52' 01", an arc length of 7.78; thence South 89° 07' 05" East, 12.12 feet; thence North 46° 54' 08" East, 25.76 feet to the East line of said Parcel 3 (29 PM 65); thence along said East line and South line of said Parcel 3 (29 PM 65) the following three courses; thence South 2° 55' 09" West, 2.91 feet; thence along a tangent curve to the right having a radius of 20.00 feet, through a central angle of 87° 57' 46", an arc length of 30.70 feet; thence North 89° 07' 05" West, 30.66 feet to the TRUE POINT OF BEGINNING.

Containing 252 sq. ft. more or less.

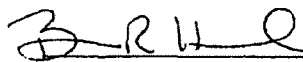

Brian R. Howard LS 7250 10/09/15 Date

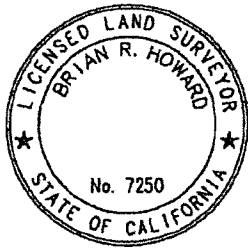
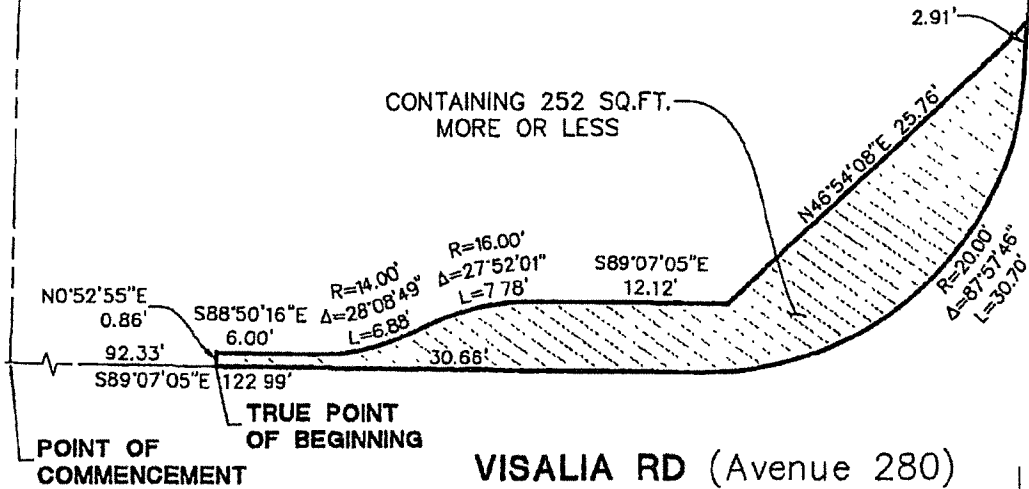


EXHIBIT A PAGE 2 OF 2

PARCEL 3
PM 29-65
APN: 133-060-036

BANK OF THE SIERRA
1103 W. VISALIA RD

S2°55'09"W 1185.34'
BELMONT RD



B R H O
Brian R. Howard L.S. 7250 Date 10/09/15

SCALE: 1" = 10'

VISALIA ROAD

1499LG028

ACQUISITION PARCEL



CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by this **Grant Deed** dated February 12, 2016 from Bank of the Sierra, a California Corporation, hereafter referred to as "Grantor", to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on March 22, 2016, and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: 

CITY CLERK RANDY GROOM

ATTEST:



DEPUTY CITY CLERK SANDRA GUILLEN

RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

WE HEREBY CERTIFY THAT THIS IS A FULL
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
TULARE COUNTY, STATE OF CALIFORNIA.
RECORDED ON November 2, 2016
SERIAL NO. 2016-0064747 OF OFFICIAL RECORDS.

CHICAGO TITLE
BY [Signature]

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 133-280-003

GRANT DEED

Resolution No. 2016-13

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

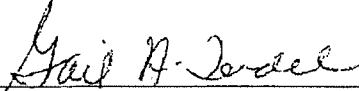
B.M.T., a General Partnership ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the
following described real property in the County of Tulare, State of California:

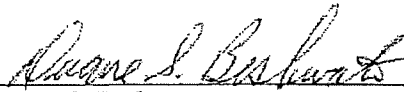
See Exhibit "A" attached hereto

GRANTOR

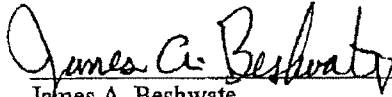
B.M.T., a General Partnership



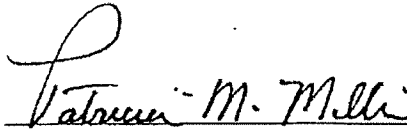
Gail A. Todd
Partner



Duane S. Beshwate
Partner



James A. Beshwate
Partner



Patricia M. Miller
Partner

Acknowledgment

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

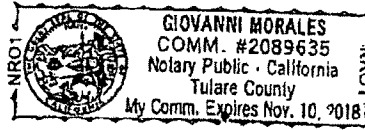
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Gail A. Todd, who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~(is)~~ are subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

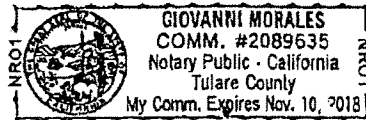
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Duane S. Beshwate, who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~(is)~~ are subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

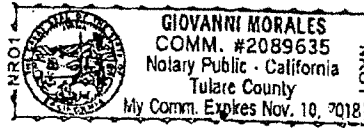
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared James A. Beshwate, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



Acknowledgment

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

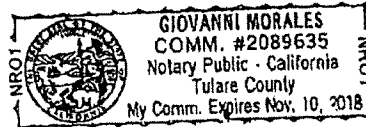
State of California
County of Tulare

On 8-11-16 before me, Giovanni Morales, Notary Public, personally appeared Patricia M. Miller, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Giovanni Morales (Seal)



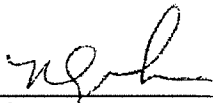
CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA

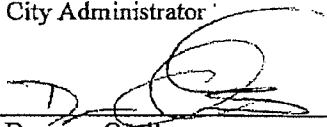
CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION

This is to certify that the interest in real property conveyed by this Grant Deed dated 8-11-16 from B.M.T., a General Partnership to the City of Exeter, a municipality of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of said grantee the grantee consents to recordation thereof by its duly authorized officer.

Dated: 9/28/16

City of Exeter, a municipality of the State of California

By: 
Randy Grob
City Administrator

By: 
Daymon Qualls
Public Works Director

ATTEST:

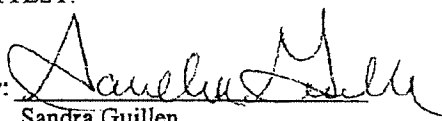
By: 
Sandra Guillen
Deputy City Clerk

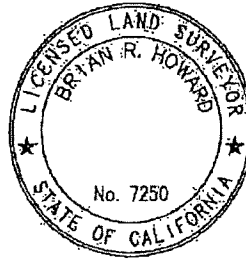
EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

All that certain real property situate in the County of Tulare, State of California being a portion of Parcel 3 as shown on Parcel Map No. 384, filed July 20, 1973 in Book 4 of Parcel Maps at Page 84, Tulare County Records, described as follows:

The North 2.00 feet of said Parcel 3 (4 PM 84).

Containing 422 sq. ft. more or less.



Brian R. Howard 03/02/2013
Brian R. Howard LS 7250 Date

EXHIBIT A PAGE 2 OF 2

AVENUE 280 (Visalia Rd)

2.00'

211.06

NORTH 2 FEET

CONTAINING 422 SQ.FT.
MORE OR LESS

PARCEL 3
PARCEL MAP NO. 384
4 PM 84

APN: 133-072-008



Brian R. Howard 11/16/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 40'

VISALIA ROAD

1499LG005

ACQUISITION PARCEL





2013-0047874

6
C

RECORDING requested by and)
 when recorded, please return to:)
)
)
)
 Randy Groom)
 City Clerk – City of Exeter)
 P.O. Box 237)
 City of Exeter, CA 93221)
)
)
)
)
)

Recorded	REC FEE	0.00
Official Records		
County of		
Tulare		
ROLAND P. HILL		
Clerk Recorder		
	LC	
08:31AM 30-Jul-2013	Page 1 of 6	

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 135-030-021

GRANT DEED

Resolution No. _____

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Joe Toledo and Harriet Toledo, husband and wife, as Joint Tenants

hereby GRANT(S) to the City of Exeter a municipality of the State of California the following described real property in the County of Tulare, State of California:

See Attached Exhibits "A" and "B " attached hereto

GRANTOR(S)

Joe Toledo and Harriet Toledo, husband and wife, as Joint Tenants

Joe Toledo
Joe Toledo

Harriet M Toledo
Harriet Toledo

APPROVED AS TO CONTENT:

By: ng/h

APPROVED AS TO FORM:

By: [Signature]
City

ACKNOWLEDGMENT

Dated April 30, 2013

STATE OF CALIFORNIA

COUNTY OF Tulare }

On April 30, 2013 before me, Jo Ann Peterson, Notary Public

personally appeared JOE TOLEDO an N, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their signature(s) on the instrument the person(s) or their entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

CALIFORNIA NOTARY
Acknowledgment Attached
April 30, 2013

Jo Ann Peterson, Notary Public

Signature _____ (This area for official notaries seal)

CALIFORNIA
ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of Tulare

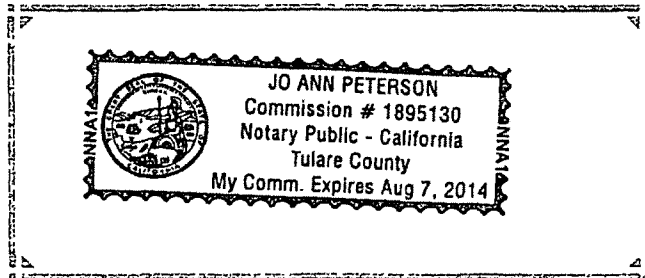
On April 30 _____ 2013, before me, Jo Ann Peterson, Notary Public,
personally appeared JOE TOLEDO and Harriet Toledo

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Jo Ann Peterson (Seal)



Optional

Title or Type of Document: Grant Deed

Date of Document: April 30, 2013

Number of Pages: (2)

Other Information: APN: 135-030-021

City of Exeter
County of Tulare

EXHIBIT "A"
Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 4 as shown on Parcel Map No. 2496, filed April 29, 1980 in Book 25 of Parcel Maps at Page 97, Tulare County Records, described as follows:

The North 2.00 feet of said Parcel 4 (25 PM 97).

Containing 160 sq. ft. more or less.



B. R. Howard 11/19/12
Brian R. Howard LS 7250 Date

AVENUE 280 (Visalia Rd)

EXHIBIT "B"

2.00'

80.07

NORTH 2 FEET

CONTAINING 160 SQ.FT.
MORE OR LESS

PARCEL 4
PARCEL MAP NO. 2496
25 PM 97

APN: 135-030-021



B R H

Brian R. Howard

L.S. 7250

11/19/12

Date

SCALE: 1" = 20'

VISALIA ROAD

1499LG017

ACQUISITION PARCEL



1499

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated April 30, 2013 from Joe Toledo and Harriet Toledo, to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on July 9, 2013, and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: 

CITY CLERK RANDY GROOM

ATTEST:



DEPUTY CITY CLERK SANDRA GUILLEN

RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221

WE HEREBY CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF
TULARE COUNTY, STATE OF CALIFORNIA.
RECORDED ON 10/26/2016
SERIAL NO. 2016-066878 OF OFFICIAL RECORDS.

CHICAGO TITLE
BY 

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 138-142-019

GRANT DEED

Resolution No. 2016-13

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,


Exeter Investment Group, a Limited Partnership ("Grantor")

hereby **GRANT(S)** to the City of Exeter, a municipality of the State of California, the
following described real property in the County of Tulare, State of California:

See Exhibit "A" attached hereto

GRANTOR

Exeter Investment Group,
a Limited Partnership



Name: John P. Casper
Title: G.P.

~~_____
Name:
Title:~~

Acknowledgment

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

State of California
County of Placer

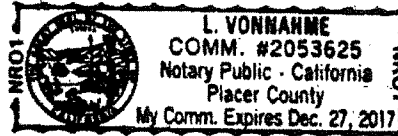
On 6-21-16 before me, ~~John P. Casper~~ L. Vonnahme, Notary

Public, personally appeared John P. Casper, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature L. Vonnahme (Seal)



Acknowledgment

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

State of California
County of _____

On _____ before me, _____, Notary

Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

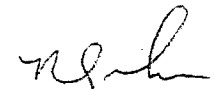
Signature _____ (Seal)


CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA
CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION

This is to certify that the interest in real property conveyed by this Grant Deed dated June 21, 2016 from **Exeter Investment Group, a Limited Partnership** to the **City of Exeter, a municipality of the State of California**, is hereby accepted by the undersigned officer or agent on behalf of the City Council of said grantee pursuant to authority conferred by resolution (2016-13) of said City Council on the 26th day of July, 2016 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: 7-27-2016

City of Exeter, a municipality of the State of California

By: 
Name: Randy Green
Title: CITY ADMINISTRATOR


DAYMON ADAMS
PUBLIC WORKS DIRECTOR


ATTEST: 
Sandra Guillen
Deputy City Clerk

EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

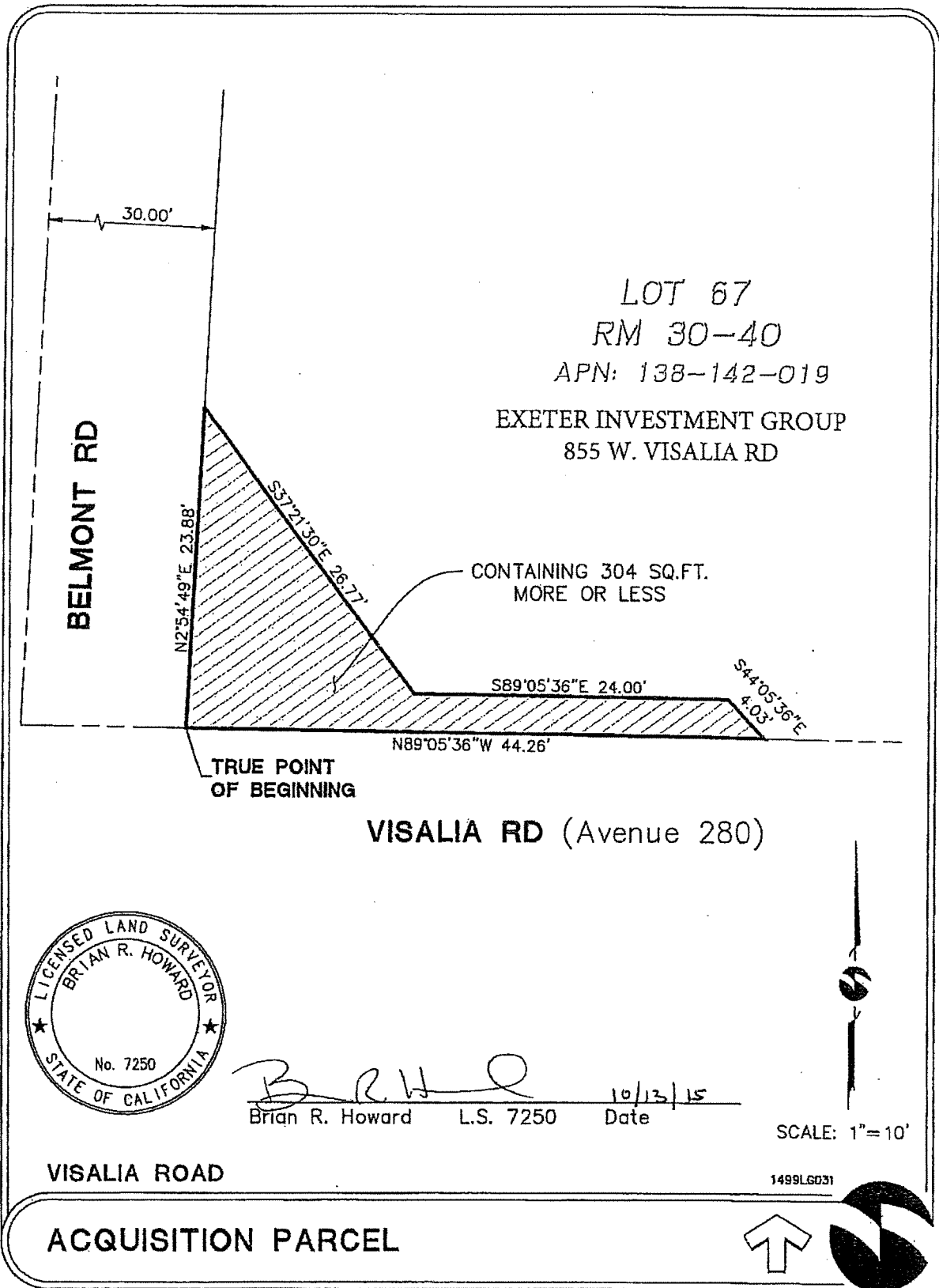
All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Lot 67 of "The Woods" Subdivision Map, filed August 29, 1979 in Book 30 of Maps at Page 40, Tulare County Records, described as follows:

BEGINNING on the South line of said Lot 67 at the East right of way of Belmont Road as said Road is shown on said Subdivision Map (30 M 40); thence from said **POINT OF BEGINNING** along the East right of way of said Belmont Road North 2° 54' 49" East, 23.88 feet; thence leaving said East right of way line South 37° 21' 30" East, 26.77 feet; thence South 89° 05' 36" East, 24.00 feet; thence South 44° 05' 36" East, 4.03 feet to said South line of Lot 67; thence along said South line North 89° 05' 36" West, 44.26 feet to the **TRUE POINT OF BEGINNING**.

Containing 304 sq. ft. more or less.



Brian R. Howard LS 7250 10/13/15 Date



RECORDING REQUESTED BY:

Chad M. Lew, Esq.

AND WHEN RECORDED MAIL TO:

Matthew C. Pierce
McCormick Kabot Jenner & Lew
4010 S. Demaree Street Visalia,
CA 93277

MAIL TAX STATEMENTS TO:

THIS SPACE FOR RECORDER'S USE ONLY

Effective January 1, 2018, California Government Code section 27388.1 (SB2 – Building Homes and Jobs Act) requires that documents accepted for recording at the Tulare County Recorder's Office be charged an additional seventy-five dollars (\$75) fee per title, unless exempted by statute.

- Document is subject to the imposition of documentary transfer tax and includes a declaration showing the amount of documentary transfer tax paid at the time of recording
- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax"
- Exempt from fee per GC sec 27388.1 (a) (2); Document represents a transfer of real property that is a residential dwelling to an owner-occupier
- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier"
- Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225 reached"
- Exempt from the fee per GC 27388.1 (a) (1) Not related to real property
- Exempt from the fee per GC 27388.1 (a) (2) Document executed or recorded by the state or any county, municipality, or other political subdivision of the state.

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(ADDITIONAL RECORDING FEE APPLIES)

FILED
TULARE COUNTY SUPERIOR COURT
VISALIA DIVISION

MAY 05 2017

LARAYNE CLEEK, CLERK

BY: [Signature]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF TULARE - VISALIA DIVISION

CITY OF EXETER,

Plaintiff,

vs.

NARINDER PATHAK, MANJU KAUUR and
DOES 1-10, inclusive,

Defendants.

Case No. 175847
Complaint Filed December 6, 2016

~~PROPOSED~~ ORDER FOR POSSESSION OF
REAL PROPERTY
C.C.P. § 1255.410
APN 135-041-001

Hearing
Date: May 4, 2017
Time: 8:30 a.m.
Dept.: 2

This matter came before the court for a duly noticed hearing on the Motion of Plaintiff, THE CITY OF EXETER, or an Order of Possession of Real Property in Department 2 of the Tulare County Superior Court – Visalia Division on May 4, 2017. Appearances for the parties were as stated on the record.

IT APPEARING from the oral arguments presented by the parties, as well as from the declarations and pleadings on file herein, that the City is entitled to take by eminent domain the property referred to as a portion of Parcel No. 135-041-001, described by reference to the City's complaint on file herein, and to take possession thereof;

IT FURTHER APPEARING that pursuant to C.C.P. § 1255.070, the City made a written request to deposit probable compensation in the amount of \$19,500 with the Tulare County Treasury;

[Handwritten mark]

1 IT IS HEREBY ORDERED THAT:

2 1. Plaintiff is authorized and empowered to enter upon and take possession and use of the property
3 more particularly described in the attached **Exhibit 1**, which property is depicted on the map attached as
4 **Exhibit 2** and described in the City's complaint; and to remove any and all persons, obstacles,
5 improvements, or structures of every kind situated thereon and to fully possess and use said property for
6 the purposes and uses indicated in the complaint herein as of the indicated date set forth below:

7
8 Date possession to be taken: 90 days after date of service.

9
10 2. A Writ of Assistance shall issue ex parte upon the declaration of plaintiff showing that the owners
11 and occupants, if any, have failed to deliver up the possession of said property upon demand of plaintiff
12 pursuant to this order, and in accordance with the authority conferred upon the Court to enforce any of its
13 orders of possession by appropriate process as stated in C.C.P. § 1230.050(b).

14 3. A certified copy of this order shall be transmitted to the County Tax Collector with the
15 descriptions of the subject property described in the City's complaint and which possession by the City is
16 herein ordered. The Tax Collector is hereby directed and ordered to certify to this Court the information
17 required by Code of Civil Procedure section C.C.P. § 1260.250(c).

18 4. The deposit of probable compensation shall be deposited in the county treasury pursuant to Code
19 of C.C.P. § 1255.070.

20 David C. Mathias

21 Dated: May 5, 2017

22 By: 
23 JUDGE OF THE SUPERIOR COURT

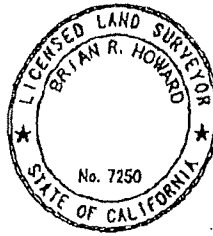
EXHIBIT 1

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Lot 1 in Block A of Elmwood First Addition to Exeter filed March 23, 1909 in Book 8 of Maps at Page 75, Tulare County Records, described as follows:

The North 9.50 feet of said Lot 1 (8 M 75).

Containing 1,425 sq. ft. more or less.



B R H O 12/28/12
Brian R. Howard LS 7250 Date

MAIN STREET (VISALIA ROAD)

150.00'

NORTH 9.50 FEET

LOT 1

CONTAINING 1,425 SQ.FT.
MORE OR LESS

B M 75

APN: 135-041-001

ORANGE AVE



B. R. H. O. 12/31/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 30'

VISALIA ROAD

149PL0018

ACQUISITION PARCEL



1106

Temporary Construction Easement

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Lot 1 in Block A of Elmwood First Addition to Exeter filed March 23, 1909 in Book 8 of Maps at Page 75, Tulare County Records, described as follows:

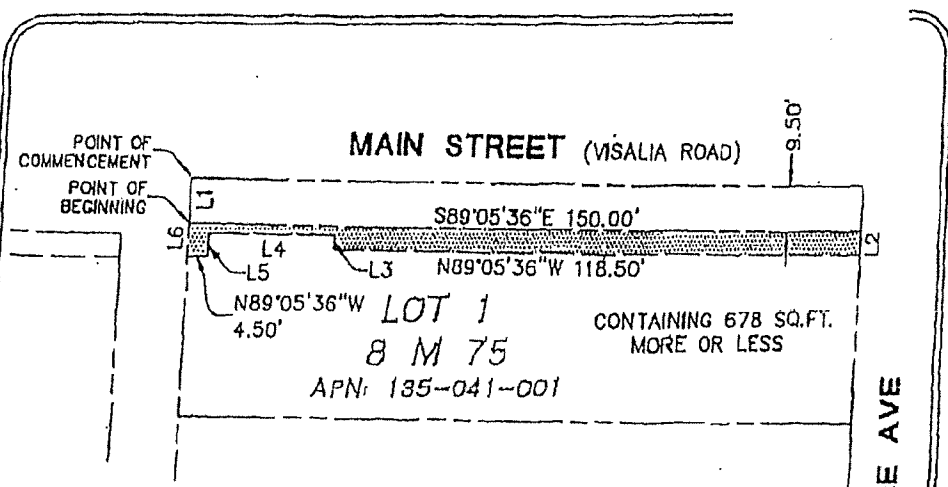
COMMENCING at the Northwest corner of said Lot 1 (8 M 75) being on the South right of way of Main Street (Visalia Road) as said right of way is shown on said Elmwood First Addition to Exeter (8 M 75); thence from said POINT OF COMMENCEMENT along the West line of said Lot 1 (8 M 75) South 0° 18' 24" West, 9.50 feet to a line parallel with and 9.50 feet South of the North line of said Lot 1 (8 M 75) and the TRUE POINT OF BEGINNING; thence from said TRUE POINT OF BEGINNING along said parallel line South 89° 05' 36" East, 150.00 feet to the East line of said Lot 1 (8 M 75); thence along said East line South 0° 18' 24" West, 5.00 feet; thence leaving said East line North 89° 05' 36" West, 118.50 feet; thence North 0° 18' 24" East, 3.00 feet; thence North 89° 05' 36" West, 27.00 feet; thence South 0° 18' 24" West, 3.00 feet; thence North 89° 05' 36" West, 4.50 feet to the West line of said Lot 1 (8 M 75); thence along said West line North 0° 18' 24" East, 5.00 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion of the above described parcel of land that may be occupied by the existing building located on said Lot 1 (8 M 75).

Containing 678 sq. ft. more or less.



Brian R. Howard 12/31/12
Brian R. Howard LS 7250 Date



Line Table

Line #	Direction	Length
L1	S 0°18'24" W	9.50'
L2	S 0°18'24" W	5.00'
L3	N 0°18'24" E	3.00'
L4	N 89°05'36" W	27.00'
L5	S 0°18'24" W	5.00'
L6	N 0°18'24" E	7.00'



B. R. Howard 12/31/12
 Brian R. Howard L.S. 7250 Date

SCALE: 1" = 30'

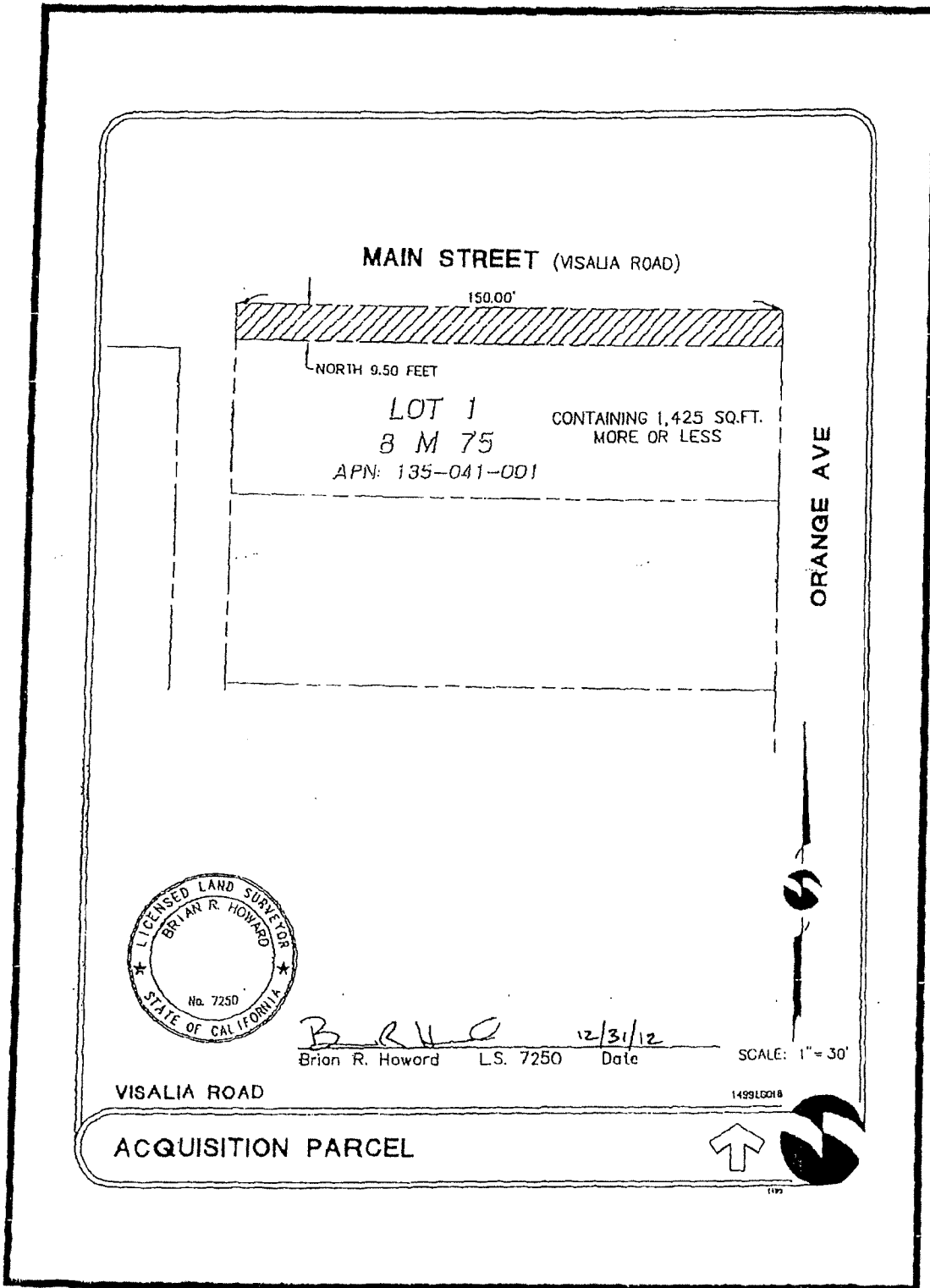
VISALIA ROAD

1499L0016-A

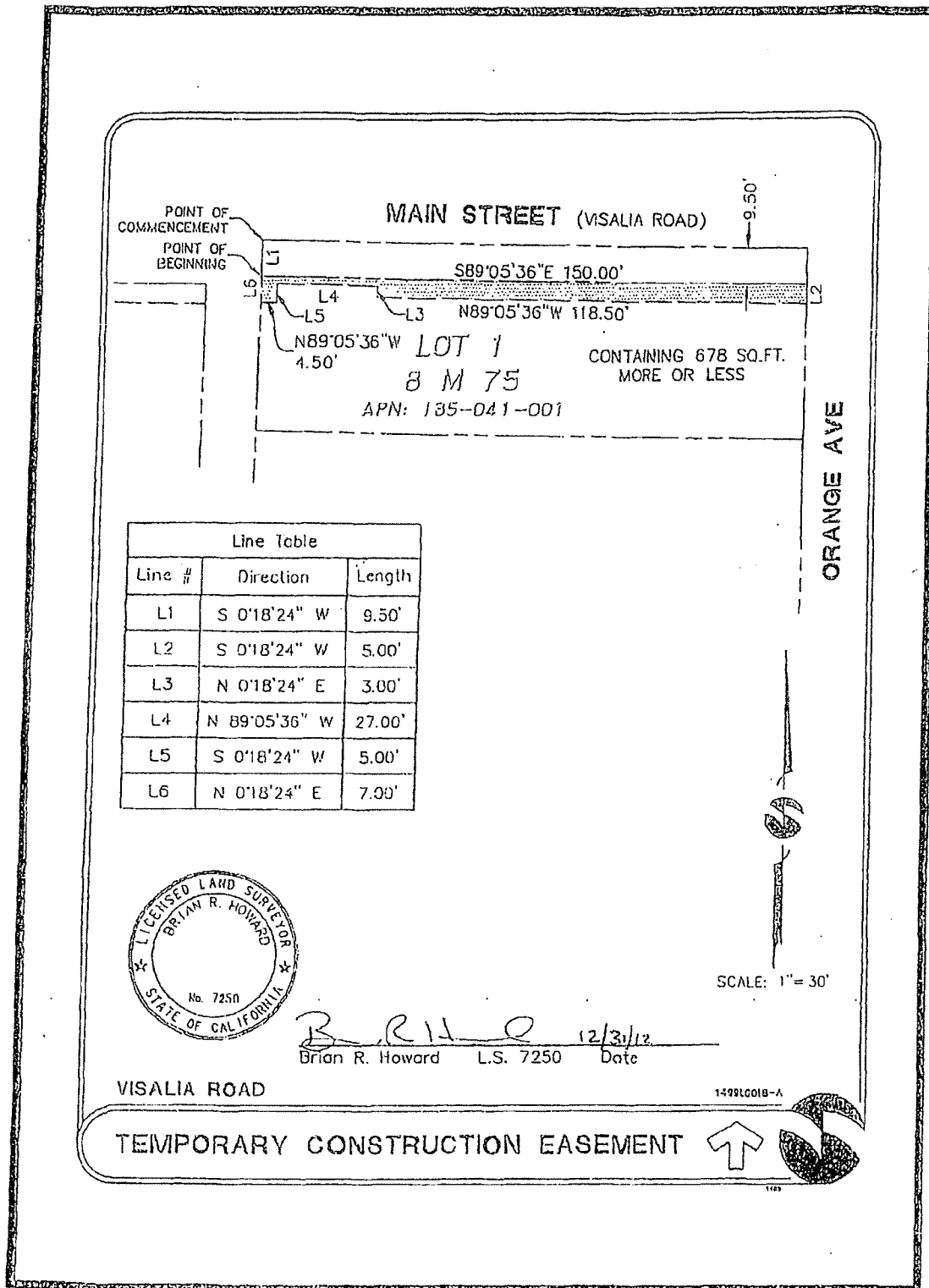
TEMPORARY CONSTRUCTION EASEMENT ↑

1111

EXHIBIT 2



PLAT OF THE PERMANENT ACQUISITION



PLAT OF THE TEMPORARY CONSTRUCTION EASEMENT

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF TULARE

3 I am a citizen of the United States and a resident of the County
4 aforesaid; I am over the age of eighteen years and not a party to
5 the within action; my business address is 4010 S. Demaree Street,
6 Visalia, California 93277.

7 On January 18, 2017, I served the foregoing document described as
8 [Proposed] Order for Possession of Real Property in this action,
9 enclosed in sealed envelope(s) and addressed as follows:

10 Narinder Pathak 230 N. Orange Street Exeter, CA 93221	Manju Kaur 230 N. Orange Street Exeter, CA 93221
11 Narinder Pathak 7588 Carnegie Ave. Fresno, CA 93722	Manju Kaur 7588 Carnegie Ave. Fresno, CA 93722

12 By Mail - I deposited such envelope with the United States Postal Service,
13 enclosed in a sealed envelope with postage thereon fully prepaid, in the
14 United States Mail at Visalia, California. I am readily familiar with the
15 business practice at my place of business for collection and processing of
16 correspondence for mailing with the United States Postal Service.
17 Correspondence so collected and processed is deposited with the United
18 States Postal Service that same day in the ordinary course of business.


19 By Express Service Carrier [Overnight] - I deposited in a box or other
20 facility regularly maintained by OnTrac, an express service carrier, or
21 delivered to a courier or driver authorized by said express service
22 carrier to receive documents in an envelope designated by the said express
23 carrier, with delivery fees paid or provided for.

24 By Personal Service - I delivered such envelope by hand to the addressee
25 or their designated representative at approximately 8:30 a.m., on October
26 26, 2016, in Department 17 of the Tulare County Superior Court,
27 Porterville Division, 300 East Olive Avenue, Porterville, CA 93257

28 (State) I declare under penalty of perjury under the laws of the
State of California that the foregoing is true and correct.

(Federal) I declare that I am employed in the office of a member of
the bar of this court at whose direction the service was made.

Executed on January 18, 2017, at Visalia, California.

26 
27 Julie Leighty
28

The document to which this certificate is affixed is a full true and correct copy of the original on file and of record in my office.

Attest: Feb. 14th, 2019

Stephanie Cameron, Clerk of the Superior Court of the State of California in and for the County of Tulare.

By [Signature] Deputy





2013-0047877

6
C

RECORDING requested by and
when recorded, please return to:

Randy Groom
City Clerk - City of Exeter
P.O. Box 237
City of Exeter, CA 93221

Recorded | REC FEE 0.00
Official Records |
County of |
Tulare |
ROLAND P. HILL |
Clerk Recorder |
09:31AM 30-Jul-2013 | LC
Page 1 of 6

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 135-030-019

GRANT DEED

Resolution No. _____

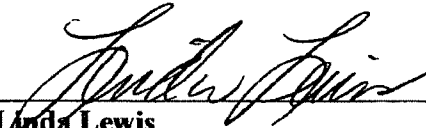
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Linda Lewis, an unmarried woman

hereby GRANT(S) to the City of Exeter a municipality of the State of California the following described real property in the County of Tulare, State of California:

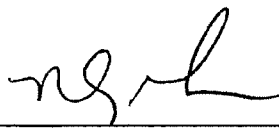
See Attached Exhibits "A" and "B" attached hereto

GRANTOR(S)
Linda Lewis, an unmarried woman

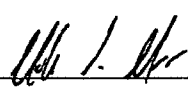


Linda Lewis

APPROVED AS TO CONTENT:

By: 

APPROVED AS TO FORM:

By: 

City _____

ACKNOWLEDGMENT

Dated _____
STATE OF CALIFORNIA
COUNTY OF _____
On _____ before me, _____
personally appeared _____, personally known
to me (or proved to me on the basis of satisfactory evidence) to be the persons(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their signature(s) on the instrument the person(s) or their entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. *SEE ATTACHED
C.A. NOTARY ACKNOWLEDGMENT
June 6, 2013*

Signature _____ *Jo Ann Peterson, Notary Public* (This area for official notaries seal)

CALIFORNIA
ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of Tulare

On June 6 2013, before me, Jo Ann Peterson, Notary Public,

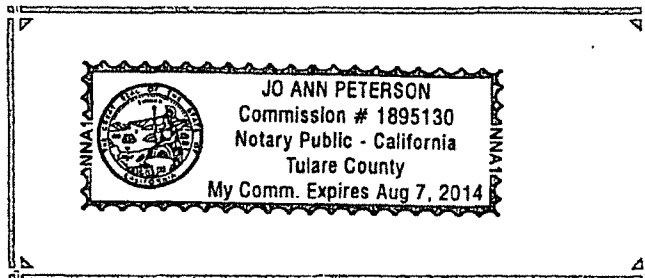
personally appeared LINDA LEWIS

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/ they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Jo Ann Peterson (Seal)



Optional

Title or Type of Document: ~~Deed~~ of Grant Deed

Date of Document: June 6, 2013

Number of Pages: 4

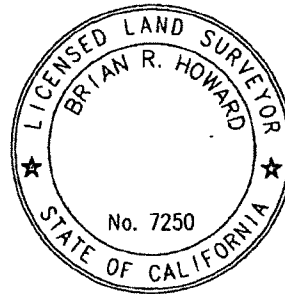
Other Information: APN: 135-030-019 Tulare County, City of Exeter CA.

EXHIBIT "A"
Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 2 as shown on Parcel Map No. 2496, filed April 29, 1980 in Book 25 of Parcel Maps at Page 97, Tulare County Records, described as follows:

The North 2.00 feet of said Parcel 2 (25 PM 97).

Containing 160 sq. ft. more or less.



Brian R. Howard LS 7250 11/19/12
Brian R. Howard LS 7250 Date

AVENUE 280 (Visalia Rd)

EXHIBIT "B"

80.07

2.00'

THE NORTH 2 FEET

CONTAINING 160 SQ.FT.
MORE OR LESS

PARCEL 2
PARCEL MAP NO. 2496
25 PM 97
APN: 135-030-019



B R H O 11/19/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 20'

VISALIA ROAD

1499LG015

ACQUISITION PARCEL



1499

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated June 6, 2013 from Linda Lewis, an unmarried woman to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on July 9, 2013, and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: 

CITY CLERK RANDY GROOM

ATTEST:



DEPUTY CITY CLERK SANDRA GUILLEN

GRANTOR(S)

Anthony Silveira Souza and Marilyn Marie Souza, husband and wife, as Joint Tenants

Anthony Silveira Souza
Anthony Silveira Souza

Marilyn Marie Souza
Marilyn Marie Souza

APPROVED AS TO CONTENT:

By: _____

APPROVED AS TO FORM:

By: _____
City _____

M/S

ACKNOWLEDGMENT

Dated _____
STATE OF CALIFORNIA
COUNTY OF _____ }

On _____ before me, _____

personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their signature(s) on the instrument the person(s) or their entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

CALIFORNIA NOTARY ACKNOWLEDGEMENT ATTACHED:

June 19, 2013

Jo Ann Peterson, Notary Public

Signature _____ (This area for official notaries seal)

EXHIBIT "A"
Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 3 as shown on Parcel Map No. 2496, filed April 29, 1980 in Book 25 of Parcel Maps at Page 97, Tulare County Records, described as follows:

The North 2.00 feet of said Parcel 3 (25 PM 97).

Containing 160 sq. ft. more or less.



Brian R. Howard LS 7250 11/19/12
Brian R. Howard LS 7250 Date

AVENUE 280 (Visalia Rd)

EXHIBIT "B"

80.08

2.00'

NORTH 2 FEET

CONTAINING 160 SQ.FT.
MORE OR LESS

PARCEL 3
PARCEL MAP NO. 2496
25 PM 97

APN: 135-030-020



B. R. Howard 11/19/12
Brian R. Howard L.S. 7250 Date

SCALE: 1" = 60'

VISALIA ROAD

1499L6016

ACQUISITION PARCEL



1499

CALIFORNIA
ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of Tulare

On June 19 2013, before me, Jo Ann Peterson, Notary Public,

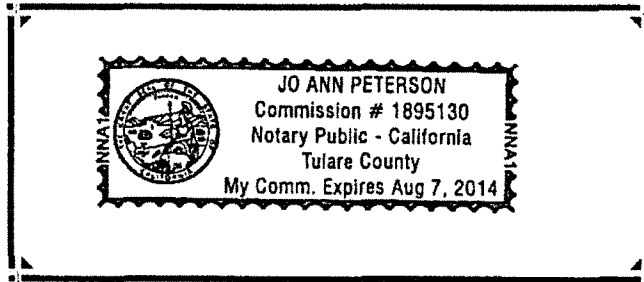
personally appeared Anthony Sileiva Souza and
Marilyn Marie Souza

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Jo Ann Peterson (Seal)



Optional

Title or Type of Document: Grant Deed

Date of Document: June 19, 2013

Number of Pages: (4)

Other Information: APN: 135-030-020 Tulare County, Exeter, CA

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated June 19, 2013 from Anthony Silveira Souza and Marilyn Souza, husband and wife, as Joint Tenants and to the City of Exeter, Municipal Corporation of the State of California, was duly accepted by the City Council of the City of Exeter on July 9, 2013, and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed.**

CITY OF EXETER

By: _____


CITY CLERK RANDY GROOM

ATTEST:


DEPUTY CITY CLERK SANDRA GUILLEN

**RECORDING REQUESTED BY
CHICAGO TITLE COMPANY**



2016-0053353

5
8

16

RECORDING requested by and)
when recorded, please return to:)
MAIL TAX STATEMENTS TO:)
WHEN RECORDED MAIL TO:)
City Clerk - City of Exeter)
P.O. Box 237)
City of Exeter, CA 93221)

FREE

Recorded | REC FEE 0.00
Official Records
County of
Tulare
ROLAND P. HILL
Clerk Recorder
LC
08:00AM 08-Sep-2016 | Page 1 of 5

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 133-290-003

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

McDonald's Corporation, a Delaware Corporation, successor in interest to McDonald's Corporation, DBA Delaware McDonald's Corporation, a Delaware Corporation ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the following described real property in the County of Tulare, State of California:

See Exhibit "A" attached hereto

**CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA
CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION**

THIS IS TO CERTIFY that the interest in real property conveyed by the **Grant Deed** dated July 13, 2016 from **McDonald's Corporation , a Delaware Corporation,** **successor in interest to McDonald's Corporation , DBA Delaware McDonald's Corporation, a Delaware Corporation,** to the City of Exeter, a Municipality of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council, on August 9, 2016 and by the same order of the City Council of the City of Exeter, the City Administrator was instructed to execute this certificate of acceptance to be recorded with the **Grant of Deed**.

CITY OF EXETER

By: 

CITY CLERK RANDY GROOM

ATTEST:



DEPUTY CITY CLERK SANDRA GUILLEN

EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 1 described in the Administrative Resolution for Lot Line Adjustment 92-05 to DBO Development Company No. 2 recorded December 30, 1992 as document No. 92-094681, Tulare County Records, described as follows:

COMMENCING at the Southwest corner of said Parcel 1 (92-094681) being on the North right of way of Visalia Road (Avenue 280); thence from said POINT OF COMMENCEMENT along the South line of said Parcel 1 (92-094681), South 89° 07' 05" East, 60.08 feet to the TRUE POINT OF BEGINNING; thence from said TRUE POINT OF BEGINNING leaving said South line North 0° 52' 55" East, 2.00 feet; thence South 89° 07' 05" East, 42.92 feet to the West line of the "2' Additional Dedication" per Parcel Map No. 2864, filed February 19, 1982 in Book 29 of Parcel Maps at Page 65, Tulare County Records; thence along said West line South 0° 52' 55" West, 2.00 feet to the South line of said Parcel 1 (92-094681); thence along said South line North 89° 07' 05" West, 42.92 feet to the TRUE POINT OF BEGINNING.

Containing 86 sq. ft. more or less.

Brian R. Howard 11/04/15
Brian R. Howard LS 7250 Date



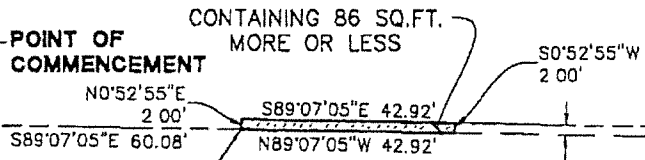
EXHIBIT A PAGE 2 OF 2

PARCEL 1, PM 29-65

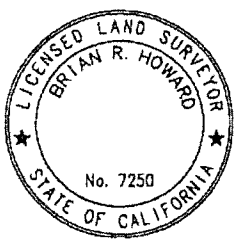
PARCEL 4, LLA 92-05 (92-094681)
APN: 133-290-006

PARCEL 1
LLA 92-05
(92-094681)
APN: 133-290-003

PARCEL 2, PM 29-65
PARCEL 2, LLA 92-05 (92-094681)
APN: 133-290-004



VISALIA RD (Avenue 280)



B R H
 Brian R. Howard L.S. 7250 Date 11/04/15

SCALE: 1" = 30'

VISALIA ROAD

1499LG030

ACQUISITION PARCEL

RECORDING REQUESTED BY
CHICAGO TITLE CO

25 RECORDING requested by and
when recorded, please return to:

City Clerk – City of Exeter
P.O. Box 237
City of Exeter, CA 93221



2017-0019500

5
mb

Free

Recorded
Official Records
County of
Tulare
ROLAND P. HILL
Clerk Recorder

REC FEE

0.00

10:58AM 07-Apr-2017 | JD
Page 1 of 5

No Fee per Govt. Code 6103

No Documentary Transfer Tax
per REV & Tax CODE 11922

Space above this line for Recorder's use

APN: 133-290-005, 133-290-006 & 133-290-007

GRANT DEED

Resolution No. 2016-13

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Tulare County Investments, LLC, a California Limited Liability Company ("Grantor")

hereby GRANT(S) to the City of Exeter, a municipality of the State of California, the
following described real property in the County of Tulare, State of California:

See Attached Exhibit "A" attached hereto.

GRANTOR

Tulare County Investments, LLC,
a California Limited Liability Company


Name: David Maddux

Title: Managing Member

Acknowledgment

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

State of California
County of Ventura

On Oct 17, 2016 before me, LISA MARIE VINITSKY, Notary

Public, personally appeared DAVID B. MADDOX, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Lisa Marie Vinitzky



CITY OF EXETER, A MUNICIPALITY OF THE STATE OF CALIFORNIA

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDATION

This is to certify that the interest in real property conveyed by this Grant Deed dated 10-17-2016 from **Tulare County Investments, LLC, a California Limited Liability Company** to the **City of Exeter, a municipality of the State of California**, is hereby accepted by the undersigned officer or agent on behalf of the City Council of said grantee pursuant to authority conferred by resolution (2016-13) of said City Council on the 10th day of January, 2017 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: January 10, 2017

City of Exeter, a municipality of the State of California

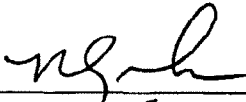
By: 
Name: RANDY GROOM
Title: CITY ADMINISTRATOR

EXHIBIT A PAGE 1 OF 2

Acquisition Parcel

All that certain real property situate in the City of Exeter, County of Tulare, State of California being a portion of Parcel 4 as shown on Parcel Map No. 2864, filed February 19, 1982 in Book 29 of Parcel Maps at Page 65, Tulare County Records, described as follows:

BEGINNING at the Southwest corner of said Parcel 4 (29 PM 65) being on the North right of way of Visalia Road (Avenue 280) as said right of way is shown on said Parcel Map No. 2864 (29 PM 65); thence from said **POINT OF BEGINNING** along the West line of said Parcel 4 (29 PM 65) North $0^{\circ} 52' 55''$ East, 2.06 feet to a non-tangent curve; thence leaving said West line from a tangent that bears North $78^{\circ} 34' 22''$ East, along a curve to the left, having a radius of 89.62 feet, through a central angle of $6^{\circ} 36' 56''$, an arc length of 10.35 feet; thence North $71^{\circ} 57' 26''$ East, 12.00 feet; thence along a tangent curve to the right having a radius of 60.38 feet, through a central angle of $18^{\circ} 55' 29''$, an arc length of 19.94 feet to a line parallel with and 12.00 feet North of the South line of said Parcel 4 (29 PM 65); thence along said parallel line South $89^{\circ} 07' 05''$ East, 50.00 feet; thence leaving said parallel line along a tangent curve to the right having a radius of 85.38 feet, through a central angle of $18^{\circ} 55' 29''$, an arc length of 28.20 feet; thence South $70^{\circ} 11' 36''$ East, 12.00 feet; thence along a tangent curve to the left having a radius of 64.62 feet, through a central angle of $18^{\circ} 55' 29''$, an arc length of 21.35 feet to a point of cusp on the South line of said Parcel 4 (29 PM 65); thence along said South line North $89^{\circ} 07' 05''$ West, 150.89 feet to the **POINT OF BEGINNING**.

Containing 1,300 sq. ft. more or less.



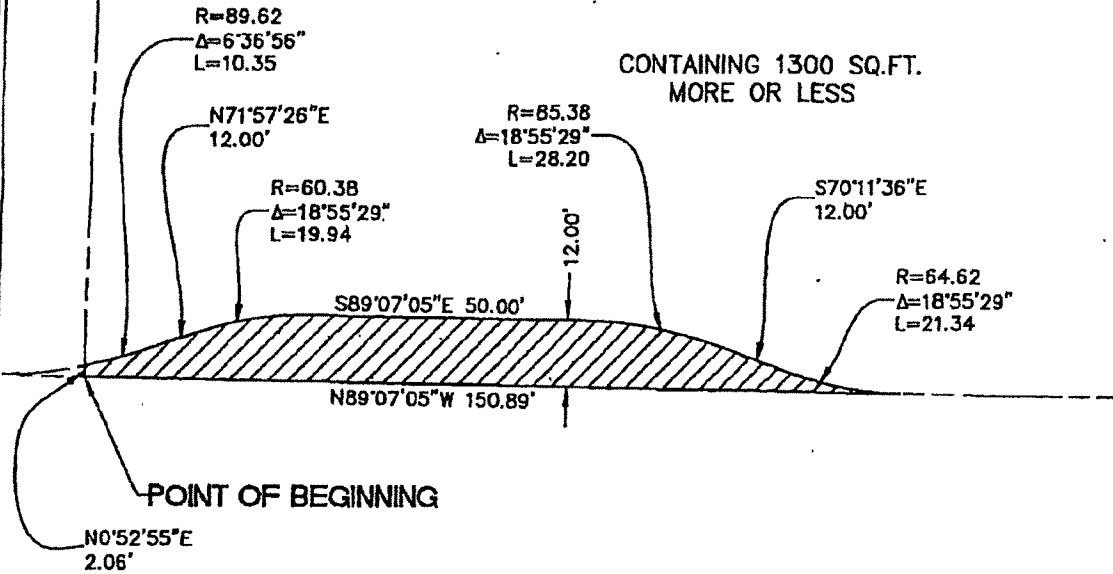
Brian R. Howard LS 7250 11/19/12
Brian R. Howard LS 7250 Date

EXHIBIT A PAGE 2 OF 2

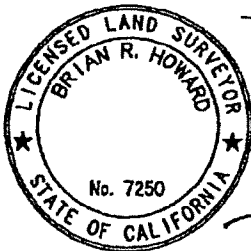
APN: 133-060-045

PARCEL 4
PARCEL MAP NO. 2864
29 PM 65

CONTAINING 1300 SQ.FT.
MORE OR LESS



VISALIA RD (Avenue 280)



Brian R. Howard
Brian R. Howard L.S. 7250 Date 11/19/12

SCALE: 1" = 40'

VISALIA ROAD

1499LG020

ACQUISITION PARCEL



**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: F6

Wording for Agenda: Authorize purchasing authority up to 10% (\$422,397) of the construction contract and utility relocation for contingency to the Public Works Director, contingent upon City Administrator approval, for potential change orders on the Visalia Road Improvement Project.

Submitting Department: Public Works
Contact Name: Daymon Qualls
Phone Number: 559.592.3318
Email: dqualls@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

DS

Department Recommendation:

Staff recommends that Council approve this item as presented.

Summary/Background:

At its regularly scheduled meeting on September 8, 2020 the Council awarded the construction contract to Yarbs Grading & Paving, of Fresno, CA in the amount of \$4,109,961, appropriated an additional \$116,700 from the Measure R Fund (131), appropriated \$170,000 from the Sewer Fund (107) and authorized execution of an updated Measure R Supplemental Agreement with Tulare County Transportation Authority for approximately \$6.5 million of Measure R Regional Funds for construction of the Visalia Road Improvements Project, Phase 1 which includes a 10% construction and utility relocation contingency. However, no authority was requested from Council to utilize the contingency amount to address potential construction change orders as the project progresses.

Understanding there are daily costs associated with having the contractor on-site, it becomes imperative to keep construction of the project moving forward, without unnecessary delays. To accomplish this staff must have the ability to make quick and decisive decisions in the field, based on given circumstances. With the uncertainties of upcoming Council meeting schedules, and the duration between meetings, taking individual items to Council for approval can result in construction delays and additional contractor costs. For these reasons, staff is requesting a reasonable amount of purchasing authority for change orders so delays can be avoided.

Staff will closely scrutinize proposed change orders to evaluate the necessity and cost effectiveness of each one to ensure that the final project cost is minimized, and the project is properly constructed. Staff will return to Council to report on approved change orders, and for additional appropriation authorization (if needed) when actual costs for approved change orders are known.

Fiscal Impact: This road project is largely funded by Measure R Regional Funds with some contribution from the City's Sewer Fund. Concurrent with the construction contract execution, staff has obtained written authorization from TCTA to proceed and will work with TCTA to execute a Measure R Supplemental Agreement to secure this funding for the project. Measure R will fund approximately \$6.5 million of all phases of the project, with the City contributing \$170,000 for 50% of the lift station relocation costs from the City's Sewer Fund. The additional

appropriation of \$116,700 will bring the total Measure R Fund (131) appropriation to \$5,156,000 in 2020/2021 for the construction phase and \$170,000 total appropriation in the Sewer Fund (107).

Prior Council/Board Actions: May 8, 2020 - Council awarded the construction contract to Yarbs Grading & Paving, appropriated an additional \$116,700 from the Measure R Fund (131), appropriated \$170,000 from the Sewer Fund (107) and authorized execution of an updated Measure R Supplemental Agreement with Tulare County Transportation Authority for approximately \$6.5 million of Measure R Regional Funds for construction of the Visalia Road Improvements Project, Phase 1 which includes a 10% construction and utility relocation contingency.

May 8, 2020 – Council awarded and authorized the City Administrator to negotiate and execute a contract with 4 Creeks of Visalia, CA in the amount of \$589,479 for Construction Management/Resident Engineer services for the Visalia Road Improvement Project.

There have been numerous prior Council actions pertaining to funding, preliminary engineering, right of way, and Plans, Specifications, and Estimates (PS&E) for this project.

Attachments: None

Environmental Clearance: The original Environmental Impact Report was certified by the County who was the lead agency for the regional Ave 280 Widening Project.

Recommended motion to be made by Council/Board: I move to authorize purchasing authority up to 10% of the construction contract and utility relocation (\$422,397) for contingency to the Public Works Director, contingent upon City Administrator approval, for potential change orders on the Visalia Road Improvement Project.

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: F7

Wording for Agenda: Affirm \$13,348.08 in emergency repairs performed on the Wastewater Treatment Plant screw pumps by Warren & Baerg Manufacturing, Inc. of Dinuba, CA, and approve an appropriation of that amount into project account 107.441.080.017

Submitting Department: Public Works
Contact Name: Daymon Qualls
Phone Number: 559.592.3318
Email: dqualls@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**



Department Recommendation:

Staff recommends that Council affirm \$13,348.08 in emergency repairs performed on the Wastewater Treatment Plant screw pumps by Warren & Baerg Manufacturing, Inc. of Dinuba, CA, and approve an appropriation of that amount into project account 107.441.080.017.

Summary/Background:

The Wastewater Treatment Plant is equipped with two (2) large circular screw pumps that operate twenty-four (24) hours per day and seven (7) days per week. These pumps pull incoming sewage from the headworks into the clarifiers.

At the City Council meeting of February 13, 2018, the Council approved an appropriation of \$71,087.00 and authorized Warren & Baerg Manufacturing, Inc., a Dinuba company who specializes in this type of work, to perform necessary repairs on both screw pumps. As part of the repair work, both screws were re-coated to preserve their life span and improve pumping efficiency, and both sets of pump bearings were replaced. Some minor repair work was also done on the gear boxes.

Recently, one of the gear boxes suddenly began making a loud noise. Warren & Baerg Manufacturing, Inc, was contacted and asked to evaluate the noise. Warren & Baerg Manufacturing, Inc's evaluation concluded that the gear box on the east screw pump needed an immediate rebuild. They also discovered that the gear box anchor plate was broken and needed to be replaced.

Because of the critical nature of these components, and the need to keep both screw pumps operating efficiently, the City Administrator approved the repairs under his emergency purchasing authority. While on-site, Warren & Baerg Manufacturing, Inc also serviced the west gear box on the west screw, installed new V-Belts, and conducted an overall inspection of both screw pumps.

Because this was not an anticipated expenditure, an appropriation for the emergency repairs is necessary.

Fiscal Impact: This project will be paid from projected available fund balance in the Sewer Fund (107).

Prior Council/Board Actions: February 13, 2018, the Council approved an appropriation of \$71,087.00 and authorized Warren & Baerg Manufacturing, Inc., to perform necessary repairs on both screw pumps.

Attachments: Invoices provided by Warren & Baerg Manufacturing, Inc

Recommended motion to be made by Council/Board: I move to affirm \$13,348.08 in emergency repairs performed on the Wastewater Treatment Plant screw pumps by Warren & Baerg Manufacturing, Inc. of Dinuba, CA, and approve an appropriation of that amount into project account 107.441.080.017

Invoice

WARREN & BAERG MANUFACTURING, INC.
 39950 ROAD 108
 DINUBA, CA 93618
 5595916790

Invoice Number: 0054065-IN
 Invoice Date: 10/5/2020

Order Number: 0054065
 Order Date: 9/22/2020
 Salesperson: 0001

Customer Number: 01-EXETERC

Sold To:

EXETER, CITY OF
 PO BOX 237
 EXETER, CA 93221

Ship To:

EXETER, CITY OF
 PUBLIC WORKS DEPARTMENT
 1907 WEST MYER AVE.
 EXETER, CA 93221

Confirm To:

DAYMON QUALLS

Customer P.O.	Ship VIA	F.O.B.	Terms			
REPAIR TECH SERVICE	SERVICE CALL		NET 30 DAYS			
Item Code	Unit	Ordered	Shipped	Back Ordered	Price	Amount
TIME & MATERIAL SERVICE						
/JOB REPAIR	EACH	1.00	1.00	0.00	1,764.0000	1,764.00
JOBSITE REPAIRS - LABOR						
15.75 HRS,						
- LABOR INCLUDES:						
- 1 SERVICE TECH, 3 TECH TRIPS, 15.75 HRS						
- INSPECT EAST SCREW PUMP GEAR BOX FOR VIBRATION						
- BUILD & INSTALL NEW MOUNT PLATE/ANCHOR						
- INSTALL NEW MATCHED BELTS						
- AFTER INSPECTION AND TECH SERVICES IT IS DETERMINED THAT GEARBOX WILL NEED TO BE REMOVED AND REBUI						
/JOB REPAIR	EACH	1.00	1.00	0.00	154.7400	154.74
JOBSITE REPAIRS - PARTS						
PARTS INCLUDE:						
- NEW MOUNT PLATE						
- ANCHOR BOLT 3/4"						
- 3 MATCHED DRIVE BELTS						

Net Invoice:	1,918.74
Less Discount:	0.00
Freight:	0.00
Sales Tax:	11.99
Invoice Total:	1,930.73

Invoice

WARREN & BAERG MANUFACTURING, INC.
 39950 ROAD 108
 DINUBA, CA 93618
 5595916790

Order Number: 0054089-INV
 Order Date: 9/30/2020

Ship Date: 10/9/2020

Salesperson: 0001
 Customer Number: 01-EXETERC

Sold To:
 EXETER, CITY OF
 PO BOX 237
 EXETER, CA 93221
Confirm To:
 DAYMON QUALLS

Ship To:
 EXETER, CITY OF
 1907 WEST MYER AVE
 EXETER, CA 93221

Customer P.O.	Ship VIA	F.O.B.	Terms
EAST SCREW PUMP GEARBOX REPAIR			NET 30 DAYS

Item Code	Unit	Ordered	Shipped	Back Order	Price	Amount
/JOB REPAIR	EACH	1.00	0.00	0.00	10,654.0000	10,654.00
GEARBOX REPAIR, SCREW PUMP, EAST, INCLUDES:						
-PARTS - REBUILD KIT, SEALS, BEARINGS, BEARING CUPS, GEAR SHAFT BEARING						
-LABOR TO REMOVE GEAR REDUCER						
INCLUDES TRAVEL						
-LABOR TO REBUILD REDUCER						
-LABOR TO INSTALL						
-CRANE SERVICE - REMOVE REDUCER						
-CRANE SERVICE - INSTALL						
-BACK STOP ASSEMBLY						
ONE WAY BEARING						

Net Order:	10,654.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	502.98
Order Total:	11,156.98

INVOICE

WARREN & BAERG MANUFACTURING, INC.
39950 ROAD 108
DINUBA, CA 93618
5595916790

Order Number: 0054112-INV
Order Date: 10/9/2020

Ship Date: 10/12/2020

Salesperson: 0001
Customer Number: 01-EXETERC

Sold To:
EXETER, CITY OF
PO BOX 237
EXETER, CA 93221

Ship To:
EXETER, CITY OF
PUBLIC WORKS DEPARTMENT
1907 WEST MYER AVE.
EXETER, CA 93221

Confirm To:
DAYMON QUALLS

Customer P.O.	Ship VIA	F.O.B.	Terms
WEST SCREW PUMP GEARBOX			NET 30 DAYS

Item Code	Unit	Ordered	Shipped	Back Order	Price	Amount
/JOB REPAIR	EACH	1.00	0.00	0.00	743.0000	743.00
GEARBOX REPAIR, SCREW PUMP, WEST INCLUDES:						
-OIL CHANGE IN WEST SCREW PUMP GEAR REDUCER						
-INSTALL GEARBOX REPAIR - PARTS						
PARTS INCLUDE:						
MATCHED BELT SET (3)						
GEAR OIL						
-TRAVEL TO AND FROM JOB SITE						

Net Order: 743.00
Less Discount: 0.00
Freight: 0.00
Sales Tax: 20.35
Order Total: 763.35

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: F8

Wording for Agenda: Adopt Resolution 2020-47 authorizing the City Administrator to enter into agreements with the State of California Department of Tax and Fee Administration for collection and administration of revenues collected from Measure P, a 1 percent/cent sales tax approved by voters on November 3, 2020, for a preparatory cost not to exceed \$175,000; and adopt Resolution 2020-48 authorizing the Examination of Transactions and Use Tax Records by the City Administrator, Finance Director or staff designated by the City Administrator.

Submitting Department: Finance
Contact Name: Chris Tavarez, Finance Director
Phone Number: 559-592-2755
Email: ctavarez@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**



Department Recommendation:

Staff recommends that City Council adopt Resolutions 2020-47 and 2020-48 as presented.

Summary:

The California Department of Tax and Fee Administration (CDTFA) is responsible to collect and administer transactions (sales) and use tax within the state. The City needs to execute agreements with the CDTFA in order to have the revenues from Measure P collected and provided to the City for use as approved by the majority of voters. CDTFA has requested the required resolutions, agreements and forms necessary to setup collection of Measure P by January 4, 2020 or as soon as possible. The agreements that the City is entering into with CDTFA have been reviewed by the City Attorney and are standard agreements that are used with other cities throughout the State in accordance with the Revenue and Taxation Code.

Background:

Maintaining the current level of services has become increasingly difficult due to rising costs, and actions by the State, including takeaways and mandates, and shifting responsibility for programs from the state to our city without the funding to pay for them. In addition, engineering experts have found Exeter's streets and roads to be below average, or very poor. On top of all the financial strain our Police Department has worked hard to reduce crime, with 500 fewer incidents in the last year alone.

On July 28, 2020, City Council unanimously approved Resolution 2020-35 to authorize introduction of Ordinance 694-2020, the Exeter Transaction and Use Tax Ordinance of 2020. After submission to the Tulare County Registrar of Voters, Measure P was introduced and put on the ballot for voter consideration to help properly fix City roads and continue to fund the public safety services residents and businesses rely on.

On November 3, 2020, the voters in the City of Exeter passed with approximately 70% approval, Measure P, also known as the Exeter Local Control/Essential Services Measure, enacting a 1

percent/cent sales tax, providing a source of local funds to address core public works and public safety needs and maintain streets, quality parks and recreational programs with money that stays fully controlled by the City.

Measure P will have a citizen oversight committee and adhere to fiscal accountability provisions such as public disclosure of all spending and annual independent financial audits. By law, no Measure P funds can be taken by the Federal, State, or County governments – they must remain in Exeter for local needs.

Fiscal Impact: This action will enable staff to execute the necessary documents required by the CDTFA in order to collect and administer Measure P revenues estimated to be approximately \$800,000 or more annually.

There are one-time costs estimated up to \$175,000 that will need to be reimbursed from funds collected to the CDTFA to prepare for developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for staff and taxpayers, and other appropriate and necessary costs to administer the transactions and use tax ordinance (694-2020). This revenue will begin to be collected on April 1, 2021 by the CDTFA.

Prior Council/Board Actions:

July 28, 2020 – Resolution 2020-35, Ordering submittal of Ordinance 694-2020 to the voters on November 3, 2020

Attachments:

Resolution 2020-47: Authoring Execution of Agreements with CDTFA

Attachment A – Preparatory Agreement

Attachment B – Administration Agreement

Resolution 2020-48: Authorizing the Examination of Transactions and Use Tax Records

Recommended motion to be made by Council/Board: I move to adopt Resolutions 2020-47 and 2020-48 as presented.

RESOLUTION 2020-47

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF EXETER AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE
AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX.**

WHEREAS, on July 28, 2020, the City Council approved Ordinance No. 694-2020 amending the City Municipal Code and providing for a local transactions and use tax; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Department requires that the City enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said taxes, and

WHEREAS, the Department requires that the City Council authorize the agreements;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Exeter that the "Preparatory Agreement" attached as Exhibit A and the "Administrative Agreement" attached as Exhibit B are hereby approved and the City Administrator is hereby authorized to execute each agreement.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Exeter held on December 8, 2020, by the following vote:

AYES:
NOS:
ABSTAIN:
ABSENT:

MAYOR

ATTEST:

CITY CLERK Shonna Oneal

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
CITY'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Exeter, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Exeter
Attn: Finance Director
P.O. Box 237
Exeter, CA 93221

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF EXETER _____

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION

By _____
(Signature)

By _____
Administrator
Local Revenue Branch

Adam Ennis
(Typed Name)

City Administrator
(Title)

**AGREEMENT FOR STATE ADMINISTRATION
OF CITY TRANSACTIONS AND USE TAXES**

The City Council of the City of Exeter has adopted, and the voters of the City of Exeter (hereafter called "City" or "District") have approved by the required majority vote, the City of Exeter Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the "Department") and the City do agree as follows:

**ARTICLE I
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7251 et seq., and Section 7285.9, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.
2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No.694-2020, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II
ADMINISTRATION AND COLLECTION
OF CITY TAXES**

A. Administration. The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III
ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion

of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV COMPENSATION

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Exeter
Attn: Finance Director
P.O. Box 237
Exeter, CA 93221

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on _____. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI
ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing

the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF EXETER CALIFORNIA STATE DEPARTMENT OF
TAX AND FEE ADMINISTRATION

By _____
(Signature)

Adam Ennis
(Typed Name)

City Administrator
(Title)

By _____
Administrator
Local Revenue Branch

- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in or derived from those transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Board records shall be used only for purposes related to the collection of District's transactions and use taxes by the Board pursuant to the contracts between the District and Board.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Exeter held on December 8, 2020, by the following vote:

AYES:
NOS:
ABSTAIN:
ABSENT:

MAYOR

ATTEST:

CITY CLERK Shonna Oneal

**City of Exeter
Agenda Item Transmittal**

Date: December 8, 2020

Agenda Item Number:

G1

Wording for Agenda: PUBLIC HEARING to consider an amendment to the Exeter General Plan, Land Use Element, and Exeter Zoning Ordinance on 0.72 acres of land (containing four parcels) located on the east side of South F Street north of Chestnut Street in Exeter (APNs 135-122-07, 08, 09 and 15); Adopt Resolution 2020-49 upholding the Planning Commission's recommendation on the approval of General Plan Amendment 2020-02, Service Commercial to Professional Office; and introduce and give first reading of Ordinance 695 amending Ordinance 246 of the Exeter Zoning Ordinance to reclassify the real property from, CS (Service Commercial) to PO (Professional Office).

Submitting Department: Planning Department
Contact Name: Greg Collins, City Planner
Phone Number: (559) 734-8737
Email: greg@weplancities.com

For action by:

City Council
 Planning
Commission

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Review:

**City Administrator
(Initials Required)**



Staff Recommendation:

Staff recommends that the Council adopt Resolution 2020-49 upholding the Planning Commission's recommendation on the approval of General Plan Amendment 2020-02, Service Commercial to Professional Office, and introduce and give first reading of Ordinance 695 amending Ordinance 246 of the Exeter Zoning Ordinance to reclassify the real property from, CS (Service Commercial) to PO (Professional Office), on 0.72 acres of land located on the east side of South F Street north of Chestnut Street in Exeter (see Exhibits A and B).

Summary:

The applicant, Hal Sousa, for the 251 South F Street property wishes to remodel the structure and use it for a residential use. When staff informed him that the property was zoned for service commercial uses and the remodel could not be allowed under that zoning, he requested this proposed general plan and zoning ordinance amendment. The applicant wanted to re-designate the 7,000 square foot parcel of land located at 251 South F Street from the "service commercial" to the "professional office" designation and rezone it from the CS to PO district. This lot and building is located between existing residential buildings that have been used for both office and residential uses in the past. Staff has informed the applicant that "spot" zoning a small portion of a block is generally discouraged in cities and that a wiser and more defensible position would be to re-designate and rezone the south half of the block in question. This would leave the north half still zoned CS and the south half PO. The southern half of the block is occupied by four residential-like structures while the north half by large metal buildings that are used for storage.

A successful re-designation and rezoning by the applicant would allow the applicant to remodel the residential unit into a residence and potentially an office at some future date. This option would of course also be available to the two residential structures to the north and the one on the corner to the south.

The benefit to all the subject parcels is the owners may have the latitude of using the existing residential type structures for one of three types of uses – single-family residential, multi-family residential or office.

Staff has determined that the project will not have a significant impact on the environment and has filed a categorical exemption (CE).

Planning Commission Public Hearing

The Planning Commission held a public hearing on November 19, 2020 on the Amendments detailed above. There was no public comment in favor of or in opposition to the proposed Amendments. The Commission voted 4-0 to approve both amendments. The Commission surfaced a number of questions regarding the proposed Amendments. They were:

What can these four parcels be used for? **single family dwellings, multi-family dwellings, offices or accessory dwelling units.**

What is the process for converting one land use to another? **Site plan review.**

Were the neighbors notified? **Persons within 300 feet of the subject properties were notified of the proposed amendments.**

Background Information:

Exeter General Plan

The subject site, which currently contains single-family dwellings and an office, is designated for service commercial uses. This designation was applied to the property years ago when adjacent properties were used for storage, a veterinary clinic and an agricultural laboratory. At that time, service commercial was the appropriate designation for these types of land uses. Over the last couple of years, the veterinary clinic has moved down the street, the agricultural lab is no longer in business and the residential dwellings have never converted to a service commercial use and have actually fallen into disrepair.

Given the above described changes, and the interest in using these residential structures for residential or office uses, it seems reasonable that re-designation of the southern half of the subject block from service commercial to office will stimulate redevelopment activity in the area as well as support the Downtown by adding either residents or offices to the mix of nearby land uses.

Residential in-fill development near the downtown will also assist in enhancing the viability of Exeter's downtown. Folks living in the remodeled residential units could easily walk to the downtown for services (banking), shopping and eating/drinking.

Exeter Zoning Ordinance

If the City Council upholds the Planning Commission's recommendation for the proposed general plan amendment, service commercial to office, the Council is required to reclassify the subject sites' zoning to be consistent with this amendment. In this case, the appropriate zone district is PO (Professional Office). The Zoning Ordinance not only establishes the uses that are permitted in the PO zone but also development standards including setbacks, parking, height, signage and coverage. These standards serve to ensure that office and residential development being constructed in Exeter is visually pleasing and does not have an adverse impact on nearby neighborhoods. Impacts could involve noise, traffic, lighting, over views into backyards, etc.

CONCLUSION

The Planning Commission and staff are recommending that the Council adopt Resolution 2020-49 approving General Plan Amendment 2020-02, Service Commercial to Professional Office, and introduce Zoning Ordinance Amendment 2020-02, CS to the PO District.

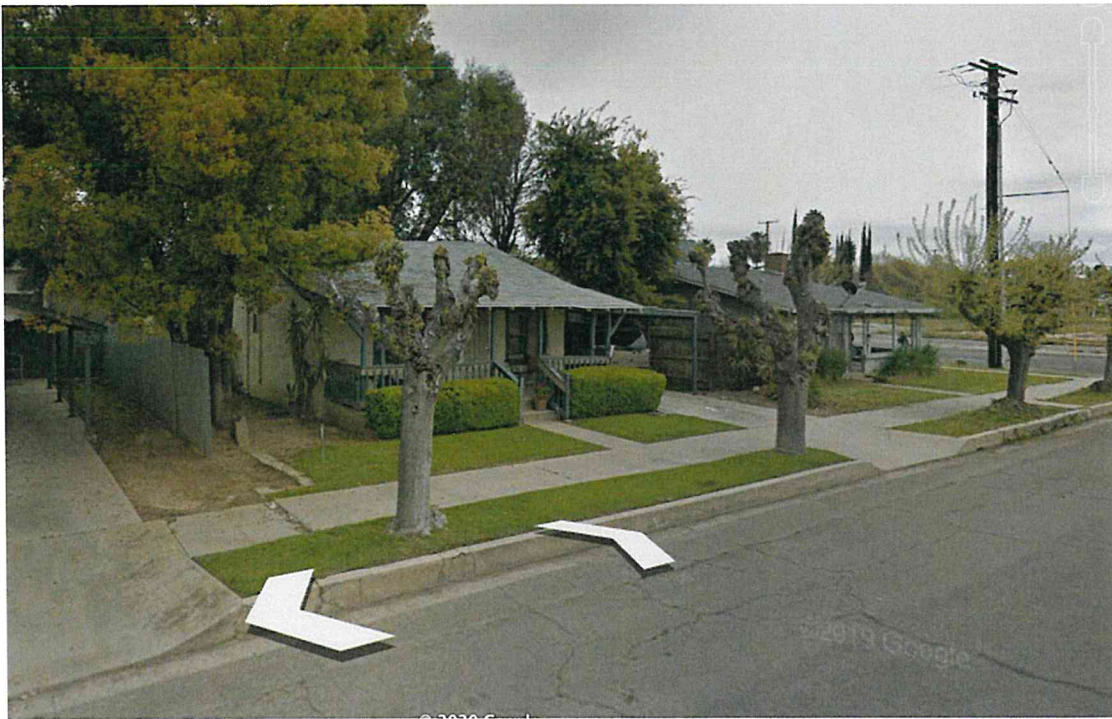
FACTS

Applicant: Hal Sousa, 400 E. Main Street, Visalia, Ca. 93291

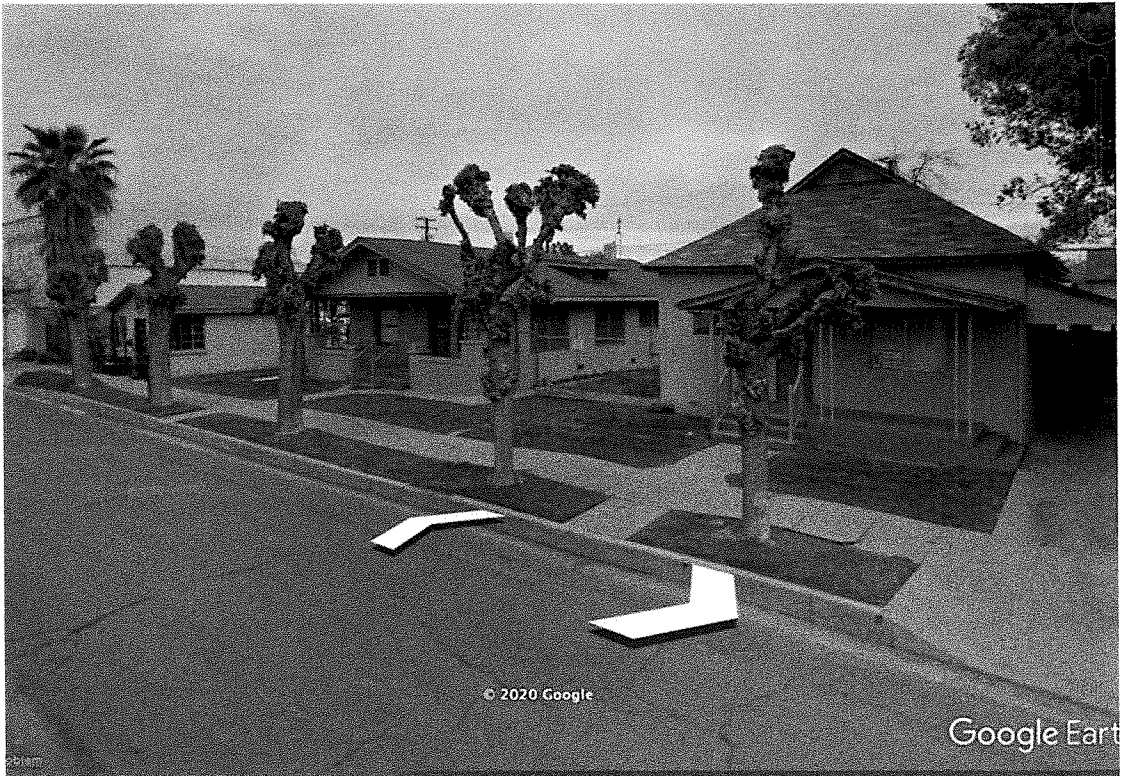
Location: The subject property occupies 0.72 acres of land (containing four parcels) located on the east side of South F Street north of Chestnut Street in Exeter. The APNs are 135-122-07, 08, 09 and 15.



The subject property encompasses four parcels on the northeast corner of South F Street and East Chestnut Street. All four structures are residential-like buildings but some have been used as offices or Vet. Clinics in the past.



Looking east and south from F Street onto the subject sites.



Looking north and east from F Street onto the subject sites.

Request: An amendment to the Exeter General Plan, Land Use Element, and Exeter Zoning Ordinance on 0.72 acres of land located on the east side of F Street north of Chestnut Avenues in Exeter. The APNs are 135-122—07, 08, 09 and 15.

Zoning: The subject sites are proposed to be zoned PO (professional office), which permit single-family, multi-family and office uses. Development standards for this district are as follows:

- Front Yard: 15 feet
- Side Yard: 5 feet
- Rear Yard: 10 feet
- Parking: one stall per 250 square feet of office area. In the case of multi-family residential uses, 1.5 stalls per unit half of which shall be covered.
- Coverage: 60 percent of the lot area
- Lot Width: 50 feet
- Lot Depth: 100 feet

The current zone district, Service Commercial, permits a myriad of heavy commercial uses including the following:

- A. Auto repair garages and associated operations
- B. Glass shops
- C. Gun shops
- D. Heating, air conditioning and sheet metal shops
- E. Household and office equipment and machinery repair

- F. Laundries and linen supply services
- H. Lumber yards
- I. Machinery sales and rentals
- J. Motorcycle sales and repair
- K. Nurseries and garden supply stores
- L. Plumbing and sheet metal shops
- M. Printing, lithographic and engraving
- N. Public utility yards
- O. Refrigeration equipment sales and service
- P. Rug and carpet cleaning
- Q. Safe and vault manufacturing and repair
- R. Sign painting shops
- S. Stone and monument yards
- T. Storage garages and yards, warehouses and mini-storage facilities
- U. Tire sales and service, upholstery shop, radiator shops, body and fender shops
- V. Welding and blacksmith shops
- W. Wholesale establishments
- X. Offices and retail stores incidental to and on the same site with a service commercial establishment.

Use: The subject property currently contains four residential/office structures. Surrounding land uses are as follows:

North:	service commercial/warehouse uses
South:	future apartment complex
East:	single-family dwellings
West:	tire shop/carwash

Site: The site measures 200 feet by 150 feet.

Gen. Plan: The subject site is designated service commercial by the Land Use Element. The Circulation Element designates F Street as a collector roadway.

Infrast: Sewer and water lines are located in the alley and surrounding streets.

CEQA: A Categorical Exemption has been prepared on the project.

Prior Council/Board Actions: N/A

Attachments: Resolution 2020-49
Ordinance 695

Recommended motion to be made by Council/Board: I move to 1.) Adopt Resolution 2020-49 as presented and 2.) Give first reading of Ordinance 695 amending Ordinance 246 of the Exeter Zoning Ordinance, read by title only, and waiving further reading in full.

RESOLUTION 2020-49

A RESOLUTION OF THE CITY COUNCIL UPHOLDING THE PLANNING COMMISSION'S RECOMMENDATION TO APPROVE GENERAL PLAN AMENDMENT 2020-02, SERVICE COMMERCIAL TO PROFESSIONAL OFFICE

WHEREAS, Hal Sousa, 400 E. Main Street, Visalia, Ca. 93291, has applied for a general plan amendment to redesignate .72 acres of land, located on the northeast corner of F and Chestnut Streets in Exeter, from the "service commercial" to the "professional office" designation, and a zoning ordinance amendment from the CS (service commercial) to the PO (professional office) district, and

WHEREAS, the subject property encompasses .72 acres of land (containing four parcels) located on the east side of South F Street north of Chestnut Street in Exeter (see Exhibits A and B attached). The APNs are 135-122—07,08,09 and 15, and

WHEREAS, persons within 300 feet of the subject site were notified of the City Council's intention to amend the Exeter General Plan, redesignating the subject property from "service commercial" to "professional office", and

WHEREAS, a public hearing notice was published ten (10) days prior to the City Council's meeting of December 8, 2020, and

WHEREAS, the Planning Department has prepared a staff report on these planning applications along with a categorical exemption (CE) indicating that the project would not have an adverse impact on the environment, and

WHEREAS, the Planning Commission held a public hearing on 'said general plan amendment on November 19, 2020; accepted testimony, reviewed the staff report and CE and forwarded a recommendation of approval to the Exeter City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council, after considering all the evidence presented, determined the following findings were relevant in evaluating these amendment requests.

1. The proposed project will not have a significant impact on the environment and a CE has been prepared consistent with CEQA.
2. The proposed general plan amendment is consistent with the Land Use Element, which promotes residential in-fill while also eliminating types of land uses within or near residential neighborhoods that might pose a conflict to the residents of the neighborhood.
3. The proposed amendment to the Exeter General Plan implements many of the policies contained in Exeter's certified Housing Element, which promotes affordable housing to households that occupy lower-income categories, increases residential densities in the community by reclassifying property to high density residential; and provides housing products that are affordable to persons with handicapped needs or households that only need one or as many as three bedrooms.

4. The proposed project will not have an adverse impact on the public's health, safety and welfare.

BE IT FURTHER RESOLVED that the City Council hereby upholds the Planning Commission's recommendation to approve General Plan Amendment 2020-02 (see Exhibit A), and hereby adopts Resolution 2020-49. The foregoing resolution was adopted upon a motion of Council member _____, second by Council member _____ at a regular meeting of the Exeter City Council on December 8, 2020, by the following roll call vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

MAYOR

ATTEST:

CITY CLERK

Exhibit A



ORDINANCE 695

**AN ORDINANCE OF THE CITY OF EXETER, STATE OF CALIFORNIA, AMENDING
ORDINANCE NO. 246, THE EXETER ZONING ORDINANCE, RELATING TO THE
RECLASSIFICATION OF REAL PROPERTY IN EXETER FROM THE CS (SERVICE
COMMERCIAL) TO THE PO (PROFESSIONAL OFFICE) DISTRICT**

Section 1. Ordinance No. 246 of the City of Exeter is hereby amended by reclassifying real property in Exeter from the CS to the PO district.

The subject property occupies .72 acres of land and is located on the east side of South F street and north of Chestnut Street in Exeter. The subject site is specifically comprised of Assessor's Parcel Numbers (APN) 135-122-07,08,09 and 15.

Section 2. All ordinances and parts thereof of the City of Exeter in conflict herewith are hereby repealed.

Section 3. This ordinance shall take effect thirty (30) days after passage. Prior to the expiration of fifteen (15) days from the passage hereof this Ordinance shall be published once in a local paper of general circulation and delivered within Exeter, together with the names of the members of the City Council voting for and against this matter.

The foregoing ordinance was passed and adopted by the City Council of the City of Exeter on a motion of Council member _____, seconded by Council member _____, at a regular meeting held on the 8th day of December, 2020, by the following vote:

AYES:
NOS:
ABSTAIN:
ABSENT:

MAYOR

ATTEST:

CITY CLERK

City of Exeter Agenda Item Transmittal

Meeting Date: December 8, 2020

Agenda Item Number: G2

Wording for Agenda: Receive the Fiscal Year 2019/2020 Audited Financial Statements for the City of Exeter, review the financial condition of the City and provide feedback.

Submitting Department: Finance
Contact Name: Chris Tavarez, Finance Director
Phone Number: 592-2755
Email: ctavarez@exetercityhall.com

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

Department Recommendation:

Staff recommends that:

- City Council receive the Fiscal Year 2019/2020 Financial Audit,
- Review the financial condition of the City and,
- Provide feedback on the financial policy report card for the City as of June 30, 2020

Summary:

State law requires The City of Exeter to prepare audited financial statements for each fiscal year. The City received an Unqualified Opinion (clean) in relation to the 2019/2020 Financial Statements audit.

Over the last several years, the City has made a concerted effort and implemented policies to improve the financial condition of the City. Starting out the 2019/2020 fiscal year, the City had the following report card for following its' financial policies.

Table 1: 2018/19 Fiscal Year Financial Policy Report Card

Financial Policy	Policy Achieved?	Action
Balanced Budget	Mostly	GF-Yes, EF-No
Budget Reserve 25%	No	Working towards
One-time revenues towards reserves or one-time use	Yes	Pass
Enterprise Rates should cover operations and capital needs	No	Working towards
Investment Policy keep cash liquid and safe	Yes	Pass
Debt sparingly used	Yes	Pass
Annual Audit timely	Yes	Pass

For the 2019/2020 fiscal year City Council had in place a balanced budget and continued actions to improve financial conditions addressed in the adopted policies. Despite the beginning of the COVID19 Pandemic in the last quarter of the fiscal year 2019/2020, the City's financial position stood firm thanks in part to adhering to a balanced budget, strong first three quarters of the fiscal year, one-time revenues and keeping expenditures within budget. By adhering to its' financial policies, over time the City's financial condition should continue to improve for the General Fund as well as all other funds.

Table 2, 2019/2020 Fiscal Year Report Card, provides a look on how well the City has done adhering to its financial policies as of June 30, 2020 summarized as follows:

Table 2: 2019/2020 Fiscal Year Financial Policy Report Card

Financial Policy	Policy Achieved?	Action
Balanced Budget	Yes	Pass
Budget Reserve 25%	Yes	Pass – 30%
One-time revenues towards reserves or one-time use	Yes	Pass
Enterprise Rates should cover operations and capital needs	No	By 2024
Investment Policy keep cash liquid and safe	Yes	Pass
Debt sparingly used	Yes	Pass
Annual Audit timely	Yes	Pass

The Enterprise Funds of Water and Sewer underwent a Proposition 218 process in late 2019, as a result of that process Council approved rate increases to ensure rates cover operations, debt service and capital needs. In addition, the City underwent a refinance of its Water and Sewer United States Department of Agriculture (USDA) debt in fiscal year 2019/2020. This enabled the City to release restriction of approximately \$400,000 cash in each fund to be able to be used for current needs. Although the new debt no longer has a cash restriction requirement, there are other requirements on the City that require it to keep rates at a minimum of at least a 1.15 debt service ratio (net revenues 15% over debt service, before capital projects). Rates for Water and Sewer Enterprise Funds will increase annually over the next four years to fund maintenance and capital improvement projects needed to provide reliable and efficient systems. A final increase in 2024 will result in the funds being able to cover all their necessary expenditures with the anticipation that only minor cost index increases would be needed thereafter.

The financial impact of the COVID19 Pandemic for the 2020/2021 fiscal year is still to be seen. An early review of the two key revenues for the General Fund indicate that preliminary sales tax estimates through 9/30/2020 and property taxes show that the adopted budgeted revenues are on track, with the potential to outperform projections.

Background Discussion:

State law requires the City to prepare audited financial statements for each fiscal year. The attached 2019/2020 audited financial statements meets this requirement. The City’s independent auditors, Rogers, Anderson, Malody and Scott, LLP (RAMS) have audited the City’s financial statements for the fiscal year ended June 30, 2020, with the final letter dated October 29, 2020, which was completed within 180 days of the end of the fiscal year in compliance with the City’s financial policy.

- The Auditors have issued an unqualified (clean) opinion.
- The financial condition of the City continues to improve.
 - Despite the start of the COVID19 Pandemic hitting in the final quarter of the fiscal year, the first three quarters of the 2019/2020 fiscal year were strong which offset decreases in revenue.
 - Primary revenues in all funds were at or exceeded budget and expenditures in the General Fund and Enterprise Funds were within those revenues.
 - City Council’s actions for a balanced budget realized an increase to the General Fund unrestricted fund balance, increasing from 18% to approximately 30% of budgeted General Fund expenses.

- The General Fund reserve is approximately 30% General Fund of operating budget. Per the State Auditor's "Fiscal Health of CA Cities" website, would put the City in "Moderate Risk", a step above the "High Risk" category it has been in.
 - Council action in November 2019 to refinance Water Fund debt and subsequent action in March 2020 to refinance the Sewer Fund debt have brought both funds into a positive or near positive fund balance at the end of the 2019/2020 fiscal year.
 - The City's Enterprise Funds (Water, Sewer and Refuse) have very little or no reserves. Water has just come out of a negative position this fiscal year, and the other two are working out of a negative unrestricted fund position which is estimated to be within the next two years.
- Improving the financial condition of the City continues as Staff and Council strive to follow the City's financial policies.

The City issues copies of the audited financial statements to financial institutions for use in evaluating the City's financial position, as well as to the City Council, City Management, interested citizens and the public. The City's 2019/2020 Audited Financial Statements will be available on the City's web site.

2019/2020 Report Card Discussion

The General Fund has seen minimal growth in revenues over the last few years, however, they have been buoyed by one-time revenues such as large sales tax transactions and a fire tax credit over the past five years. In addition, concentrated financial efforts have improved the General Fund's financial position enabling it to build reserves which City Council has indicated is important, with a minimum 25% reserve goal.

The City should continue to achieve positive financial growth as the City Council has continued to follow adopted fiscal policies for a financially healthy and well-run organization and prepares to address many needs that have been deferred. Pension cost increases are projected to use up additional resources; however, the City has taken steps that started in fiscal year 2018/19 to reduce ongoing costs that help offset those increased costs (such as reduction of staff , correcting staff cost allocations and contracting out services for park maintenance and animal control). However, future operational expenditures will continue to increase, and the City's improved financial condition will enable it to better withstand known and unknown financial pressures.

Table 3, Government Funds Financial Results, 2019/2020, shows the outlook of the City's governmental funds. The main concern in these funds is that the General Fund had minimal growth and a reserve of 18% (which was an improvement from 3% in the prior year), below the minimum 25% of the General Fund's expenditures as of June 30, 2019. In 2019/2020 the City realized ongoing expenditure control, one-time revenues over budget and one-time savings that have realized an increase in the unrestricted fund balance in the General Fund to approximately 30% of operating budget.

Table 3: Governmental Fund Financial Results, 2019/2020 (In Thousands)				
Governmental:				
<u>Fund</u>	<u>Net Income (Loss)</u>	<u>Available Fund Balance</u>	<u>Growing</u>	<u>Comment</u>
General Fund	552.9	1,387.4	yes	Growth in fund balance from \$834,500 of one-time or special revenues and contracting of services and position reduction in parks
<i>Housing Grants</i>	(79.5)	299.1	no	Restricted Funds: Revenues from loan payoffs and payments.
Transportation and Other Funds	601.3	4,526.7	yes	Restricted Funds: Non-Major Funds include Measure R, Transportation, Storm Drain, Gas Tax and Business Improvement Program.
	<u>1,074.7</u>	<u>6,213.2</u>		

Revenues in the General Fund for the 2019/2020 fiscal year generally met or were close to budget. There was an increase over budget in Sales Tax revenues and other revenues also saw minimal increases. Overall, revenues were over budget by approximately \$430,000. Property Tax revenues, in contrast, are the most stable revenue source for the City's General Fund and saw modest growth of approximately \$150,000 or 15% over budget. Recreation Fees saw the biggest drop of approximately \$37,000 or 61% drop off from budget which can be attributed to the COVID19 Pandemic.

Enterprise (Business) Revenues

Table 4, Business Type Fund Financial Results, 2019/20 shows results of the City's utilities. Fees for the City's enterprise funds that cover costs to maintain, operate and fund infrastructure needs are increasing due to the fee increases passed in 2019. The three major enterprise funds Water, Sewer and Sanitation realized an increase in revenues. All three business fund increases (Water – 14.5%, Sewer 17.5%, Sanitation – 3%) were implemented January 2020. The fees for services are based off demand and service provided so the actual percentage varies.

- City Council approved Water and Sewer Fund rate increases in December 2019 to meet ongoing and future maintenance, operational, debt service and capital improvement needs. The first of five increases were implemented in January 2020. Both the Water and Sewer systems need more capital investment as demonstrated by a high number of water leaks and higher than acceptable lift station repairs. In part due to the fee increases, staff has been able to begin addressing these issues now instead of continued deferral (summarized in the City's approved Capital Improvement Program adopted for 2020/2021 and 2021/2022).
- Water Fund is now in a positive financial position compared to last fiscal year and projected to increase. It has a positive unrestricted balance of \$163,310 thanks in large part due to the refinancing of USDA debt in the fund and release of approximately \$400k of restricted cash. This fund should continue to go into a positive position in 2020/2021 towards the 25% reserve goal of operating budget.
- Sewer Fund remains in a negative position compared to last year but is projected to be in a positive position at the end of 2020/2021. Due to the refinancing of USDA debt in the fund and release of restricted cash of approximately \$400k, it currently has a negative unrestricted balance of (\$4,457). This fund should continue to go into a positive position in 2020/2021 towards the 25% reserve goal of operating budget.

- The Sanitation (Trash/Refuse) Fund had a net gain of \$29,536 and a deficit fund balance of (\$49,144). City Council has directed Alley Repair funding previously set aside from these revenues received, to be reduced until this Fund Balance is in a positive position. For three years in a row the fund has improved its financial position.

Table 4:
Business Type Funds Financial Results, 2019/2020
(In Thousands)

Fund	Net Income (Loss)	Available Cash less		
		Restricted	Growing	
Water	(437.7)	392.2	no	Restricted cash includes \$604.5k impact fees
Sewer	(270.7)	365.7	no	Restricted cash includes \$80.1k in impact fees
Sanitation	29.5	0.0	yes	This fund saw a gain thus reducing a deficit fund balance. Revenues allocated for Alley Repair have been adjusted to improve fund balance.
Enterprise sub-total	\$ (678.9)	757.9		
Internal Service	(22.1)	131.2	no	This fund will not typically grow. Costs are recovered from Operating Departments/Divisions for pay for liability, workers comp and health insurance costs.
	<u>\$ (701.0)</u>	<u>889.1</u>	*	

* Note: Business-activity fund equity includes fixed assets which are not expendable resources. As a result, net available cash is shown. Governmental funds do not include debt nor fixed assets. As a result, Fund Balance is shown.

The City has made significant strides toward cost reductions and future project planning in all major funds. In addition, the passage of Measure P by voters in November 2020 will help make sure the City has a stronger financial standing going into the future while meeting the needs/expectations of its residents and businesses. In a separate report, an outline of the next steps for implementation of Measure P that will help to fund essential City services will be discussed.

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

By consistently striving to meet the City's financial policies, the City's financial condition has improved significantly since 2017. The State Auditor's Office shows the City of Exeter behind all cities in Tulare County on fiscal health except for Dinuba and Lindsay. However, this is based on information through 2017, so it is anticipated as the information is updated the City's rank will improve. Below is the anticipated report card at the end of the 2020/2021 fiscal year.

Table 5: 2020/2021 Fiscal Year Anticipated Financial Policy Report Card

Financial Policy	Policy Achieved?	Action
Balanced Budget	Yes	Pass
Budget Reserve 25%	Yes	Consider deferred needs after pandemic
One-time revenues towards reserves or one-time use	Yes	Pass
Enterprise Rates should cover operations and capital needs	No	By 2024
Investment Policy keep cash liquid and safe	Yes	Pass
Debt sparingly	Yes	Pass

Annual Audit timely (within 180 days of the end of the fiscal year)	Yes	Pass
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Fiscal Impact: This item is informational. There is no fiscal impact.

Prior Council/Board Actions: Not applicable

Attachments: 2019/2020 Financial Audit Report

Recommended motion to be made by Council/Board:
No action required

Receive report and provide feedback on the Financial Policy Report Card for the City as of June 30, 2020

CITY OF EXETER

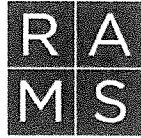
AUDITED BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

CITY OF EXETER
BASIC FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

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FINANCIAL SECTION



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Independent Auditor's Report

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

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Certified Public Accountants

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Exeter, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, and the aggregate remaining fund information of the City of Exeter, California, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Exeter, California's basic financial statements. The combining nonmajor fund financial statements 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2020, on our consideration of the City of Exeter, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Exeter, California's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 29, 2020

Management's Discussion and Analysis

As management of the City of Exeter, we offer readers of the City of Exeter's financial statement this narrative overview and analysis of the financial activities of the City of Exeter for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets and deferred outflows of the City of Exeter exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$19,106,197 (*net position*). Of this amount, <\$926,604> (*unrestricted net position*) is a deficit.
- As of the close of the current fiscal year, the City of Exeter governmental funds reported combined ending fund balances of \$6,376,026. Of this amount, there is a balance of \$1,387,362 available *for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,387,362.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Exeter's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Exeter's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Exeter's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Exeter is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Exeter that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Exeter include general government, police service, highways and streets, parks and recreation. The business-type activities of the City of Exeter include Water, Sewer, and Sanitation.

The government-wide financial statements include the Water, Sewer, and Sanitation functions for all practical purposes as departments of the City of Exeter, and therefore has been included as an integral part of the primary government.

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 of Exeter, 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 of Exeter can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 City of Exeter maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Business Improvement Program (BIP) Funds, Housing Funds, and Measure R, all of which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Exeter adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City of Exeter maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Exeter uses enterprise funds to account for Water, Sewer and Sanitation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Exeter's various functions. The City of Exeter has an internal service fund to account for its Health Insurance, Workman's Compensation, Liability, Disability, and Life.

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 the Water, Sewer and Sanitation activities, all of which are considered to be major funds of the City of Exeter.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Please see the table of contents for page numbers.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Exeter's proportionate share of net pension liability and related ratios and schedule of contributions for its employees and budget to actual on major governmental funds.

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 of Exeter's, assets exceeded liabilities by \$19,106,197 at the close of the most recent fiscal year.

Of the City of Exeter's net position, 76 percent reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Exeter uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Exeter's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Exeter's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 14,874,412	\$ 13,917,280	\$ 2,673,203	\$ 2,421,985	\$ 17,547,615	\$ 16,339,265
Capital assets	9,272,799	9,022,844	15,168,715	15,526,754	24,441,514	24,549,598
Total assets	<u>24,147,211</u>	<u>22,940,124</u>	<u>17,841,918</u>	<u>17,948,739</u>	<u>41,989,129</u>	<u>40,888,863</u>
Deferred outflow s of resources	1,144,965	1,296,492	444,646	388,430	1,589,611	1,684,922
Long-term liabilities	3,844,447	3,986,321	11,543,209	10,975,189	15,387,656	14,961,510
Other liabilities	8,265,285	8,412,334	417,439	404,190	8,682,724	8,816,524
Total liabilities	<u>12,109,732</u>	<u>12,398,655</u>	<u>11,960,648</u>	<u>11,379,379</u>	<u>24,070,380</u>	<u>23,778,034</u>
Deferred outflow s of resources - pension	206,666	215,801	195,497	148,536	402,163	364,337
Net position:						
Investment in capital assets	9,272,799	9,022,844	5,336,086	5,807,453	14,608,885	14,830,297
Restricted	4,739,292	4,009,211	684,624	1,563,488	5,423,916	5,572,699
Unrestricted	(1,036,313)	(1,409,895)	109,709	(561,687)	(926,604)	(1,971,582)
Total net position	<u>\$ 12,975,778</u>	<u>\$ 11,622,160</u>	<u>\$ 6,130,419</u>	<u>\$ 6,809,254</u>	<u>\$ 19,106,197</u>	<u>\$ 18,431,414</u>

An additional portion of the City of Exeter's net position (28 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of <\$926,604>. At the end of the current fiscal year, the City of Exeter is reporting a negative balance for unrestricted net position due to the requirement to post GASB 68. For the business-type activities, unrestricted net position was \$109,709 at June 30, 2020, an increase from the deficit of <\$561,687> at June 30, 2019.

Deferred outflows of resources

As part of the implementation of GASB 68, the City was required to record contributions made to the pension plan during the current fiscal year as deferred inflows of resources. The contributions for outflows will reduce the pension liability in the following fiscal year.

Net Pension Liability

The addition of net pension liability is a result of GASB 68. This requires the City to record the liability related to the defined benefit pension plan as it applies to the CalPERS pension plan.

Deferred inflows of resources

Deferred inflows of resources consist of pension deferrals associated with net pension liability. These deferrals will be amortized and recognized in pension expenses in future years.

Net position

Due to the implementation of GASB 68 pronouncement, the City is required to disclose the net pension liability, and accordingly reduces the net position.

City of Exeter's Changes In Net Assets

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 422,760	\$ 609,186	\$ 4,204,866	\$ 3,937,791	\$ 4,627,626	\$ 4,546,977
Operating grants and contributions	1,475,399	1,030,450	1,808	187	1,477,207	1,030,637
Capital grants and contributions	576,154	1,746,478	-	-	576,154	1,746,478
General Revenues:						
Property taxes	1,992,169	1,922,002	-	-	1,992,169	1,922,002
Other taxes	2,081,426	2,006,139	-	-	2,081,426	2,006,139
Investment earnings - unrestricted	40,581	25,610	29,449	38,065	70,030	63,675
Gain on sale of capital assets	17,549	7,536	-	78,329	17,549	85,865
Special item - fire settlement pmt	100,000	134,977	-	-	100,000	134,977
Transfers in (out)	-	(51,175)	-	51,175	-	-
Total Revenue	6,706,038	7,431,203	4,236,123	4,105,547	10,942,161	11,536,750
Expenses						
Community & economic development	284,461	258,941	-	-	284,461	258,941
General government	815,527	790,850	-	-	815,527	790,850
Parks and recreation	307,465	369,539	-	-	307,465	369,539
Public safety	3,393,713	3,185,497	-	-	3,393,713	3,185,497
Public works	551,254	697,716	-	-	551,254	697,716
Water operating	-	-	2,279,737	2,083,804	2,279,737	2,083,804
Sewer operating	-	-	1,531,612	1,234,155	1,531,612	1,234,155
Transit	-	-	-	82	-	82
Sanitation operating	-	-	1,103,609	1,028,472	1,103,609	1,028,472
Total expenses	5,352,420	5,302,543	4,914,958	4,346,513	10,267,378	9,649,056
Changes in net position	1,353,618	2,128,660	(678,835)	(240,966)	674,783	1,887,694
Net position - beginning	11,622,160	9,493,500	6,809,254	7,050,220	18,431,414	16,543,720
Net position - ending	\$ 12,975,778	\$ 11,622,160	\$ 6,130,419	\$ 6,809,254	\$ 19,106,197	\$ 18,431,414

Governmental activities. Governmental activities increased the City of Exeter's net position by \$1,353,618 and \$2,128,660 for the fiscal years ended June 30, 2020 and 2019 respectively.

Business-type activities. Business-type activities decreased the City of Exeter's net position by <\$678,835> at June 30, 2020 and <\$240,966> at June 30, 2019.

Financial Analysis of the Government's Funds

As noted earlier, the City of Exeter uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Exeter's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Exeter's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020 and 2019, the City of Exeter's governmental funds reported combined ending fund balances of \$6,376,026 and \$5,301,420. Of the June 30, 2020 and 2019 total amount, 21.759 and 15.743 percent, respectively, constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City of Exeter. As of June 30, 2020 and 2019, unassigned fund balance of the general fund was \$1,387,362 and \$834,585, respectively. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of June 30, 2020 and 2019, unassigned fund balance represents 31.80 and 20.37 percent, respectively, of the amount needed to cover general fund expenditures.

The fund balance of the City of Exeter's general fund increased by \$552,777 and \$687,837 for the years ended June 30, 2020 and 2019. The key factor in the increase is reduced spending on operations and capital outlay as well as one time increases in revenues.

Proprietary funds. The City of Exeter's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer and Sanitation activities at the end of the year amounted to \$109,709 and <\$561,687> for June 30, 2020 and 2019. The total change in net position for all these funds in 2020 was a decrease of <\$678,835> and a decrease of <\$240,966> in 2019. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Exeter's business-type activities.

General Fund Budgetary Highlights

For the duration of 2019/20, there were reallocations and additional appropriations in the amount of \$209,250 in the following departments:

General government	<\$134,530>
Parks and recreation	<\$100,411>
Fire	\$128,000
Police	\$178,100
Public works	\$80,650
Capital outlay	\$57,441

Capital Asset and Debt Administration

Capital assets. The City of Exeter's investment in capital assets for its governmental and business type activities as of June 30, 2020, amounts to \$24,441,514 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. See note 4.D for additional information.

City of Exeter's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,298,149	\$ 1,298,149	\$ 2,404,191	\$ 2,404,191	\$ 3,702,340	\$ 3,702,340
Buildings & Improvements	2,136,722	2,242,701	9,282,393	9,241,363	11,419,115	11,484,064
Machinery & equipment	881,744	1,091,512	2,380,303	2,479,417	3,262,047	3,570,929
Infrastructure	3,951,299	2,240,509	1,001,452	1,027,547	4,952,751	3,268,056
Construction in progress	1,004,885	2,149,973	100,376	374,237	1,105,261	2,524,210
	<u>\$ 9,272,799</u>	<u>\$ 9,022,844</u>	<u>\$ 15,168,715</u>	<u>\$ 15,526,754</u>	<u>\$ 24,441,514</u>	<u>\$ 24,549,599</u>

Long-term debt. At June 30, 2020 and 2019, the City of Exeter had total debt outstanding of \$9,919,226 and \$9,878,617. The City of Exeter's debt represents Sewer and Water revenue refunding bonds for wastewater improvement and a water system improvement, the water meter lease and leasing of police vehicles. See note 4.G for additional information.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Leases payable	\$ 73,512	\$ 144,777	\$ 1,407,645	\$ 1,536,487	\$ 1,481,157	\$ 1,681,264
Bonds/Notes payable	-	-	8,438,069	8,197,353	8,438,069	8,197,353
	<u>\$ 73,512</u>	<u>\$ 144,777</u>	<u>\$ 9,845,714</u>	<u>\$ 9,733,840</u>	<u>\$ 9,919,226</u>	<u>\$ 9,878,617</u>

Economic Factors and Next Year's Budgets and Rates

The City of Exeter continues to experience a slight increase in development activity, which is comparable to other small cities in Tulare County. Exeter is traditionally very cautious and structured in its approach to City growth, and slow growth is – by design - more the rule than the exception. There were three new building permits pulled within the City in 2019/20 that paid development impact fees.

With a balanced budget passed for 2019/20, the City realized operational savings from adhering to the City's budget, and higher than anticipated revenues from the General Fund which includes one time special revenues from fire property tax credits and one time railroad sales tax receipts.

Governmental Activities

General Fund operating revenues are shifting in both directions. The City will continue to assess revenue status quarterly and semi-annually to determine available funds for operations. Significant operational cuts may be looked at to alleviate the financial strain of the City's operating revenue and fund deferred needs.

In the midst of the ongoing COVID-19 Pandemic, the approved 2020/21 balanced budget will continue with a conservative measure in appropriations, utilizing one-time revenues for special projects, and not for ongoing operations.

Business Type Activities

The Enterprise Funds had 14.5% Water, 17.5% Sewer and 3% Refuse increase in rates. There is another, 14.5% for Water and 17.5% for Sewer approved for January 1, 2021, which will be used towards increased operating costs and infrastructure improvements. There are four more rate increase approved by City Council for the next four years of 14.5% annually for Water and 17.5% for Sewer until 2024.

Requests for Information

This financial report is designed to provide a general overview of the City of Exeter's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 237, City of Exeter, CA. 93221.

BASIC FINANCIAL STATEMENTS

**City of Exeter
Statement of Net Position
June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments			
Unrestricted	\$ 6,423,507	\$ 1,443,439	\$ 7,866,946
Restricted	-	684,624	684,624
Receivables:			
Accounts	-	499,337	499,337
Intergovernmental	472,154	-	472,154
Prepays	29,426	-	29,426
Inventories	-	45,803	45,803
Internal balances	-	-	-
Loans receivable	7,949,325	-	7,949,325
Capital assets:			
Non-depreciable	2,303,034	2,504,567	4,807,601
Depreciable, net of accumulated depreciation	6,969,765	12,664,148	19,633,913
Total assets	<u>24,147,211</u>	<u>17,841,918</u>	<u>41,989,129</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred bond issue costs/amortization	-	13,085	13,085
Deferred pensions	1,144,965	431,561	1,576,526
Total deferred outflows of resources	<u>1,144,965</u>	<u>444,646</u>	<u>1,589,611</u>
LIABILITIES			
Accounts payable and other accruals	313,531	280,201	593,732
Interest payable	-	67,706	67,706
Unearned revenue	7,814,325	-	7,814,325
Compensated absences	137,429	69,532	206,961
Noncurrent liabilities:			
Due to depositors	-	75,454	75,454
Net pension liability	3,673,451	1,592,783	5,266,234
Compensated absences	97,484	29,258	126,742
Due in one year	73,512	389,443	462,955
Due in more than one year	-	9,456,271	9,456,271
Total liabilities	<u>12,109,732</u>	<u>11,960,648</u>	<u>24,070,380</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	206,666	195,497	402,163
NET POSITION			
Net investment in capital assets	9,272,799	5,336,086	14,608,885
Restricted for:			
Public service	4,512,595	-	4,512,595
Impact fees	226,697	684,624	911,321
Unrestricted (deficit)	(1,036,313)	109,709	(926,604)
Total net position	<u>\$ 12,975,778</u>	<u>\$ 6,130,419</u>	<u>\$ 19,106,197</u>

The notes to the financial statements are an integral part of this statement.

**City of Exeter
Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Community and economic development	\$ 284,461	\$ 196,089	\$ 8,338	\$ -	\$ (80,034)		\$ (80,034)
General government	815,527	40,489	14,070	-	(760,968)		(760,968)
Parks and recreation	307,465	24,938	-	-	(282,527)		(282,527)
Public safety - fire	228,045	-	-	-	(228,045)		(228,045)
Public safety - police	3,165,668	70,988	315,312	-	(2,779,368)		(2,779,368)
Public works	551,254	90,256	1,137,679	576,154	1,252,835		1,252,835
Total governmental activities	5,352,420	422,760	1,475,399	576,154	(2,878,107)		(2,878,107)
Business-type Activities:							
Water operations	2,279,737	1,816,894	-	-		\$ (462,843)	(462,843)
Sewer operations	1,531,612	1,254,827	1,808	-		(274,977)	(274,977)
Sanitation operations	1,103,609	1,133,145	-	-		29,536	29,536
Total business-type activities	4,914,958	4,204,866	1,808	-		(708,284)	(708,284)
Total primary government	\$ 10,267,378	\$ 4,627,626	\$ 1,477,207	\$ 576,154	(2,878,107)	(708,284)	(3,586,391)
General revenues:							
Property taxes					1,992,169	-	1,992,169
Fire property taxes					258,894	-	258,894
Sales tax					956,641	-	956,641
Utility users tax					583,866	-	583,866
Franchise tax					181,989	-	181,989
Other taxes					100,036	-	100,036
Gain(loss) on sale of capital assets					17,549	-	17,549
Unrestricted investment earnings					40,581	29,449	70,030
Transfers					-	-	-
Special item - fire settlement payment					100,000	-	100,000
Total general revenues					4,231,725	29,449	4,261,174
Change in net position					1,353,618	(678,835)	674,783
Net position - beginning					11,622,160	6,809,254	18,431,414
Net position - ending					\$ 12,975,778	\$ 6,130,419	\$ 19,106,197

The notes to the financial statements are an integral part of this statement.

**City of Exeter
Balance Sheet
Governmental Funds
June 30, 2020**

	General	Housing Funds	Measure R	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,475,856	\$ 364,462	\$ 867,379	\$ 3,491,753	\$ 6,199,450
Receivables - (net):					
Intergovernmental	256,379	2,341	90,240	123,194	472,154
Prepays	4,477	-	-	-	4,477
Note receivable	135,000	7,604,035	-	210,290	7,949,325
Total assets	\$ 1,871,712	\$ 7,970,838	\$ 957,619	\$ 3,825,237	\$ 14,625,406
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 184,010	\$ 67,701	\$ 27,446	\$ 18,469	\$ 297,626
Compensated absences payable	137,429	-	-	-	137,429
Unearned revenue	-	7,604,035	-	210,290	7,814,325
Total liabilities	321,439	7,671,736	27,446	228,759	8,249,380
Fund balances:					
Nonspendable	135,000	-	-	-	135,000
Restricted	-	299,102	930,173	3,510,017	4,739,292
Committed alley repair	25,411	-	-	-	25,411
Committed parking-in-lieu	2,500	-	-	-	2,500
Committed for storm drains	-	-	-	86,461	86,461
Unassigned	1,387,362	-	-	-	1,387,362
Total fund balances	1,550,273	299,102	930,173	3,596,478	6,376,026
Total liabilities and fund balances	\$ 1,871,712	\$ 7,970,838	\$ 957,619	\$ 3,825,237	\$ 14,625,406

The notes to the financial statements are an integral part of this statement.

City of Exeter
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2020

Fund balances of governmental funds		\$ 6,376,026
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,969,765
Other long-term assets are not available to pay current expenditures, and therefore are deferred in the funds - construction-in-progress and land.		2,303,034
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, outflows, liabilities and inflows of the internal service funds are included governmental activities in the statement of net position. The pension activity is recorded elsewhere in this reconciliation.		227,907
Deferred outflows of resources and deferred inflows of resources:		
Deferred outflows of resources are not current assets of financial resources; and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds:		
Deferred pension outflows of resources		
Miscellaneous	228,949	
Internal Service	30,762	
Safety	885,254	1,144,965
Deferred pension inflows of resources		
Miscellaneous	(103,714)	
Internal Service	(13,935)	
Safety	(89,017)	(206,666)
Long-term liabilities; including accrued interest on bonds, are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		
Miscellaneous	(844,995)	
Internal Service	(113,533)	
Safety	(2,714,923)	(3,673,451)
Capital lease payable		(73,512)
Long-term portion of compensated absences and sick leave		(92,290)
Net position of governmental activities		\$ 12,975,778

The notes to the financial statements are an integral part of this statement.

City of Exeter
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General	Housing Funds	Measure R	Non-major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,251,063	\$ -	\$ -	\$ -	\$ 2,251,063
Sales taxes	956,641	-	-	-	956,641
Utility users tax	583,866	-	-	-	583,866
Franchise tax	181,989	-	-	-	181,989
Other taxes	100,036	-	-	252,847	352,883
Licenses and permits	60,523	-	-	-	60,523
Intergovernmental	28,137	-	564,050	989,227	1,581,414
Charges for services	174,883	-	-	12,493	187,376
Rental income	39,295	-	-	-	39,295
Loan payments	-	196,089	-	-	196,089
Fines and forfeitures	67,403	-	-	-	67,403
Investment earnings	40,581	8,338	16,013	50,945	115,877
Miscellaneous	14,070	-	-	-	14,070
Total revenues	<u>4,498,487</u>	<u>204,427</u>	<u>580,063</u>	<u>1,305,512</u>	<u>6,588,489</u>
EXPENDITURES					
Community and economic development	-	283,930	-	531	284,461
General government	622,886	-	4,993	66,560	694,439
Parks and recreation	298,085	-	-	-	298,085
Public safety - fire	218,830	-	-	-	218,830
Public safety - police	2,778,528	-	-	94,235	2,872,763
Public works	364,330	-	-	79,870	444,200
Debt service:					
Principal	-	-	-	71,264	71,264
Interest	-	-	-	4,567	4,567
Capital outlay					
Parks and recreation	17,577	-	-	-	17,577
Public safety - police	23,105	-	-	-	23,105
Public works	39,313	-	648,963	13,865	702,141
Total expenditures	<u>4,362,654</u>	<u>283,930</u>	<u>653,956</u>	<u>330,892</u>	<u>5,631,432</u>
Excess (deficiency) of revenues over expenditures	<u>135,833</u>	<u>(79,503)</u>	<u>(73,893)</u>	<u>974,620</u>	<u>957,057</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	299,395	-	-	-	299,395
Transfers out	-	-	-	(299,395)	(299,395)
Sale of property	17,549	-	-	-	17,549
Special item - fire settlement payment	100,000	-	-	-	100,000
Total other financing sources and uses	<u>416,944</u>	<u>-</u>	<u>-</u>	<u>(299,395)</u>	<u>117,549</u>
Net change in fund balances	552,777	(79,503)	(73,893)	675,225	1,074,606
Fund balances, July 1	<u>997,496</u>	<u>378,605</u>	<u>1,004,066</u>	<u>2,921,253</u>	<u>5,301,420</u>
Fund balances, June 30	<u>\$ 1,550,273</u>	<u>\$ 299,102</u>	<u>\$ 930,173</u>	<u>\$ 3,596,478</u>	<u>\$ 6,376,026</u>

The notes to the financial statements are an integral part of this statement.

City of Exeter
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net change in fund balances --total governmental funds	\$ 1,074,606
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$677,929) exceeded depreciation (\$427,974) in the current period:	249,956
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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Payments of principal on capital lease	71,265
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(3,260)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(22,115)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68.	(16,834)
Change in net position of governmental activities	\$ 1,353,618

The notes to the financial statements are an integral part of this statement.

City of Exeter
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total Proprietary Funds	
	Water Operations	Sewer Operations	Sanitation Operations		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 997,654	\$ 445,785	\$ -	\$ 1,443,439	\$ 224,057
Accounts receivable, net of allowance	206,261	143,725	149,351	499,337	-
Due from other funds	-	22,363	-	22,363	-
Inventories	45,803	-	-	45,803	-
Prepaid	-	-	-	-	24,949
Noncurrent assets:					
Restricted cash and cash equivalents	604,508	80,116	-	684,624	-
Bond issue costs net of amortization	13,085	-	-	13,085	-
Capital assets:					
Nondepreciable	100,376	2,404,191	-	2,504,567	-
Depreciable, net	7,434,458	5,229,690	-	12,664,148	-
Total assets	9,402,145	8,325,870	149,351	17,877,366	249,006
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pensions	238,005	167,011	26,545	431,561	30,762
Total deferred outflow of resources	238,005	167,011	26,545	431,561	30,762
LIABILITIES					
Current liabilities:					
Accounts and other payables	156,191	37,663	86,347	280,201	15,905
Compensated absences	38,580	26,239	4,713	69,532	-
Accrued Interest	51,650	16,056	-	67,706	-
Due to other funds	-	-	22,363	22,363	-
Noncurrent liabilities:					
Due to depositors	75,454	-	-	75,454	-
Compensated absences	16,305	11,330	1,623	29,258	5,194
Due in one year	254,443	135,000	-	389,443	-
Due in more than one year	6,042,270	3,414,001	-	9,456,271	-
Net pension liability	878,416	616,397	97,970	1,592,783	113,533
Total liabilities	7,513,309	4,256,686	213,016	11,983,011	134,632
DEFERRED INFLOWS OF RESOURCES					
Deferred pensions	107,817	75,656	12,024	195,497	13,935
NET POSITION					
Net investment in capital assets	1,251,206	4,084,880	-	5,336,086	-
Restricted for impact fees	604,508	80,116	-	684,624	-
Unrestricted	163,310	(4,457)	(49,144)	109,709	131,201
Total net position	\$ 2,019,024	\$ 4,160,539	\$ (49,144)	\$ 6,130,419	\$ 131,201

The notes to the financial statements are an integral part of this statement.

City of Exeter
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Major Funds</u>			Total Proprietary Funds	
	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Sanitation Operations</u>		
OPERATING REVENUES					
Charges for services	\$ 1,765,101	\$ 1,254,827	\$ 1,133,145	\$ 4,153,073	\$ -
Connection fees	51,793	-	-	51,793	-
Internal Service Charges	-	-	122,960	122,960	974,388
Total operating revenues	<u>1,816,894</u>	<u>1,254,827</u>	<u>1,256,105</u>	<u>4,327,826</u>	<u>974,388</u>
OPERATING EXPENSES					
Personnel Services	960,197	650,066	85,347	1,695,610	118,906
General and administrative	228,287	554,406	28,239	810,932	893,898
Materials & Supplies	538,409	48,535	990,023	1,576,967	312
Depreciation/amortization	312,170	170,945	-	483,115	-
Total operating expenses	<u>2,039,063</u>	<u>1,423,952</u>	<u>1,103,609</u>	<u>4,566,624</u>	<u>1,013,116</u>
Operating income (loss)	<u>(222,169)</u>	<u>(169,125)</u>	<u>152,496</u>	<u>(238,798)</u>	<u>(38,728)</u>
NONOPERATING REVENUES (EXPENSES)					
Grants and reimbursements	-	1,808	(122,960)	(121,152)	16,613
Investment earnings	25,186	4,263	-	29,449	-
Interest expense	(240,674)	(107,660)	-	(348,334)	-
Total nonoperating revenue (expenses)	<u>(215,488)</u>	<u>(101,589)</u>	<u>(122,960)</u>	<u>(440,037)</u>	<u>16,613</u>
Change in net position	(437,657)	(270,714)	29,536	(678,835)	(22,115)
Net position (deficit), July 1	<u>2,456,681</u>	<u>4,431,253</u>	<u>(78,680)</u>	<u>6,809,254</u>	<u>153,316</u>
Net position (deficit), June 30	<u>\$ 2,019,024</u>	<u>\$ 4,160,539</u>	<u>\$ (49,144)</u>	<u>\$ 6,130,419</u>	<u>\$ 131,201</u>

The notes to the financial statements are an integral part of this statement.

City of Exeter
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			Total Proprietary Funds	Governmental Activities - Internal Service Fund
	Major Funds				
	Water Operating	Sewer Operating	Sanitation Operating		
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 1,763,260	\$ 1,224,458	\$ 1,238,165	\$ 4,225,883	\$ 974,388
Personnel services	(696,148)	(459,812)	(72,347)	(1,228,307)	(67,860)
General administration	(228,287)	(554,406)	(28,239)	(810,932)	(893,898)
Payments to suppliers and contractors	(472,910)	(65,959)	(986,281)	(1,525,150)	(31,017)
Net cash provided (used) by operating activities	<u>365,915</u>	<u>144,281</u>	<u>151,298</u>	<u>661,494</u>	<u>(18,387)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Local - operating reimbursements	-	1,808	(122,960)	(121,152)	16,613
Decrease (increase) in amount due from other funds	2,003	(22,363)	-	(20,360)	-
Increase (decrease) in amount due to other funds	-	(40,955)	(28,338)	(69,293)	-
Net cash provided (used) by noncapital financing	<u>2,003</u>	<u>(61,510)</u>	<u>(151,298)</u>	<u>(210,805)</u>	<u>16,613</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid on long-term debt	(250,315)	(166,193)	-	(416,508)	-
Principal paid on bonds/capital lease	(4,850,297)	(3,475,898)	-	(8,326,195)	-
Proceeds/premiums from bond refunding	4,891,727	3,549,001	-	8,440,728	-
Purchase of capital assets	(114,817)	(10,259)	-	(125,076)	-
Net cash provided (used) by capital and related financing activities	<u>(323,702)</u>	<u>(103,349)</u>	<u>-</u>	<u>(427,051)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	25,186	4,263	-	29,449	-
(Increase) decrease in restricted cash	416,570	462,100	-	878,670	-
Net cash provided (used) by investing activities	<u>441,756</u>	<u>466,363</u>	<u>-</u>	<u>908,119</u>	<u>-</u>
Net Increase (decrease) in cash and cash equivalents	<u>485,972</u>	<u>445,785</u>	<u>-</u>	<u>931,757</u>	<u>(1,774)</u>
Balances - beginning of year	511,682	-	-	511,682	225,831
Balances - end of the year	<u>\$ 997,654</u>	<u>\$ 445,785</u>	<u>\$ -</u>	<u>\$ 1,443,439</u>	<u>\$ 224,057</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (222,169)	\$ (169,125)	\$ 152,496	\$ (238,798)	\$ (38,728)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	312,170	170,945	-	483,115	-
Changes in assets, deferred outflows/inflows and liabilities:					
(Increase) decrease in inventory	(5,519)	-	-	(5,519)	-
(Increase) decrease in receivables	(54,650)	(30,369)	(17,940)	(102,959)	-
(Increase) decrease in prepaid	-	-	-	-	(24,949)
(Increase) decrease deferred outflows	(34,010)	(26,322)	2,662	(57,670)	(11,492)
Increase (decrease) in accounts payable	71,018	(17,424)	3,742	57,336	(5,756)
Increase (decrease) in due to accrued wages	4,068	2,614	492	7,174	(644)
Increase (decrease) in deferred inflows	26,776	19,764	421	46,961	6,280
Increase (decrease) in due to depositors	1,016	-	-	1,016	-
Increase (decrease) in compensated absences	12,957	8,262	818	22,037	2,330
Increase (decrease) in net pension liability	254,258	185,936	8,607	448,801	54,572
Net cash provided (used) by operating activities	<u>\$ 365,915</u>	<u>\$ 144,281</u>	<u>\$ 151,298</u>	<u>\$ 661,494</u>	<u>\$ (18,387)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies

A. Reporting entity

The City of Exeter is a municipal corporation governed by an elected five-member council by district. The accompanying financial statements present that government.

B. Government-wide and fund financial statements

The government-wide financial statements (e.g., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component unit. 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 are 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) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received within 60 days of year end. All other revenue items are considered to be measurable and available only when the government receives cash.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Housing Funds* which includes: *CDBG Community Development Block Grant Housing Fund* is the government's fund to assist in Low – Moderate Housing Rehabilitation, Low- Moderate Housing Acquisition and accessibility improvements; *Home Program Income Revolving Fund* is the government's fund to assist in Low – Moderate Housing Acquisition and Administrative Services and *Low – Moderate Housing Fund* is the government's fund to record loans and loan payments made for housing.

The *Measure R Fund* is the government's fund to record the City's share of the Tulare County authorized ½ cent sales tax for transportation.

The City reports the following major proprietary funds:

The *Water Fund* account for the operating activities of the City's water utilities services, water related endeavors, water utilities construction, contracting, and debt.

The *Sewer Fund* accounts for the operating activities of the City's sewer pumping stations, treatment plant, and laboratory. This fund also has an annual debt payment to USDA for a sewer upgrade.

The *Sanitation Fund* accounts for the activities associated with refuse collections and recycling.

Additionally, the government reports the following fund types:

Internal service fund accounts for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These include risk management, information technology, and central financing services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exceptions to this general rule are the fleet management and the risk management charges to the enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

D. Assets, liabilities, and net position or equity

1. Deposits and Investments

The City maintains its cash in cash and investment pools. Each fund's or component unit's portion of a pool is displayed on its respective balance sheet as "cash and cash equivalents" and "cash and investments". All investments are reported at fair value.

In accordance with its investment policy, the City operates its temporary pooled idle cash investments under the prudent man rule (Civil Code Section 2261, et. Seq.). This affords the City a broad spectrum of opportunities as long as the investment is deemed prudent and allowable under current legislation of the State of California (Government Code Section 53600 et. Seq.).

For purposes of the Statement of Cash Flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the enterprise fund types are pooled with the City's pooled cash and investments.

Fair Value Measurement

As defined in GASB Statement No. 72, *Fair Value Measurement and Application*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB Statement No. 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Observable inputs, other than Level 1 prices, for asset or liability, either directly or indirectly;
- Level 3 – Unobservable inputs for the asset or liability.

For current fiscal year, the application of valuation technique applied to the City's financial statements has been consistent.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (e.g., the current portion of interfund loans) or "advances receivable/payable" (e.g., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

CITY OF EXETER
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

3. Inventories and Prepaid Items

Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Any payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Fund balance is reserved for inventories and prepaids, if any, to indicate that a portion of fund balance is not available for appropriation and not expendable, available financial resources.

4. Capital Assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective funds. Donated assets are stated at acquisition value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	50
Public domain infrastructure	60
System infrastructure	25
Vehicles	5-8
City equipment	5-20

5. Compensated Absences

Full-time, permanent employees are granted vacation and sick pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's policy is to record such amounts as operating expenses in the period vacations or sick-leaves are taken. In the event of an employee leaving the employ of the City, this employee is paid the full value of his/her vacation leave and a percentage of the total amount accumulated for sick leave based on years of service.

<u>Years of Service</u>	<u>Percentage of Accumulated Sick Leave Benefit Received</u>
0-4	0%
5-9	15%
10-14	20%
15-19	25%
20+	30%

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

7. Deferred Outflows/Inflows of Resources

In additions to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In additions to liabilities, this statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from federal and state grants, and from the housing loan principal. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Classification of Net Position and Fund Balances

In the government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Additionally, this category presents restrictions placed on the categories of capital projects, and specific projects and programs as established by the City Council and Management.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted net position" or "invested in capital assets, net of related debt".

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

In accordance with generally accepted accounting principles, governmental funds report fund balances in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

Restricted fund balance - includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other government or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and Management. These amounts cannot be used for any other purpose unless the City Council and Management removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. This intent is expressed by (a) the City Council and Management or (b) an appointed body or official to which the City Council and Management has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned fund balance - this classification includes all residual fund balances for the General Fund that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned. However, the City reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

9. Property Taxes

Tulare County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. The property tax calendar for the City is as follows:

Lien date	January 1
Levy dates	July 1 through June 30
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31.

The City is permitted to levy property taxes in accordance with Article XIII A of the California Constitution (Proposition 13), which limits ad valorem taxes on real property to 1.0 percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the basis and limits annual increases to the cost of living, not to exceed 2.0 percent, for each year thereafter. Property may also be reassessed to full fair value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local government may impose special taxes (except on real property) with the approval of 66.67 percent of the qualified electors.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - Summary of significant accounting policies (continued)

10. Utility Users Tax

The City is permitted by Chapter 22, Article V, of the Exeter Municipal Code to collect a utility user's tax on certain types of utility services. The tax imposed is set by City Council resolution and was established at a 5.0 percent tax rate beginning July 1, 1994.

11. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable, in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires 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 (VD)	June 30, 2018
Measure Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

NOTE 2 - Reconciliation of government-wide and fund financial statements

A. Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The components of that reconciliation detail the inclusion of capital assets and long-term debt formerly reported in the general fixed assets account group and general long-term debt account group, respectively. Also reported in the reconciliation are the internal service fund additions to the government-wide statements.

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in government-wide statement of activities. One element of that reconciliation explains the recording of current year capital assets that had formerly not been recognized in the financial statements (infrastructure). Another element of that reconciliation is the treatment of long-term debt principal payments made in the current fiscal year, previously recorded in the long-term debt account group. Interest payable is recorded in conformity with rules applied to business-type activities.

Internal service funds are blended into the governmental activities as they primarily serve the governmental functions. The reconciliation details the inclusion of those revenues and expenditures.

C. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position

The proprietary fund statement of net position includes a reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The sole element of that reconciliation is the adjustment to reflect the internal receivable representing charges in excess of cost to business-type activities.

CITY OF EXETER
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - Stewardship, compliance, and accountability

A. Budgetary information

Budget policy and practice

The Finance Director and City Administrator submit a biennial budget to the City Council in accordance with the City Charter. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. The City Council adopts the annual fiscal year budgets for City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of budgeting

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel services, other services and charges, supplies, capital outlay, and transfers. Budget revisions at this level are subject to final review by the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget were made throughout the year. For the current fiscal year, the City increased expenditure budgets in the General Fund, Program Income Community Block Grant Fund and Program Income Home Fund, planning to use reserves for those additional costs. The expenditures in excess of appropriations are shown below:

Expenditure	Appropriation	Actual	Difference	Explanation
Public works	\$ 356,300	\$ 364,330	\$ 8,030	Increased code enforcement services

The budgets for the operating funds and proprietary fund operations are prepared on the cash basis and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes. If appropriations from proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the current fiscal year, based on calculations by City staff, appropriations from proceeds of taxes did not exceed the appropriations limit.

The Sanitation Fund had a deficit net position balance of \$49,144 as of June 30, 2020. During the 2019/20 fiscal year, the City increased rates by 3 percent, and expects to replenish the net position with future income generated from sanitation.

The General Fund had a balanced budget, with the intent of using current revenues to cover costs.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds

A. Cash and investments

Cash and investments are reported in the accompanying financial statements as follows:

	Statement of Net Position
Cash and investments	\$ 7,866,946
Restricted - Cash and investments	684,624
Total cash and investments	\$ 8,551,570

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

Cash on hand	\$ 1,100
Deposits with financial institutions	927,877
Investments	7,622,593
Total cash and investments	\$ 8,551,570

Investments authorized by the California Government Code and the City's investment policy

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

Authorized investment type	Maximum maturity	Maximum percentage of * portfolio	Maximum investment in one issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities/Mortgage Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	5%
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
State of California Obligations	5 years	None	None
Medium-Term Notes/Corporate Bonds	5 years	30%	5%
Mutual Funds	N/A	20%	None
Mortgage Securities	5 years	20%	None
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75,000,000

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

Investments authorized by debt agreements

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

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities/Mortgage Securities	None	None	None
Banker's Acceptances	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Medium Term Notes/Corporate Bonds	5 years	30%	None

Investment Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy, established by generally accepted accounting principles. Investments classified in Level 2 of the fair value hierarchy are valued using quote prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based pricing valuations for which all significant assumptions are observable or can be corroborated by observable market data.

The following is a summary of the fair value measurements as of June 30, 2020:

	Fair Value	Significant Other Observable Inputs (Level 2)
Investments classified by fair value hierarchy		
U.S. Government Securities	\$ 251,940	\$ 251,940
Total investments by fair value hierarchy	<u>251,940</u>	<u>\$ 251,940</u>
Investments not subject to fair value hierarchy		
Local Agency Investment Fund	5,388,742	
Money Market funds	499,911	
Non-negotiable Certificates of Deposit	1,482,000	
Total investments not subject to fair value hierarchy	<u>7,370,653</u>	
Total investments measured at fair value	<u>\$ 7,622,593</u>	

Disclosures related to interest rate risk

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

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

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

Investment type	Total	Remaining maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	Over 60 mos/ No maximum
State investment pool	\$ 5,388,742	\$ 5,388,742	\$ -	\$ -	\$ -
U.S. Treasury bonds/notes	251,940	251,940			
Held by trustee:					
Money market funds	499,911	499,911	-	-	-
Certificates of Deposit	1,482,000	494,000	741,000	247,000	-
	<u>\$ 7,622,593</u>	<u>\$ 6,634,593</u>	<u>\$ 741,000</u>	<u>\$ 247,000</u>	<u>\$ -</u>

Disclosures relating to credit risk

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

Investment type	Total	Minimum legal rating	Ratings as of year end	Not rated
State investment pool	\$ 5,388,742	N/A	-	\$ 5,388,742
Held by trustee:				
Money market funds	499,911	AAA/Aa	AAA	-
U.S. Treasury Bonds/Notes	251,940	TSY	AAA,Aaa	-
Certificates of deposit	1,482,000	N/A	-	1,482,000
	<u>\$ 7,622,593</u>			<u>\$ 6,870,742</u>

Concentration of credit risk

The investment policy of the City contains certain limitations on the amount that can be invested in any one issuer.

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following 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 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. As of June 30, 2020, the City's deposits with financial institutions in excess of federal depository limits were held in collateralized accounts.

CITY OF EXETER
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. For withdrawals over \$10,000,000, LAIF requires at least 24-hour notice. Also, this is a \$5,000 minimum and a limit of 15 transactions per month.

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the City's position in the pool. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. The City's investment in LAIF at June 30, 2020 was \$5,388,742.

B. Receivables

Enterprise Receivables

Significant receivables include amounts due from customers primarily for utility services. These receivables are due within 60 days.

C. Interfund receivable/payables, and transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable fund</u>	<u>Amount</u>	<u>Purpose</u>
Sewer	Sanitation	\$ 22,363	Cash flow

Interfund transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>	<u>Amount</u>	<u>Purpose</u>
Gas tax fund	General fund	\$ 107,000	Costs applied
Transportation fund	General fund	192,395	Costs applied

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CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

D. Capital assets

Capital asset activity, for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions & Transfers	Dispositions & Transfers	Balance June 30, 2020
Governmental Activities:				
Capital assets not depreciated				
Construction in progress	\$ 2,149,973	\$ 196,155	\$ (1,341,243)	\$ 1,004,885
Land	1,298,149	-	-	1,298,149
Total capital assets not depreciated	3,448,122	196,155	(1,341,243)	2,303,034
Capital assets being depreciated				
Buildings & improvements	3,502,454	16,136	-	3,518,590
Infrastructure	2,839,373	1,770,530	-	4,609,903
Equipment/autos	3,917,299	36,351	-	3,953,650
	10,259,126	1,823,017	-	12,082,143
Less accumulated depreciation	(4,684,404)	(427,974)	-	(5,112,378)
Total capital assets being depreciated:	5,574,722	1,395,043	-	6,969,765
Governmental activities capital assets, net	9,022,844	1,591,198	(1,341,243)	9,272,799
Business-Type Activities:				
Capital assets not depreciated				
Construction in progress	374,237	100,376	(374,237)	100,376
Land	2,404,191	-	-	2,404,191
Total capital assets not depreciated	2,778,428	100,376	(374,237)	2,504,567
Capital assets being depreciated:				
Buildings & improvements	13,395,628	374,237	-	13,769,865
Infrastructure	1,304,655	-	-	1,304,655
Equipment/autos	3,511,895	24,700	(15,486)	3,521,109
	18,212,178	398,937	(15,486)	18,595,629
Less accumulated depreciation	(5,463,852)	(483,115)	15,486	(5,931,481)
Total capital assets being depreciated:	12,748,326	(84,178)	-	12,664,148
Business-type activities capital assets, net	15,526,754	16,198	(374,237)	15,168,715
Entity wide capital assets	\$ 24,549,598	\$ 1,607,396	\$ (1,715,480)	\$ 24,441,514

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

Depreciation

Depreciation expense was charged to governmental activities as follows:

Governmental departments	
General government	\$ 163,768
Parks and recreation	39,503
Public safety - fire	9,215
Public safety - police	109,299
Public works	<u>106,189</u>
Governmental activities	<u>427,974</u>

Depreciation expense was charged to business-type activities as follows:

Water Funds	312,170
Sewer Fund	<u>170,945</u>
Total depreciation expense, business-type activities	<u>483,115</u>
Total depreciation, entity wide	<u><u>\$ 911,089</u></u>

E. Infrastructure capitalization

The City has included estimated fair market value of infrastructure items with the City's capital assets.

F. Unearned revenue – Governmental activities

Details on unearned revenue at June 30, 2020, are as follows:

<u>Funds</u>	<u>Amount</u>
Governmental activities:	
Special revenue funds:	
Business Improvement Program (BIP)	\$ 30,290
Housing	7,604,035
Non-Major Governmental Funds	<u>180,000</u>
Total Unearned Revenue - Governmental Activities	<u><u>\$ 7,814,325</u></u>

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CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

G. Long-term obligations

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due within one year
Governmental activities					
Compensated Absences	\$ 222,091	\$ 139,600	\$ 126,778	\$ 234,913	\$ 137,429
Lease Payable	144,777	-	71,265	73,512	73,512
	<u>\$ 366,868</u>	<u>\$ 139,600</u>	<u>\$ 198,043</u>	<u>\$ 308,425</u>	<u>\$ 210,941</u>
Business-type activities					
Notes Payable	\$ 8,197,353	\$ 7,909,000	\$ 8,197,353	\$ 7,909,000	\$ 245,000
Premium on notes	-	531,727	2,659	529,068	10,635
Lease Payable	1,536,487	-	128,842	1,407,645	133,808
Compensated Absences	76,753	75,341	53,304	98,790	69,532
Due to depositors	74,438	35,325	34,309	75,454	75,454
	<u>\$ 9,885,031</u>	<u>\$ 8,551,393</u>	<u>\$ 8,416,467</u>	<u>\$ 10,019,957</u>	<u>\$ 534,429</u>

Business type activities:

On May 12, 2014, the City entered into a lease purchase contract with Global Water Management, financed through Deutsche Bank, in the amount of \$2,097,701, at 3.80%, with 60 quarterly payments of \$46,352. The water meters have a cost of \$2,097,701 and accumulated depreciation of \$309,662 at June 30, 2020.

The following is a summary of future required minimum payments due:

Fiscal Year Ending	Water Meter Lease		
	Principal	Interest	Total
2021	\$ 133,808	\$ 51,598	\$ 185,406
2022	138,965	46,441	185,406
2023	144,322	41,085	185,407
2024	149,885	35,522	185,407
2025	155,662	29,745	185,407
2026-2029	685,003	56,621	741,624
Totals	<u>\$ 1,407,645</u>	<u>\$ 261,012</u>	<u>\$ 1,668,657</u>

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CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

G. Long-term obligations (continued)

USDA Water system improvement loan – direct borrowing

The City entered into a USDA loan in the amount of \$3,000,000 for the improvements to the City water system. Interest on the loan is at a fixed rate of 4.375 percent per annum. The City is required to make annual principal payments on April 1 of each year commencing July 1, 2003 through July 1, 2043, with interest payments made semi-annually on April 1 and October 1.

USDA Water Well loan – direct borrowing

The City entered into a USDA loan in the amount of \$2,732,619 for the improvements and drilling of new water wells. Interest on the loan is at a fixed rate of 4.375 percent per annum. The City is required to make annual principal payments on October 20 of each year commencing July 1, 2010 through July 1, 2045, with interest payments made semi-annually on October 20 and April 20.

Both of these USDA direct borrowings were repaid by the following 2020 Water Refunding Bonds.

2020 Water Revenue Refunding Bonds

On April 4, 2020 the City issued the 2020 Water Revenue Refunding Bonds in the amount of \$4,360,000 to payoff the above mentioned USDA loans. The interest rates range from 3% to 4%. The bonds final maturity is October 1, 2045. The City is required to make annual principal payments on October 1st of each year commencing October 1, 2020 through October 1, 2045, with interest payments made semi-annually on October 1 and April 1.

The refunding did not result in a difference between the reacquisition price and the net carrying amount of the old debt. The City completed the advance refunding to reduce its total debt service payments over the next 20 years by \$1,116,607 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$852,226.

The following is a summary of future required minimum payments due:

Fiscal Year Ending	2020 Water Revenue Refunding Bonds		
	Principal	Interest	Total
2021	\$ 110,000	\$ 157,400	\$ 267,400
2022	115,000	154,025	269,025
2023	120,000	150,500	270,500
2024	120,000	146,900	266,900
2025	125,000	143,225	268,225
2026-2030	700,000	638,750	1,338,750
2031-2035	855,000	484,050	1,339,050
2036-2040	1,035,000	295,650	1,330,650
2041-2045	1,110,000	88,625	1,198,625
2046	70,000	1,050	71,050
Totals	<u>\$ 4,360,000</u>	<u>\$ 2,260,175</u>	<u>\$ 6,620,175</u>

USDA Sewer Improvement loan – direct borrowing

The City entered into a USDA loan in the amount of \$5,000,000 for the improvements to the City sewer system. Interest on the loan is at a fixed rate of 3.25 percent per annum. The City is required to make annual principal and interest payments on November 1 of each year commencing July 1, 2001 through July 1, 2039.

This USDA direct borrowing was repaid by the following 2020 Sewer Revenue Refunding Bonds.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - Detailed notes on all funds (continued)

G. Long-term obligations (continued)

2020 Sewer Revenue Refunding Bonds – direct borrowing

On April 28, 2020 the City issued the 2020 Sewer Revenue Refunding Bonds in the amount of \$3,549,000 to payoff the above mentioned USDA loan. The interest rate is 2.67%. The bonds final maturity is November 1, 2039. The City is required to make annual principal payments on November 1st of each year commencing November 1, 2020 through November 1, 2039, with interest payments made semi-annually on November 1 and May 1.

The refunding did not result in a difference between the reacquisition price and the net carrying amount of the old debt. The City completed the advance refunding to reduce its total debt service payments over the next 20 years by \$37,704 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$34,110.

The following is a summary of future required minimum payments due:

Fiscal Year Ending	2020 Sewer Revenue Refunding Bonds		
	Principal	Interest	Total
2021	\$ 135,000	\$ 93,745	\$ 228,745
2022	140,000	89,285	229,285
2023	144,000	85,493	229,493
2024	148,000	81,595	229,595
2025	151,000	77,604	228,604
2026-2030	822,000	324,219	1,146,219
2031-2035	940,000	206,792	1,146,792
2036-2040	1,069,000	72,717	1,141,717
Totals	<u>\$ 3,549,000</u>	<u>\$ 1,031,450</u>	<u>\$ 4,580,450</u>

The City has pledged the revenues of the Water and Sewer Funds for payment of the Bonds. The revenues will remain pledged for the duration for the loans. The Water Fund had approximately \$1,820,000 in gross revenues to pay \$296,115 in debt service. The Sewer Fund had approximately \$1,250,000 in gross revenues to pay \$195,837 in debt service.

Government-Wide activities:

On February 27, 2019, the City entered into a lease purchase contract to lease Ford Police cars in the amount of \$220,145, at 3.15%, with 3 annual payments of \$75,831 due April 1st of each year.

The following is a summary of future required minimum lease payments due:

Year ended June 30,	Government-Type Activities
	Lease Payable
2021	\$ 75,831
Less interest	(2,319)
	<u>\$ 73,512</u>

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - Other information

A. Risk management

The City's risk management activities are reported with governmental activities and recorded in the Insurance Internal Service Fund. The purpose of this fund is to administer employee life, health, dental, property and liability, workers' compensation, unemployment, and disability insurance programs of the City on a cost reimbursement basis. This fund accounts for the risk financing activities of the City but does not constitute a transfer of risk from the City.

Significant losses are covered by commercial insurance for all major programs except dental, for which the City retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

B. Joint venture

The City is a member of the Central San Joaquin Valley Risk Management Authority (the Authority). The Authority is comprised of 54 Central California member cities and is organized under the provisions of Sections 6500 - 6515 of the California Government Code. It was established for the purpose of operating and maintaining a cooperative program of self-insurance and risk management which benefits its member agencies through cost reductions, insurance coverage stability and loss control techniques. Each member city has a representative on the Board of Directors. The Board members elect officers of the Authority. The Authority establishes claim liabilities based on actuarial estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred, but not reported.

The following is the summary audited statement of net position and the changes in net position of the Authority for the year ended June 30, 2020:

Net Assets	
Assets	\$ 140,373,479
Liabilities to member cities	(120,609,137)
Net assets, reserved for insurance claims and losses	\$ 19,764,342
Changes in Net Assets	
Revenues	\$ 58,727,520
Expenses	(57,743,994)
Excess of income over (under) expenses	\$ 983,526

This information is not included in the accompanying financial statements. Separate financial statements of the Authority may be obtained at Bickmore Risk Services, 1020 19th Street, Suite 200, Sacramento, CA 95814.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Various other claims and suits have been filed against the City in the normal course of business. Based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by self-insurance and other insurance coverage.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - Other information (continued)

D. Deferred compensation plans

The City offers several deferred compensation plans created in accordance with Internal Revenue Service Code Section 457 and 401(a). The original 457 plan has two provisions to accommodate regular and part-time, temporary and seasonal employees (PTS). For regular employees, the plan permits them to defer a portion of their salary until future years. Participation in the plan is optional. For PTS employees, participation is to social security. In lieu of participation in PERS, PTS employees must contribute 6.2 percent of their earnings in accordance with IRS regulations. In regard to both classifications of employees, the deferred compensation is not available until termination, retirement, death or unforeseeable emergency.

The City Council has adopted amendments to the 457 plan to accommodate certain tax law changes established by the Internal Revenue Service. CalPERS administers the plans and offers several investment options. The choice of the investment option(s) is available only to regular employees and is made solely by the participants. The City has no liability for investment losses under the plan and in accordance with GASB 32, the assets of each of the aforementioned plans have been excluded from the financial statements.

NOTE 6 - Defined benefit pension plan

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and the City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

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 five years of service. The death benefit is one of the following: the Basic Death Benefit; the 1957 Survivor Benefit, or Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature, and in some cases require approval by the CalPERS Board.

CITY OF EXETER
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

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

	Miscellaneous	
	Classic Members	New Members
Hire date		
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates for 2019	8.00%	6.25%
Required employer contribution rates for 2019	13.692% + \$153,275	6.985% + \$2,878

	Safety	
	Classic Members	New Members
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	57
Monthly benefits, as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates for 2019	9.00%	11.50%
Required employer contribution rates for 2019	18.928% + \$286,293	13.034% + \$5,235

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Employer contributions to the Plan for the fiscal year ended June 30, 2020, were \$774,037. The actual employer payments of \$680,057, made to CalPERS by the City during the measurement period ended June 30, 2019, differed from the City's proportionate share of the employer's contributions of \$763,958 by (\$83,901), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The City's net pension liability for (each) Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019 using standard update procedures.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

Actuarial Assumptions Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset valuation method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table (1)	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at the CalPERS website at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real return years 1-10 ²	Real return years 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

¹ In the System's CAFR, fixed income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change in Assumption

There were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15 %. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period:

	Increase (decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2018 (VD)	\$ 21,931,770	\$ 17,038,138	\$ 4,893,632
Balance at: 6/30/2019 (MD)	23,181,722	17,915,487	5,266,234
Net changes during 2018-19	<u>\$ 1,249,952</u>	<u>\$ 877,349</u>	<u>\$ 372,602</u>

*Valuation Date (VD), Measurement Date (MD)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Local Government's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the Plan as of the June 30, 2018 and 2019 measurement dates was as follows:

	Misc	Safety	Total
Proportion - June 30, 2018	0.06111%	0.04414%	0.05078%
Proportion - June 30, 2019	<u>0.06371%</u>	<u>0.04349%</u>	<u>0.05139%</u>
Change - increase/(decrease)	<u>0.00260%</u>	<u>-0.00065%</u>	<u>0.00061%</u>

The City reports a net pension liability for its proportionate share of the net pension liability as follows:

	Misc	Safety	Total
Plan's proportionate share of the Net Pension Liability	\$ 2,551,311	\$ 2,714,923	\$ 5,266,234

Sensitivity 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 as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount rate -1% 6.15%	Current discount rate 7.15%	Discount rate +1% 8.15%
Employer's Net Pension Liability - Misc	\$ 4,102,570	\$ 2,551,311	\$ 1,270,856
Employer's Net Pension Liability - Safety	4,311,268	2,714,923	1,406,171
Employer's Net Pension Liability - Total	<u>\$ 8,080,304</u>	<u>\$ 5,266,234</u>	<u>\$ 2,677,027</u>

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2018), the net pension liability for the plan was \$4,893,632. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense of \$1,278,324 for the Plan.

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CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - Defined benefit pension plan (continued)

At June 30, 2020, the City has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to measurement date	\$ 774,037	\$ -
Differences between actual contributions and proportionate share of employer contributions	105,195	159,306
Changes in assumptions	232,938	64,843
Differences between actual and expected experience	354,459	13,729
Net differences between projected & actual earnings on pension plan investments	-	81,953
Change in proportion	109,896	82,333
Total	\$ 1,576,525	\$ 402,164

These amounts above are net of outflows and inflows recognized in the 2018-2019 measurement period expense. The \$774,037 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, 2020. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30:	Misc	Safety	Total
2021	\$ 167,260	\$ 252,802	\$ 420,062
2022	(83,168)	1,623	(81,545)
2023	11,202	34,325	45,527
2024	9,013	7,268	16,281
2025	-	-	-
Thereafter	-	-	-
	\$ 104,307	\$ 296,018	\$ 400,325

E. Payable to the Pension Plan

At June 30, 2020, the City reports a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

NOTE 7 - Subsequent Events

The date to which events occurring after June 30, 2020, have been evaluated for possible adjustments to the financial statements or disclosures is October 29, 2020, which is the date that the financial statements were available to be issued.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 - Recent Accounting Pronouncements

GASB Statement No. 84 – Fiduciary Activities: The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87 – Leases: This Statement requires 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 92 – Omnibus 2020: The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 93 – Replacement of Interbank Offered Rates: . The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 95 – Postponement of Effective Dates of Certain Authoritative Guidance: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this statement are effective immediately.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements: The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

CITY OF EXETER
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 - Recent Accounting Pronouncements (continued)

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

NOTE 9 - Special Item

The County of Tulare and the City have come to an agreement on prior fire protection costs relating to the City. In this agreement the City will receive a credit against the City fire prevention costs which will be shown as a special item in the general fund annually until the credit is used up.

NOTE 10 - COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The City has not included any contingencies in the financial statements specific to this issue.

REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

- The beginning and ending balances of the City's share of total pension liability, the plan assets available for pension benefits (called plan fiduciary net position), and the net pension liability
- A ratio of the City's share of plan net position divided by the total pension liability, the payroll amount for employees in the plan (covered-employee payroll), and a ratio of the City's share of net pension liability divided by covered-employee payroll

SCHEDULE OF CONTRIBUTIONS

- If an agent employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the agent employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

CITY OF EXETER
 FOR THE YEAR ENDED JUNE 30, 2020
*Schedule of the Proportionate Share of the Net Pension Liability and
 Related Ratios as of the Measurement Date
 Last 10 Years**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
Miscellaneous					
6/30/2014	0.08230%	\$ 2,034,243	\$ 1,245,778	163.29%	75.630%
6/30/2015	0.07450%	2,043,093	1,238,307	164.99%	76.646%
6/30/2016	0.06840%	2,375,106	1,410,468	168.39%	74.487%
6/30/2017	0.06550%	2,580,874	1,307,030	197.46%	75.917%
6/30/2018	0.06110%	2,303,164	1,346,241	171.08%	79.183%
6/30/2019	0.06371%	2,551,311	1,230,144	207.40%	77.834%
Safety					
6/30/2014	0.05680%	\$ 2,129,696	\$ 1,058,178	201.26%	73.713%
6/30/2015	0.04920%	2,028,878	1,153,308	175.92%	75.320%
6/30/2016	0.04700%	2,432,600	1,276,485	190.57%	72.261%
6/30/2017	0.04500%	2,684,289	1,009,726	265.84%	71.995%
6/30/2018	0.04115%	2,590,468	1,040,018	249.08%	76.164%
6/30/2019	0.04349%	2,714,923	1,304,914	208.05%	76.718%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes Safety Risk Pools excluding the 1959 Survivors Risk Pool.

CITY OF EXETER
FOR THE YEAR ENDED JUNE 30, 2020
Schedule of Plan Contributions
*Last 10 Years**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Miscellaneous					
6/30/2015	\$ 356,472	\$ (356,472)	\$ -	\$ 1,238,307	28.79%
6/30/2016	409,652	(409,652)	-	1,410,468	29.04%
6/30/2017	424,250	(424,250)	-	1,307,030	32.46%
6/30/2018	205,373	(205,373)	-	1,346,241	15.26%
6/30/2019	238,469	(238,469)	-	1,230,144	19.39%
6/30/2020	273,816	(273,816)	-	1,116,900	24.52%
Safety					
6/30/2015	\$ 346,841	\$ (346,841)	\$ -	\$ 1,153,308	30.07%
6/30/2016	348,796	(348,796)	-	1,276,485	27.32%
6/30/2017	375,767	(375,767)	-	1,009,726	37.21%
6/30/2018	380,898	(380,898)	-	1,040,018	36.62%
6/30/2019	441,587	(441,587)	-	1,304,914	33.84%
6/30/2020	500,221	(500,221)	-	1,416,464	35.31%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF EXETER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTAL INFORMATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 957,030	\$ 1,010,500	\$ 1,168,644	\$ 158,144
Sales taxes	810,000	820,014	867,978	47,964
Sales taxes - Prop 172	70,540	71,951	88,663	16,712
Utility users tax	504,980	504,980	583,866	78,886
Transient occupancy tax	96,900	96,900	100,036	3,136
Property transfer tax/Real Property Transfer	33,100	26,470	31,723	5,253
Franchise tax	140,450	143,260	181,989	38,729
Business licenses	40,800	41,200	50,363	9,163
Dog licenses	3,060	3,120	4,370	1,250
Other licenses and permits	3,120	3,180	5,790	2,610
Motor vehicle in-lieu tax	1,024,410	1,039,150	1,050,696	11,546
Street Sweeping/Leaf Pickup	56,610	56,610	61,480	4,870
Federal grants(homeland security, traffic safety)	-	-	8,256	8,256
State grants/reimbursements	-	5,800	19,881	14,081
Zoning and subdivision fees	6,870	7,830	7,450	(380)
Police services	70,000	70,000	70,988	988
Recreational activities	61,200	60,180	23,075	(37,105)
Parking fines	-	3,700	8,748	5,048
Vehicle code fines	14,360	12,610	16,241	3,631
Street sweeping fees	5,888	5,888	5,888	-
Alley repair	14,460	-	-	-
Other fines	34,262	33,432	42,414	8,982
Investment Earnings	2,080	2,120	40,580	38,460
Rent	11,650	11,780	39,295	27,515
Other revenues	26,010	28,530	20,073	(8,457)
Total revenues	<u>3,987,780</u>	<u>4,059,205</u>	<u>4,498,487</u>	<u>439,282</u>
EXPENDITURES				
Current:				
General government	697,597	649,109	622,886	26,223
Parks and recreation	403,911	303,500	298,085	5,415
Public safety - fire	152,000	280,000	218,830	61,170
Public safety - police	2,614,800	2,792,900	2,778,528	14,372
Public works	301,650	356,300	364,330	(8,030)
Debt service	-	-	-	-
Capital Outlay	40,000	83,441	79,995	3,446
Total expenditures	<u>4,209,958</u>	<u>4,465,250</u>	<u>4,362,654</u>	<u>102,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,178)</u>	<u>(406,045)</u>	<u>135,833</u>	<u>541,878</u>
Transfers in	-	-	299,395	299,395
Transfers out	-	-	-	-
Sale of property	-	-	17,549	17,549
Special item - fire settlement payment	-	-	100,000	100,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>416,944</u>	<u>416,944</u>
Net change in fund balance	<u>\$ (222,178)</u>	<u>\$ (406,045)</u>	<u>552,777</u>	<u>\$ 958,822</u>
Fund balance, July 1			<u>997,496</u>	
Fund balance, June 30			<u>\$ 1,550,273</u>	

CITY OF EXETER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTAL INFORMATION
Housing Funds
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Loan payments	\$ 167,900	\$ 167,900	\$ 196,089	\$ 28,189
Investment earnings	300	300	8,338	8,038
Total revenues	<u>168,200</u>	<u>168,200</u>	<u>204,427</u>	<u>36,227</u>
EXPENDITURES				
Current:				
Community and economic development	40,000	40,000	283,930	(243,930)
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>283,930</u>	<u>(243,930)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,200</u>	<u>128,200</u>	<u>(79,503)</u>	<u>(207,703)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 128,200</u>	<u>\$ 128,200</u>	<u>(79,503)</u>	<u>\$ (207,703)</u>
Fund balance, July 1			<u>378,605</u>	
Fund balance, June 30			<u>\$ 299,102</u>	

CITY OF EXETER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTAL INFORMATION
MEASURE R FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 207,100	\$ 207,100	\$ 564,050	\$ 356,950
Investment earnings	5,100	5,100	16,013	10,913
Total revenues	<u>212,200</u>	<u>212,200</u>	<u>580,063</u>	<u>367,863</u>
EXPENDITURES				
Current:				
General government	-	-	4,993	(4,993)
Capital outlay	-	638,284	648,963	(10,679)
Total expenditures	<u>-</u>	<u>638,284</u>	<u>653,956</u>	<u>(15,672)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>212,200</u>	<u>(426,084)</u>	<u>(73,893)</u>	<u>352,191</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 212,200</u>	<u>\$ (426,084)</u>	<u>(73,893)</u>	<u>\$ 352,191</u>
Fund balance, July 1			<u>1,004,066</u>	
Fund balance, June 30			<u>\$ 930,173</u>	

SUPPLEMENTAL INFORMATION

City of Exeter
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue					
	Gas Tax	Transportation	Storm Drain	Grant Fund	RMRA Fund	
ASSETS						
Cash and cash equivalents	\$ 331,804	\$ 1,436,711	\$ 86,461	\$ 53,457	\$ 441,800	\$ 7,511
Intergovernmental receivables	-	64,567	-	-	29,099	-
Notes receivables	-	-	-	180,000	-	-
Total assets	\$ 331,804	\$ 1,501,278	\$ 86,461	\$ 233,457	\$ 470,899	\$ 7,511
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 8,367	\$ -	\$ -	\$ 41	\$ -	\$ -
Unearned revenue	-	-	-	180,000	-	-
Total liabilities	8,367	-	-	180,041	-	-
Fund balances:						
Restricted	323,437	1,501,278	-	53,416	470,899	7,511
Committed	-	-	86,461	-	-	-
Total fund balances	323,437	1,501,278	86,461	53,416	470,899	7,511
Total liabilities and fund balances	\$ 331,804	\$ 1,501,278	\$ 86,461	\$ 233,457	\$ 470,899	\$ 7,511

**City of Exeter
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue				Total	
	COPS Fund	Police Donations Fund	Landscape & Lighting Fund	BIP Fund	Impact Fees Fund	Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 183,009	\$ 74,648	\$ 13,535	\$ 636,120	\$ 226,697	\$ 3,491,753
Intergovernmental receivables	28,885	-	643	-	-	123,194
Notes receivables	-	-	-	30,290	-	210,290
Total assets	\$ 211,894	\$ 74,648	\$ 14,178	\$ 666,410	\$ 226,697	\$ 3,825,237
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 2,066	\$ -	\$ 7,995	\$ -	\$ -	\$ 18,469
Unearned revenue	-	-	-	30,290	-	210,290
Total liabilities	2,066	-	7,995	30,290	-	228,759
Fund balances:						
Restricted	209,828	74,648	6,183	636,120	226,697	3,510,017
Committed	-	-	-	-	-	86,461
Total fund balances	209,828	74,648	6,183	636,120	226,697	3,596,478
Total liabilities and fund balances	\$ 211,894	\$ 74,648	\$ 14,178	\$ 666,410	\$ 226,697	\$ 3,825,237

City of Exeter
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue					
	Gas Tax	Transportation	Storm Drain	Grant Fund	RMRA Fund	CASP Fund
REVENUES						
Gas Tax	\$ 252,847	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	491,437	-	-	190,553	2,211
Charges for services	-	-	4,371	-	-	-
Investment earnings	7,637	28,560	1,643	1,018	7,653	125
Total revenues	260,484	519,997	6,014	1,018	198,206	2,336
EXPENDITURES						
Community and economic development	-	-	-	531	-	-
General government	-	-	-	-	-	-
Public safety - police	-	-	-	-	-	-
Public works	77,594	2,276	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	9,225	4,640	-	-	-	-
Total expenditures	86,819	6,916	-	531	-	-
Excess (deficiency) of revenues over expenditures	173,665	513,081	6,014	487	198,206	2,336
OTHER FINANCING SOURCES (USES)						
Transfers out	(107,000)	(192,395)	-	-	-	-
Total other financing sources and uses	(107,000)	(192,395)	-	-	-	-
Net change in fund balances	66,665	320,686	6,014	487	198,206	2,336
Fund balances - beginning	256,772	1,180,592	80,447	52,929	272,693	5,175
Fund balances - ending	\$ 323,437	\$ 1,501,278	\$ 86,461	\$ 53,416	\$ 470,899	\$ 7,511

City of Exeter
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue				Total Nonmajor Governmental Funds	
	COPS Fund	Police Donations Fund	Landscape & Lighting Fund	BIP Fund		Impact Fees Fund
REVENUES						
Gas Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,847
Intergovernmental	220,892	12,000	72,134	-	-	989,227
Charges for services	-	-	-	-	8,122	12,493
Investment earnings	-	-	-	-	4,309	50,945
Total revenues	220,892	12,000	72,134	-	12,431	1,305,512
EXPENDITURES						
Community and economic development	-	-	-	-	-	531
General government	-	-	66,560	-	-	66,560
Public safety - police	84,702	9,533	-	-	-	94,235
Public works	-	-	-	-	-	79,870
Debt service:						
Principal	71,264	-	-	-	-	71,264
Interest	4,567	-	-	-	-	4,567
Capital outlay	-	-	-	-	-	13,865
Total expenditures	160,533	9,533	66,560	-	-	330,892
Excess (deficiency) of revenues over expenditures	60,359	2,467	5,574	-	12,431	974,620
OTHER FINANCING SOURCES (USES)						
Capital leases	-	-	-	-	-	(299,395)
Total other financing sources and uses	-	-	-	-	-	(299,395)
Net change in fund balances	60,359	2,467	5,574	-	12,431	675,225
Fund balances - beginning	149,469	72,181	609	636,120	214,266	2,921,253
Fund balances - ending	<u>\$ 209,828</u>	<u>\$ 74,648</u>	<u>\$ 6,183</u>	<u>\$ 636,120</u>	<u>\$ 226,697</u>	<u>\$ 3,596,478</u>

OTHER REPORT



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

Independent Auditor's Report

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

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Britanna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA
Louis Fernandez, CPA
Abigail Hernandez Conde, CPA, MSA
Zoe Xintu Zhang, CPA, MSA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Exeter (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 29, 2020.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 29, 2020

**City of Exeter
Agenda Item Transmittal**

Meeting Date: December 8, 2020

Agenda Item Number: G3

Wording for Agenda: Discussion of development of the Citizen's Oversight Committee and Initial Expenditure Plan for Measure P.

Submitting Department: Administration
Contact Name: Adam Ennis
Phone Number: (559) 592-4539
Email: adam@exetercityhall.com

Department Recommendation:

Staff recommends that the Council discuss and provide direction to staff on development of the Citizen's Oversight Committee and Initial Expenditure Plan for Measure P.

Summary/Background:

On July 28, 2020, the Council approved the proposed revenue measure being placed on the November 3, 2020 ballot for voter consideration. The final election results indicate the measure (Measure P) passed with 69.78% approval. Due to the holidays, remaining processing for Measure P and required timeframes, beginning discussion of Oversight Committee and Initial Expenditure Plan development is critical.

Several months will be needed to fully develop the details for implementing the revenue measure and preparing for ongoing activities. Initially, a submittal must be made to the California Department of Fee and Tax Administration (CDFTA) by early January to develop the agreement with them to collect the tax and send the quarterly disbursements to the City. A separate item is on tonight's Council agenda to begin that process. It is anticipated that staff will bring a recommended draft initial expenditure plan to Council in January 2021 for consideration and comment and then take the plan, with Council amendments, to the Oversight Committee for review in February. In March staff would bring the initial expenditure plan, with Oversight Committee comments, back to Council for final adjustments and approval for the mid-year budget adjustment. This schedule would provide for having a budget in place for the new revenues prior to the beginning of the tax collection in April and the first disbursement to the City by early July.

In order to meet this schedule, development of the Oversight Committee will need to begin in December. For development of the Oversight Committee, staff recommends the approach that was previously used for the Proposed Revenue Measure Advisory Committee (PRMAC). Staff would develop an application and information sheet for placement on the City website, Facebook page and utility bills and presented to community groups in person and through email. The information sheet would present the purpose of the group, organization, anticipated schedule of meetings and responsibilities of the committee. Applications would be due to the City Clerk's office by January 19, 2021 so that they could be assembled and brought to the City Council for consideration at the regular meeting on January 26, 2021. At this meeting Council could direct staff on their preference for committee member selections and adopt the resolution that establishes the committee and their purpose and responsibilities. It is anticipated that the committee would act in a community advisory role to the Council regarding the use of Measure

For action by:

City Council

Regular Session:

Consent Calendar

Regular Item

Public Hearing

Review:

**City Administrator
(Initials Required)**

ABE

P revenues and would meet two to four times per year, typically during budget preparation or amendment, The committee meetings would be conducted in accordance with the Brown Act, being open to the public and public comment with agendas posted a minimum of 72 hours in advance. The parliamentary procedure followed by the committee would be the Robert's Rules of Order.

The process to develop an initial expenditure plan will also need to begin in December to meet the proposed schedule. To begin this process, it is important to have an overview discussion of needs to be funded and their relative amount of funding, building of a fund reserve and how to address initial and one-time expenditures.

In previous presentations and discussions with Council, several major categories of needs have been considered for potential revenue measure funding such as public safety, roads, code enforcement, parks and recreation and associated City facility needs. In addition, the PRMAC had recommended that the Council also consider ways that funding might assist with development related tasks. As is typical, there are more needs than revenue, so staff plans to list needs in each of these areas in order of priority and determine a recommended initial expenditure plan that relatively balances priorities and needs in the different categories. This recommended initial expenditure plan would then be brought back to Council for consideration and direction, taken to the Oversight Committee for community input and ultimately presented for approval of a mid-year budget adjustment.

Since the revenue from Measure P has the potential to fluctuate with the economy, it will be important to build and maintain a reserve to potentially carry any ongoing costs funded by the measure through times when the measure funding could dip. Staff would also include in the above referenced prioritization the building up of a reserve in the fund, probably on the order of 25% of the annual revenue.

There will be some items that will require initial start-up costs or are one-time costs. Staff will develop estimates for these and determine how they could be included in the spending plan. It is anticipated to use the first disbursement, which is for the last quarter of the current fiscal year, to cover these costs as much as possible prior to the regular annual budget that will begin in the following quarter. However, set-up costs with the CDTFA will also have to come out of this initial disbursement, which are estimated to be approximately \$30,000 based on discussions with other communities.

Fiscal Impact: None with this item. In upcoming meetings fiscal impacts due to the revenue measure and the associated initial expenditure plan will be determined.

Prior Council/Board Actions: Miscellaneous Council actions over the last three years regarding the revenue measure.

Attachments: None

<p>Recommended motion to be made by Council/Board: No action needed, provide direction to staff regarding Oversight Committee and Initial Expenditure Plan Development.</p>
--

City of Exeter
Agenda Item Transmittal

Meeting Date: December 8, 2020

Agenda Item Number: **G4**

Wording for Agenda: Discussion of COVID-19 status and review the need to continue the state of emergency established by Resolution 2020-12 due to the Novel Coronavirus (COVID-19) for another 60 days.

Submitting Department: Administration
Contact Name: Adam Ennis
Phone Number: (559) 592-4539
Email: adam@exetercityhall.com

Department Recommendation:

Staff recommends that the City Council receive a COVID-19 status update and continue the state of emergency established by Resolution 2020-12 due to the Novel Coronavirus (COVID-19) for another 60 days.

Summary:

On March 24, 2020 the Council adopted Resolution 2020-12 proclaiming the existence of a local emergency due to the Novel Coronavirus (COVID-19) subsequent to emergencies being declared by the United States Department of Public Health and Human Services, the State and County. Recently, Tulare County reports that there have been about 220,000 tests completed, 22,000 confirmed cases and 320 deaths. About 35% of the deaths resulted from skilled nursing home cases. There have been about 460 confirmed cases in Exeter.

In addition to the medical impacts listed above, many local businesses categorized as non-essential by County and State orders were closed or at reduced services for many weeks resulting in loss of income and employee layoffs. In addition, bars and gyms remain closed and restaurants are limited to take out, delivery and outside dining options in an attempt to reduce spread of the virus. This is and will have a significant impact on the local economy and the City revenues. In addition, the effects of this pandemic on the investment markets will have an impact on the economy, City revenues and future CalPERS unfunded liabilities.

The City has developed and distributed a no cost encroachment permit process and conditions for use of the public right-of-way along business frontages to assist in continuing and maximizing business operations as much as possible. Additional options to assist local businesses through this pandemic are currently being discussed with the Chamber of Commerce and local community groups. The City will continue to assist where possible on any potential options that could benefit local businesses. In addition, several programs have been developed through the County and State using CARES ACT funding to financially assist businesses.

Preparing for, responding to, mitigating, and recovering from the spread of COVID-19 has and will continue to require the City to divert resources from normal day-to-day operations and impose extraordinary requirements on and expenses to the City. Since the pandemic began affecting Tulare County and the declaration of a local emergency, the City Administrator took administrative actions to address State, County and local emergency declarations, guidance and orders and ensure continuity of service to the community and staff safety.

For action by:
 City Council

Regular Session:
 Consent Calendar
 Regular Item
 Public Hearing

Review:

**City Administrator
(Initials Required)**



The City Police Department lobby was closed during the first few weeks of the Stay-At-Home order but has been opened since then. Staff has prepared City lobbies to meet current orders and guidance and in late August reopened the City Hall lobby between 10 a.m. to 2 p.m. and Public Works lobby from 7am to 3pm, both Monday through Friday. Reopening these lobbies required that policies be prepared, modifications made to the facilities and staff trained. So far, the City has spent about \$40,000 on sanitizing, personal protective equipment, technology for virtual meetings and retrofitting City facilities for social distancing measures in order to reopen. In addition, the annual revenues from recreation programs has decreased upwards of \$45,000.

Staff recommends continuing the state of emergency established by Resolution 2020-12 since additional future requirements, needs and costs are likely and the potential for future reimbursement exists that could depend on an emergency declaration being in place. If the declaration is continued it must be reviewed again in 60 days, which would have to occur by February 6, 2021.

Background:

COVID-19 is a respiratory disease which the Centers for Disease Control and Prevention (CDC) considers to be a very serious public health threat with outcomes ranging from mild to severe sickness and death. On March 4, 2020, Governor Newsom declared a state of emergency in the State of California due to the number of confirmed cases of COVID-19 in the state. On March 12, 2020, Tulare County declared an emergency due to the confirmed case of COVID-19 at Sierra View Medical Center in the City of Porterville.

Fiscal Impact: At this point the City has spent about \$40,000 on sanitizing, personal protective equipment, technology for virtual meetings and retrofitting City facilities for social distancing measures in order to reopen. In addition, the annual revenues from recreation programs has decreased upwards of \$45,000.

The potential future financial impacts of this virus are unknown at this time but could vary depending on the level of resources, and associated costs, that are required to be expended by the City and the effect on future revenues due to impacts on the local economy. The total potential for assistance to the City and community from State and Federal resources for these impacts are still unknown at this time and their availability could be dependent on whether a City declaration of emergency is in place or not.

The City has received two of the four total disbursements of CARES ACT funding through the State for costs incurred to meet orders and guidance. The total CARES ACT funding available to the City is about \$136,000 and requires staff to develop and provide documentation to the State justifying the City receiving these disbursements. Staff anticipates submitting the \$40,000 in expenses mentioned above and about \$96,000 for "Preservation of Essential City Services for Residents", which is defined by the CARES ACT primarily as public safety services through the pandemic, for a total of about \$136,000. The State must then review the justifications to confirm the City's eligibility to receive the funding.

Prior Council/Board Actions: On March 24, 2020 the Council adopted Resolution 2020-12 proclaiming the existence of a local emergency due to the novel coronavirus (COVID-19).

On May 19, July 14, 2020, September 8, 2020 and November 2, 2020 Council approved to continue the state of emergency established by Resolution 2020-12 due to the Novel Coronavirus (COVID-19) for an additional 60 days.

Attachments: RESOLUTION 2020-12 - A Resolution Of The City Council Of The City Of Exeter Proclaiming The Existence Of A Local Emergency

Recommended motion to be made by Council/Board: I move to continue the state of emergency established by Resolution 2020-12 due to the Novel Coronavirus (COVID-19) for another 60 days.

RESOLUTION 2020-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EXETER PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, the novel coronavirus (COVID-19) is a respiratory disease which the Centers of Disease Control and Prevention (CDC) consider to be a very serious public health threat with outcomes ranging from mild to severe sickness and death; and

WHEREAS, COVID-19 is easily transmissible from person to person and has spread globally to over 118 countries, infected more than 125,000, and killed more than 4,000 as of March 11, 2020 per the World Health Organization (WHO); and

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services declared a public emergency for COVID-19 beginning on January 27, 2020; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency in the State of California due to the number of confirmed cases of COVID -19 in the State; and

WHEREAS, on March 11, 2020, WHO made the assessment that COVID-19 can be characterized as a pandemic; and

WHEREAS, on March 12, 2020, Tulare County declared an emergency due to the confirmed case of COVID-19 at Sierra View Medical Center in the City of Porterville, thus enabling Tulare County to take extraordinary measures, and since that date there have been 2 more confirmed cases at Kaweah Delta Medical Center in the City of Visalia;

WHEREAS, between the dates of March 13, 2020 and March 17, 2020, various State and Federal authorities have recommended that gatherings of more than 250, 50, or even 10 people should be avoided at least until the end of March; and

WHEREAS, COVID-19 therefore will continue to cause conditions of peril to the health, safety, and welfare of person and property in the City of Exeter; and

WHEREAS, preparing for, responding to, mitigating, and recovering from the spread of COVID-19 requires the City to divert resources from normal day-to-day operations, and has and will continue to impose extraordinary requirements on and expenses to the City; and

WHEREAS, the City Council here finds that the above described conditions related to the COVID-19 outbreak does warrant and necessitate the proclamation of the existence of a local emergency in the City of Exeter;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND DECLARED by the City Council of the City of Exeter;

Resolution 2020-12
COVID-19 Emergency

1. A local emergency is hereby proclaimed to exist throughout the City of Exeter.
2. The local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Exeter.
3. As required by law, the City Council shall review the need to continue the state of emergency at least once every sixty (60) days until this Resolution is terminated.

PASSED, ADOPTED AND APPROVED this 24th day of March 2020 by the following vote:

AYES: Alves; Sally; Hails; Petty; and Waterman-Philpot

NOS: N/A

ABSTAIN: N/A

ABSENT: N/A


MAYOR

ATTEST:



CITY CLERK