



## **EXETER CITY COUNCIL AGENDA**

**TUESDAY, APRIL 22, 2025**

**Closed Session – 6:00 p.m.**

**Regular Session – 7:00 p.m.**

**137 North "F" Street, Exeter, California 93221**

**CITY ADMINISTRATOR**

*Adam Ennis*

**MAYOR**

*Jacob Johnson*

**PUBLIC WORKS DIRECTOR**

*Zachary Boudreaux*

**INTERIM CHIEF OF POLICE**

*Robert Schimpf*

**MAYOR PRO TEM**

*Jeff Wilson*

**CITY ATTORNEY**

*Julia Lew*

**FINANCE DIRECTOR/CITY  
TREASURER**

*Eekhong Franco*

**COUNCIL MEMBERS**

*Frankie Alves*

*Vicki Riddle*

*Bobby Lentz*

**CITY PLANNER**

*Greg Collins*

**CITY CLERK**

*Francesca Quintana*

**CITY ENGINEER**

*Martin Querin*

**DEPUTY CITY CLERK**

*Christina Arias*

Staff Reports related to items on the agenda are available  
on the City's website at [www.cityofexeter.com](http://www.cityofexeter.com) and  
available for viewing at the Council Chambers.



**6:00 p.m.**

**A. CALL TO ORDER CLOSED SESSION**

**B. PUBLIC COMMENTS REGARDING CLOSED SESSION MATTERS - Comments from the public are limited to items listed on the closed session matters (GC 54954.3a). Speakers will be allowed three (3) minutes. Please begin your comments by stating your name and providing your City of residence.**

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

1. 54956.9 Consideration of Liability Claims  
Claimant: Dianne Cortinas  
Claimed Against: City of Exeter
2. 54957 Public Employment/Appointment  
Title/Position: City Administrator

3. 54957 Public Employment/Appointment  
Title/Position: Chief of Police
4. 54957.6 Conference with Labor Negotiators  
Agency Negotiators: Mayor and (Retiring) City Administrator  
Unrepresented Position: (Incoming) City Administrator
5. 54957.6 Conference with Labor Negotiators  
Agency Negotiators: City Administrator  
Unrepresented Position: Chief of Police

**7:00 p.m. (or, immediately following Closed Session)**

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

**E. INVOCATION**

*Presented by Pastor Piepgrass.*

**F. PLEDGE OF ALLEGIANCE**

**G. PUBLIC COMMENTS:**

*This is the time for citizens to comment on subject matters that are not on the agenda that are within the jurisdiction of the Exeter City Council. In compliance with public meeting laws, Council cannot discuss topics that are not included on the published agenda. This is also the time for citizens to comment on items listed on the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Public comments related to all pulled Consent Calendar Items and all Individual Business or Public Hearing Items that are listed on this agenda will be heard at the time that item is discussed or at a time the Public Hearing is opened for comment.*

*In fairness to all who wish to speak tonight, comments shall be limited to five (5) minutes for each individual, ten (10) minutes for an individual representing a group, and thirty (30) minutes overall for the entire public comment period, unless otherwise indicated by the Mayor. Although not required, speakers are asked to begin their comments by stating their name and city of residence.*

**H. SPECIAL PRESENTATIONS:**

None.

**I. CONSENT CALENDAR:**

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

1. Approval of April 08, 2025, regular meeting minutes (pp. 5 – 8)
2. Payment of Bills (pp. 9 – 13)
3. April 11, 2025, Payroll (pp. 14 – 19)
4. Quarter 3 Treasurer's Report (pp. )
5. Approve and authorize Mayor to sign and submit a letter of support for Assembly Bill (AB) 650 (Papan) regarding Planning and Zoning; Housing Element; Regional Housing Needs Allocation (pp. 20 – 98)

6. Approve and authorize Mayor to sign and submit a letter of opposition to Senate Bill (SB) 634 (Pérez) regarding homelessness civil and criminal penalties (pp. 99 – 107)
7. Approval of a request for a street closure of E St. between E. Cedar and Clarence for a private fundraising event hosted by Center for Art Culture and History – Exeter (CACHE) beginning at 3:30 p.m. May 17, 2025, and ending at 7:30 p.m., and a street closure fee waiver of \$100.00, subject to the conditions presented by staff (pp. 108 – 117)
8. Authorize the piggyback of a Sourcewell cooperative purchasing agreement and authorize the City Administrator to enter into a purchase agreement with RDO Equipment Co. of Fowler, CA for an ATX850 Wheel Loader, manufactured by Vermeer Corporation and appropriate an additional \$14,731.27 split between the water and sewer expenditure accounts for a total purchase of \$78,511.27 (pp. 118 – 120)
9. Authorize the purchase of six APX6500 vehicle radios (\$35,918.61) as well as necessary upgrades to two existing APX6500 radios (\$5,811.75) to accommodate required radio encryption at a total purchase cost of \$41,730.36 with Motorola Solutions and appropriate \$41,730.36 from the COPS Grant fund (pp. 121 – 128)
10. Approve and authorize the City Administrator to execute a Memorandum of Understanding (MOU) Between the County of Tulare and the City of Exeter for Interim Police Chief Services (pp. 129 – 140)

#### **J. INDIVIDUAL BUSINESS ITEMS:**

*Comments related to Individual Business and Public Hearing Items are limited to three (3) minutes per speaker, for a maximum of 30 minutes per item. The Mayor may reasonably limit or extend the public comment period to preserve the Council's interest in conducting efficient, orderly meetings.*

1. Adoption of **Resolution 2025-10**, A Resolution of the City Council of the City of Exeter Directing the City Engineer to Prepare a Report for the current twenty (20) City of Exeter Landscape and Lighting Maintenance Assessment Districts 91-01A; 91-01B; 97-01; 98-01; 08-01; 06-01; 05-01; 05-02; 04-01; 04-02; 04-03; 04-04; 04-05; 03-01; 03-02; 01-01; 01-02; 00-01, 00-02, and 23-01 (pp. 141 – 144)  
*Presented by John Doyel, Contract City Engineer*
2. Receive the Fiscal Year 2023/2024 Audited Financial Statements for the City of Exeter, review the financial condition of the City, and provide feedback. (pp. 145 – 225)  
*Presented by Rene Miller, Hourly Finance Manager*
3. Consider Approval of Employment Agreement with Rob Schimpf for the position of Chief of Police (pp. 226 – 233)  
*Presented by Francesca Quintana, City Clerk/Human Resources Manager*
4. Consider Approval of Employment Agreement and Appointment of Jason Ridenour as the City Administrator effective May 27, 2025 (pp. 234 – 241)  
*Presented by Francesca Quintana, City Clerk/Human Resources Manager and Julia Lew, City Attorney*


#### **K. CITY COUNCIL ITEMS OF INTEREST**

#### **L. CITY ADMINISTRATOR/DEPARTMENT COMMENTS**

**M. REGULAR MEETING ADJOURNMENT**

State of California            )  
County of Tulare            ) ss.  
City of Exeter                )

I declare under penalty of perjury that I am employed by the City of Exeter, in the Administrator's Office; and that I posted this Agenda on the bulletin board outside of City Hall 137 N. F St. Exeter CA 93221 on April 18, 2025 and online on the [City of Exeter website](#).

  
\_\_\_\_\_  
Francesca Quintana, City Clerk

++++  
In compliance with the Americans with Disabilities Act, and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the City Clerk (559)592-9244. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet. (28 CFR 35.102-35. 104 ADA Title II).

Materials related to an item on this Agenda submitted to the legislative body after distribution of the agenda packet are available for public inspection at City of Exeter, Administration Office 314 W. Firebaugh, Exeter CA 93221 during normal business hours.





**EXETER CITY COUNCIL AGENDA**  
**TUESDAY, APRIL 8, 2025 REGULAR MEETING**  
**ACTION MINUTES**  
**Closed Session – 6:00 p.m.**  
**Regular Session – 7:00 p.m.**  
**137 North "F" Street, Exeter, California 93221**

CITY ADMINISTRATOR  
*Adam Ennis*

MAYOR  
*Jacob Johnson*

PUBLIC WORKS DIRECTOR  
*Vacant*

INTERIM CHIEF OF POLICE  
*Rob Schimpf*

MAYOR PRO TEM  
*Jeff Wilson*

CITY ATTORNEY  
*Julia Lew*

FINANCE DIRECTOR/CITY  
TREASURER  
*Eekhong Franco*

COUNCIL MEMBERS  
  
*Frankie Alves*  
*Bobby Lentz*  
*Vickie Riddle*

CITY PLANNER  
*Greg Collins*

CITY CLERK  
*Francesca Quintana*

CITY ENGINEER  
*Martin Querin*

DEPUTY CITY CLERK  
*Christina Arias*

Staff Reports related to items on the agenda are available  
on the City's website at [www.cityofexeter.com](http://www.cityofexeter.com) and  
available for viewing at the Council Chambers.



**A closed session of the City Council, City of Exeter was held on Tuesday, April 8, 2025, at 6:00 p.m., in the Exeter City Council Chambers, 137 North F Street in Exeter CA 93221.**

**COUNCIL PRESENT:** Jacob Johnson, Jeff Wilson, Frankie Alves, Bobby Lentz, and Vicki Riddle.

**COUNCIL ABSENT:** None.

**STAFF PRESENT:** Adam Ennis, Julia Lew, Francesca Quintana, Chief Schimpf, and Christina Arias.

**6:00 p.m.**

**A. CALL TO ORDER CLOSED SESSION**

*Mayor Johnson called the closed session to order at 6:00 p.m.*

**B. PUBLIC COMMENTS REGARDING CLOSED SESSION MATTERS**

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

*No public comment was presented.*

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

1. 54957.6 Conference with Labor Negotiations  
Agency Negotiator: Adam Ennis  
Employee Groups: Unrepresented Positions: Misc. Department Heads and City Administrator
2. 54956.9(d)(1) Conference with Legal Counsel  
Re: Existing Litigation: City of Exeter v. Lillian Dignan, Tulare Superior Court No. VCU315971
3. 65956.9(d)(4) Conference with Legal Counsel  
Re: Potential Initiation of Litigation: One (1) Case
4. 65956.9(d)(2) Conference with Legal Counsel  
Re: Significant Exposure to Litigation: Three (3) Cases

*Mayor Johnson adjourned the closed session at 6:58 p.m.*

**7:00 p.m. (or, immediately following Closed Session)**

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

*Mayor Johnson called the regular session to order at 07:00 p.m. City Attorney Julia Lew confirmed there were no reportable actions taken out of closed session.*

**E. INVOCATION**

*Presented by Mayor Johnson.*

**F. PLEDGE OF ALLEGIANCE**

*Led by Council Member Alves.*

**G. PUBLIC COMMENTS:**

*None.*

**H. SPECIAL PRESENTATIONS:**

*None.*

**I. CONSENT CALENDAR:**

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

1. Approval of March 25, 2025, regular meeting minutes (pp. 4 – 8)
2. Payment of Bills (pp. 9 – 13)
3. March 28, 2025, Payroll (pp. 14 – 19)

4. Approval of a request from the Exeter Mural Gallery and Downtown Merchants for the use of Mixter Park on the 2nd Saturday of each month between the hours of 8:00 a.m. and 3:00 p.m. and a Special Event Permit fee waiver in the amount of \$166.00 (pp. 20 – 28)
5. Quarter 1 Treasurer's Report (pp. 29 – 30 )
6. Quarter 2 Treasurer's Report (pp. 31 – 32)
7. Approval of Police Department temporary restroom rental for an additional three (3) months through the end of the repair and remodel of the Police/Administration building (pp. 33 – 34)
8. Approve and authorize Mayor to sign and submit a letter of opposition to Senate Bill (SB) 79 (Wiener) regarding transit-oriented development and its implications for local land use authority (pp. 35 – 38)

| <b>Approval of Consent Calendar as presented</b> |                 |        |         |        |       |        |       |
|--|-----------------|--------|---------|--------|-------|--------|-------|
| 1 <sup>st</sup>                                  | 2 <sup>nd</sup> | Result | JONHSON | WILSON | ALVES | RIDDLE | LENTZ |
| ALVES  | RIDDLE          | (5-0)  | AYE     | AYE    | AYE   | AYE    | AYE   |

*It was moved by Council Member Alves and seconded by Council Member Riddle that the items on the Consent Calendar be approved as presented. The motion carried 5-0.*

#### **J. INDIVIDUAL BUSINESS ITEMS:**

*Comments related to Individual Business and Public Hearing Items are limited to three (3) minutes per speaker, for a maximum of 30 minutes per item. The Mayor may reasonably limit or extend the public comment period to preserve the Council's interest in conducting efficient, orderly meetings.*

1. Discussion and direction regarding appointment to Measure R Citizens Oversight Committee (pp. 39 – 40)

*Presented by Francesca Quintana, City Clerk/Human Resources Manager*

*City Clerk/Human Resources Manager Francesca Quintana provided a report for the City Council's review and consideration.*

*Mayor Johnson opened the item up for public comment. No public comment was received.*

| <b>Approval to open the application process to appoint a representative to the Measure R Citizens Oversight Committee, as discussed</b> |                 |        |         |        |        |       |       |
|---|-----------------|--------|---------|--------|--------|-------|-------|
| 1 <sup>st</sup>   | 2 <sup>nd</sup> | Result | JOHNSON | WILSON | RIDDLE | ALVES | LENTZ |
| JOHNSON   | ALVES           | (5-0)  | AYE     | AYE    | AYE    | AYE   | AYE   |

*It was moved by Mayor Johnson and seconded by Council Member Alves to open the application process to appoint a representative to the Measure R Citizens Oversight Committee, as discussed. The motion carried 5-0.*

2. Receive three-month update on the repair and remodel of the Police Department/Administration Building (pp. 41 – 43)

*Presented by Adam Ennis, City Administrator*

*City Administrator Adam Ennis provided a report for the City Council's review and consideration.*

*Mayor Johnson opened the item up for public comment. No public comment was presented.*

## **K. CITY COUNCIL ITEMS OF INTEREST**

*Council Member Alves shared that he will be attending the upcoming SJV Special City Selection Committee meeting as well as provided an update of upcoming community events.*

*Council Member Riddle welcomed a local student observing the city council meeting. Riddle provided information from the latest TCAG meeting and funding programs for City projects. Riddle shared information regarding the latest Park Master Plan meeting that was held and thanked Mayor Pro Tem Wilson and his family for their attendance and support, she is excited for what's to come.*

*Mayor Pro Tem Wilson thanked the Police Department for helping monitor activity at City Park. Wilson also shared that he spent time with the residents of Rocky Hill Haciendas educating them about LLMADs. Wilson inquired about Blossom Estates landscaping with city staff and requested follow up.*

*Council Member Lentz had no report.*

*Mayor Johnson highlighted the success of the recent City Wide Yard Sale, noting that it brought additional revenue into Exeter and was a great event.*

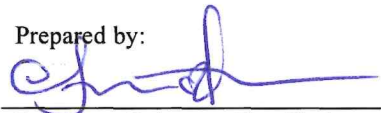
## **L. CITY ADMINISTRATOR/DEPARTMENT COMMENTS**

*City Administrator Adam Ennis, Interim Police Chief Rob Schimpf, City Attorney Julia Lew, and City Clerk/Human Resources Manager Francesca Quintana provided a brief update on City and department related items.*

## **M. REGULAR MEETING ADJOURNMENT**

*Mayor Johnson adjourned the meeting at 7:54 p.m.*

Prepared by:



---

Francesca Quintana, City Clerk

AVENU FINANCIAL SYSTEM  
04/04/2025 13:28:33      Payments for Publication      CITY OF EXETER  
GL050S-V08.22 COVERPAGE  
GL335R

Report Selection:

Run Group... 040425      Comment... CHECK RUN 4/4/25

Approval Date for Report..... 04 04 2025

Payments Through Date..... 04 04 2025

Cutoff Amount to be Used..... 0000000

RUN GROUP... 040425      COMMENT... CHECK RUN 4/4/25

DATA-JE-ID      DATA COMMENT  
-----

D-04042025-473 CHECK RUN 4/04/2025

Run Instructions:

| Jobq | Banner | Copies | Form | Printer  | Hold | Space | LPI | Lines | CPI | CP | SP | RT |
|------|--------|--------|------|----------|------|-------|-----|-------|-----|----|----|----|
| L    |        | 01     |      | LASERHP4 | Y    | S     | 6   | 066   | 10  |    |    |    |



Approved on 4/04/2025 for Payments Through 4/04/2025

| Vendor Name                    | Description              | Amount     |
|--------------------------------|--------------------------|------------|
| AFLAC                          | MAR 2025 AFLAC           | 3,415.64   |
| ARIAS/ CHRISTINA               | MAR MILE REIMB-CSJVRMA   | 75.60      |
| AT&T MOBILITY                  | PW - 02/03/25-03/02/25   | 405.72     |
| BANC OF AMERICA LEASING        | PAYMENT 44 PRINCIPAL     | 46,351.61  |
| BLUE SHIELD OF CALIFORNIA      | 04/01/25 - 04/30/25      | 34,060.78  |
| BUZZ KILL PEST CONTROL         | MAR 1907 W MEYER PEST CO | 196.00     |
| C.L.E.A.                       | APR 2025 LT DISABILITY   | 64.00      |
| CENTRAL VALLEY BUSINESS FORMS  | ENVELOPES W/ WINDOWS     | 228.38     |
| CITY OF EXETER                 | 2/18/25-3/18/25 ASSESSME | 1,029.17   |
| CITY OF VISALIA                | APR 2025 ANIMAL SERVICE  | 19,539.09  |
| CONSENSUS CLOUD SOLUTIONS      | EFAX SET UP AND MAINTENA | 365.70     |
| CONSOLIDATED ELECTRICAL DISTRI | M18 MAG BOOM LIGHT       | 804.00     |
| DELTA LIQUID ENERGY, ARRO AUTO | MOTOR VEHICLE FUEL       | 18.69      |
| DEPT OF JUSTICE                | FEB 2025 RECORD REVIEW   | 25.00      |
| DEPT OF TRANSPORTATION         | OCT-DEC 2024 SIGNALS     | 2,451.55   |
| EBM DESIGN GROUP INC           | PD REMODEL CONSTR ADMIN  | 10,843.25  |
| ELITE CORPORATE MEDICAL SERV   | MEDICAL CLINIC FEE-44    | 1,166.00   |
| EMD NETWORKING SERVICES, INC.  | PC FOR PW DIRECTOR       | 1,239.43   |
| EWING IRRIGATION PRODUCTS INC  | L/P PLASTIC VALVE BOX PU | 322.44     |
| EXETER IRRIGATION & SUPPLY     | PE TUBING, 200' ROLL     | 306.60     |
| EXETER MERCANTILE CO.          | SMARTFLO MAX HOSE        | 92.12      |
| FERGUSON US HOLDINGS, INC      | U21 2 DP C/BASIN W/ FRM  | 6,008.83   |
| FP MAILING SOLUTIONS           | 3/15/25-6/14/25 POSTBASE | 114.02     |
| FRESNO OXYGEN                  | "B" ACET CYLS            | 224.97     |
| FRONTIER CALIFORNIA INC.       | 5139 3/14/25-4/13/25     | 765.92     |
| FUSION CONNECT, INC            | 0966 3/18/25-4/17/25     | 552.68     |
| GBR TRANSPORT, INC             | 3/15-4/14/25 STRGE CONT  | 228.38     |
| HPS WEST, INC                  | ELINK ENDODER REGIST KI  | 5,787.31   |
| JACK GRIGGS INC                | MAR 2025 GAS             | 9,317.63   |
| KRC SAFETY CO INC.             | RESTRICTED PROPERTY SIGN | 103.70     |
| LAYTON/ KRISTI A               | UB DEPOSIT REFUND        | 56.70      |
| LIEBERT CASSIDY WHITMORE       | PERSONNEL MATTER         | 1,762.00   |
| MATTRESS RECYCLING COUNCIL     | MAR 2024 MATT RCYC REFUN | 448.92     |
| MCCORMICK KABOT JENNER & LEW   | JAN 25 LEGAL SERVICES    | 7,298.00   |
| MID VALLEY DISPOSAL, LLC       | MAR 2025 MID VALLEY      | 118,065.44 |
| MILLAN/ MARCUS                 | MILLAN-WW TREATMNT EXAM  | 179.99     |
| MOONLIGHT MAINTENANCE          | MAR DOB FIELD CLEANING   | 4,107.20   |
| MOORE TWINING ASSOCIATES, INC  | TOTAL NITROGEN 10 DAY    | 684.00     |
| PADILLA/ CESAR                 | VIN 400407 TRUCK CHECK   | 500.00     |
| PROVOST & PRITCHARD            | FEB 2025 TOOLEVILLE      | 4,093.38   |
| QUAD KNOPF ENGINEERING         | 240174 EXETER PRK MASTER | 24,145.06  |
| QUINTANA/ FRANCESCA            | CSJVRMA - MILE REIMBUR   | 69.23      |
| SEQUOIA DOOR, INC.             | ADJ LOCK-CITY BTHRM      | 70.00      |
| SERVIAM BY WRIGHT LLP          | 1/22-2/18/25 333 PALM    | 9,822.79   |
| SIERRA SANITATION, INC         | 3/24/25-4/23/25 100 N C  | 5,256.05   |
| SOUTHERN CALIFORNIA EDISON     | 9143- 2/7/25-3/10/25     | 38,434.13  |
| SOUTHERN CALIFORNIA GAS CO.    | 0891- 2/26/25-3/27/25    | 1,261.17   |
| STANDARD INSURANCE CO.         | APR 2025 LIFE INSURANCE  | 1,869.76   |

Approved on 4/04/2025 for Payments Through 4/04/2025

| Vendor Name                   | Description              | Amount    |
|-------------------------------|--------------------------|-----------|
| STAPLES, INC.                 | BLACK TONER CARTRIDGE    | 499.55    |
| T-MOBILE                      | 2/21/25 - 3/20/25 GPS    | 189.00    |
| TELSTAR INSTRUMENTS           | ELECTRIC PANEL-VINE ST   | 67,277.00 |
| TOWN & COUNTRY CAR WASH       | FEB 2025 CAR WASH        | 8.00      |
| TRANSUNION RISK & ALTERNATIVE | FEB 2025 PERSON SEARCH   | 150.00    |
| UNIVAR SOLUTIONS USA INC      | MAR SOD 1906 W MYER      | 4,717.46  |
| USA BLUEBOOK                  | 32.4 GPD 100 PSI FLEXFLO | 2,334.92  |
| VALLEY UNIFORM CENTER         | UNIFORM ALTERATIONS-SCHI | 724.71    |
| VAST NETWORKS                 | APR 2025 UTILITY         | 2,500.00  |
| WALLACE/ TERRY                | UB DEPOSIT REFUND        | 21.96     |

Final Totals... 442,650.63

AVENU FINANCIAL SYSTEM

4/04/2025 13:28:33

Payments for Publication

CITY OF EXETER

GL335R-V08.22 PAGE

TOTAL NUMBER OF RECORDS PRINTED

231

AVENU FINANCIAL SYSTEM  
04/04/2025 13:28:33

Payments for Publication

CITY OF EXETER  
GL060S-V08.22 RECAPPAG  
GL335R

FUND RECAP:

| FUND            | DESCRIPTION                  | DISBURSEMENTS |
|-----------------|------------------------------|---------------|
| 104             | GENERAL FUND                 | 55,051.29     |
| 105             | WATER FUND                   | 87,076.38     |
| 106             | SANITATION FUND              | 118,724.06    |
| 107             | SEWER FUND                   | 89,286.80     |
| 109             | GAS TAX FUND                 | 11,694.29     |
| 113             | TRANSPORTATION FUND          | 1,462.64      |
| 121             | INSURANCE FUND               | 37,096.54     |
| 131             | MEASURE R                    | 1,462.64      |
| 136             | ROAD MAINTENANCE REHAB       | 731.32        |
| 140             | LANDSCAPE AND LIGHTING DISTR | 741.20        |
| 141             | MEASURE P                    | 23,977.47     |
| 142             | AMERICAN RESCUE PLAN ACT     | 15,346.00     |
| TOTAL ALL FUNDS |                              | 442,650.63    |

BANK RECAP:

| BANK            | NAME               | DISBURSEMENTS |
|-----------------|--------------------|---------------|
| BANK            | BANK OF THE SIERRA | 442,650.63    |
| TOTAL ALL BANKS |                    | 442,650.63    |

PAYROLL.....S BI-WEEKLY RUN-04/10/2025 10.59.00 PAGE 1  
 CHECK FORM..CHEK CHECK REGISTER PR311R-V14.24 Paymate

PERIOD 1 DATING 3/24/2025- 4/06/2025 CHECK DATE 4/11/2025  
 DIRECT DEPOSIT IS TURNED ON

| CHECK<br>NUMBER | CHECK<br>AMOUNT | EMPLOYEE/BANK/VENDOR<br>NAME | CODE | CHECK<br>SEQ   |
|-----------------|-----------------|------------------------------|------|----------------|
| 1669            | 63.69           | CA STATE DISBURSEMENT UN 2   |      | 1 VENDOR CHECK |
| 1670            | 55.41           | JOHNSON/JACOB                | 739  | 1              |
| 1671            | 121.91          | HUGHES/CADON                 | 729  | 1              |
| 1672            | 160.00          | MCFALL/BLAINE                | 722  | 1              |

|                             |                           |        |
|-----------------------------|---------------------------|--------|
| TOTALS FOR CHECK FORM: CHEK |                           |        |
| NEGOTIABLE CHECKS           |                           | COUNTS |
| 337.32                      | *EMPLOYEE CHECKS          | 3      |
| 63.69                       | *VENDOR CHECKS            | 1      |
| 0.00                        | *BANK CHECKS              | 0      |
| 401.01                      | **TOTAL NEGOTIABLE CHECKS | 4      |
| OTHER CHECKS                |                           |        |
| 0.00                        | *MANUAL CHECKS            | 0      |
| 0.00                        | *CANCELLED CHECKS         | 0      |
| 401.01                      | **TOTAL FOR CHECK FORM    |        |
| NON-NEGOTIABLE CHECKS       |                           |        |
| 0.00                        | *DIRECT DEPOSIT STUBS     | 0      |
| 0.00                        | *VENDOR DIR DEP STUBS     | 0      |



PAYROLL.....S BI-WEEKLY RUN-04/10/2025 10.59.00 PAGE 2  
CHECK FORM..STUB CHECK REGISTER PR311R-V14.24 Paymate

PERIOD 1 DATING 3/24/2025- 4/06/2025 CHECK DATE 4/11/2025  
DIRECT DEPOSIT IS TURNED ON

| CHECK<br>NUMBER | CHECK<br>AMOUNT | EMPLOYEE/BANK/VENDOR<br>NAME | CODE | CHECK<br>SEQ |                  |
|-----------------|-----------------|------------------------------|------|--------------|------------------|
| 53592           | 175.50          | CLOCEA                       | 4    | 1            | VENDOR STUB ONLY |
| 53593           | 280.00          | EXETER POLICE OFFICER AS     | 3    | 1            | VENDOR STUB ONLY |
| 53594           | 181.70          | EXETER POLICE OFFICER AS     | 3A   | 1            | VENDOR STUB ONLY |
| 53595           | 2,150.30        | ARIAS/CHRISTINA              | 730  | 1            | STUB ONLY        |
| 53596           | 5,114.82        | ENNIS/ADAM                   | 206  | 1            | STUB ONLY        |
| 53597           | 2,479.68        | QUINTANA FRANCESCA N         | 742  | 1            | STUB ONLY        |
| 53598           | 1,432.83        | CARTER/AMY JO                | 502  | 1            | STUB ONLY        |
| 53599           | 1,964.81        | FRANCO/EEKHONG               | 304  | 1            | STUB ONLY        |
| 53600           | 2,729.39        | HERNANDEZ/XOCHITL            | 306  | 1            | STUB ONLY        |
| 53601           | 1,052.98        | MILLER/CATHEY RENE           | 734  | 1            | STUB ONLY        |
| 53602           | 1,571.90        | TOBIAS/ANTHONY JORDAN        | 746  | 1            | STUB ONLY        |
| 53603           | 342.85          | VEGA/ASHLEY MAKAYLA          | 753  | 1            | STUB ONLY        |
| 53604           | 2,772.91        | BRYANT/EZRA JOSEPH           | 752  | 1            | STUB ONLY        |
| 53605           | 1,636.87        | CARRETERO/VANESSA            | 402  | 1            | STUB ONLY        |
| 53606           | 3,636.30        | FELIX/ESTEVAN                | 704  | 1            | STUB ONLY        |
| 53607           | 3,398.50        | GIEFER/MICHAEL DAVID         | 438  | 1            | STUB ONLY        |
| 53608           | 616.63          | GRANT/AIMEE                  | 738  | 1            | STUB ONLY        |
| 53609           | 1,206.05        | HILL/HANNAH GRACE            | 747  | 1            | STUB ONLY        |
| 53610           | 1,469.49        | MEYST/JOSHUA WAYNE           | 754  | 1            | STUB ONLY        |
| 53611           | 565.66          | MORENO/MATTHEW               | 724  | 1            | STUB ONLY        |
| 53612           | 1,905.44        | PHILLIPS/ZACHARY             | 705  | 1            | STUB ONLY        |
| 53613           | 1,194.02        | PRIDEAUX/TRACI               | 448  | 1            | STUB ONLY        |
| 53614           | 3,417.77        | ROBLES JR/EVERARDO           | 744  | 1            | STUB ONLY        |
| 53615           | 2,163.26        | ROCHA/CRISTINA               | 731  | 1            | STUB ONLY        |
| 53616           | 2,192.12        | VILLARREAL/ISIDRO            | 707  | 1            | STUB ONLY        |
| 53617           | 3,768.14        | YARBER/ISABEL                | 422  | 1            | STUB ONLY        |
| 53618           | 1,385.41        | ALDRIDGE/GARY                | 618  | 1            | STUB ONLY        |
| 53619           | 2,077.40        | ESPINOLA/DANIEL M            | 602  | 1            | STUB ONLY        |
| 53620           | 75.52           | GOLDSTROM/NORMAN             | 629  | 1            | STUB ONLY        |
| 53621           | 1,770.83        | HUGGINS/KYLE AARON           | 621  | 1            | STUB ONLY        |
| 53622           | 1,459.08        | RIVERA/RYAN                  | 733  | 1            | STUB ONLY        |
| 53623           | 832.17          | WENDT/EDDIE                  | 626  | 1            | STUB ONLY        |
| 53624           | 1,543.47        | GARVER/ELIJAH                | 712  | 1            | STUB ONLY        |
| 53625           | 1,658.06        | ARROYO/MARIE                 | 623  | 1            | STUB ONLY        |
| 53626           | 2,229.04        | MILLAN/MARCUS                | 622  | 1            | STUB ONLY        |
| 53627           | 167.96          | MIRWALD/PHILIP               | 625  | 1            | STUB ONLY        |
| 53628           | 1,455.03        | QUIROZ/PATRICK P             | 512  | 1            | STUB ONLY        |
| 53629           | 1,873.45        | RAMIREZ/JUAN                 | 608  | 1            | STUB ONLY        |
| 53630           | 2,764.71        | HIFNER/CHRISTOPHER           | 736  | 1            | STUB ONLY        |
| 53631           | 957.03          | O'SHAUGHNESSY/BRIDGET E      | 751  | 1            | STUB ONLY        |

PAYROLL.....S BI-WEEKLY RUN-04/10/2025 10.59.00 PAGE 3  
CHECK FORM..STUB CHECK REGISTER PR311R-V14.24 Paymate

PERIOD 1 DATING 3/24/2025- 4/06/2025 CHECK DATE 4/11/2025  
DIRECT DEPOSIT IS TURNED ON

| CHECK<br>NUMBER             | CHECK<br>AMOUNT | EMPLOYEE/BANK/VENDOR<br>NAME | CODE | CHECK<br>SEQ |
|-----------------------------|-----------------|------------------------------|------|--------------|
| TOTALS FOR CHECK FORM: STUB |                 |                              |      |              |
| NEGOTIABLE CHECKS           |                 |                              |      | COUNTS       |
|                             | 0.00            | *EMPLOYEE CHECKS             |      | 0            |
|                             | 0.00            | *VENDOR CHECKS               |      | 0            |
|                             | 0.00            | *BANK CHECKS                 |      | 0            |
|                             | 0.00            | **TOTAL NEGOTIABLE CHECKS    |      | 0            |
| OTHER CHECKS                |                 |                              |      |              |
|                             | 0.00            | *MANUAL CHECKS               |      | 0            |
|                             | 0.00            | *CANCELLED CHECKS            |      | 0            |
|                             | 0.00            | **TOTAL FOR CHECK FORM       |      |              |
| NON-NEGOTIABLE CHECKS       |                 |                              |      |              |
|                             | 69,031.88       | *DIRECT DEPOSIT STUBS        |      | 37           |
|                             | 637.20          | *VENDOR DIR DEP STUBS        |      | 3            |

PAYROLL.....S BI-WEEKLY RUN-04/10/2025 10.59.00 PAGE 4  
 RECAP BY FUND CHECKS/STUBS/MANUAL/CANC'D PR311R-V14.24 Paymate

PERIOD 1 DATING 3/24/2025- 4/06/2025 CHECK DATE 4/11/2025

| EMPLOYER<br>CODE | FUND<br>CODE | HOME<br>TOTALS | WORKED<br>TOTALS | WORKED<br>DIR DEP |
|------------------|--------------|----------------|------------------|-------------------|
| 1                | 104          | 58,263.92      | 41,833.80        | 41,496.48         |
| 1                | 105          | 7,383.54       | 12,258.67        | 12,258.67         |
| 1                | 106          | .00            | 543.48           | 543.48            |
| 1                | 107          | .00            | 8,908.83         | 8,908.83          |
| 1                | 121          | .00            | 2,102.68         | 2,102.68          |
| 1                | 141          | 3,721.74       | 3,721.74         | 3,721.74          |

NOTE--"HOME TOTALS" CHECK AMOUNT CAN BE RECONCILED TO THE FIGURES  
 OF THE FOLLOWING REPORTS:

- #1 CALCULATION TOTALS BY HOME FUND (NET PAY + REIMB. EXP.)
- #2 PAYROLL REGISTER (CHECK AMOUNT)

NOTE--"WORKED TOTALS" CHECK AMOUNT CAN BE RECONCILED TO THE FIGURES  
 OF THE FOLLOWING REPORTS:

- #1 CALCULATION TOTALS BY FUND WORKED (NET PAY + REIMB. EXP.)
- #2 LABOR DISTRIBUTION (NET PAY + REIMB. EXP.)

PAYROLL.....S BI-WEEKLY RUN-04/10/2025 10.59.00 PAGE 5  
 RECAP BY DEPT CHECKS/STUBS/MANUAL/CANC'D PR311R-V14.24 Paymate

PERIOD 1 DATING 3/24/2025- 4/06/2025 CHECK DATE 4/11/2025

| EMR<br>CODE | FUND<br>CODE | DEPT<br>CODE          | HOME<br>TOTALS | FULL<br>EMPLOYEE | PART<br>EMPLOYEE | TEMP<br>COUNTS | FEMALE |
|-------------|--------------|-----------------------|----------------|------------------|------------------|----------------|--------|
| 1           | 104          | 401 CITY COUNCIL      | 55.41          |                  | 1                |                |        |
| 1           | 104          | 402 ADMINISTRATION    | 9,744.80       | 3                |                  |                | 2      |
| 1           | 104          | 403 FINANCE           | 9,094.76       | 4                | 1                | 1              | 5      |
| 1           | 104          | 421 POLICE            | 29,943.16      | 12               | 2                |                | 6      |
| 1           | 104          | 431 STREET            | 7,600.41       | 4                | 2                |                |        |
| 1           | 104          | 471 RECREATION        | 1,825.38       | 1                | 2                |                |        |
| 1           | 105          | 461 WATER             | 7,383.54       | 4                | 1                |                | 1      |
| 1           | 141          | 421 POLICE            | 2,764.71       | 1                |                  |                |        |
| 1           | 141          | 471 RECREATION LEADER | 957.03         | 1                |                  |                | 1      |
| TOTAL       |              |                       | 69,369.20      | 30               | 9                | 1              | 15     |

PAYROLL.....S BI-WEEKLY                      RUN-04/10/2025 10.59.00 PAGE    6  
 RECAP BY DEPT CHECKS/STUBS/MANUAL/CANC'D              PR311R-V14.24              Paymate

PERIOD 1 DATING    3/24/2025- 4/06/2025 CHECK DATE    4/11/2025

| EMPLOYER<br>CODE                        | FUND<br>CODE | HOME<br>TOTALS                      | WORKED<br>TOTALS | WORKED<br>DIR DEP |
|---|--------------|-------------------------------------|------------------|-------------------|
| GRAND TOTALS                            |              |                                     |                  |                   |
| NEGOTIABLE CHECKS                       |              |                                     |                  | COUNTS            |
|   | 337.32       | *EMPLOYEE CHECKS                    |                  | 3                 |
|   | 63.69        | *VENDOR CHECKS                      |                  | 1                 |
|   | 0.00         | *BANK CHECKS                        |                  | 0                 |
|   | 401.01       | **TOTAL NEGOTIABLE CHECKS           |                  | 4                 |
| OTHER CHECKS                            |              |                                     |                  |                   |
|   | 0.00         | *MANUAL CHECKS                      |                  | 0                 |
|   | 0.00         | *CANCELLED CHECKS                   |                  | 0                 |
|   | 401.01       | ***GRAND TOTAL                      |                  |                   |
| NON-NEGOTIABLE CHECKS                   |              |                                     |                  |                   |
|   | 69,031.88    | *DIRECT DEPOSIT STUBS               |                  | 37                |
|   | 637.20       | *VENDOR DIR DEP STUBS               |                  | 3                 |
|   | 69,669.08    | **TOTAL NON-NEGOTIABLE CHECKS       |                  | 40                |
| NEGOTIABLE CHECKS/NON-NEGOTIABLE CHECKS |              |                                     |                  |                   |
|   | 337.32       | *EMPLOYEE CHECKS                    |                  | 3                 |
|   | 63.69        | *VENDOR CHECKS                      |                  | 1                 |
|   | 0.00         | *BANK CHECKS                        |                  | 0                 |
|   | 69,031.88    | *DIRECT DEPOSIT STUBS               |                  | 37                |
|   | 637.20       | *VENDOR DIR DEP STUBS               |                  | 3                 |
|   | 70,070.09    | ***TOTAL NEGOTIABLE & NON-NEGOT     |                  | 44                |
|   | 0.00         | *OTHER CHECKS                       |                  | 0                 |
|   | 70,070.09    | ***TOTAL NEG, NON-NEG, OTHER CHECKS |                  |                   |
|   |              | TOTAL SEQ 1 FEMALES                 |                  | 15                |



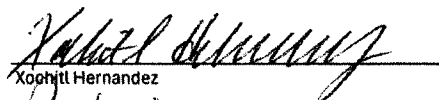
# CITY OF EXETER TREASURER'S REPORT

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

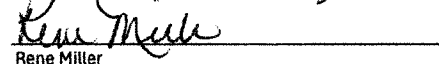
## Quarter 3

|                              |  | 1/31/2025              | 2/28/2025              | 3/31/2025              |
|------------------------------|--|------------------------|------------------------|------------------------|
| <b>CASH ON HAND</b>          |  |                        |                        |                        |
| <b>Beginning Balance</b>     |  | \$ 1,133,638.74        | \$ 1,342,255.57        | \$ 1,664,651.02        |
| <b>Deposits</b>              |  |                        |                        |                        |
|                              | Beginning Deposits In Transit                  | \$ 53,198.59           | \$ 59,251.08           | \$ 9,488.45            |
|                              | Bank Deposit (Cash/Checks)                     | \$ 517,923.31          | \$ 412,302.39          | \$ 415,458.13          |
|                              | Direct Deposit (Paymentus, Ipay, ACH Receipts) | \$ 782,587.98          | \$ 754,345.19          | \$ 609,343.58          |
|                              | <b>Total deposits</b>                          | <b>\$ 1,353,709.88</b> | <b>\$ 1,225,898.66</b> | <b>\$ 1,034,290.16</b> |
| <b>Withdrawals</b>           |  |                        |                        |                        |
|                              | City Checks Processed                          | \$ 774,414.52          | \$ 597,545.50          | \$ 994,528.33          |
|                              | Manual Disbursements                           | \$ 14,618.46           | \$ 14,783.73           | \$ 15,028.65           |
|                              | Payroll EFT                                    | \$ 253,923.53          | \$ 178,200.86          | \$ 144,688.79          |
|                              | Payroll Checks Processed                       | \$ 1,563.14            | \$ 2,924.30            | \$ 4,395.49            |
|                              | CalPERS Retirement costs                       | \$ 52,776.05           | \$ 78,040.39           | \$ 43,296.97           |
|                              | Payroll Taxes                                  | \$ 39,833.17           | \$ 26,622.11           | \$ 37,629.75           |
|                              | Deferred Comp                                  | \$ 619.96              | \$ 619.96              | \$ 929.94              |
|                              | FSA Disbursements                              | \$ 3,729.91            | \$ 2,493.87            | \$ 3,179.48            |
|                              | Chargebacks                                    | \$ 2,167.03            | \$ 534.97              | \$ 253.18              |
|                              | State DCSS                                     | \$ 1,106.28            | \$ 737.52              | \$ 506.76              |
|                              | Bank Fees                                      | \$ -                   | \$ -                   | \$ 35.00               |
|                              | Water Bond Payment                             | \$ -                   | \$ -                   | \$ 70,675.00           |
|                              | Postage  | \$ -                   | \$ 1,000.00            | \$ 1,000.00            |
|                              | Alternative Fuel Tax                           | \$ 41.00               | \$ -                   | \$ -                   |
|                              | Debit Correction                               | \$ 300.00              | \$ -                   | \$ -                   |
|                              | <b>Total Withdrawals</b>                       | <b>\$ 1,145,093.05</b> | <b>\$ 903,503.21</b>   | <b>\$ 1,316,147.34</b> |
| <b>Ending Bank Balance</b>   |  | <b>\$ 1,342,255.57</b> | <b>\$ 1,664,651.02</b> | <b>\$ 1,382,793.84</b> |
|                              | Undeposited Cash on Hand                       | \$ 59,251.08           | \$ 9,488.45            | \$ 51,718.96           |
|                              | DD UB Receipted in March                       |                        | \$ (413.07)            |                        |
|                              | Deposit in Transit                             |                        | \$ -                   | \$ -                   |
|                              | Audit Adjustments                              | \$ -                   | \$ -                   | \$ -                   |
|                              | <b>Total Outstanding Deposits</b>              | <b>\$ 59,251.08</b>    | <b>\$ 9,075.38</b>     | <b>\$ 51,718.96</b>    |
| <b>Outstanding Checks</b>    |  |                        |                        |                        |
|                              | General  | \$ 76,081.80           | \$ 71,630.94           | \$ 63,147.04           |
|                              | Payroll  | \$ 2,374.06            | \$ 27,916.76           | \$ 25,399.20           |
|                              | <b>Total outstanding checks</b>                | <b>\$ 78,455.86</b>    | <b>\$ 99,547.70</b>    | <b>\$ 88,546.24</b>    |
| <b>Adjusted Bank Balance</b> |  | <b>\$ 1,323,050.79</b> | <b>\$ 1,574,178.70</b> | <b>\$ 1,345,966.56</b> |

Prepared By:

  
Xochitl Hernandez

Approved By:

  
Rene Miller

# CITY OF EXETER INVESTMENT REPORT

PO BOX 237 - 137 N F STREET, EXETER 93221 Phone: 559-592-3710

For quarter ending

3/31/2025

|                                |    |              |               |
|--------------------------------|----|--------------|---------------|
| Beginning Cash Balance         |    | \$           | 26,937,887.27 |
| Disbursements                  | \$ | (986,137.68) |               |
| Journal-Entries                | \$ | (148,760.19) |               |
| Manual-Disbursements           | \$ | (14,875.40)  |               |
| Payroll                        | \$ | (147,073.48) |               |
| Receipts                       | \$ | 455,462.96   |               |
| Utilities                      | \$ | 621,157.60   |               |
| Reconciled Ending Cash Balance |    | \$           | 26,717,661.08 |

| INVESTMENTS           |                |    |           |
|-----------------------|----------------|----|-----------|
| Exeter PD Safekeeping | Total:         | \$ | 12,982.24 |
| Petty Cash            | Total:         | \$ | 1,100.00  |
| Charles Scwab         | Various Demand | \$ | 0.23      |
|                       |                | \$ | 14,082.47 |

| MONEY MARKET FUNDS | TITLE                        | PURCHASE DATE | MATURITY DATE | RATE     | PAR VALUE |               |
|--------------------|------------------------------|---------------|---------------|----------|-----------|---------------|
|                    | Local Agency Investment Fund | Various       | Demand        | 4.62000% | \$        | 21,461,055.52 |
|                    | US Savings                   | Various       | Demand        | 0.08999% | \$        | 182,450.48    |
|                    |                              | Total:        |               |          | \$        | 21,643,506.00 |

| TREASURY OBLIGATIONS | TITLE                          | PURCHASE DATE | MATURITY DATE | RATE   | PAR VALUE | PRINCIPAL COST            |
|----------------------|--------------------------------|---------------|---------------|--------|-----------|---------------------------|
| US Treasury          | US Treasury Obligations Bond   | Oct-21        | 11/30/2026    | 1.625% | \$        | 500,000 \$ 513,457.03     |
|                      | US Govt Agency Securities Bond | Mar-24        | 6/23/2026     | 4.375% | \$        | 1,030,000 \$ 1,030,047.38 |
|                      | Unrealized Gain/Loss           |               |               |        |           | \$ (44,398.36)            |
|                      |                                | Total:        |               |        | \$        | 1,530,000 \$ 1,499,106.05 |

| CERTIFICATE OF DEPOSIT | TITLE                          | PURCHASE DATE | MATURITY DATE | RATE   | PAR VALUE | PRINCIPAL COST         |
|------------------------|--------------------------------|---------------|---------------|--------|-----------|------------------------|
| CD                     | Crown BK Ocean City NJ CD      | Dec-23        | 12/29/2025    | 4.350% | \$        | 249,000 \$ 249,000     |
| CD                     | First Bank Richmond NA IN CD   | Dec-23        | 1/29/2026     | 4.400% | \$        | 244,000 \$ 244,000     |
| CD                     | Morgan Stanley Private BK NATL | Sep-24        | 3/11/2026     | 4.150% | \$        | 245,000 \$ 245,000     |
| CD                     | BNY MELLON NA INSTL CTF DEP    | Mar-25        | 3/8/2027      | 4.100% | \$        | 244,000 \$ 244,000     |
| CD                     | Dundee Bank Omaha              | Apr-22        | 4/8/2027      | 2.250% | \$        | 247,000 \$ 247,000     |
| CD                     | Members Trust of SW FCU        | Feb-24        | 2/28/2028     | 4.250% | \$        | 249,000 \$ 249,000     |
| CD                     | Alabama Credit Union           | Feb-24        | 2/28/2028     | 4.350% | \$        | 249,000 \$ 249,000     |
| CD                     | AMERICAN EXPRESS NATL BK BROK  | Mar-25        | 3/6/2028      | 4.250% | \$        | 244,000 \$ 244,000     |
| CD                     | VALLEY NATIONAL BANK WAYNE     | Mar-25        | 3/6/2028      | 4.250% | \$        | 244,000 \$ 244,000     |
|                        |                                |               |               | 4.04%  | \$        | 2,215,000 \$ 2,215,000 |

Total Investments \$ 25,371,694.52  
Total City Funds \$ 26,717,661.08  
Ratio of Invested Funds/Available Funds 95%

I verify that this investment portfolio is in conformity with all State laws and the City's Investment Policy which is approved annually by the City Council.

The Treasurer's cash management program provides sufficient liquidity to meet expenditure requirements for the next three months.

  
Xochitl Hernandez, Interim Finance Director

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** I.5.

**Wording for Agenda:** Approve and authorize Mayor to sign and submit a letter of support for Assembly Bill (AB) 650 (Papan) regarding Planning and Zoning; Housing Element; Regional Housing Needs Allocation.

**Submitting Department:** Administration  
**Contact Name:** Francesca Quintana, City Clerk/Human Resources Manager  
**Phone Number:** (559)592-9244 ext. 1001  
**Email:** [fquintana@exetercityhall.com](mailto:fquintana@exetercityhall.com)

**For action by:**

☒ City Council

**Regular Session:**

☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

City Staff and Council Member Riddle recommend that the City Council approve and authorize the Mayor to sign a letter supporting AB 650 (Papan) regarding Planning and Zoning; Housing Element; Regional Housing Needs Allocation.

**Summary:**

AB 650 (Papan) proposes critical improvements to the state's housing element planning process by allowing local governments to begin their updates six months early and requiring the California Department of Housing and Community Development (HCD) to provide clearer, more specific feedback on draft submissions. These changes would help cities—particularly small and rural jurisdictions like Exeter—navigate complex housing element requirements with greater predictability and efficiency. Staff recommends supporting this bill as it would improve the City's ability to meet housing goals, reduce planning uncertainty, and better allocate limited resources.

AB 650 would directly benefit smaller cities like Exeter by:

- Allowing a six-month head start to begin housing element updates, providing more time for public engagement, research, and document preparation.
- Requiring HCD to clearly identify specific text or data needed to remedy any deficiencies in housing element drafts.
- Protecting cities from being penalized if HCD later identifies new deficiencies that were not addressed in prior review letters.

As a rural city with contracted planning staff, AB 650 would provide additional time and transparency for staff, making the planning process more manageable and cost-effective for our city.

This legislation also supports the City's ongoing efforts to responsibly plan for affordable and workforce housing, while meeting regional goals and maintaining local control over land use decisions.

**Background:**

AB 650, introduced by Assembly Member Diane Papan, seeks to improve the housing element planning and review process for local jurisdictions. Specifically, the bill would allow local governments to begin the housing element update process six months earlier and require the California Department of Housing and Community Development (HCD) to provide clearer guidance when identifying deficiencies in housing element drafts.

Under existing law, local governments are required to update their housing elements every five to eight years as part of the Regional Housing Needs Allocation (RHNA) cycle. The housing element is a critical component of a city's General Plan, as it identifies strategies to accommodate projected housing needs at all income levels.

During the 6th RHNA cycle, cities across the state encountered significant challenges due to short deadlines, inconsistent feedback from HCD, and shifting expectations late in the review process. These factors created uncertainty and delayed certification for many jurisdictions, including smaller communities with limited resources.

**Fiscal Impact:**

There is no direct fiscal impact associated with submitting a letter of support. However, passage of AB 650 could reduce future costs related to housing element preparation and HCD review compliance.

**Prior Council/Board Actions:**

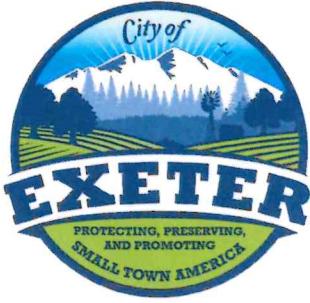
None.

**Attachments:**

- Draft Letter of Support
- AB 650 Bill Language

|  |
|--|
| <b>Recommended motion to be made by Council/Board:</b> I move to approve and authorize Mayor to sign and submit a letter of support to Assembly Bill (AB) 650 (Papan) regarding Planning and Zoning; Housing Element; Regional Housing Needs Allocation. |
|--|





## Office of the Mayor

PO Box 237 Exeter, CA 93221  
Ph: 559-592-9244 Email: [jjohnson@exetercityhall.com](mailto:jjohnson@exetercityhall.com)

**April 22, 2025**

The Honorable Diane Papan  
Member, California State Assembly  
1021 O Street, Suite 4220  
Sacramento, CA 95814

RE: AB 650 (Papan) Planning and Zoning: Housing Element: Regional Housing Needs Allocation – Letter of Support

Dear Assembly Member Papan,

The City of Exeter is pleased to support your measure AB 650 (Papan), which would allow local governments to begin the housing element update process six months early, provide greater certainty and reduce ambiguity in the housing element review process, and ensure that local governments have adequate time to respond to the California Department of Housing and Community Development's (HCD) review letters.

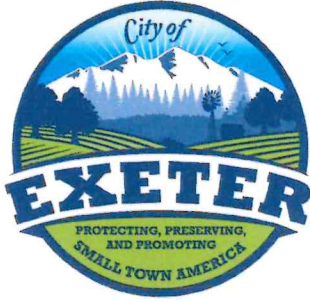
Since 1969, California's local governments have planned and selected sites for housing at all income levels through the housing element portion of a local government's general plan. Every five to eight years, local governments are required to adopt a blueprint outlining where developers can or cannot build residential developments within their respective communities and obtain certification from HCD. Local governments plan for their fair share of housing development as determined through the Regional Housing Needs Allocation (RHNA) process. As part of this complex process, local governments submit in their housing elements a variety of essential data, actions, and programs to promote fair, equitable, and affordable housing in their community. Currently, local jurisdictions are planning and zoning for nearly 2.5 million additional homes statewide.

During the 6th RHNA cycle, local governments experienced various challenges in obtaining certification from HCD. Some of the challenges include a short timeline for completing these complex documents and responding to HCD's feedback, a lack of clarity regarding what the state expects from local governments when reviewing additional housing element drafts, and the introduction of new requirements late in the housing element review process.

AB 650 would address these issues by allowing local governments to begin updating their housing element six months early. The bill would also require HCD to provide specific text and analysis that must be included in the housing element to remedy deficiencies, ensuring that local governments are not penalized when HCD identifies additional deficiencies not previously identified in prior review letters.

For the City of Exeter, a small rural community in Tulare County, these changes are crucial. With limited staff and resources, our city faces significant strain in meeting complex planning requirements within





## Office of the Mayor

---

PO Box 237 Exeter, CA 93221  
Ph: 559-592-9244 Email: [jjohnson@exetercityhall.com](mailto:jjohnson@exetercityhall.com)

compressed timeframes. The additional flexibility and clarity provided by AB 650 would allow Exeter to plan more effectively for housing that meets the needs of our residents, while also improving our ability to secure HCD certification. This bill would make the process more predictable and manageable for smaller jurisdictions like ours, which often lack consultant capacity and legal support available to larger cities.

For these reasons, the City of Exeter is pleased to support your measure AB 650 (Papan).

Sincerely,

---

Jacob Johnson, *City of Exeter Mayor*

cc: Senator Melissa Hurtado  
Assemblymember Devon Mathis  
League of California Cities, [cityletters@cacities.org](mailto:cityletters@cacities.org)

AMENDED IN ASSEMBLY MARCH 28, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

## ASSEMBLY BILL

No. 650

Introduced by Assembly Member Papan

February 13, 2025

An act to amend ~~Section 38405~~ Sections 65583, 65584, 65584.01, 65584.04, 65584.05, 65585, and 65589.5 of the Government Code, relating to ~~parks~~ land use.

### LEGISLATIVE COUNSEL'S DIGEST

AB 650, as amended, Papan. ~~Discontinuance of parks.~~ Planning and zoning: housing element: regional housing needs allocation.

(1) Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, which includes, among other mandatory elements, a housing element. Existing law requires a public agency to administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and take no action that is materially inconsistent with its obligation to affirmatively further fair housing. Existing law defines "affirmatively furthering fair housing," as provided.

The Planning and Zoning Law requires that a housing element include, among other things, a program that sets forth a schedule of actions during the planning period. Existing law requires the Department of Housing and Community Development to develop a standardized reporting format for programs and actions taken pursuant to the requirement to affirmatively further fair housing.

This bill would require the department to develop the above-described standardized reporting format on or before December 31, 2026.

(2) Existing law requires, for the 4th and subsequent revisions of the housing element, the department to determine the existing and projected need for housing for each region, as specified. Existing law requires the department, in consultation with the council of governments, to determine the existing and projected need of housing for each region at least 2 years prior to the scheduled revision of the housing element, as provided. Existing law requires the department to meet and consult with the council of governments regarding the assumptions and methodology to be used to determine the region's housing needs at least 26 months prior to the scheduled revision of the housing element, as provided.

This bill would extend the above-described timeline for the department to determine the existing and projected need of housing for each region from 2 years to 30 months prior to the scheduled revision of the housing element, and the above-described timeline to meet and consult with a council of governments from at least 26 months to at least 32 months prior to the scheduled revision of the housing element, respectively.

(3) Existing law, at least 2 years before a scheduled revision of the housing element, as specified, requires each council of governments, or delegate subregion as applicable, to develop, in consultation with the department, a proposed methodology for distributing the existing and projected regional housing need to jurisdictions, as specified. Existing law, at least 1 ½ years before a scheduled revision of the housing element, as specified, requires each council of governments and delegate subregion, as applicable, to distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, and the department, as specified.

This bill, except with respect to the 7th housing element cycle for councils of governments with a housing element revision due date during the 2027 calendar year, would instead require that the above-described methodology be developed from at least 2 ½ years before a scheduled revision of the housing element, and that the distribution of the draft allocation plan be made at least 2 years before a scheduled revision of the housing element, respectively.

(4) Existing law requires a planning agency to submit a copy of its draft housing element or amendments to its housing element or housing element revision to the department for review, and requires the department to notify the city, county, or city and county with written findings if the department finds that the housing element or the amendment does not substantially comply with specified law. If the

*department finds that the draft housing element or draft amendment is not in substantial compliance, existing law requires the jurisdiction to either update the draft to substantially comply with specified law, or adopt the draft housing element or amendment without changes, as provided.*

*This bill would require the department, if the department finds that a draft element or draft amendment does not substantially comply, as described above, to (A) identify and explain the specific deficiencies in the draft element or draft amendment and (B) provide the specific analysis or text that the department expects the planning agency to include in the draft element or draft amendment to remedy those deficiencies, as specified. The bill would require a jurisdiction, in updating a noncompliant housing element or amendment under the above-described provisions, to include the specific analysis or text in its draft element or amendment. The bill would also exempt a jurisdiction from certain requirements to approve a so-called “builder’s remedy project” under specified law for the period during which the department is reviewing that jurisdiction’s updated draft element or draft amendment after submission of the updated element or amendment, as described above, or for 90 days from the date the department notifies the planning agency of additional deficiencies with the draft, as provided. The bill would make various conforming changes in this regard.*

*(5) By imposing additional duties on local governments, this bill would create a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law authorizes a legislative body, defined as a board of trustees, city council, or other governing body of a city, to abandon a park and sell the land comprising it pursuant to a prescribed procedure.~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~yes.  
State-mandated local program: ~~no~~yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 65583 of the Government Code is  
2     amended to read:

3     65583. The housing element shall consist of an identification  
4     and analysis of existing and projected housing needs and a  
5     statement of goals, policies, quantified objectives, financial  
6     resources, and scheduled programs for the preservation,  
7     improvement, and development of housing. The housing element  
8     shall identify adequate sites for housing, including rental housing,  
9     factory-built housing, mobilehomes, and emergency shelters, and  
10    shall make adequate provision for the existing and projected needs  
11    of all economic segments of the community. The housing element  
12    shall contain all of the following:

13    (a) An assessment of housing needs and an inventory of  
14    resources and constraints that are relevant to the meeting of these  
15    needs. The assessment and inventory shall include all of the  
16    following:

17    (1) An analysis of population and employment trends and  
18    documentation of projections and a quantification of the locality's  
19    existing and projected housing needs for all income levels. These  
20    existing and projected needs shall include the locality's share of  
21    the regional housing need in accordance with Section 65584.

22    (2) An analysis and documentation of household characteristics,  
23    including level of payment compared to ability to pay, housing  
24    characteristics, including overcrowding, and housing stock  
25    condition.

26    (3) An inventory of land suitable and available for residential  
27    development, including vacant sites and sites having realistic and  
28    demonstrated potential for redevelopment during the planning  
29    period to meet the locality's housing need for a designated income  
30    level, and an analysis of the relationship of zoning and public  
31    facilities and services to these sites, and an analysis of the  
32    relationship of the sites identified in the land inventory to the  
33    jurisdiction's duty to affirmatively further fair housing.

34    (4) (A) The identification of one or more zoning designations  
35    that allow residential uses, including mixed uses, where emergency  
36    shelters are allowed as a permitted use without a conditional use  
37    or other discretionary permit and that are suitable for residential  
38    uses. The identified zoning designations shall include sufficient

1 sites meeting the requirements of subparagraph (H) with sufficient  
2 capacity, as described in subparagraph (I), to accommodate the  
3 need for emergency shelter identified in paragraph (7), except that  
4 each local government shall identify a zoning designation or  
5 designations that can accommodate at least one year-round  
6 emergency shelter. If the local government cannot identify a zoning  
7 designation or designations with sufficient capacity, the local  
8 government shall include a program to amend its zoning ordinance  
9 to meet the requirements of this paragraph within one year of the  
10 adoption of the housing element. The local government may  
11 identify additional zoning designations where emergency shelters  
12 are permitted with a conditional use permit. The local government  
13 shall also demonstrate that existing or proposed permit processing,  
14 development, and management standards that apply to emergency  
15 shelters are objective and encourage and facilitate the development  
16 of, or conversion to, emergency shelters.

17 (B) Emergency shelters shall only be subject to the following  
18 written, objective standards:

19 (i) The maximum number of beds or persons permitted to be  
20 served nightly by the facility.

21 (ii) Sufficient parking to accommodate all staff working in the  
22 emergency shelter, provided that the standards do not require more  
23 parking for emergency shelters than other residential or commercial  
24 uses within the same zone.

25 (iii) The size and location of exterior and interior onsite waiting  
26 and client intake areas.

27 (iv) The provision of onsite management.

28 (v) The proximity to other emergency shelters, provided that  
29 emergency shelters are not required to be more than 300 feet apart.

30 (vi) The length of stay.

31 (vii) Lighting.

32 (viii) Security during hours that the emergency shelter is in  
33 operation.

34 (C) For purposes of this paragraph, “emergency shelter” shall  
35 include other interim interventions, including, but not limited to,  
36 a navigation center, bridge housing, and respite or recuperative  
37 care.

38 (D) The permit processing, development, and management  
39 standards applied under this paragraph shall not be deemed to be  
40 discretionary acts within the meaning of the California



1 Environmental Quality Act (Division 13 (commencing with Section  
2 21000) of the Public Resources Code).

3 (E) If a local government has adopted written, objective  
4 standards pursuant to subparagraph (B), the local government shall  
5 include an analysis of the standards in the analysis of constraints  
6 pursuant to paragraph (5).

7 (F) A local government that can demonstrate, to the satisfaction  
8 of the department, the existence of one or more emergency shelters  
9 either within its jurisdiction or pursuant to a multijurisdictional  
10 agreement that can accommodate that jurisdiction's need and the  
11 needs of the other jurisdictions that are a part of the agreement for  
12 emergency shelter identified in paragraph (7) may comply with  
13 the zoning requirements of subparagraph (A) by identifying a  
14 zoning designation where new emergency shelters are allowed  
15 with a conditional use permit.

16 (G) A local government with an existing ordinance or ordinances  
17 that comply with this paragraph shall not be required to take  
18 additional action to identify zoning designations for emergency  
19 shelters. The housing element must only describe how existing  
20 ordinances, policies, and standards are consistent with the  
21 requirements of this paragraph.

22 (H) The zoning designation or designations where emergency  
23 shelters are allowed, as described in subparagraph (A), shall include  
24 sites that meet at least one of the following standards:

25 (i) Vacant sites zoned for residential use.

26 (ii) Vacant sites zoned for nonresidential use that allow  
27 residential development, if the local government can demonstrate  
28 how the sites with this zoning designation that are being used to  
29 satisfy the requirements of paragraph (1) are located near amenities  
30 and services that serve people experiencing homelessness, which  
31 may include health care, transportation, retail, employment, and  
32 social services, or that the local government will provide free  
33 transportation to services or offer services onsite.

34 (iii) Nonvacant sites zoned for residential use or for  
35 nonresidential use that allow residential development that are  
36 suitable for use as a shelter in the current planning period, or which  
37 can be redeveloped for use as a shelter in the current planning  
38 period. A nonvacant site with an existing use shall be presumed  
39 to impede emergency shelter development absent an analysis based  
40 on substantial evidence that the use is likely to be discontinued

1 during the planning period. The analysis shall consider current  
2 market demand for the current uses, market conditions, and  
3 incentives or standards to encourage shelter development.

4 (I) The zoning designation or designations shall have sufficient  
5 sites meeting the requirements of subparagraph (H) to  
6 accommodate the need for shelters identified pursuant to paragraph  
7 (7). The number of people experiencing homelessness that can be  
8 accommodated on any site shall be demonstrated by dividing the  
9 square footage of the site by a minimum of 200 square feet per  
10 person, unless the locality can demonstrate that one or more  
11 shelters were developed on sites that have fewer square feet per  
12 person during the prior planning period or the locality provides  
13 similar evidence to the department demonstrating that the site can  
14 accommodate more people experiencing homelessness. Any  
15 standard applied pursuant to this subparagraph is intended only  
16 for calculating site capacity pursuant to this section, and shall not  
17 be construed as establishing a development standard applicable to  
18 the siting, development, or approval of a shelter.

19 (J) Notwithstanding subparagraph (H), a local government may  
20 accommodate the need for emergency shelters identified pursuant  
21 to paragraph (7) on sites owned by the local government if it  
22 demonstrates with substantial evidence that the sites will be made  
23 available for emergency shelter during the planning period, they  
24 are suitable for residential use, and the sites are located near  
25 amenities and services that serve people experiencing  
26 homelessness, which may include health care, transportation, retail,  
27 employment, and social services, or that the local government will  
28 provide free transportation to services or offer services onsite.

29 (5) An analysis of potential and actual governmental constraints  
30 upon the maintenance, improvement, or development of housing  
31 for all income levels, including the types of housing identified in  
32 paragraph (1) of subdivision (c), and for persons with disabilities  
33 as identified in the analysis pursuant to paragraph (7), including  
34 land use controls, building codes and their enforcement, site  
35 improvements, fees, and other exactions required of developers,  
36 local processing and permit procedures, historic preservation  
37 practices and policies and an assessment of how existing and  
38 proposed historic designations affect the locality's ability to meet  
39 its share of the housing need pursuant to paragraph (1), and any  
40 locally adopted ordinances that directly impact the cost and supply



1 of residential development. The analysis shall also demonstrate  
2 local efforts to remove governmental constraints that hinder the  
3 locality from meeting its share of the regional housing need in  
4 accordance with Section 65584 and from meeting the need for  
5 housing for persons with disabilities, supportive housing,  
6 transitional housing, and emergency shelters identified pursuant  
7 to paragraph (7).

8 (6) An analysis of potential and actual nongovernmental  
9 constraints upon the maintenance, improvement, or development  
10 of housing for all income levels, including the availability of  
11 financing, the price of land, the cost of construction, the requests  
12 to develop housing at densities below those anticipated in the  
13 analysis required by subdivision (c) of Section 65583.2, and the  
14 length of time between receiving approval for a housing  
15 development and submittal of an application for building permits  
16 for that housing development that hinder the construction of a  
17 locality's share of the regional housing need in accordance with  
18 Section 65584. The analysis shall also demonstrate local efforts  
19 to remove nongovernmental constraints that create a gap between  
20 the locality's planning for the development of housing for all  
21 income levels and the construction of that housing.

22 (7) (A) An analysis of any special housing needs, such as those  
23 of the elderly; persons with disabilities, including a developmental  
24 disability, as defined in Section 4512 of the Welfare and  
25 Institutions Code; extremely low income households; large  
26 families; farmworkers; families with female heads of households;  
27 and families and persons in need of emergency shelter. The need  
28 for emergency shelter shall be assessed based on the capacity  
29 necessary to accommodate the most recent homeless point-in-time  
30 count conducted before the start of the planning period, the need  
31 for emergency shelter based on number of beds available on a  
32 year-round and seasonal basis, the number of shelter beds that go  
33 unused on an average monthly basis within a one-year period, and  
34 the percentage of those in emergency shelters that move to  
35 permanent housing solutions. The need for emergency shelter may  
36 be reduced by the number of supportive housing units that are  
37 identified in an adopted 10-year plan to end chronic homelessness  
38 and that are either vacant or for which funding has been identified  
39 to allow construction during the planning period. An analysis of

1 special housing needs by a city or county may include an analysis  
2 of the need for frequent user coordinated care housing services.

3 (B) For the seventh and subsequent revisions of the housing  
4 element, the analysis required in subparagraph (A) shall also  
5 include an analysis of the housing needs of acutely and extremely  
6 low income households.

7 (8) An analysis of opportunities for energy conservation with  
8 respect to residential development. Cities and counties are  
9 encouraged to include weatherization and energy efficiency  
10 improvements as part of publicly subsidized housing rehabilitation  
11 projects. This may include energy efficiency measures that  
12 encompass the building envelope, its heating and cooling systems,  
13 and its electrical system.

14 (9) An analysis of existing assisted housing developments that  
15 are eligible to change from low-income housing uses during the  
16 next 10 years due to termination of subsidy contracts, mortgage  
17 prepayment, or expiration of restrictions on use. "Assisted housing  
18 developments," for the purpose of this section, shall mean  
19 multifamily rental housing that receives governmental assistance  
20 under federal programs listed in subdivision (a) of Section  
21 65863.10, state and local multifamily revenue bond programs,  
22 local redevelopment programs, the federal Community  
23 Development Block Grant Program, or local in-lieu fees. "Assisted  
24 housing developments" shall also include multifamily rental units  
25 that were developed pursuant to a local inclusionary housing  
26 program or used to qualify for a density bonus pursuant to Section  
27 65916.

28 (A) The analysis shall include a listing of each development by  
29 project name and address, the type of governmental assistance  
30 received, the earliest possible date of change from low-income  
31 use, and the total number of elderly and nonelderly units that could  
32 be lost from the locality's low-income housing stock in each year  
33 during the 10-year period. For purposes of state and federally  
34 funded projects, the analysis required by this subparagraph need  
35 only contain information available on a statewide basis.

36 (B) The analysis shall estimate the total cost of producing new  
37 rental housing that is comparable in size and rent levels, to replace  
38 the units that could change from low-income use, and an estimated  
39 cost of preserving the assisted housing developments. This cost  
40 analysis for replacement housing may be done aggregately for

1 each five-year period and does not have to contain a  
2 project-by-project cost estimate.

3 (C) The analysis shall identify public and private nonprofit  
4 corporations known to the local government that have legal and  
5 managerial capacity to acquire and manage these housing  
6 developments.

7 (D) The analysis shall identify and consider the use of all federal,  
8 state, and local financing and subsidy programs that can be used  
9 to preserve, for lower income households, the assisted housing  
10 developments, identified in this paragraph, including, but not  
11 limited to, federal Community Development Block Grant Program  
12 funds, tax increment funds received by a redevelopment agency  
13 of the community, and administrative fees received by a housing  
14 authority operating within the community. In considering the use  
15 of these financing and subsidy programs, the analysis shall identify  
16 the amounts of funds under each available program that have not  
17 been legally obligated for other purposes and that could be  
18 available for use in preserving assisted housing developments.

19 (b) (1) A statement of the community's goals, quantified  
20 objectives, and policies relative to affirmatively furthering fair  
21 housing and to the maintenance, preservation, improvement, and  
22 development of housing.

23 (2) It is recognized that the total housing needs identified  
24 pursuant to subdivision (a) may exceed available resources and  
25 the community's ability to satisfy this need within the content of  
26 the general plan requirements outlined in Article 5 (commencing  
27 with Section 65300). Under these circumstances, the quantified  
28 objectives need not be identical to the total housing needs. The  
29 quantified objectives shall establish the maximum number of  
30 housing units by income category that can be constructed,  
31 rehabilitated, and conserved over a five-year time period.

32 (c) A program that sets forth a schedule of actions during the  
33 planning period, each with a timeline for implementation, that may  
34 recognize that certain programs are ongoing, such that there will  
35 be beneficial impacts of the programs within the planning period,  
36 that the local government is undertaking or intends to undertake  
37 to implement the policies and achieve the goals and objectives of  
38 the housing element through the administration of land use and  
39 development controls, the provision of regulatory concessions and  
40 incentives, the utilization of appropriate federal and state financing

1 and subsidy programs when available, and the utilization of moneys  
2 in a low- and moderate-income housing fund of an agency if the  
3 locality has established a redevelopment project area pursuant to  
4 the Community Redevelopment Law (Division 24 (commencing  
5 with Section 33000) of the Health and Safety Code). In order to  
6 make adequate provision for the housing needs of all economic  
7 segments of the community, the program shall do all of the  
8 following:

9 (1) Identify actions that will be taken to make sites available  
10 during the planning period with appropriate zoning and  
11 development standards and with services and facilities to  
12 accommodate that portion of the city's or county's share of the  
13 regional housing need for all income levels that could not be  
14 accommodated on sites identified in the inventory completed  
15 pursuant to paragraph (3) of subdivision (a) without rezoning, and  
16 to comply with the requirements of Section 65584.09. Sites shall  
17 be identified as needed to affirmatively further fair housing and  
18 to facilitate and encourage the development of a variety of types  
19 of housing for all income levels, including multifamily rental  
20 housing, factory-built housing, mobilehomes, housing for  
21 agricultural employees, supportive housing, single-room occupancy  
22 units, emergency shelters, and transitional housing.

23 (A) Where the inventory of sites, pursuant to paragraph (3) of  
24 subdivision (a), does not identify adequate sites to accommodate  
25 the need for groups of all household income levels pursuant to  
26 Section 65584, a program for rezoning of those sites, subject to  
27 the following deadlines:

28 (i) For the adoption of the sixth revision of the housing element,  
29 jurisdictions with an eight-year housing element planning period  
30 pursuant to Section 65588, including adoption of minimum density  
31 and development standards or, for a jurisdiction in the coastal zone,  
32 any necessary local coastal program amendments related to land  
33 use designations, changes in intensity of land use, zoning  
34 ordinances, or zoning district maps, consistent with Sections 30512,  
35 30512.2, 30513, and 30514 of the Public Resources Code, shall  
36 be completed no later than three years after either the date the  
37 housing element is adopted pursuant to subdivision (f) of Section  
38 65585 or the date that is 90 days after receipt of comments from  
39 the department pursuant to subdivision (b) of Section 65585,  
40 whichever is earlier, unless the deadline is extended pursuant to

1 subdivision (f). Notwithstanding the foregoing, for a local  
2 government that fails to adopt a housing element that the  
3 department has found to be in substantial compliance with this  
4 article within 120 days of the statutory deadline in Section 65588  
5 for adoption of the housing element, rezoning of those sites,  
6 including adoption of minimum density and development standards  
7 or, for a jurisdiction in the coastal zone, any necessary local coastal  
8 program amendments related to land use designations, changes in  
9 intensity of land use, zoning ordinances, or zoning district maps,  
10 consistent with Sections 30512, 30512.2, 30513, and 30514 of the  
11 Public Resources Code, shall be completed no later than one year  
12 from the statutory deadline in Section 65588 for adoption of the  
13 housing element.

14 (ii) For adoption of the seventh and all subsequent revisions of  
15 the housing element, rezonings shall be completed no later than  
16 one year from the statutory deadline in Section 65588 for adoption  
17 of the housing element.

18 (iii) Notwithstanding clause (ii), for the adoption of the seventh  
19 and all subsequent revisions of the housing element, rezonings  
20 shall be completed no later than three years and 90 days after the  
21 statutory deadline in Section 65588 for adoption of the housing  
22 element, unless the deadline is extended pursuant to subdivision  
23 (f). This clause shall apply only if the local government complies  
24 with all of the following:

25 (I) The local government submits a draft element or draft  
26 amendment to the department for review pursuant to paragraph  
27 (1) of subdivision (b) of Section 65585 at least 90 days before the  
28 statutory deadline established in Section 65588 for adoption of the  
29 housing element.

30 (II) The local government receives from the department findings  
31 that the draft element or draft amendment substantially complies  
32 with this article pursuant to paragraph (3) of subdivision (b) of  
33 Section 65585 on or before the statutory deadline set forth in  
34 Section 65588 for adoption of the housing element.

35 (III) The local government adopts the draft element or draft  
36 amendment that the department found to substantially comply with  
37 this article no later than 120 days after the statutory deadline set  
38 forth in Section 65588.

39 (B) Where the inventory of sites, pursuant to paragraph (3) of  
40 subdivision (a), does not identify adequate sites to accommodate

1 the need for groups of all household income levels pursuant to  
2 Section 65584, the program shall identify sites that can be  
3 developed for housing within the planning period pursuant to  
4 subdivision (h) of Section 65583.2. The identification of sites shall  
5 include all components specified in Section 65583.2.

6 (C) Where the inventory of sites pursuant to paragraph (3) of  
7 subdivision (a) does not identify adequate sites to accommodate  
8 the need for farmworker housing, the program shall provide for  
9 sufficient sites to meet the need with zoning that permits  
10 farmworker housing use by right, including density and  
11 development standards that could accommodate and facilitate the  
12 feasibility of the development of farmworker housing for low- and  
13 very low income households.

14 (2) (A) Assist in the development of adequate housing to meet  
15 the needs of extremely low, very low, low-, and moderate-income  
16 households.

17 (B) For the seventh and subsequent revisions of the housing  
18 element, the program shall also assist in the development of  
19 adequate housing to meet the needs of acutely low income  
20 households.

21 (3) Address and, where appropriate and legally possible, remove  
22 governmental and nongovernmental constraints to the maintenance,  
23 improvement, and development of housing, including housing for  
24 all income levels and housing for persons with disabilities. The  
25 program shall remove constraints to, and provide reasonable  
26 accommodations for housing designed for, intended for occupancy  
27 by, or with supportive services for, persons with disabilities.  
28 Transitional housing and supportive housing shall be considered  
29 a residential use of property and shall be subject only to those  
30 restrictions that apply to other residential dwellings of the same  
31 type in the same zone. Supportive housing, as defined in Section  
32 65650, shall be a use by right in all zones where multifamily and  
33 mixed uses are permitted, as provided in Article 11 (commencing  
34 with Section 65650).

35 (4) Conserve and improve the condition of the existing  
36 affordable housing stock, which may include addressing ways to  
37 mitigate the loss of dwelling units demolished by public or private  
38 action.

39 (5) Promote and affirmatively further fair housing opportunities  
40 and promote housing throughout the community or communities



1 for all persons regardless of race, religion, sex, marital status,  
2 ancestry, national origin, color, familial status, or disability, and  
3 other characteristics protected by the California Fair Employment  
4 and Housing Act (Part 2.8 (commencing with Section 12900) of  
5 Division 3 of Title 2), Section 65008, and any other state and  
6 federal fair housing and planning law.

7 (6) Preserve for lower income households the assisted housing  
8 developments identified pursuant to paragraph (9) of subdivision  
9 (a). The program for preservation of the assisted housing  
10 developments shall utilize, to the extent necessary, all available  
11 federal, state, and local financing and subsidy programs identified  
12 in paragraph (9) of subdivision (a), except where a community has  
13 other urgent needs for which alternative funding sources are not  
14 available. The program may include strategies that involve local  
15 regulation and technical assistance.

16 (7) Develop a plan that incentivizes and promotes the creation  
17 of accessory dwelling units that can be offered at affordable rent,  
18 as defined in Section 50053 of the Health and Safety Code, for  
19 very low, low-, or moderate-income households. For purposes of  
20 this paragraph, “accessory dwelling units” has the same meaning  
21 as “accessory dwelling unit” as defined in subdivision (a) of  
22 Section 66313.

23 (8) Include an identification of the agencies and officials  
24 responsible for the implementation of the various actions and the  
25 means by which consistency will be achieved with other general  
26 plan elements and community goals.

27 (9) Include a diligent effort by the local government to achieve  
28 public participation of all economic segments of the community  
29 in the development of the housing element, and the program shall  
30 describe this effort.

31 (10) (A) Affirmatively further fair housing in accordance with  
32 Chapter 15 (commencing with Section 8899.50) of Division 1 of  
33 Title 2. The program shall include an assessment of fair housing  
34 in the jurisdiction that shall include all of the following  
35 components:

36 (i) A summary of fair housing issues in the jurisdiction and an  
37 assessment of the jurisdiction’s fair housing enforcement and fair  
38 housing outreach capacity.

39 (ii) An analysis of available federal, state, and local data and  
40 knowledge to identify integration and segregation patterns and

trends, racially or ethnically concentrated areas of poverty and affluence, disparities in access to opportunity, and disproportionate housing needs, including displacement risk. The analysis shall identify and examine such patterns, trends, areas, disparities, and needs, both within the jurisdiction and comparing the jurisdiction to the region in which it is located, based on race and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2) and Section 65008.

(iii) An assessment of the contributing factors, including the local and regional historical origins and current policies and practices, for the fair housing issues identified under clauses (i) and (ii).

(iv) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

(B) A jurisdiction that completes or revises an assessment of fair housing pursuant to Subpart A (commencing with Section 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal Regulations, as published in Volume 80 of the Federal Register, Number 136, page 42272, dated July 16, 2015, or an analysis of impediments to fair housing choice in accordance with the requirements of Section 91.225 of Title 24 of the Code of Federal Regulations in effect before August 17, 2015, may incorporate relevant portions of that assessment or revised assessment of fair housing or analysis or revised analysis of impediments to fair housing into its housing element.

(C) (i) The requirements of this paragraph shall apply to housing elements due to be revised pursuant to Section 65588 on or after January 1, 2021.



1 (ii) The assessment required pursuant to this paragraph shall be  
2 completed before the planning agency makes its first draft revision  
3 of a housing element available for public comment pursuant to  
4 subdivision (b) of Section 65585.

5 (D) (i) ~~The~~ *On or before December 31, 2026, the* department  
6 shall develop a standardized reporting format for programs and  
7 actions taken pursuant to this paragraph. The standardized reporting  
8 format shall enable the reporting of all of the assessment  
9 components listed in subparagraph (A) and, at a minimum, include  
10 all of the following fields:

11 (I) Timelines for implementation.

12 (II) Responsible party or parties.

13 (III) Resources committed from the local budget to affirmatively  
14 further fair housing.

15 (IV) Action areas.

16 (V) Potential impacts of the program.

17 (ii) A local government shall utilize the standardized report  
18 format developed pursuant to this subparagraph for the seventh  
19 and each subsequent revision of the housing element.

20 (d) (1) A local government may satisfy all or part of its  
21 requirement to identify a zone or zones suitable for the  
22 development of emergency shelters pursuant to paragraph (4) of  
23 subdivision (a) by adopting and implementing a multijurisdictional  
24 agreement, with a maximum of two other adjacent communities,  
25 that requires the participating jurisdictions to develop at least one  
26 year-round emergency shelter within two years of the beginning  
27 of the planning period.

28 (2) The agreement shall allocate a portion of the new shelter  
29 capacity to each jurisdiction as credit toward its emergency shelter  
30 need, and each jurisdiction shall describe how the capacity was  
31 allocated as part of its housing element.

32 (3) Each member jurisdiction of a multijurisdictional agreement  
33 shall describe in its housing element all of the following:

34 (A) How the joint facility will meet the jurisdiction's emergency  
35 shelter need.

36 (B) The jurisdiction's contribution to the facility for both the  
37 development and ongoing operation and management of the  
38 facility.

39 (C) The amount and source of the funding that the jurisdiction  
40 contributes to the facility.

1 (4) The aggregate capacity claimed by the participating  
2 jurisdictions in their housing elements shall not exceed the actual  
3 capacity of the shelter.

4 (e) Except as otherwise provided in this article, amendments to  
5 this article that alter the required content of a housing element  
6 shall apply to both of the following:

7 (1) A housing element or housing element amendment prepared  
8 pursuant to subdivision (e) of Section 65588 or Section 65584.02,  
9 when a city, county, or city and county submits a draft to the  
10 department for review pursuant to Section 65585 more than 90  
11 days after the effective date of the amendment to this section.

12 (2) Any housing element or housing element amendment  
13 prepared pursuant to subdivision (e) of Section 65588 or Section  
14 65584.02, when the city, county, or city and county fails to submit  
15 the first draft to the department before the due date specified in  
16 Section 65588 or 65584.02.

17 (f) The deadline for completing required rezoning pursuant to  
18 subparagraph (A) of paragraph (1) of subdivision (c) shall be  
19 extended by one year if the local government has completed the  
20 rezoning at densities sufficient to accommodate at least 75 percent  
21 of the units for lower income households and if the legislative  
22 body at the conclusion of a public hearing determines, based upon  
23 substantial evidence, that any of the following circumstances exists:

24 (1) The local government has been unable to complete the  
25 rezoning because of the action or inaction beyond the control of  
26 the local government of any other state, federal, or local agency.

27 (2) The local government is unable to complete the rezoning  
28 because of infrastructure deficiencies due to fiscal or regulatory  
29 constraints.

30 (3) The local government must undertake a major revision to  
31 its general plan in order to accommodate the housing-related  
32 policies of a sustainable communities strategy or an alternative  
33 planning strategy adopted pursuant to Section 65080.

34 The resolution and the findings shall be transmitted to the  
35 department together with a detailed budget and schedule for  
36 preparation and adoption of the required rezonings, including plans  
37 for citizen participation and expected interim action. The schedule  
38 shall provide for adoption of the required rezoning within one year  
39 of the adoption of the resolution.

1 (g) (1) If a local government fails to complete the rezoning by  
2 the deadline provided in subparagraph (A) of paragraph (1) of  
3 subdivision (c), as it may be extended pursuant to subdivision (f),  
4 except as provided in paragraph (2), a local government may not  
5 disapprove a housing development project, nor require a  
6 conditional use permit, planned unit development permit, or other  
7 locally imposed discretionary permit, or impose a condition that  
8 would render the project infeasible, if the housing development  
9 project, (A) is proposed to be located on a site required to be  
10 rezoned pursuant to the program action required by that  
11 subparagraph and, (B) complies with applicable, objective general  
12 plan and zoning standards and criteria, including design review  
13 standards, described in the program action required by that  
14 subparagraph. Any subdivision of sites shall be subject to the  
15 Subdivision Map Act (Division 2 (commencing with Section  
16 66410)). Design review shall not constitute a “project” for purposes  
17 of Division 13 (commencing with Section 21000) of the Public  
18 Resources Code.

19 (2) A local government may disapprove a housing development  
20 described in paragraph (1) if it makes written findings supported  
21 by substantial evidence on the record that both of the following  
22 conditions exist:

23 (A) The housing development project would have a specific,  
24 adverse impact upon the public health or safety unless the project  
25 is disapproved or approved upon the condition that the project be  
26 developed at a lower density. As used in this paragraph, a “specific,  
27 adverse impact” means a significant, quantifiable, direct, and  
28 unavoidable impact, based on objective, identified written public  
29 health or safety standards, policies, or conditions as they existed  
30 on the date the application was deemed complete.

31 (B) There is no feasible method to satisfactorily mitigate or  
32 avoid the adverse impact identified pursuant to paragraph (1), other  
33 than the disapproval of the housing development project or the  
34 approval of the project upon the condition that it be developed at  
35 a lower density.

36 (3) The applicant or any interested person may bring an action  
37 to enforce this subdivision. If a court finds that the local agency  
38 disapproved a project or conditioned its approval in violation of  
39 this subdivision, the court shall issue an order or judgment  
40 compelling compliance within 60 days. The court shall retain

1 jurisdiction to ensure that its order or judgment is carried out. If  
2 the court determines that its order or judgment has not been carried  
3 out within 60 days, the court may issue further orders to ensure  
4 that the purposes and policies of this subdivision are fulfilled. In  
5 any such action, the city, county, or city and county shall bear the  
6 burden of proof.

7 (4) For purposes of this subdivision, “housing development  
8 project” means a project to construct residential units for which  
9 the project developer provides sufficient legal commitments to the  
10 appropriate local agency to ensure the continued availability and  
11 use of at least 49 percent of the housing units for very low, low-,  
12 and moderate-income households with an affordable housing cost  
13 or affordable rent, as defined in Section 50052.5 or 50053 of the  
14 Health and Safety Code, respectively, for the period required by  
15 the applicable financing.

16 (h) An action to enforce the program actions of the housing  
17 element shall be brought pursuant to Section 1085 of the Code of  
18 Civil Procedure.

19 (i) Notwithstanding any other law, the otherwise applicable  
20 timeframe set forth in paragraph (2) of subdivision (b) and  
21 subdivision (d) of Section 21080.3.1 of the Public Resources Code,  
22 and paragraph (3) of subdivision (d) of Section 21082.3 of the  
23 Public Resources Code, for a Native American tribe to respond to  
24 a lead agency and request consultation in writing is extended by  
25 30 days for any housing development project application  
26 determined or deemed to be complete on or after March 4, 2020,  
27 and prior to December 31, 2021.

28 (j) On or after January 1, 2024, at the discretion of the  
29 department, the analysis of government constraints pursuant to  
30 paragraph (5) of subdivision (a) may include an analysis of  
31 constraints upon the maintenance, improvement, or development  
32 of housing for persons with a characteristic identified in subdivision  
33 (b) of Section 51 of the Civil Code. The implementation of this  
34 subdivision is contingent upon an appropriation by the Legislature  
35 in the annual Budget Act or another statute for this purpose.

36 *SEC. 2. Section 65584 of the Government Code is amended to*  
37 *read:*

38 65584. (a) (1) For the fourth and subsequent revisions of the  
39 housing element pursuant to Section 65588, the department shall  
40 determine the existing and projected need for housing for each

1 region pursuant to this article. For purposes of subdivision (a) of  
2 Section 65583, the share of a city or county of the regional housing  
3 need shall include that share of the housing need of persons at all  
4 income levels within the area significantly affected by the general  
5 plan of the city or county.

6 (2) It is the intent of the Legislature that cities, counties, and  
7 cities and counties should undertake all necessary actions to  
8 encourage, promote, and facilitate the development of housing to  
9 accommodate the entire regional housing need, and reasonable  
10 actions should be taken by local and regional governments to  
11 ensure that future housing production meets, at a minimum, the  
12 regional housing need established for planning purposes. These  
13 actions shall include applicable reforms and incentives in Section  
14 65582.1.

15 (3) The Legislature finds and declares that insufficient housing  
16 in job centers hinders the state's environmental quality and runs  
17 counter to the state's environmental goals. In particular, when  
18 Californians seeking affordable housing are forced to drive longer  
19 distances to work, an increased amount of greenhouse gases and  
20 other pollutants are released and puts in jeopardy the achievement  
21 of the state's climate goals, as established pursuant to Section  
22 38566 of the Health and Safety Code, and clean air goals.

23 (b) The department, in consultation with each council of  
24 governments, shall determine each region's existing and projected  
25 housing need pursuant to Section 65584.01 at least ~~two years~~ 30  
26 *months* prior to the scheduled revision required pursuant to Section  
27 65588. The appropriate council of governments, or for cities and  
28 counties without a council of governments, the department, shall  
29 adopt a final regional housing need plan that allocates a share of  
30 the regional housing need to each city, county, or city and county  
31 at least one year prior to the scheduled revision for the region  
32 required by Section 65588. The allocation plan prepared by a  
33 council of governments shall be prepared pursuant to Sections  
34 65584.04 and 65584.05.

35 (c) Notwithstanding any other provision of law, the due dates  
36 for the determinations of the department or for the council of  
37 governments, respectively, regarding the regional housing need  
38 may be extended by the department by not more than 60 days if  
39 the extension will enable access to more recent critical population  
40 or housing data from a pending or recent release of the United

1 States Census Bureau or the Department of Finance. If the due  
2 date for the determination of the department or the council of  
3 governments is extended for this reason, the department shall  
4 extend the corresponding housing element revision deadline  
5 pursuant to Section 65588 by not more than 60 days.

6 (d) The regional housing needs allocation plan shall further all  
7 of the following objectives:

8 (1) Increasing the housing supply and the mix of housing types,  
9 tenure, and affordability in all cities and counties within the region  
10 in an equitable manner, which shall result in each jurisdiction  
11 receiving an allocation of units for low- and very low income  
12 households. The regional housing needs allocation plan shall  
13 allocate units for extremely low- and acutely low income  
14 households in a manner that is roughly proportional to, and within  
15 a range of 3 percent of, the housing need for very low income  
16 households.

17 (2) Promoting infill development and socioeconomic equity,  
18 the protection of environmental and agricultural resources, the  
19 encouragement of efficient development patterns, and the  
20 achievement of the region's greenhouse gas reductions targets  
21 provided by the State Air Resources Board pursuant to Section  
22 65080.

23 (3) Promoting an improved intraregional relationship between  
24 jobs and housing, including an improved balance between the  
25 number of low-wage jobs and the number of housing units  
26 affordable to low-wage workers in each jurisdiction.

27 (4) Allocating a lower proportion of housing need to an income  
28 category when a jurisdiction already has a disproportionately high  
29 share of households in that income category, as compared to the  
30 countywide distribution of households in that category from the  
31 most recent American Community Survey.

32 (5) Affirmatively furthering fair housing.

33 (e) For purposes of this section, "affirmatively furthering fair  
34 housing" means taking meaningful actions, in addition to  
35 combating discrimination, that overcome patterns of segregation  
36 and foster inclusive communities free from barriers that restrict  
37 access to opportunity based on protected characteristics.  
38 Specifically, affirmatively furthering fair housing means taking  
39 meaningful actions that, taken together, address significant  
40 disparities in housing needs and in access to opportunity, replacing



1 segregated living patterns with truly integrated and balanced living  
2 patterns, transforming racially and ethnically concentrated areas  
3 of poverty into areas of opportunity, and fostering and maintaining  
4 compliance with civil rights and fair housing laws.

5 (f) (1) Subject to paragraph (2), for purposes of this section  
6 with respect to revisions of the housing element through the sixth  
7 revision, “household income levels” are as determined by the  
8 department pursuant to the following code sections:

9 (A) Very low incomes, as defined by Section 50105 of the  
10 Health and Safety Code.

11 (B) Lower incomes, as defined by Section 50079.5 of the Health  
12 and Safety Code.

13 (C) Moderate incomes, as defined by Section 50093 of the  
14 Health and Safety Code.

15 (D) Above moderate incomes are those exceeding the  
16 moderate-income level of Section 50093 of the Health and Safety  
17 Code.

18 (2) For purposes of this section with respect to the seventh and  
19 subsequent revisions of the housing element, “household income  
20 levels” are as determined by the department in accordance with  
21 the definitions of acutely low, extremely low, very low, low,  
22 moderate, and above moderate income in Section 65582.

23 (g) Notwithstanding any other provision of law, determinations  
24 made by the department, a council of governments, or a city or  
25 county pursuant to this section or Section 65584.01, 65584.02,  
26 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08  
27 are exempt from the California Environmental Quality Act  
28 (Division 13 (commencing with Section 21000) of the Public  
29 Resources Code).

30 *SEC. 3. Section 65584.01 of the Government Code is amended*  
31 *to read:*

32 65584.01. For the fourth and subsequent revision of the housing  
33 element pursuant to Section 65588, the department, in consultation  
34 with each council of governments, where applicable, shall  
35 determine the existing and projected need for housing for each  
36 region in the following manner:

37 (a) The department’s determination shall be based upon  
38 population projections produced by the Department of Finance  
39 and regional population forecasts used in preparing regional  
40 transportation plans, in consultation with each council of



1 governments. If the total regional population forecast for the  
 2 projection year, developed by the council of governments and used  
 3 for the preparation of the regional transportation plan, is within a  
 4 range of 1.5 percent of the total regional population forecast for  
 5 the projection year by the Department of Finance, then the  
 6 population forecast developed by the council of governments shall  
 7 be the basis from which the department determines the existing  
 8 and projected need for housing in the region. If the difference  
 9 between the total population projected by the council of  
 10 governments and the total population projected for the region by  
 11 the Department of Finance is greater than 1.5 percent, then the  
 12 department and the council of governments shall meet to discuss  
 13 variances in methodology used for population projections and seek  
 14 agreement on a population projection for the region to be used as  
 15 a basis for determining the existing and projected housing need  
 16 for the region. If agreement is not reached, then the population  
 17 projection for the region shall be the population projection for the  
 18 region prepared by the Department of Finance as may be modified  
 19 by the department as a result of discussions with the council of  
 20 governments.

21 (b) (1) At least ~~26~~ 32 months prior to the scheduled revision  
 22 pursuant to Section 65588 and prior to developing the existing and  
 23 projected housing need for a region, the department shall meet and  
 24 consult with the council of governments regarding the assumptions  
 25 and methodology to be used by the department to determine the  
 26 region's housing needs. The council of governments shall provide  
 27 data assumptions from the council's projections, including, if  
 28 available, the following data for the region:

29 (A) Anticipated household growth associated with projected  
 30 population increases.

31 (B) Household size data and trends in household size.

32 (C) The percentage of households that are overcrowded and the  
 33 overcrowding rate for a comparable housing market. For purposes  
 34 of this subparagraph:

35 (i) The term "overcrowded" means more than one resident per  
 36 room in each room in a dwelling.

37 (ii) The term "overcrowded rate for a comparable housing  
 38 market" means that the overcrowding rate is no more than the  
 39 average overcrowding rate in comparable regions throughout the  
 40 nation, as determined by the council of governments.

1 (D) The rate of household formation, or headship rates, based  
2 on age, gender, ethnicity, or other established demographic  
3 measures.

4 (E) The vacancy rates in existing housing stock, and the vacancy  
5 rates for healthy housing market functioning and regional mobility,  
6 as well as housing replacement needs. For purposes of this  
7 subparagraph, the vacancy rate for a healthy rental housing market  
8 shall be considered no less than 5 percent.

9 (F) Other characteristics of the composition of the projected  
10 population.

11 (G) The relationship between jobs and housing, including any  
12 imbalance between jobs and housing.

13 (H) The percentage of households that are cost burdened and  
14 the rate of housing cost burden for a healthy housing market. For  
15 the purposes of this subparagraph:

16 (i) The term “cost burdened” means the share of very low, low-,  
17 moderate-, and above moderate-income households that are paying  
18 more than 30 percent of household income on housing costs.

19 (ii) The term “rate of housing cost burden for a healthy housing  
20 market” means that the rate of households that are cost burdened  
21 is no more than the average rate of households that are cost  
22 burdened in comparable regions throughout the nation, as  
23 determined by the council of governments.

24 (I) The loss of units during a state of emergency that was  
25 declared by the Governor pursuant to the California Emergency  
26 Services Act (Chapter 7 (commencing with Section 8550) of  
27 Division 1 of Title 2), during the planning period immediately  
28 preceding the relevant revision pursuant to Section 65588 that  
29 have yet to be rebuilt or replaced at the time of the data request.

30 (J) The housing needs of individuals and families experiencing  
31 homelessness.

32 (i) The data utilized by the council of governments shall align  
33 with homelessness data best practices as determined by the  
34 department.

35 (ii) Sources of homelessness data may include the Homeless  
36 Data Integration System administered by the Interagency Council  
37 on Homelessness, the homeless point-in-time count, or other  
38 sources deemed appropriate by the department.

39 (2) The department may accept or reject the information  
40 provided by the council of governments or modify its own

assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (I), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments. The methodology submitted by the department may make adjustments based on the region's total projected households, which includes existing households as well as projected households.

(c) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (b). The region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (a), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (b). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (b), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (b).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this

1 section, the department shall consider the objection and make a  
2 final written determination of the region's existing and projected  
3 housing need that includes an explanation of the information upon  
4 which the determination was made.

5 (4) In regions in which the department is required to distribute  
6 the regional housing need pursuant to Section 65584.06, no city  
7 or county may file an objection to the regional housing need  
8 determination.

9 (d) Statutory changes enacted after the date the department  
10 issued a final determination pursuant to this section shall not be a  
11 basis for a revision of the final determination.

12 *SEC. 4. Section 65584.04 of the Government Code is amended*  
13 *to read:*

14 65584.04. (a) At least two *and one-half* years before a  
15 scheduled revision required by Section 65588, each council of  
16 governments, or delegate subregion as applicable, shall develop,  
17 in consultation with the department, a proposed methodology for  
18 distributing the existing and projected regional housing need to  
19 cities, counties, and cities and counties within the region or within  
20 the subregion, where applicable pursuant to this section. The  
21 methodology shall further the objectives listed in subdivision (d)  
22 of Section 65584.

23 (b) (1) No more than six months before the development of a  
24 proposed methodology for distributing the existing and projected  
25 housing need, each council of governments shall survey each of  
26 its member jurisdictions to request, at a minimum, information  
27 regarding the factors listed in subdivision (e) that will allow the  
28 development of a methodology based upon the factors established  
29 in subdivision (e).

30 (2) With respect to the objective in paragraph (5) of subdivision  
31 (d) of Section 65584, the survey shall review and compile  
32 information that will allow the development of a methodology  
33 based upon the issues, strategies, and actions that are included, as  
34 available, in an Analysis of Impediments to Fair Housing Choice  
35 or an Assessment of Fair Housing completed by any city or county  
36 or the department that covers communities within the area served  
37 by the council of governments, and in housing elements adopted  
38 pursuant to this article by cities and counties within the area served  
39 by the council of governments.

1 (3) The council of governments shall seek to obtain the  
2 information in a manner and format that is comparable throughout  
3 the region and utilize readily available data to the extent possible.

4 (4) The information provided by a local government pursuant  
5 to this section shall be used, to the extent possible, by the council  
6 of governments, or delegate subregion as applicable, as source  
7 information for the methodology developed pursuant to this section.  
8 The survey shall state that none of the information received may  
9 be used as a basis for reducing the total housing need established  
10 for the region pursuant to Section 65584.01.

11 (5) If the council of governments fails to conduct a survey  
12 pursuant to this subdivision, a city, county, or city and county may  
13 submit information related to the items listed in subdivision (e)  
14 before the public comment period provided for in subdivision (d).

15 (c) The council of governments shall electronically report the  
16 results of the survey of fair housing issues, strategies, and actions  
17 compiled pursuant to paragraph (2) of subdivision (b). The report  
18 shall describe common themes and effective strategies employed  
19 by cities and counties within the area served by the council of  
20 governments, including common themes and effective strategies  
21 around avoiding the displacement of lower income households.  
22 The council of governments shall also identify significant barriers  
23 to affirmatively furthering fair housing at the regional level and  
24 may recommend strategies or actions to overcome those barriers.  
25 A council of governments or metropolitan planning organization,  
26 as appropriate, may use this information for any other purpose,  
27 including publication within a regional transportation plan adopted  
28 pursuant to Section 65080 or to inform the land use assumptions  
29 that are applied in the development of a regional transportation  
30 plan.

31 (d) Public participation and access shall be required in the  
32 development of the methodology and in the process of drafting  
33 and adoption of the allocation of the regional housing needs.  
34 Participation by organizations other than local jurisdictions and  
35 councils of governments shall be solicited in a diligent effort to  
36 achieve public participation of all economic segments of the  
37 community as well as members of protected classes under Section  
38 12955 and households with special housing needs under paragraph  
39 (7) of subdivision (a) of Section 65583. The proposed  
40 methodology, along with any relevant underlying data and

1 assumptions, an explanation of how information about local  
2 government conditions gathered pursuant to subdivision (b) has  
3 been used to develop the proposed methodology, how each of the  
4 factors listed in subdivision (e) is incorporated into the  
5 methodology, and how the proposed methodology furthers the  
6 objectives listed in subdivision (d) of Section 65584, shall be  
7 distributed to all cities, counties, any subregions, and members of  
8 the public who have made a written or electronic request for the  
9 proposed methodology and published on the council of  
10 governments', or delegate subregion's, internet website. The  
11 council of governments, or delegate subregion, as applicable, shall  
12 conduct at least one public hearing to receive oral and written  
13 comments on the proposed methodology.

14 (e) To the extent that sufficient data is available from local  
15 governments pursuant to subdivision (b) or other sources, each  
16 council of governments, or delegate subregion as applicable, shall  
17 consider including the following factors in developing the  
18 methodology that allocates regional housing needs:

19 (1) Each member jurisdiction's existing and projected jobs and  
20 housing relationship. This shall include an estimate based on  
21 readily available data on the number of low-wage jobs within the  
22 jurisdiction and how many housing units within the jurisdiction  
23 are affordable to low-wage workers as well as an estimate based  
24 on readily available data, of projected job growth and projected  
25 household growth by income level within each member jurisdiction  
26 during the planning period.

27 (2) The opportunities and constraints to development of  
28 additional housing in each member jurisdiction, including all of  
29 the following:

30 (A) Lack of capacity for sewer or water service due to federal  
31 or state laws, regulations or regulatory actions, or supply and  
32 distribution decisions made by a sewer or water service provider  
33 other than the local jurisdiction that preclude the jurisdiction from  
34 providing necessary infrastructure for additional development  
35 during the planning period.

36 (B) The availability of land suitable for urban development or  
37 for conversion to residential use, the availability of underutilized  
38 land, and opportunities for infill development and increased  
39 residential densities. The council of governments may not limit  
40 its consideration of suitable housing sites or land suitable for urban



development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

(E) Emergency evacuation route capacity, wildfire risk, sea level rise, and other impacts caused by climate change.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(6) The percentage of existing households at each of the income levels listed in subdivision (f) of Section 65584 that are paying



1 more than 30 percent and more than 50 percent of their income in  
2 rent.

3 (7) The rate of overcrowding.

4 (8) The housing needs of farmworkers.

5 (9) The housing needs generated by the presence of a private  
6 university or a campus of the California State University or the  
7 University of California within any member jurisdiction.

8 (10) The housing needs of individuals and families experiencing  
9 homelessness. If a council of governments has surveyed each of  
10 its member jurisdictions pursuant to subdivision (b) on or before  
11 January 1, 2020, this paragraph shall apply only to the development  
12 of methodologies for the seventh and subsequent revisions of the  
13 housing element.

14 (11) The loss of units during a state of emergency that was  
15 declared by the Governor pursuant to the California Emergency  
16 Services Act (Chapter 7 (commencing with Section 8550) of  
17 Division 1 of Title 2), during the planning period immediately  
18 preceding the relevant revision pursuant to Section 65588 that  
19 have yet to be rebuilt or replaced at the time of the analysis.

20 (12) The region's greenhouse gas emissions targets provided  
21 by the State Air Resources Board pursuant to Section 65080.

22 (13) Any other factors adopted by the council of governments,  
23 that further the objectives listed in subdivision (d) of Section  
24 65584, provided that the council of governments specifies which  
25 of the objectives each additional factor is necessary to further. The  
26 council of governments may include additional factors unrelated  
27 to furthering the objectives listed in subdivision (d) of Section  
28 65584 so long as the additional factors do not undermine the  
29 objectives listed in subdivision (d) of Section 65584 and are applied  
30 equally across all household income levels as described in  
31 subdivision (f) of Section 65584 and the council of governments  
32 makes a finding that the factor is necessary to address significant  
33 health and safety conditions.

34 (f) The council of governments, or delegate subregion, as  
35 applicable, shall explain in writing how each of the factors  
36 described in subdivision (e) was incorporated into the methodology  
37 and how the methodology furthers the objectives listed in  
38 subdivision (d) of Section 65584. The methodology may include  
39 numerical weighting. This information, and any other supporting  
40 materials used in determining the methodology, shall be posted

1 on the council of governments', or delegate subregion's, internet  
2 website.

3 (g) The following criteria shall not be a justification for a  
4 determination or a reduction in a jurisdiction's share of the regional  
5 housing need:

6 (1) Any ordinance, policy, voter-approved measure, or standard  
7 of a city or county that directly or indirectly limits the number of  
8 residential building permits issued by a city or county.

9 (2) Prior underproduction of housing in a city or county from  
10 the previous regional housing need allocation, as determined by  
11 each jurisdiction's annual production report submitted pursuant  
12 to subparagraph (H) of paragraph (2) of subdivision (a) of Section  
13 65400.

14 (3) Stable population numbers in a city or county from the  
15 previous regional housing needs cycle.

16 (h) Following the conclusion of the public comment period  
17 described in subdivision (d) on the proposed allocation  
18 methodology, and after making any revisions deemed appropriate  
19 by the council of governments, or delegate subregion, as applicable,  
20 as a result of comments received during the public comment period,  
21 and as a result of consultation with the department, each council  
22 of governments, or delegate subregion, as applicable, shall publish  
23 a draft allocation methodology on its internet website and submit  
24 the draft allocation methodology, along with the information  
25 required pursuant to subdivision (e), to the department.

26 (i) Within 60 days, the department shall review the draft  
27 allocation methodology and report its written findings to the  
28 council of governments, or delegate subregion, as applicable. In  
29 its written findings the department shall determine whether the  
30 methodology furthers the objectives listed in subdivision (d) of  
31 Section 65584. If the department determines that the methodology  
32 is not consistent with subdivision (d) of Section 65584, the council  
33 of governments, or delegate subregion, as applicable, shall take  
34 one of the following actions:

35 (1) Revise the methodology to further the objectives listed in  
36 subdivision (d) of Section 65584 and adopt a final regional, or  
37 subregional, housing need allocation methodology.

38 (2) Adopt the regional, or subregional, housing need allocation  
39 methodology without revisions and include within its resolution  
40 of adoption findings, supported by substantial evidence, as to why

1 the council of governments, or delegate subregion, believes that  
2 the methodology furthers the objectives listed in subdivision (d)  
3 of Section 65584 despite the findings of the department.

4 (j) If the department's findings are not available within the time  
5 limits set by subdivision (i), the council of governments, or delegate  
6 subregion, may act without them.

7 (k) Upon either action pursuant to subdivision (i), the council  
8 of governments, or delegate subregion, shall provide notice of the  
9 adoption of the methodology to the jurisdictions within the region,  
10 or delegate subregion, as applicable, and to the department, and  
11 shall publish the adopted allocation methodology, along with its  
12 resolution and any adopted written findings, on its internet website.

13 (l) The department may, within 45 days, review the adopted  
14 methodology and report its findings to the council of governments,  
15 or delegate subregion.

16 (m) (1) It is the intent of the Legislature that housing planning  
17 be coordinated and integrated with the regional transportation plan.  
18 To achieve this goal, the allocation plan shall allocate housing  
19 units within the region consistent with the development pattern  
20 included in the sustainable communities strategy.

21 (2) (A) The final allocation plan shall ensure that the total  
22 regional housing need, by income category, as determined under  
23 Section 65584, is maintained, and that each jurisdiction in the  
24 region receive an allocation of units for low- and very low income  
25 households.

26 (B) For the seventh and subsequent revisions of the housing  
27 element, the allocation to each region required under subparagraph  
28 (A) shall also include an allocation of units for acutely low and  
29 extremely low income households.

30 (3) The resolution approving the final housing need allocation  
31 plan shall demonstrate that the plan is consistent with the  
32 sustainable communities strategy in the regional transportation  
33 plan and furthers the objectives listed in subdivision (d) of Section  
34 65584.

35 (n) This section shall become operative on January 1, 2025.

36 (o) *For the seventh housing element cycle, the changes to this*  
37 *section made by the act adding this subdivision shall not apply to*  
38 *councils of governments with a housing element revision due date*  
39 *during the 2027 calendar year.*

1     *SEC. 5. Section 65584.05 of the Government Code is amended*  
2     *to read:*

3     65584.05. (a) At least ~~one and one-half~~ two years before the  
4     scheduled revision required by Section 65588, each council of  
5     governments and delegate subregion, as applicable, shall distribute  
6     a draft allocation of regional housing needs to each local  
7     government in the region or subregion, where applicable, and the  
8     department, based on the methodology adopted pursuant to Section  
9     65584.04 and shall publish the draft allocation on its internet  
10    website. The council of governments may additionally distribute  
11    the draft allocation plan upon adoption of the final methodology  
12    reviewed and accepted by the department pursuant to paragraph  
13    (2) of subdivision (i) of Section 65584.04. The draft allocation  
14    shall include the underlying data and methodology on which the  
15    allocation is based, and a statement as to how it furthers the  
16    objectives listed in subdivision (d) of Section 65584. It is the intent  
17    of the Legislature that the draft allocation should be distributed  
18    before the completion of the update of the applicable regional  
19    transportation plan. The draft allocation shall distribute to localities  
20    and subregions, if any, within the region the entire regional housing  
21    need determined pursuant to Section 65584.01 or within  
22    subregions, as applicable, the subregion's entire share of the  
23    regional housing need determined pursuant to Section 65584.03.

24    (b) Within 30 days following receipt of the draft allocation, a  
25    local government within the region or the delegate subregion, as  
26    applicable, or the department may appeal to the council of  
27    governments or the delegate subregion for a revision of the share  
28    of the regional housing need proposed to be allocated to one or  
29    more local governments. Appeals shall be based upon comparable  
30    data available for all affected jurisdictions and accepted planning  
31    methodology, and supported by adequate documentation, and shall  
32    include a statement as to why the revision is necessary to further  
33    the intent of the objectives listed in subdivision (d) of Section  
34    65584. An appeal pursuant to this subdivision shall be consistent  
35    with, and not to the detriment of, the development pattern in an  
36    applicable sustainable communities strategy developed pursuant  
37    to paragraph (2) of subdivision (b) of Section 65080. Appeals shall  
38    be limited to any of the following circumstances:

1 (1) The council of governments or delegate subregion, as  
2 applicable, failed to adequately consider the information submitted  
3 pursuant to subdivision (b) of Section 65584.04.

4 (2) The council of governments or delegate subregion, as  
5 applicable, failed to determine the share of the regional housing  
6 need in accordance with the information described in, and the  
7 methodology established pursuant to, Section 65584.04, and in a  
8 manner that furthers, and does not undermine, the intent of the  
9 objectives listed in subdivision (d) of Section 65584.

10 (3) A significant and unforeseen change in circumstances has  
11 occurred in the local jurisdiction or jurisdictions that merits a  
12 revision of the information submitted pursuant to subdivision (b)  
13 of Section 65584.04. Appeals on this basis shall only be made by  
14 the jurisdiction or jurisdictions where the change in circumstances  
15 has occurred.

16 (c) At the close of the period for filing appeals pursuant to  
17 subdivision (b), the council of governments or delegate subregion,  
18 as applicable, shall notify all other local governments within the  
19 region or delegate subregion and the department of all appeals and  
20 shall make all materials submitted in support of each appeal  
21 available on a publicly available internet website. Local  
22 governments and the department may, within 45 days, comment  
23 on one or more appeals. If no appeals are filed, the draft allocation  
24 may be adopted pursuant to subdivision (g).

25 (d) No later than 30 days after the close of the comment period,  
26 and after providing all local governments within the region or  
27 delegate subregion, as applicable, at least 10 days prior notice, the  
28 council of governments or delegate subregion shall conduct one  
29 public hearing to consider all appeals filed pursuant to subdivision  
30 (b) and all comments received pursuant to subdivision (c).

31 (e) No later than 45 days after the public hearing pursuant to  
32 subdivision (d), the council of governments or delegate subregion,  
33 as applicable, shall do all of the following:

34 (1) Make a final determination that either accepts, rejects, or  
35 modifies each appeal for a revised share filed pursuant to  
36 subdivision (b). Final determinations shall be based upon the  
37 information and methodology described in Section 65584.04 and  
38 whether the revision is necessary to further the objectives listed  
39 in subdivision (d) of Section 65584. The final determination shall  
40 be in writing and shall include written findings as to how the

determination is consistent with this article. The final determination on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.

(2) Issue a proposed final allocation plan.

(3) Submit the proposed final allocation plan to the department.

(4) Set a date for a public hearing to adopt a final allocation plan pursuant to subdivision (g).

(f) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03.

(g) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 15 days after the department's receipt of the final allocation plan adopted by the council of governments, the



1 department shall determine if the final allocation plan is consistent  
2 with the existing and projected housing need for the region, as  
3 determined pursuant to Section 65584.01. The department may  
4 revise the determination of the council of governments if necessary  
5 to obtain this consistency.

6 (h) Any authority of the council of governments to review and  
7 revise the share of a city or county of the regional housing need  
8 under this section shall not constitute authority to revise, approve,  
9 or disapprove the manner in which the share of the city or county  
10 of the regional housing need is implemented through its housing  
11 program.

12 (i) Any time period in subdivision (d) or (e) may be extended  
13 by a council of governments or delegate subregion, as applicable,  
14 for up to 30 days. Any time period in subdivision (b), (c), (d), (e),  
15 or (g) may be reduced by a council of governments or delegate  
16 subregion, as applicable, to facilitate earlier adoption of the final  
17 allocation plan. No time period shall be reduced to fewer than a  
18 minimum of 10 days.

19 (j) The San Diego Association of Governments may follow the  
20 process in this section for the draft and final allocation plan for  
21 the sixth revision of the housing element notwithstanding such  
22 actions being carried out before the adoption of an updated regional  
23 transportation plan and sustainable communities strategy.

24 (k) *For the seventh housing element cycle, the changes to this*  
25 *section made by the act adding this subdivision shall not apply to*  
26 *councils of governments with a housing element revision due date*  
27 *during the 2027 calendar year.*

28 SEC. 6. Section 65585 of the Government Code is amended to  
29 read:

30 65585. (a) In the preparation of its housing element, each city  
31 and county shall consider the guidelines adopted by the department  
32 pursuant to Section 50459 of the Health and Safety Code. Those  
33 guidelines shall be advisory to each city or county in the  
34 preparation of its housing element.

35 (b) (1) (A) At least 90 days prior to adoption of a revision of  
36 its housing element pursuant to subdivision (e) of Section 65588,  
37 or at least 60 days prior to the adoption of a subsequent amendment  
38 to this element, the planning agency shall submit a draft element  
39 revision or draft amendment to the department. The local  
40 government of the planning agency shall make the first draft



1 revision of a housing element available for public comment for at  
2 least 30 days and, if any comments are received, the local  
3 government shall take at least 10 business days after the 30-day  
4 public comment period to consider and incorporate public  
5 comments into the draft revision prior to submitting it to the  
6 department. For any subsequent draft revision, the local  
7 government shall post the draft revision on its internet website and  
8 shall email a link to the draft revision to all individuals and  
9 organizations that have previously requested notices relating to  
10 the local government's housing element at least seven days before  
11 submitting the draft revision to the department.

12 (B) The planning agency staff shall collect and compile the  
13 public comments regarding the housing element received by the  
14 city, county, or city and county and provide these comments to  
15 each member of the legislative body before it adopts the housing  
16 element.

17 (C) The department shall review the draft and report its written  
18 findings to the planning agency within 90 days of its receipt of the  
19 first draft submittal for each housing element revision pursuant to  
20 subdivision (e) of Section 65588 or within 60 days of its receipt  
21 of a subsequent draft amendment or an adopted revision or adopted  
22 amendment to an element. The department shall not review the  
23 first draft submitted for each housing element revision pursuant  
24 to subdivision (e) of Section 65588 until the local government has  
25 made the draft available for public comment for at least 30 days  
26 and, if comments were received, has taken at least 10 business  
27 days to consider and incorporate public comments pursuant to  
28 paragraph (1).

29 (2) (A) At least 90 days prior to the initial adoption of a revision  
30 of its housing element pursuant to subdivision (e) of Section 65588,  
31 and at least 7 days prior to any subsequent adoption submittal if  
32 changes have occurred to the inventory of sites, a local government  
33 shall do both of the following:

34 (i) Make a draft of its inventory of sites required pursuant to  
35 paragraph (3) of subdivision (a) of Section 65583 available to the  
36 department and the public and post the draft inventory on its  
37 internet website.

38 (ii) Send an email to all individuals and organizations that have  
39 previously requested notices notifying them that the inventory has

1 been updated that includes a link to the draft inventory on its  
2 website.

3 (B) The requirements of this paragraph shall apply to the seventh  
4 and each subsequent revision of the housing element.

5 (c) In the preparation of its findings, the department may consult  
6 with any public agency, group, or person. The department shall  
7 receive and consider any written comments from any public  
8 agency, group, or person regarding the draft or adopted element  
9 or amendment under review.

10 (d) In its written findings, the department shall determine  
11 whether the draft element or draft amendment substantially  
12 complies with this article. *If the department finds that the draft*  
13 *element or draft amendment does not substantially comply with*  
14 *this article, the department shall in a written communication to*  
15 *the planning agency do both of the following:*

16 (1) *Identify and explain the specific deficiencies in the draft*  
17 *element or draft amendment, including a reference to each*  
18 *subdivision of Section 65583 that the draft element or draft*  
19 *amendment does not comply with.*

20 (2) *Provide the specific analysis or text that the department*  
21 *expects the planning agency to include in the draft element or draft*  
22 *amendment to remedy the deficiencies identified in paragraph (1).*

23 (e) Prior to the adoption of its draft element or draft amendment,  
24 the legislative body shall consider the findings ~~made~~ made, and  
25 the specific analysis or text required, by the department. If the  
26 department's findings are not available within the time limits set  
27 by this section, the legislative body may act without them.

28 (f) If the department finds that the draft element or draft  
29 amendment does not substantially comply with this article, the  
30 legislative body shall take one of the following actions:

31 (1) (A) ~~Change~~ *Include the specific analysis or text in the draft*  
32 *element or draft amendment to substantially comply with this*  
33 ~~article.~~ *article, as required by the department pursuant to*  
34 *subdivision (d).*

35 (B) Any change to a draft element or draft amendment pursuant  
36 to subparagraph (A) shall be completed in accordance with  
37 subdivision (b). This subparagraph does not constitute a change  
38 in, but is declaratory of, existing law.

39 (C) *Notwithstanding Section 65589.5, a jurisdiction shall not*  
40 *be required to approve a builder's remedy project, as defined in*

1 paragraph (11) of subdivision (h) of Section 65889.5, within the  
2 planning agency's jurisdiction during either of the following  
3 periods:

4 (i) The duration of the department's review of a draft element  
5 or draft amendment revised pursuant to this paragraph.

6 (ii) Ninety days from the date the department notifies the  
7 planning agency of additional deficiencies not previously identified  
8 by the department in response to the prior submission of the draft  
9 element or draft amendment.

10 (2) Adopt the draft element or draft amendment without ~~changes~~.  
11 ~~the specific analysis or text required by the department pursuant~~  
12 ~~to subdivision (d).~~ The legislative body shall include in its  
13 resolution of adoption written findings that explain the reasons the  
14 legislative body believes that the draft element or draft amendment  
15 substantially complies with this article despite the findings ~~of of,~~  
16 ~~and specific analysis or text required by,~~ the department.

17 (g) (1) Promptly following the adoption of its element or  
18 amendment, the planning agency shall submit a copy of the adopted  
19 element or amendment and any findings made pursuant to  
20 paragraph (2) of subdivision (f) to the department.

21 (2) This subdivision shall not be construed to excuse a legislative  
22 body from complying with subdivision (f). This paragraph does  
23 not constitute a change in, but is declaratory of, existing law.

24 (h) The department shall, within 60 days, review adopted  
25 housing elements or amendments and any findings pursuant to  
26 paragraph (2) of subdivision (f), make a finding as to whether the  
27 adopted element or amendment is in substantial compliance with  
28 this article, and report its findings to the planning agency. *If the*  
29 *department finds that the adopted element or amendment is not in*  
30 *substantial compliance with this article, the department shall*  
31 *identify each subdivision of Section 65583 that the housing element*  
32 *does not substantially comply with and provide the specific analysis*  
33 *or text to the planning agency that, if adopted, would bring the*  
34 *housing element or amendment into substantial compliance.*

35 (i) (1) (A) The department shall review any action or failure  
36 to act by the city, county, or city and county that it determines is  
37 inconsistent with an adopted housing element or Section 65583,  
38 including any failure to implement any program actions included  
39 in the housing element pursuant to Section 65583. The department  
40 shall issue written findings to the city, county, or city and county

1 as to whether the action or failure to act substantially complies  
2 with this article, and provide a reasonable time no longer than 30  
3 days for the city, county, or city and county to respond to the  
4 findings before taking any other action authorized by this section,  
5 including the action authorized by subparagraph (C).

6 (B) If the department finds that the city's, county's, or city and  
7 county's action or failure to act does not substantially comply with  
8 its adopted housing element or its obligations pursuant to Section  
9 65583, there shall be a rebuttable presumption of invalidity in any  
10 legal action challenging that action or failure to act.

11 (C) If the department finds that the action or failure to act by  
12 the city, county, or city and county does not substantially comply  
13 with this article, and if it has issued findings pursuant to this section  
14 that an amendment to the housing element substantially complies  
15 with this article, the department may revoke its findings until it  
16 determines that the city, county, or city and county has come into  
17 compliance with this article.

18 (2) The department may consult with any local government,  
19 public agency, group, or person, and shall receive and consider  
20 any written comments from any public agency, group, or person,  
21 regarding the action or failure to act by the city, county, or city  
22 and county described in paragraph (1), in determining whether the  
23 housing element substantially complies with this article.

24 (j) The department shall notify the city, county, or city and  
25 county and may notify the office of the Attorney General that the  
26 city, county, or city and county is in violation of state law if the  
27 department finds that the housing element or an amendment to this  
28 element, or any action or failure to act described in subdivision  
29 ~~(i)~~ (j), does not substantially comply with this article or that any  
30 local government has taken an action in violation of the following:

31 (1) Housing Accountability Act (Section 65589.5).

32 (2) Section 65863.

33 (3) Chapter 4.3 (commencing with Section 65915).

34 (4) Section 65008.

35 (5) Housing Crisis Act of 2019 (Chapter 654, Statutes of 2019,  
36 Sections 65941.1, 65943, and 66300).

37 (6) Section 8899.50.

38 (7) Section 65913.4.

39 (8) Article 11 (commencing with Section 65650).

40 (9) Article 12 (commencing with Section 65660).

- 1 (10) Section 65913.11.
- 2 (11) Section 65400.
- 3 (12) Section 65863.2.
- 4 (13) Chapter 4.1 (commencing with Section 65912.100).
- 5 (14) Section 65905.5.
- 6 (15) Chapter 13 (commencing with Section 66310).
- 7 (16) Section 65852.21.
- 8 (17) Section 65852.24.
- 9 (18) Section 66411.7.
- 10 (19) Section 65913.16.
- 11 (20) Article 2 (commencing with Section 66300.5) of Chapter
- 12 12.
- 13 (21) Section 65852.28.
- 14 (22) Section 65913.4.5.
- 15 (23) Section 66499.41.
- 16 (24) Homeless Housing, Assistance, and Prevention program
- 17 (Chapter 6 (commencing with Section 50216) and Chapter 6.5
- 18 (commencing with Section 50230) of Part 1 of Division 31 of the
- 19 Health and Safety Code).
- 20 (25) Encampment Resolution Funding program (Chapter 7
- 21 (commencing with Section 50250) of Part 1 of Division 31 of the
- 22 Health and Safety Code).
- 23 (26) Family Homelessness Challenge Grants and Technical
- 24 Assistance Program (Chapter 8 (commencing with Section 50255)
- 25 of Part 1 of Division 31 of the Health and Safety Code).
- 26 (27) (A) Article 11.5 (commencing with Section 65658).
- 27 (B) This paragraph shall become operative only if Assembly
- 28 Bill 3068 of the 2023–24 Regular Session of the Legislature is
- 29 enacted and takes effect on or before January 1, 2025.
- 30 (k) Commencing July 1, 2019, prior to the Attorney General
- 31 bringing any suit for a violation of the provisions identified in
- 32 subdivision (j) related to housing element compliance and seeking
- 33 remedies available pursuant to this subdivision, the department
- 34 shall offer the jurisdiction the opportunity for two meetings in
- 35 person or via telephone to discuss the violation, and shall provide
- 36 the jurisdiction written findings regarding the violation. This
- 37 paragraph does not affect any action filed prior to the effective
- 38 date of this section. The requirements set forth in this subdivision
- 39 do not apply to any suits brought for a violation or violations of
- 40 paragraphs (1) and (3) to (9), inclusive, of subdivision (j).

1 (I) In any action or special proceeding brought by the Attorney  
2 General relating to housing element compliance pursuant to a  
3 notice or referral under subdivision (j), the Attorney General may  
4 request, upon a finding of the court that the housing element does  
5 not substantially comply with the requirements of this article  
6 pursuant to this section, that the court issue an order or judgment  
7 directing the jurisdiction to bring its housing element into  
8 substantial compliance with the requirements of this article. The  
9 court shall retain jurisdiction to ensure that its order or judgment  
10 is carried out. If a court determines that the housing element of  
11 the jurisdiction substantially complies with this article, it shall  
12 have the same force and effect, for purposes of eligibility for any  
13 financial assistance that requires a housing element in substantial  
14 compliance and for purposes of any incentives provided under  
15 Section 65589.9, as a determination by the department that the  
16 housing element substantially complies with this article.

17 (1) If the jurisdiction has not complied with the order or  
18 judgment after 12 months, the court shall conduct a status  
19 conference. Following the status conference, upon a determination  
20 that the jurisdiction failed to comply with the order or judgment  
21 compelling substantial compliance with the requirements of this  
22 article, the court shall impose fines on the jurisdiction, which shall  
23 be deposited into the Building Homes and Jobs Trust Fund. Any  
24 fine levied pursuant to this paragraph shall be in a minimum  
25 amount of ten thousand dollars (\$10,000) per month, but shall not  
26 exceed one hundred thousand dollars (\$100,000) per month, except  
27 as provided in paragraphs (2) and (3). In the event that the  
28 jurisdiction fails to pay fines imposed by the court in full and on  
29 time, the court may require the Controller to intercept any available  
30 state and local funds and direct such funds to the Building Homes  
31 and Jobs Trust Fund to correct the jurisdiction's failure to pay.  
32 The intercept of the funds by the Controller for this purpose shall  
33 not violate any provision of the California Constitution.

34 (2) If the jurisdiction has not complied with the order or  
35 judgment after three months following the imposition of fees  
36 described in paragraph (1), the court shall conduct a status  
37 conference. Following the status conference, if the court finds that  
38 the fees imposed pursuant to paragraph (1) are insufficient to bring  
39 the jurisdiction into compliance with the order or judgment, the  
40 court may multiply the fine determined pursuant to paragraph (1)



1 by a factor of three. In the event that the jurisdiction fails to pay  
2 fines imposed by the court in full and on time, the court may  
3 require the Controller to intercept any available state and local  
4 funds and direct such funds to the Building Homes and Jobs Trust  
5 Fund to correct the jurisdiction's failure to pay. The intercept of  
6 the funds by the Controller for this purpose shall not violate any  
7 provision of the California Constitution.

8 (3) If the jurisdiction has not complied with the order or  
9 judgment six months following the imposition of fees described  
10 in paragraph (1), the court shall conduct a status conference. Upon  
11 a determination that the jurisdiction failed to comply with the order  
12 or judgment, the court may impose the following:

13 (A) If the court finds that the fees imposed pursuant to  
14 paragraphs (1) and (2) are insufficient to bring the jurisdiction into  
15 compliance with the order or judgment, the court may multiply  
16 the fine determined pursuant to paragraph (1) by a factor of six.  
17 In the event that the jurisdiction fails to pay fines imposed by the  
18 court in full and on time, the court may require the Controller to  
19 intercept any available state and local funds and direct such funds  
20 to the Building Homes and Jobs Trust Fund to correct the  
21 jurisdiction's failure to pay. The intercept of the funds by the  
22 Controller for this purpose shall not violate any provision of the  
23 California Constitution.

24 (B) The court may order remedies available pursuant to Section  
25 564 of the Code of Civil Procedure, under which the agent of the  
26 court may take all governmental actions necessary to bring the  
27 jurisdiction's housing element into substantial compliance pursuant  
28 to this article in order to remedy identified deficiencies. The court  
29 shall determine whether the housing element of the jurisdiction  
30 substantially complies with this article and, once the court makes  
31 that determination, it shall have the same force and effect, for all  
32 purposes, as the department's determination that the housing  
33 element substantially complies with this article. An agent appointed  
34 pursuant to this paragraph shall have expertise in planning in  
35 California.

36 (4) This subdivision does not limit a court's discretion to apply  
37 any and all remedies in an action or special proceeding for a  
38 violation of any law identified in subdivision (j).

39 (m) In determining the application of the remedies available  
40 under subdivision (l), the court shall consider whether there are



1 any mitigating circumstances delaying the jurisdiction from coming  
2 into compliance with state housing law. The court may consider  
3 whether a city, county, or city and county is making a good faith  
4 effort to come into substantial compliance or is facing substantial  
5 undue hardships.

6 (n) Nothing in this section shall limit the authority of the office  
7 of the Attorney General to bring a suit to enforce state law in an  
8 independent capacity. The office of the Attorney General may seek  
9 all remedies available under law including those set forth in this  
10 section.

11 (o) Notwithstanding Sections 11040 and 11042, if the Attorney  
12 General declines to represent the department in any action or  
13 special proceeding brought pursuant to a notice or referral under  
14 subdivision (j), the department may appoint or contract with other  
15 counsel for purposes of representing the department in the action  
16 or special proceeding.

17 (p) Notwithstanding any other provision of law, the statute of  
18 limitations set forth in subdivision (a) of Section 338 of the Code  
19 of Civil Procedure shall apply to any action or special proceeding  
20 brought by the office of the Attorney General or pursuant to a  
21 notice or referral under subdivision (j), or by the department  
22 pursuant to subdivision (o).

23 (q) The amendments to this section made by the act adding this  
24 subdivision shall not be construed to limit the department's ability  
25 to enforce programmatic requirements or remedies against cities,  
26 counties, and continuums of care pursuant to the Homeless  
27 Housing, Assistance, and Prevention program (Chapter 6  
28 (commencing with Section 50216) and Chapter 6.5 (commencing  
29 with Section 50230) of Part 1 of Division 31 of the Health and  
30 Safety Code), the Encampment Resolution Funding program  
31 (Chapter 7 (commencing with Section 50250)), and the Family  
32 Homelessness Challenge Grants and Technical Assistance Program  
33 (Chapter 8 (commencing with Section 50255)).

34 *SEC. 7. Section 65589.5 of the Government Code is amended*  
35 *to read:*

36 65589.5. (a) (1) The Legislature finds and declares all of the  
37 following:

38 (A) The lack of housing, including emergency shelters, is a  
39 critical problem that threatens the economic, environmental, and  
40 social quality of life in California.

1 (B) California housing has become the most expensive in the  
2 nation. The excessive cost of the state's housing supply is partially  
3 caused by activities and policies of many local governments that  
4 limit the approval of housing, increase the cost of land for housing,  
5 and require that high fees and exactions be paid by producers of  
6 housing.

7 (C) Among the consequences of those actions are discrimination  
8 against low-income and minority households, lack of housing to  
9 support employment growth, imbalance in jobs and housing,  
10 reduced mobility, urban sprawl, excessive commuting, and air  
11 quality deterioration.

12 (D) Many local governments do not give adequate attention to  
13 the economic, environmental, and social costs of decisions that  
14 result in disapproval of housing development projects, reduction  
15 in density of housing projects, and excessive standards for housing  
16 development projects.

17 (2) In enacting the amendments made to this section by the act  
18 adding this paragraph, the Legislature further finds and declares  
19 the following:

20 (A) California has a housing supply and affordability crisis of  
21 historic proportions. The consequences of failing to effectively  
22 and aggressively confront this crisis are hurting millions of  
23 Californians, robbing future generations of the chance to call  
24 California home, stifling economic opportunities for workers and  
25 businesses, worsening poverty and homelessness, and undermining  
26 the state's environmental and climate objectives.

27 (B) While the causes of this crisis are multiple and complex,  
28 the absence of meaningful and effective policy reforms to  
29 significantly enhance the approval and supply of housing affordable  
30 to Californians of all income levels is a key factor.

31 (C) The crisis has grown so acute in California that supply,  
32 demand, and affordability fundamentals are characterized in the  
33 negative: underserved demands, constrained supply, and protracted  
34 unaffordability.

35 (D) According to reports and data, California has accumulated  
36 an unmet housing backlog of nearly 2,000,000 units and must  
37 provide for at least 180,000 new units annually to keep pace with  
38 growth through 2025.

39 (E) California's overall home ownership rate is at its lowest  
40 level since the 1940s. The state ranks 49th out of the 50 states in

1 home ownership rates as well as in the supply of housing per capita.  
2 Only one-half of California's households are able to afford the  
3 cost of housing in their local regions.

4 (F) Lack of supply and rising costs are compounding inequality  
5 and limiting advancement opportunities for many Californians.

6 (G) The majority of California renters, more than 3,000,000  
7 households, pay more than 30 percent of their income toward rent  
8 and nearly one-third, more than 1,500,000 households, pay more  
9 than 50 percent of their income toward rent.

10 (H) When Californians have access to safe and affordable  
11 housing, they have more money for food and health care; they are  
12 less likely to become homeless and in need of  
13 government-subsidized services; their children do better in school;  
14 and businesses have an easier time recruiting and retaining  
15 employees.

16 (I) An additional consequence of the state's cumulative housing  
17 shortage is a significant increase in greenhouse gas emissions  
18 caused by the displacement and redirection of populations to states  
19 with greater housing opportunities, particularly working- and  
20 middle-class households. California's cumulative housing shortfall  
21 therefore has not only national but international environmental  
22 consequences.

23 (J) California's housing picture has reached a crisis of historic  
24 proportions despite the fact that, for decades, the Legislature has  
25 enacted numerous statutes intended to significantly increase the  
26 approval, development, and affordability of housing for all income  
27 levels, including this section.

28 (K) The Legislature's intent in enacting this section in 1982 and  
29 in expanding its provisions since then was to significantly increase  
30 the approval and construction of new housing for all economic  
31 segments of California's communities by meaningfully and  
32 effectively curbing the capability of local governments to deny,  
33 reduce the density for, or render infeasible housing development  
34 projects and emergency shelters. That intent has not been fulfilled.

35 (L) It is the policy of the state that this section be interpreted  
36 and implemented in a manner to afford the fullest possible weight  
37 to the interest of, and the approval and provision of, housing.

38 (3) It is the intent of the Legislature that the conditions that  
39 would have a specific, adverse impact upon the public health and

1 safety, as described in paragraph (2) of subdivision (d) and  
2 paragraph (1) of subdivision (j), arise infrequently.

3 (4) It is the intent of the Legislature that the amendments  
4 removing provisions from subparagraphs (D) and (E) of paragraph  
5 (6) of subdivision (h) and adding those provisions to Sections  
6 65589.5.1 and 65589.5.2 by Assembly Bill 1413 (2023), insofar  
7 as they are substantially the same as existing law, shall be  
8 considered restatements and continuations of existing law, and not  
9 new enactments.

10 (b) It is the policy of the state that a local government not reject  
11 or make infeasible housing development projects, including  
12 emergency shelters, that contribute to meeting the need determined  
13 pursuant to this article without a thorough analysis of the economic,  
14 social, and environmental effects of the action and without  
15 complying with subdivision (d).

16 (c) The Legislature also recognizes that premature and  
17 unnecessary development of agricultural lands for urban uses  
18 continues to have adverse effects on the availability of those lands  
19 for food and fiber production and on the economy of the state.  
20 Furthermore, it is the policy of the state that development should  
21 be guided away from prime agricultural lands; therefore, in  
22 implementing this section, local jurisdictions should encourage,  
23 to the maximum extent practicable, in filling existing urban areas.

24 (d) For a housing development project for very low, low-, or  
25 moderate-income households, or an emergency shelter, a local  
26 agency shall not disapprove the housing development project or  
27 emergency shelter, or condition approval in a manner that renders  
28 the housing development project or emergency shelter infeasible,  
29 including through the use of design review standards, unless it  
30 makes written findings, based upon a preponderance of the  
31 evidence in the record, as to one of the following:

32 (1) The jurisdiction has adopted a housing element pursuant to  
33 this article that has been revised in accordance with Section 65588,  
34 is in substantial compliance with this article, and the jurisdiction  
35 has met or exceeded its share of the regional housing need  
36 allocation pursuant to Section 65584 for the planning period for  
37 the income category proposed for the housing development project,  
38 provided that any disapproval or conditional approval shall not be  
39 based on any of the reasons prohibited by Section 65008. If the  
40 housing development project includes a mix of income categories,

1 and the jurisdiction has not met or exceeded its share of the regional  
2 housing need for one or more of those categories, then this  
3 paragraph shall not be used to disapprove or conditionally approve  
4 the housing development project. The share of the regional housing  
5 need met by the jurisdiction shall be calculated consistently with  
6 the forms and definitions that may be adopted by the Department  
7 of Housing and Community Development pursuant to Section  
8 65400. In the case of an emergency shelter, the jurisdiction shall  
9 have met or exceeded the need for emergency shelter, as identified  
10 pursuant to paragraph (7) of subdivision (a) of Section 65583. Any  
11 disapproval or conditional approval pursuant to this paragraph  
12 shall be in accordance with applicable law, rule, or standards.

13 (2) The housing development project or emergency shelter as  
14 proposed would have a specific, adverse impact upon the public  
15 health or safety, and there is no feasible method to satisfactorily  
16 mitigate or avoid the specific, adverse impact without rendering  
17 the development unaffordable to low- and moderate-income  
18 households or rendering the development of the emergency shelter  
19 financially infeasible. As used in this paragraph, a “specific,  
20 adverse impact” means a significant, quantifiable, direct, and  
21 unavoidable impact, based on objective, identified written public  
22 health or safety standards, policies, or conditions as they existed  
23 on the date the application was deemed complete. The following  
24 shall not constitute a specific, adverse impact upon the public  
25 health or safety:

26 (A) Inconsistency with the zoning ordinance or general plan  
27 land use designation.

28 (B) The eligibility to claim a welfare exemption under  
29 subdivision (g) of Section 214 of the Revenue and Taxation Code.

30 (3) The denial of the housing development project or imposition  
31 of conditions is required in order to comply with specific state or  
32 federal law, and there is no feasible method to comply without  
33 rendering the development unaffordable to low- and  
34 moderate-income households or rendering the development of the  
35 emergency shelter financially infeasible.

36 (4) The housing development project or emergency shelter is  
37 proposed on land zoned for agriculture or resource preservation  
38 that is surrounded on at least two sides by land being used for  
39 agricultural or resource preservation purposes, or which does not  
40 have adequate water or wastewater facilities to serve the project.

(5) On the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction had adopted a revised housing element that was in substantial compliance with this article, and the housing development project or emergency shelter was inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan.

(A) This paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed on a site, including a candidate site for rezoning, that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element if the housing development project is consistent with the density specified in the housing element, even though the housing development project was inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation on the date the application was deemed complete.

(B) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(6) On the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction did not have an adopted revised housing element that was in substantial compliance with this article and the housing development project is not a builder's remedy project.

*(7) On the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction did not have an adopted revised housing element that was in*



1 *substantial compliance with this article, and the housing*  
2 *development project is a builder's remedy project, and at least*  
3 *one of the conditions described in subparagraph (C) of paragraph*  
4 *(1) of subdivision (f) of Section 65585 applies.*

5 (e) Nothing in this section shall be construed to relieve the local  
6 agency from complying with the congestion management program  
7 required by Chapter 2.6 (commencing with Section 65088) of  
8 Division 1 of Title 7 or the California Coastal Act of 1976  
9 (Division 20 (commencing with Section 30000) of the Public  
10 Resources Code). Neither shall anything in this section be  
11 construed to relieve the local agency from making one or more of  
12 the findings required pursuant to Section 21081 of the Public  
13 Resources Code or otherwise complying with the California  
14 Environmental Quality Act (Division 13 (commencing with Section  
15 21000) of the Public Resources Code).

16 (f) (1) Except as provided in paragraphs (6) and (8) of this  
17 subdivision, and subdivision (o), nothing in this section shall be  
18 construed to prohibit a local agency from requiring the housing  
19 development project to comply with objective, quantifiable, written  
20 development standards, conditions, and policies appropriate to,  
21 and consistent with, meeting the jurisdiction's share of the regional  
22 housing need pursuant to Section 65584. However, the  
23 development standards, conditions, and policies shall be applied  
24 to facilitate and accommodate development at the density permitted  
25 on the site and proposed by the development. Nothing in this  
26 section shall limit a project's eligibility for a density bonus,  
27 incentive, or concession, or waiver or reduction of development  
28 standards and parking ratios, pursuant to Section 65915.

29 (2) Except as provided in subdivision (o), nothing in this section  
30 shall be construed to prohibit a local agency from requiring an  
31 emergency shelter project to comply with objective, quantifiable,  
32 written development standards, conditions, and policies that are  
33 consistent with paragraph (4) of subdivision (a) of Section 65583  
34 and appropriate to, and consistent with, meeting the jurisdiction's  
35 need for emergency shelter, as identified pursuant to paragraph  
36 (7) of subdivision (a) of Section 65583. However, the development  
37 standards, conditions, and policies shall be applied by the local  
38 agency to facilitate and accommodate the development of the  
39 emergency shelter project.



(3) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the housing development project or emergency shelter.

(4) For purposes of this section, a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

(5) For purposes of this section, a change to the zoning ordinance or general plan land use designation subsequent to the date the application was deemed complete shall not constitute a valid basis to disapprove or condition approval of the housing development project or emergency shelter.

(6) Notwithstanding paragraphs (1) to (5), inclusive, all of the following apply to a housing development project that is a builder's remedy project:

(A) A local agency may only require the project to comply with the objective, quantifiable, written development standards, conditions, and policies that would have applied to the project had it been proposed on a site with a general plan designation and zoning classification that allow the density and unit type proposed by the applicant. If the local agency has no general plan designation or zoning classification that would have allowed the density and unit type proposed by the applicant, the development proponent may identify any objective, quantifiable, written development standards, conditions, and policies associated with a different general plan designation or zoning classification within that jurisdiction, that facilitate the project's density and unit type, and those shall apply.

(B) (i) Except as authorized by paragraphs (1) to (4), inclusive, of subdivision (d), a local agency shall not apply any individual or combination of objective, quantifiable, written development standards, conditions, and policies to the project that do any of the following:

(I) Render the project infeasible.

1 (II) Preclude a project that meets the requirements allowed to  
2 be imposed by subparagraph (A), as modified by any density bonus,  
3 incentive, or concession, or waiver or reduction of development  
4 standards and parking ratios, pursuant to Section 65915, from  
5 being constructed as proposed by the applicant.

6 (ii) The local agency shall bear the burden of proof of complying  
7 with clause (i).

8 (C) (i) A project applicant that qualifies for a density bonus  
9 pursuant to Section 65915 shall receive two incentives or  
10 concessions in addition to those granted pursuant to paragraph (2)  
11 of subdivision (d) of Section 65915.

12 (ii) For a project seeking density bonuses, incentives,  
13 concessions, or any other benefits pursuant to Section 65915, and  
14 notwithstanding paragraph (6) of subdivision (o) of Section 65915,  
15 for purposes of this paragraph, maximum allowable residential  
16 density or base density means the density permitted for a builder's  
17 remedy project pursuant to subparagraph (C) of paragraph (11) of  
18 subdivision (h).

19 (iii) A local agency shall grant any density bonus pursuant to  
20 Section 65915 based on the number of units proposed and  
21 allowable pursuant to subparagraph (C) of paragraph (11) of  
22 subdivision (h).

23 (iv) A project that dedicates units to extremely low-income  
24 households pursuant to subclause (I) of clause (i) of subparagraph  
25 (C) of paragraph (3) of subdivision (h) shall be eligible for the  
26 same density bonus, incentives or concessions, and waivers or  
27 reductions of development standards as provided to a housing  
28 development project that dedicates three percentage points more  
29 units to very low income households pursuant to paragraph (2) of  
30 subdivision (f) of Section 65915.

31 (v) All units dedicated to extremely low-income, very low  
32 income, low-income, and moderate-income households pursuant  
33 to paragraph (11) of subdivision (h) shall be counted as affordable  
34 units in determining whether the applicant qualifies for a density  
35 bonus pursuant to Section 65915.

36 (D) (i) The project shall not be required to apply for, or receive  
37 approval of, a general plan amendment, specific plan amendment,  
38 rezoning, or other legislative approval.

1 (ii) The project shall not be required to apply for, or receive,  
2 any approval or permit not generally required of a project of the  
3 same type and density proposed by the applicant.

4 (iii) Any project that complies with this paragraph shall be  
5 deemed consistent, compliant, and in conformity with an applicable  
6 plan, program, policy, ordinance, standard, requirement,  
7 redevelopment plan and implementing instruments, or other similar  
8 provision for all purposes, and shall not be considered or treated  
9 as a nonconforming lot, use, or structure for any purpose.

10 (E) A local agency shall not adopt or impose any requirement,  
11 process, practice, or procedure or undertake any course of conduct,  
12 including, but not limited to, increased fees or inclusionary housing  
13 requirements, that applies to a project solely or partially on the  
14 basis that the project is a builder's remedy project.

15 (F) (i) A builder's remedy project shall be deemed to be in  
16 compliance with the residential density standards for the purposes  
17 of complying with subdivision (b) of Section 65912.123.

18 (ii) A builder's remedy project shall be deemed to be in  
19 compliance with the objective zoning standards, objective  
20 subdivision standards, and objective design review standards for  
21 the purposes of complying with paragraph (5) of subdivision (a)  
22 of Section 65913.4.

23 (G) (i) (I) If the local agency had a local affordable housing  
24 requirement, as defined in Section 65912.101, that on January 1,  
25 2024, required a greater percentage of affordable units than  
26 required under subparagraph (A) of paragraph (11) of subdivision  
27 (h), or required an affordability level deeper than what is required  
28 under subparagraph (A) of paragraph (11) of subdivision (h), then,  
29 except as provided in subclauses (II) and (III), the local agency  
30 may require a housing development for mixed-income households  
31 to comply with an otherwise lawfully applicable local affordability  
32 percentage or affordability level. The local agency shall not require  
33 housing for mixed-income households to comply with any other  
34 aspect of the local affordable housing requirement.

35 (II) Notwithstanding subclause (I), the local affordable housing  
36 requirements shall not be applied to require housing for  
37 mixed-income households to dedicate more than 20 percent of the  
38 units to affordable units of any kind.

39 (III) Housing for mixed-income households that is required to  
40 dedicate 20 percent of the units to affordable units shall not be

1 required to dedicate any of the affordable units at an income level  
2 deeper than lower income households, as defined in Section  
3 50079.5 of the Health and Safety Code.

4 (IV) A local agency may only require housing for mixed-income  
5 households to comply with the local percentage requirement or  
6 affordability level described in subclause (I) if it first makes written  
7 findings, supported by a preponderance of evidence, that  
8 compliance with the local percentage requirement or the  
9 affordability level, or both, would not render the housing  
10 development project infeasible. If a reasonable person could find  
11 compliance with either requirement, either alone or in combination,  
12 would render the project infeasible, the project shall not be required  
13 to comply with that requirement.

14 (ii) Affordable units in the development project shall have a  
15 comparable bedroom and bathroom count as the market rate units.

16 (iii) Each affordable unit dedicated pursuant to this subparagraph  
17 shall count toward satisfying a local affordable housing  
18 requirement. Each affordable unit dedicated pursuant to a local  
19 affordable housing requirement that meets the criteria established  
20 in this subparagraph shall count towards satisfying the requirements  
21 of this subparagraph. This is declaratory of existing law.

22 (7) (A) For a housing development project application that is  
23 deemed complete before January 1, 2025, the development  
24 proponent for the project may choose to be subject to the provisions  
25 of this section that were in place on the date the preliminary  
26 application was submitted, or, if the project meets the definition  
27 of a builder's remedy project, it may choose to be subject to any  
28 or all of the provisions of this section applicable as of January 1,  
29 2025.

30 (B) Notwithstanding subdivision (c) of Section 65941.1, for a  
31 housing development project deemed complete before January 1,  
32 2025, the development proponent may choose to revise their  
33 application so that the project is a builder's remedy project, without  
34 being required to resubmit a preliminary application, even if the  
35 revision results in the number of residential units or square footage  
36 of construction changing by 20 percent or more.

37 (8) A housing development project proposed on a site that is  
38 identified as suitable or available for very low, low-, or  
39 moderate-income households in the jurisdiction's housing element,  
40 that is consistent with the density specified in the most recently

1 updated and adopted housing element, and that is inconsistent with  
2 both the jurisdiction's zoning ordinance and general plan land use  
3 designation on the date the application was deemed complete, shall  
4 be subject to the provisions of subparagraphs (A), (B), and (D) of  
5 paragraph (6) and paragraph (9).

6 (9) For purposes of this subdivision, "objective, quantifiable,  
7 written development standards, conditions, and policies" means  
8 criteria that involve no personal or subjective judgment by a public  
9 official and are uniformly verifiable by reference to an external  
10 and uniform benchmark or criterion available and knowable by  
11 both the development applicant or proponent and the public official  
12 before submittal, including, but not limited to, any standard,  
13 ordinance, or policy described in paragraph (4) of subdivision (o).  
14 Nothing herein shall affect the obligation of the housing  
15 development project to comply with the minimum building  
16 standards approved by the California Building Standards  
17 Commission as provided in Part 2.5 (commencing with Section  
18 18901) of Division 13 of the Health and Safety Code. In the event  
19 that applicable objective, quantifiable, written development  
20 standards, conditions, and policies are mutually inconsistent, a  
21 development shall be deemed consistent with the criteria that  
22 permits the density and unit type closest to that of the proposed  
23 project.

24 (g) This section shall be applicable to charter cities because the  
25 Legislature finds that the lack of housing, including emergency  
26 shelter, is a critical statewide problem.

27 (h) The following definitions apply for the purposes of this  
28 section:

29 (1) "Feasible" means capable of being accomplished in a  
30 successful manner within a reasonable period of time, taking into  
31 account economic, environmental, social, and technological factors.

32 (2) "Housing development project" means a use consisting of  
33 any of the following:

34 (A) Residential units only.

35 (B) Mixed-use developments consisting of residential and  
36 nonresidential uses that meet any of the following conditions:

37 (i) At least two-thirds of the new or converted square footage  
38 is designated for residential use.

1 (ii) At least 50 percent of the new or converted square footage  
2 is designated for residential use and the project meets both of the  
3 following:

4 (I) The project includes at least 500 net new residential units.

5 (II) No portion of the project is designated for use as a hotel,  
6 motel, bed and breakfast inn, or other transient lodging, except a  
7 portion of the project may be designated for use as a residential  
8 hotel, as defined in Section 50519 of the Health and Safety Code.

9 (iii) At least 50 percent of the net new or converted square  
10 footage is designated for residential use and the project meets all  
11 of the following:

12 (I) The project includes at least 500 net new residential units.

13 (II) The project involves the demolition or conversion of at least  
14 100,000 square feet of nonresidential use.

15 (III) The project demolishes at least 50 percent of the existing  
16 nonresidential uses on the site.

17 (IV) No portion of the project is designated for use as a hotel,  
18 motel, bed and breakfast inn, or other transient lodging, except a  
19 portion of the project may be designated for use as a residential  
20 hotel, as defined in Section 50519 of the Health and Safety Code.

21 (C) Transitional housing or supportive housing.

22 (D) Farmworker housing, as defined in subdivision (h) of  
23 Section 50199.7 of the Health and Safety Code.

24 (3) (A) "Housing for very low, low-, or moderate-income  
25 households" means housing for lower income households,  
26 mixed-income households, or moderate-income households.

27 (B) "Housing for lower income households" means a housing  
28 development project in which 100 percent of the units, excluding  
29 managers' units, are dedicated to lower income households, as  
30 defined in Section 50079.5 of the Health and Safety Code, at an  
31 affordable cost, as defined by Section 50052.5 of the Health and  
32 Safety Code, or an affordable rent set in an amount consistent with  
33 the rent limits established by the California Tax Credit Allocation  
34 Committee. The units shall be subject to a recorded deed restriction  
35 for a period of 55 years for rental units and 45 years for  
36 owner-occupied units.

37 (C) (i) "Housing for mixed-income households" means any of  
38 the following:

39 (I) A housing development project in which at least 7 percent  
40 of the total units, as defined in subparagraph (A) of paragraph (8)



1 of subdivision (o) of Section 65915, are dedicated to extremely  
2 low income households, as defined in Section 50106 of the Health  
3 and Safety Code.

4 (II) A housing development project in which at least 10 percent  
5 of the total units, as defined in subparagraph (A) of paragraph (8)  
6 of subdivision (o) of Section 65915, are dedicated to very low  
7 income households, as defined in Section 50105 of the Health and  
8 Safety Code.

9 (III) A housing development project in which at least 13 percent  
10 of the total units, as defined in subparagraph (A) of paragraph (8)  
11 of subdivision (o) of Section 65915, are dedicated to lower income  
12 households, as defined in Section 50079.5 of the Health and Safety  
13 Code.

14 (IV) A housing development project in which there are 10 or  
15 fewer total units, as defined in subparagraph (A) of paragraph (8)  
16 of subdivision (o) of Section 65915, that is on a site that is smaller  
17 than one acre, and that is proposed for development at a minimum  
18 density of 10 units per acre.

19 (ii) All units dedicated to extremely low income, very low  
20 income, and low-income households pursuant to clause (i) shall  
21 meet both of the following:

22 (I) The units shall have an affordable housing cost, as defined  
23 in Section 50052.5 of the Health and Safety Code, or an affordable  
24 rent, as defined in Section 50053 of the Health and Safety Code.

25 (II) The development proponent shall agree to, and the local  
26 agency shall ensure, the continued affordability of all affordable  
27 rental units included pursuant to this section for 55 years and all  
28 affordable ownership units included pursuant to this section for a  
29 period of 45 years.

30 (D) “Housing for moderate-income households” means a  
31 housing development project in which 100 percent of the units are  
32 sold or rented to moderate-income households, as defined in  
33 Section 50093 of the Health and Safety Code, at an affordable  
34 housing cost, as defined in Section 50052.5 of the Health and  
35 Safety Code, or an affordable rent, as defined in Section 50053 of  
36 the Health and Safety Code. The units shall be subject to a recorded  
37 deed restriction for a period of 55 years for rental units and 45  
38 years for owner-occupied units.

39 (4) “Area median income” means area median income as  
40 periodically established by the Department of Housing and

1 Community Development pursuant to Section 50093 of the Health  
2 and Safety Code.

3 (5) Notwithstanding any other law, until January 1, 2030,  
4 “deemed complete” means that the applicant has submitted a  
5 preliminary application pursuant to Section 65941.1 or, if the  
6 applicant has not submitted a preliminary application, has  
7 submitted a complete application pursuant to Section 65943. The  
8 local agency shall bear the burden of proof in establishing that the  
9 application is not complete.

10 (6) “Disapprove the housing development project” includes any  
11 instance in which a local agency does any of the following:

12 (A) Votes or takes final administrative action on a proposed  
13 housing development project application and the application is  
14 disapproved, including any required land use approvals or  
15 entitlements necessary for the issuance of a building permit.

16 (B) Fails to comply with the time periods specified in  
17 subdivision (a) of Section 65950. An extension of time pursuant  
18 to Article 5 (commencing with Section 65950) shall be deemed to  
19 be an extension of time pursuant to this paragraph.

20 (C) Fails to meet the time limits specified in Section 65913.3.

21 (D) Fails to cease a course of conduct undertaken for an  
22 improper purpose, such as to harass or to cause unnecessary delay  
23 or needless increases in the cost of the proposed housing  
24 development project, that effectively disapproves the proposed  
25 housing development without taking final administrative action if  
26 all of the following conditions are met:

27 (i) The project applicant provides written notice detailing the  
28 challenged conduct and why it constitutes disapproval to the local  
29 agency established under Section 65100.

30 (ii) Within five working days of receiving the applicant’s written  
31 notice described in clause (i), the local agency shall post the notice  
32 on the local agency’s internet website, provide a copy of the notice  
33 to any person who has made a written request for notices pursuant  
34 to subdivision (f) of Section 21167 of the Public Resources Code,  
35 and file the notice with the county clerk of each county in which  
36 the project will be located. The county clerk shall post the notice  
37 and make it available for public inspection in the manner set forth  
38 in subdivision (c) of Section 21152 of the Public Resources Code.

39 (iii) The local agency shall consider all objections, comments,  
40 evidence, and concerns about the project or the applicant’s written

1 notice and shall not make a determination until at least 60 days  
2 after the applicant has given written notice to the local agency  
3 pursuant to clause (i).

4 (iv) Within 90 days of receipt of the applicant's written notice  
5 described in clause (i), the local agency shall issue a written  
6 statement that it will immediately cease the challenged conduct or  
7 issue written findings that comply with both of the following  
8 requirements:

9 (I) The findings articulate an objective basis for why the  
10 challenged course of conduct is necessary.

11 (II) The findings provide clear instructions on what the applicant  
12 must submit or supplement so that the local agency can make a  
13 final determination regarding the next necessary approval or set  
14 the date and time of the next hearing.

15 (v) (I) If a local agency continues the challenged course of  
16 conduct described in the applicant's written notice and fails to  
17 issue the written findings described in clause (iv), the local agency  
18 shall bear the burden of establishing that its course of conduct does  
19 not constitute a disapproval of the housing development project  
20 under this subparagraph in an action taken by the applicant.

21 (II) If an applicant challenges a local agency's course of conduct  
22 as a disapproval under this subparagraph, the local agency's written  
23 findings described in clause (iv) shall be incorporated into the  
24 administrative record and be deemed to be the final administrative  
25 action for purposes of adjudicating whether the local agency's  
26 course of conduct constitutes a disapproval of the housing  
27 development project under this subparagraph.

28 (vi) A local agency's action in furtherance of complying with  
29 the California Environmental Quality Act (Division 13  
30 commencing with Section 21000) of the Public Resources Code),  
31 including, but not limited to, imposing mitigating measures, shall  
32 not constitute project disapproval under this subparagraph.

33 (E) Fails to comply with Section 65905.5. For purposes of this  
34 subparagraph, a builder's remedy project shall be deemed to  
35 comply with the applicable, objective general plan and zoning  
36 standards in effect at the time an application is deemed complete.

37 (F) (i) Determines that an application for a housing development  
38 project is incomplete pursuant to subdivision (a) or (b) of Section  
39 65943 and includes in the determination an item that is not required  
40 on the local agency's submittal requirement checklist. The local

1 agency shall bear the burden of proof that the required item is  
2 listed on the submittal requirement checklist.

3 (ii) In a subsequent review of an application pursuant to Section  
4 65943, requests the applicant provide new information that was  
5 not identified in the initial determination and upholds this  
6 determination in the final written determination on an appeal filed  
7 pursuant to subdivision (c) of Section 65943. The local agency  
8 shall bear the burden of proof that the required item was identified  
9 in the initial determination.

10 (iii) Determines that an application for a housing development  
11 project is incomplete pursuant to subdivision (a) or (b) of Section  
12 65943, a reasonable person would conclude that the applicant has  
13 submitted all of the items required on the local agency's submittal  
14 requirement checklist, and the local agency upholds this  
15 determination in the final written determination on an appeal filed  
16 pursuant to subdivision (c) of Section 65943.

17 (iv) If a local agency determines that an application is  
18 incomplete under Section 65943 after two resubmittals of the  
19 application by the applicant, the local agency shall bear the burden  
20 of establishing that the determination is not an effective disapproval  
21 of a housing development project under this section.

22 (G) Violates subparagraph (D) or (E) of paragraph (6) of  
23 subdivision (f).

24 (H) Makes a written determination that a preliminary application  
25 described in subdivision (a) of Section 65941.1 has expired or that  
26 the applicant has otherwise lost its vested rights under the  
27 preliminary application for any reason other than those described  
28 in subdivisions (c) and (d) of Section 65941.1.

29 (I) (i) Fails to make a determination of whether the project is  
30 exempt from the California Environmental Quality Act (Division  
31 13 (commencing with Section 21000) of the Public Resources  
32 Code), or commits an abuse of discretion, as defined in subdivision  
33 (b) of Section 65589.5.1 if all of the conditions in Section  
34 65589.5.1 are satisfied.

35 (ii) This subparagraph shall become inoperative on January 1,  
36 2031.

37 (J) (i) Fails to adopt a negative declaration or addendum for  
38 the project, to certify an environmental impact report for the  
39 project, or to approve another comparable environmental document,  
40 such as a sustainable communities environmental assessment

1 pursuant to Section 21155.2 of the Public Resources Code, as  
2 required pursuant to the California Environmental Quality Act  
3 (Division 13 (commencing with Section 21000) of the Public  
4 Resources Code), if all of the conditions in Section 65589.5.2 are  
5 satisfied.

6 (ii) This subparagraph shall become inoperative on January 1,  
7 2031.

8 (7) (A) For purposes of this section and Sections 65589.5.1 and  
9 65589.5.2, “lawful determination” means any final decision about  
10 whether to approve or disapprove a statutory or categorical  
11 exemption or a negative declaration, addendum, environmental  
12 impact report, or comparable environmental review document  
13 under the California Environmental Quality Act (Division 13  
14 (commencing with Section 21000) of the Public Resources Code)  
15 that is not an abuse of discretion, as defined in subdivision (b) of  
16 Section 65589.5.1 or subdivision (b) of Section 65589.5.2.

17 (B) This paragraph shall become inoperative on January 1, 2031.

18 (8) “Lower density” includes any conditions that have the same  
19 effect or impact on the ability of the project to provide housing.

20 (9) Until January 1, 2030, “objective” means involving no  
21 personal or subjective judgment by a public official and being  
22 uniformly verifiable by reference to an external and uniform  
23 benchmark or criterion available and knowable by both the  
24 development applicant or proponent and the public official.

25 (10) Notwithstanding any other law, until January 1, 2030,  
26 “determined to be complete” means that the applicant has submitted  
27 a complete application pursuant to Section 65943.

28 (11) “Builder’s remedy project” means a project that meets all  
29 of the following criteria:

30 (A) The project is a housing development project that provides  
31 housing for very low, low-, or moderate-income households.

32 (B) On or after the date an application for the housing  
33 development project or emergency shelter was deemed complete,  
34 the jurisdiction did not have a housing element that was in  
35 substantial compliance with this article.

36 (C) The project has a density such that the number of units, as  
37 calculated before the application of a density bonus pursuant to  
38 Section 65915, complies with all of the following conditions:

39 (i) The density does not exceed the greatest of the following  
40 densities:

1 (I) Fifty percent greater than the minimum density deemed  
2 appropriate to accommodate housing for that jurisdiction as  
3 specified in subparagraph (B) of paragraph (3) of subdivision (c)  
4 of Section 65583.2.

5 (II) Three times the density allowed by the general plan, zoning  
6 ordinance, or state law, whichever is greater.

7 (III) The density that is consistent with the density specified in  
8 the housing element.

9 (ii) Notwithstanding clause (i), the greatest allowable density  
10 shall be 35 units per acre more than the amount allowable pursuant  
11 to clause (i), if any portion of the site is located within any of the  
12 following:

13 (I) One-half mile of a major transit stop, as defined in Section  
14 21064.3 of the Public Resources Code.

15 (II) A very low vehicle travel area, as defined in subdivision  
16 (h).

17 (III) A high or highest resource census tract, as identified by  
18 the latest edition of the “CTCAC/HCD Opportunity Map”  
19 published by the California Tax Credit Allocation Committee and  
20 the Department of Housing and Community Development.

21 (D) (i) On sites that have a minimum density requirement and  
22 are located within one-half mile of a commuter rail station or a  
23 heavy rail station, the density of the project shall not be less than  
24 the minimum density required on the site.

25 (I) For purposes of this subparagraph, “commuter rail” means  
26 a railway that is not a light rail, streetcar, trolley, or tramway and  
27 that is for urban passenger train service consisting of local short  
28 distance travel operating between a central city and adjacent suburb  
29 with service operated on a regular basis by or under contract with  
30 a transit operator for the purpose of transporting passengers within  
31 urbanized areas, or between urbanized areas and outlying areas,  
32 using either locomotive-hauled or self-propelled railroad passenger  
33 cars, with multitrip tickets and specific station-to-station fares.

34 (II) For purposes of this subparagraph, “heavy rail” means an  
35 electric railway with the capacity for a heavy volume of traffic  
36 using high speed and rapid acceleration passenger rail cars  
37 operating singly or in multicar trains on fixed rails, separate  
38 rights-of-way from which all other vehicular and foot traffic are  
39 excluded, and high platform loading.



(ii) On all other sites with a minimum density requirement, the density of the project shall not be less than the local agency's minimum density or one-half of the minimum density deemed appropriate to accommodate housing for that jurisdiction as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2, whichever is lower.

(E) The project site does not abut a site where more than one-third of the square footage on the site has been used, within the past three years, by a heavy industrial use, or a Title V industrial use, as those terms are defined in Section 65913.16.

(12) "Condition approval" includes imposing on the housing development project, or attempting to subject it to, development standards, conditions, or policies.

(13) "Unit type" means the form of ownership and the kind of residential unit, including, but not limited to, single-family detached, single-family attached, for-sale, rental, multifamily, townhouse, condominium, apartment, manufactured homes and mobilehomes, factory-built housing, and residential hotel.

(14) "Proposed by the applicant" means the plans and designs as submitted by the applicant, including, but not limited to, density, unit size, unit type, site plan, building massing, floor area ratio, amenity areas, open space, parking, and ancillary commercial uses.

(i) If any city, county, or city and county denies approval or imposes conditions, including design changes, lower density, or a reduction of the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the housing development project's application is complete, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of conditions on the development is the subject of a court action which challenges the denial or the imposition of conditions, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d), and that the findings are supported by a preponderance of the evidence in the record, and with the requirements of subdivision (o).

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect

1 at the time that the application was deemed complete, but the local  
2 agency proposes to disapprove the project or to impose a condition  
3 that the project be developed at a lower density, the local agency  
4 shall base its decision regarding the proposed housing development  
5 project upon written findings supported by a preponderance of the  
6 evidence on the record that both of the following conditions exist:

7 (A) The housing development project would have a specific,  
8 adverse impact upon the public health or safety unless the project  
9 is disapproved or approved upon the condition that the project be  
10 developed at a lower density. As used in this paragraph, a “specific,  
11 adverse impact” means a significant, quantifiable, direct, and  
12 unavoidable impact, based on objective, identified written public  
13 health or safety standards, policies, or conditions as they existed  
14 on the date the application was deemed complete.

15 (B) There is no feasible method to satisfactorily mitigate or  
16 avoid the adverse impact identified pursuant to paragraph (1), other  
17 than the disapproval of the housing development project or the  
18 approval of the project upon the condition that it be developed at  
19 a lower density.

20 (2) (A) If the local agency considers a proposed housing  
21 development project to be inconsistent, not in compliance, or not  
22 in conformity with an applicable plan, program, policy, ordinance,  
23 standard, requirement, or other similar provision as specified in  
24 this subdivision, it shall provide the applicant with written  
25 documentation identifying the provision or provisions, and an  
26 explanation of the reason or reasons it considers the housing  
27 development to be inconsistent, not in compliance, or not in  
28 conformity as follows:

29 (i) Within 30 days of the date that the application for the housing  
30 development project is determined to be complete, if the housing  
31 development project contains 150 or fewer housing units.

32 (ii) Within 60 days of the date that the application for the  
33 housing development project is determined to be complete, if the  
34 housing development project contains more than 150 units.

35 (B) If the local agency fails to provide the required  
36 documentation pursuant to subparagraph (A), the housing  
37 development project shall be deemed consistent, compliant, and  
38 in conformity with the applicable plan, program, policy, ordinance,  
39 standard, requirement, or other similar provision.

(3) For purposes of this section, the receipt of a density bonus, incentive, concession, waiver, or reduction of development standards pursuant to Section 65915 shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in conformity, with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision specified in this subdivision.

(4) For purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan. If the local agency has complied with paragraph (2), the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning which is consistent with the general plan, however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by the general plan and proposed by the proposed housing development project.

(k) (1) (A) (i) The applicant, a person who would be eligible to apply for residency in the housing development project or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that any of the following are met, the court shall issue an order pursuant to clause (ii):

(I) The local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section.

(II) The local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section.

(III) (ia) Subject to sub-subclause (ib), the local agency, in violation of subdivision (o), required or attempted to require a housing development project to comply with an ordinance, policy,

1 or standard not adopted and in effect when a preliminary  
2 application was submitted.

3 (ib) This subclause shall become inoperative on January 1, 2030.

4 (IV) The local agency violated a provision of this section  
5 applicable to a builder's remedy project.

6 (ii) If the court finds that one of the conditions in clause (i) is  
7 met, the court shall issue an order or judgment compelling  
8 compliance with this section within a time period not to exceed  
9 60 days, including, but not limited to, an order that the local agency  
10 take action on the housing development project or emergency  
11 shelter. The court may issue an order or judgment directing the  
12 local agency to approve the housing development project or  
13 emergency shelter if the court finds that the local agency acted in  
14 bad faith when it disapproved or conditionally approved the  
15 housing development or emergency shelter in violation of this  
16 section. The court shall retain jurisdiction to ensure that its order  
17 or judgment is carried out and shall award reasonable attorney's  
18 fees and costs of suit to the plaintiff or petitioner, provided,  
19 however, that the court shall not award attorney's fees in either of  
20 the following instances:

21 (I) The court finds, under extraordinary circumstances, that  
22 awarding fees would not further the purposes of this section.

23 (II) (ia) In a case concerning a disapproval within the meaning  
24 of subparagraph (I) or (J) of paragraph (6) of subdivision (h), the  
25 court finds that the local agency acted in good faith and had  
26 reasonable cause to disapprove the housing development project  
27 due to the existence of a controlling question of law about the  
28 application of the California Environmental Quality Act (Division  
29 13 (commencing with Section 21000) of the Public Resources  
30 Code) or implementing guidelines as to which there was a  
31 substantial ground for difference of opinion at the time of the  
32 disapproval.

33 (ib) This subclause shall become inoperative on January 1, 2031.

34 (B) Upon a determination that the local agency has failed to  
35 comply with the order or judgment compelling compliance with  
36 this section within the time period prescribed by the court, the  
37 court shall impose fines on a local agency that has violated this  
38 section and require the local agency to deposit any fine levied  
39 pursuant to this subdivision into a local housing trust fund. The  
40 local agency may elect to instead deposit the fine into the Building

1 Homes and Jobs Trust Fund. The fine shall be in a minimum  
 2 amount of ten thousand dollars (\$10,000) per housing unit in the  
 3 housing development project on the date the application was  
 4 deemed complete pursuant to Section 65943. In determining the  
 5 amount of the fine to impose, the court shall consider the local  
 6 agency's progress in attaining its target allocation of the regional  
 7 housing need pursuant to Section 65584 and any prior violations  
 8 of this section. Fines shall not be paid out of funds already  
 9 dedicated to affordable housing, including, but not limited to, Low  
 10 and Moderate Income Housing Asset Funds, funds dedicated to  
 11 housing for very low, low-, and moderate-income households, and  
 12 federal HOME Investment Partnerships Program and Community  
 13 Development Block Grant Program funds. The local agency shall  
 14 commit and expend the money in the local housing trust fund  
 15 within five years for the sole purpose of financing newly  
 16 constructed housing units affordable to extremely low, very low,  
 17 or low-income households. After five years, if the funds have not  
 18 been expended, the money shall revert to the state and be deposited  
 19 in the Building Homes and Jobs Trust Fund for the sole purpose  
 20 of financing newly constructed housing units affordable to  
 21 extremely low, very low, or low-income households.

22 (C) If the court determines that its order or judgment has not  
 23 been carried out within 60 days, the court may issue further orders  
 24 as provided by law to ensure that the purposes and policies of this  
 25 section are fulfilled, including, but not limited to, an order to vacate  
 26 the decision of the local agency and to approve the housing  
 27 development project, in which case the application for the housing  
 28 development project, as proposed by the applicant at the time the  
 29 local agency took the initial action determined to be in violation  
 30 of this section, along with any standard conditions determined by  
 31 the court to be generally imposed by the local agency on similar  
 32 projects, shall be deemed to be approved unless the applicant  
 33 consents to a different decision or action by the local agency.

34 (D) Nothing in this section shall limit the court's inherent  
 35 authority to make any other orders to compel the immediate  
 36 enforcement of any writ brought under this section, including the  
 37 imposition of fees and other sanctions set forth under Section 1097  
 38 of the Code of Civil Procedure.

39 (2) For purposes of this subdivision, "housing organization"  
 40 means a trade or industry group whose local members are primarily

1 engaged in the construction or management of housing units or a  
2 nonprofit organization whose mission includes providing or  
3 advocating for increased access to housing for low-income  
4 households and have filed written or oral comments with the local  
5 agency prior to action on the housing development project. A  
6 housing organization may only file an action pursuant to this  
7 section to challenge the disapproval of a housing development by  
8 a local agency. A housing organization shall be entitled to  
9 reasonable attorney's fees and costs if it is the prevailing party in  
10 an action to enforce this section.

11 (l) If the court finds that the local agency (1) acted in bad faith  
12 when it violated this section and (2) failed to carry out the court's  
13 order or judgment within the time period prescribed by the court,  
14 the court, in addition to any other remedies provided by this  
15 section, shall multiply the fine determined pursuant to subparagraph  
16 (B) of paragraph (1) of subdivision (k) by a factor of five. If a court  
17 has previously found that the local agency violated this section  
18 within the same planning period, the court shall multiply the fines  
19 by an additional factor for each previous violation. For purposes  
20 of this section, "bad faith" includes, but is not limited to, an action  
21 or inaction that is frivolous, pretextual, intended to cause  
22 unnecessary delay, or entirely without merit.

23 (m) (1) Any action brought to enforce the provisions of this  
24 section shall be brought pursuant to Section 1094.5 of the Code  
25 of Civil Procedure, and the local agency shall prepare and certify  
26 the record of proceedings in accordance with subdivision (c) of  
27 Section 1094.6 of the Code of Civil Procedure no later than 30  
28 days after the petition is served, provided that the cost of  
29 preparation of the record shall be borne by the local agency, unless  
30 the petitioner elects to prepare the record as provided in subdivision  
31 (n) of this section. A petition to enforce the provisions of this  
32 section shall be filed and served no later than 90 days from the  
33 later of (1) the effective date of a decision of the local agency  
34 imposing conditions on, disapproving, or any other final action on  
35 a housing development project or (2) the expiration of the time  
36 periods specified in subparagraph (B) of paragraph (5) of  
37 subdivision (h). Upon entry of the trial court's order, a party may,  
38 in order to obtain appellate review of the order, file a petition  
39 within 20 days after service upon it of a written notice of the entry  
40 of the order, or within such further time not exceeding an additional



20 days as the trial court may for good cause allow, or may appeal the judgment or order of the trial court under Section 904.1 of the Code of Civil Procedure. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(2) (A) A disapproval within the meaning of subparagraph (I) of paragraph (6) of subdivision (h) shall be final for purposes of this subdivision, if the local agency did not make a lawful determination within the time period set forth in paragraph (5) of subdivision (a) of Section 65589.5.1 after the applicant's timely written notice.

(B) This paragraph shall become inoperative on January 1, 2031.

(3) (A) A disapproval within the meaning of subparagraph (J) of paragraph (6) of subdivision (h) shall be final for purposes of this subdivision, if the local agency did not make a lawful determination within 90 days of the applicant's timely written notice.

(B) This paragraph shall become inoperative on January 1, 2031.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) (1) Subject to paragraphs (2), (6), and (7), and subdivision (d) of Section 65941.1, a housing development project shall be subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application including all of the information required by subdivision (a) of Section 65941.1 was submitted.

(2) Paragraph (1) shall not prohibit a housing development project from being subject to ordinances, policies, and standards adopted after the preliminary application was submitted pursuant to Section 65941.1 in the following circumstances:

1 (A) In the case of a fee, charge, or other monetary exaction, to  
2 an increase resulting from an automatic annual adjustment based  
3 on an independently published cost index that is referenced in the  
4 ordinance or resolution establishing the fee or other monetary  
5 exaction.

6 (B) A preponderance of the evidence in the record establishes  
7 that subjecting the housing development project to an ordinance,  
8 policy, or standard beyond those in effect when a preliminary  
9 application was submitted is necessary to mitigate or avoid a  
10 specific, adverse impact upon the public health or safety, as defined  
11 in subparagraph (A) of paragraph (1) of subdivision (j), and there  
12 is no feasible alternative method to satisfactorily mitigate or avoid  
13 the adverse impact.

14 (C) Subjecting the housing development project to an ordinance,  
15 policy, standard, or any other measure, beyond those in effect when  
16 a preliminary application was submitted is necessary to avoid or  
17 substantially lessen an impact of the project under the California  
18 Environmental Quality Act (Division 13 (commencing with Section  
19 21000) of the Public Resources Code).

20 (D) The housing development project has not commenced  
21 construction within two and one-half years, or three and one-half  
22 years for an affordable housing project, following the date that the  
23 project received final approval. For purposes of this subparagraph:

24 (i) “Affordable housing project” means a housing development  
25 that satisfies both of the following requirements:

26 (I) Units within the development are subject to a recorded  
27 affordability restriction for at least 55 years for rental housing and  
28 45 years for owner-occupied housing, or the first purchaser of each  
29 unit participates in an equity sharing agreement as described in  
30 subparagraph (C) of paragraph (2) of subdivision (c) of Section  
31 65915.

32 (II) All of the units within the development, excluding managers’  
33 units, are dedicated to lower income households, as defined by  
34 Section 50079.5 of the Health and Safety Code.

35 (ii) “Final approval” means that the housing development project  
36 has received all necessary approvals to be eligible to apply for,  
37 and obtain, a building permit or permits and either of the following  
38 is met:

39 (I) The expiration of all applicable appeal periods, petition  
40 periods, reconsideration periods, or statute of limitations for

1 challenging that final approval without an appeal, petition, request  
2 for reconsideration, or legal challenge having been filed.

3 (II) If a challenge is filed, that challenge is fully resolved or  
4 settled in favor of the housing development project.

5 (E) The housing development project is revised following  
6 submittal of a preliminary application pursuant to Section 65941.1  
7 such that the number of residential units or square footage of  
8 construction changes by 20 percent or more, exclusive of any  
9 increase resulting from the receipt of a density bonus, incentive,  
10 concession, waiver, or similar provision, including any other locally  
11 authorized program that offers additional density or other  
12 development bonuses when affordable housing is provided. For  
13 purposes of this subdivision, “square footage of construction”  
14 means the building area, as defined by the California Building  
15 Standards Code (Title 24 of the California Code of Regulations).

16 (3) This subdivision does not prevent a local agency from  
17 subjecting the additional units or square footage of construction  
18 that result from project revisions occurring after a preliminary  
19 application is submitted pursuant to Section 65941.1 to the  
20 ordinances, policies, and standards adopted and in effect when the  
21 preliminary application was submitted.

22 (4) For purposes of this subdivision, “ordinances, policies, and  
23 standards” includes general plan, community plan, specific plan,  
24 zoning, design review standards and criteria, subdivision standards  
25 and criteria, and any other rules, regulations, requirements, and  
26 policies of a local agency, as defined in Section 66000, including  
27 those relating to development impact fees, capacity or connection  
28 fees or charges, permit or processing fees, and other exactions.

29 (5) This subdivision shall not be construed in a manner that  
30 would lessen the restrictions imposed on a local agency, or lessen  
31 the protections afforded to a housing development project, that are  
32 established by any other law, including any other part of this  
33 section.

34 (6) This subdivision shall not restrict the authority of a public  
35 agency or local agency to require mitigation measures to lessen  
36 the impacts of a housing development project under the California  
37 Environmental Quality Act (Division 13 (commencing with Section  
38 21000) of the Public Resources Code).

39 (7) With respect to completed residential units for which the  
40 project approval process is complete and a certificate of occupancy

1 has been issued, nothing in this subdivision shall limit the  
2 application of later enacted ordinances, policies, and standards  
3 that regulate the use and occupancy of those residential units, such  
4 as ordinances relating to rental housing inspection, rent  
5 stabilization, restrictions on short-term renting, and business  
6 licensing requirements for owners of rental housing.

7 (8) (A) This subdivision shall apply to a housing development  
8 project that submits a preliminary application pursuant to Section  
9 65941.1 before January 1, 2030.

10 (B) This subdivision shall become inoperative on January 1,  
11 2034.

12 (p) (1) Upon any motion for an award of attorney's fees  
13 pursuant to Section 1021.5 of the Code of Civil Procedure, in a  
14 case challenging a local agency's approval of a housing  
15 development project, a court, in weighing whether a significant  
16 benefit has been conferred on the general public or a large class  
17 of persons and whether the necessity of private enforcement makes  
18 the award appropriate, shall give due weight to the degree to which  
19 the local agency's approval furthers policies of this section,  
20 including, but not limited to, subdivisions (a), (b), and (c), the  
21 suitability of the site for a housing development, and the  
22 reasonableness of the decision of the local agency. It is the intent  
23 of the Legislature that attorney's fees and costs shall rarely, if ever,  
24 be awarded if a local agency, acting in good faith, approved a  
25 housing development project that satisfies conditions established  
26 in paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.1  
27 or paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.2.

28 (2) This subdivision shall become inoperative on January 1,  
29 2031.

30 (q) This section shall be known, and may be cited, as the  
31 Housing Accountability Act.

32 (r) The provisions of this section are severable. If any provision  
33 of this section or its application is held invalid, that invalidity shall  
34 not affect other provisions or applications that can be given effect  
35 without the invalid provision or application.

36 *SEC. 8. No reimbursement is required by this act pursuant to*  
37 *Section 6 of Article XIII B of the California Constitution because*  
38 *a local agency or school district has the authority to levy service*  
39 *charges, fees, or assessments sufficient to pay for the program or*

1 *level of service mandated by this act, within the meaning of Section*  
2 *17556 of the Government Code.*

3 ~~SECTION 1. Section 38405 of the Government Code is~~  
4 ~~amended to read:~~

5 ~~38405. The resolution described in Section 38404 shall be~~  
6 ~~published once a week for at least the three weeks before the day~~  
7 ~~fixed for final action, in a newspaper of general circulation~~  
8 ~~published in the city, or if there is none, in a newspaper designated~~  
9 ~~by the legislative body which is published in the county. Not less~~  
10 ~~than four copies of the resolution shall be posted conspicuously~~  
11 ~~not more than one hundred feet apart along the boundaries of the~~  
12 ~~park.~~

O



## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:**

**I.6.**

**Wording for Agenda:** Approve and authorize Mayor to sign and submit a letter of opposition to Senate Bill (SB) 634 (Pérez) regarding homelessness civil and criminal penalties.

**Submitting Department:** Administration

**Contact Name:** Francesca Quintana, City Clerk/Human Resources Manager

**Phone Number:** (559)592-9244 ext. 1001

**Email:** [fquintana@exetercityhall.com](mailto:fquintana@exetercityhall.com)

**For action by:**

☒ City Council

**Regular Session:**

☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



### Department Recommendation:

City Staff and Council Member Riddle recommend that the City Council approve and authorize the Mayor to sign a letter opposing SB 634 (Pérez) regarding homelessness: civil and criminal penalties.

### Summary:

Senate Bill 634 would prohibit local jurisdictions from adopting or enforcing ordinances that impose civil or criminal penalties on individuals experiencing homelessness. Staff recommends opposing this legislation due to its significant impacts on local authority, public safety, and the City's ability to address encampments and maintain safe, accessible public spaces.

The City of Exeter has witnessed a growing number of homelessness-related challenges in recent years. As a small, rural community with limited resources, the City must balance compassionate outreach with its responsibility to ensure safe, clean, and accessible public spaces for all residents.

SB 634 directly undermines this balance by eliminating the City's authority to enforce even narrowly tailored regulations in public spaces. Specifically, the bill would:

- Prevent enforcement of local ordinances addressing encampments near schools, parks, and city buildings.
- Expose the City to legal liability from residents, businesses, and advocacy groups when public access or ADA compliance is compromised.
- Jeopardize state funding by preventing compliance with the Governor's November 2024 Executive Order that conditions homelessness funding on proactive encampment management.
- Contradict recent federal court rulings, including the Supreme Court decision in *Johnson v. Grants Pass*, which affirmed that cities may regulate encampments under constitutional standards.

Exeter's small size makes it uniquely vulnerable to the impacts of SB 634. A single encampment can significantly disrupt city services, access to essential infrastructure, and public safety.



Without reasonable enforcement authority, the City will lack any mechanism to address health hazards, fire risks, or public disturbances linked to unmanaged encampments.

**Background:**

Senate Bill 634, introduced by Senator Aisha Wahab and currently sponsored by Senator Pérez, seeks to prohibit local jurisdictions from adopting or enforcing ordinances that impose civil or criminal penalties on individuals experiencing homelessness for activities such as sitting, lying, sleeping, or erecting temporary shelter in public places.

While the intent of the bill is to protect the rights of unhoused individuals, the bill would have significant unintended consequences on cities' ability to maintain safe and accessible public spaces. SB 634 would effectively strip cities like Exeter of any enforcement tools to address encampments, no matter the location or the public safety implications.

**Fiscal Impact:**

There is no direct fiscal impact from submitting a letter of opposition. However, SB 634 could lead to increased legal exposure, reduced public trust, and the loss of state funding opportunities if local enforcement tools are eliminated.

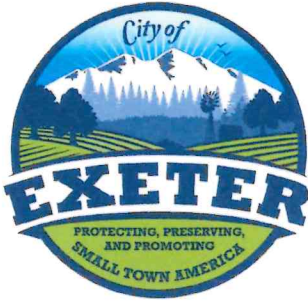
**Prior Council/Board Actions:**

None.

**Attachments:**

- Draft Letter of Opposition
- SB 634 Bill Language

|  |
|--|
| <p><b>Recommended motion to be made by Council/Board:</b> I move to approve and authorize Mayor to sign and submit a letter of opposition to Senate Bill (SB) 634 (Pérez) regarding homelessness civil and criminal penalties.</p> |
|--|



## Office of the Mayor

PO Box 237 Exeter, CA 93221  
Ph: 559-592-9244 Email: [jjohnson@exetercityhall.com](mailto:jjohnson@exetercityhall.com)

**April 22, 2025**

The Honorable Maria Elena Durazo  
Chair, Senate Local Government Committee  
California State Capitol, Room 407  
Sacramento, CA 95814

**RE: SB 634 (Pérez) Homelessness: civil and criminal penalties - Notice of Opposition (As Amended 03/26/25)**

Dear Senator Durazo,

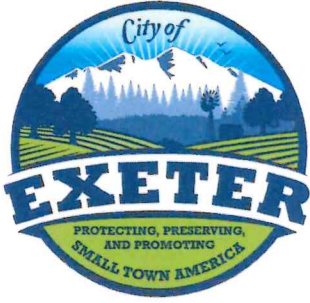
The City of Exeter must respectfully **oppose SB 634 (Pérez)**, which would prohibit local jurisdictions from adopting or enforcing ordinances to address homelessness. While we recognize and share the bill's intent to protect the dignity of individuals experiencing homelessness, SB 634 would severely limit cities' ability to respond to the growing crisis in our communities.

As a small city in Tulare County, the City of Exeter is already working diligently with limited resources to provide humane and balanced responses to homelessness while maintaining the safety and accessibility of our public spaces. SB 634 would eliminate critical tools that allow us to address encampments that pose immediate health and safety risks to both the unhoused and the broader public.

Specifically, Exeter has seen increased encampments near schools, parks, and city-owned facilities. These areas are vital to the daily lives of our residents, particularly children and families. Without the ability to enforce time, place, and manner restrictions, we will have no effective way to prevent obstructions to public walkways, ensure public health standards, or respond to escalating safety concerns. Exeter's small size means that even a single encampment can block major pedestrian corridors or access to essential city services. Moreover, we have already received concerns from community members regarding public health hazards.

Cities have been sued by business owners for allowing encampments to block access to businesses and by disability rights advocates over encampments that have obstructed sidewalks and public spaces. Without the ability to use civil or criminal enforcement remedies, cities would face increased legal liability and more importantly, have no meaningful way to respond to urgent health and safety concerns. The City of Exeter recognizes that we must remain focused on connecting unhoused residents to housing and services, but cities also need basic tools to meet their legal obligations and protect public spaces.

SB 634 also directly contradicts cities' efforts to address encampments in response to the Governor's November 2024 executive order. The order directed state departments and agencies to adopt policies to address homeless encampments on state properties and encouraged local governments to adopt similar policies or risk losing access to state homelessness funding. Cities want to help the state to realize our



## Office of the Mayor

---

PO Box 237 Exeter, CA 93221  
Ph: 559-592-9244 Email: [jjohnson@exetercityhall.com](mailto:jjohnson@exetercityhall.com)

shared vision of reducing homelessness and supporting our most vulnerable residents. However, SB 634 leaves cities without any enforcement tools, hindering cities' ability to carry out the Governor's directive and jeopardizing state funding cities receive to address homelessness.

Local jurisdictions are already working within a complex and evolving legal landscape, including recent federal court decisions like Johnson v. Grants Pass, which clarified constitutional limits on how cities can address homelessness through enforcement actions. In response to the Grants Pass ruling, the Governor stated:

*"Today's ruling by the U.S. Supreme Court provides state and local officials the definitive authority to implement and enforce policies to clear unsafe encampments from our streets. This decision removes the legal ambiguities that have tied the hands of local officials for years and limited their ability to deliver on common-sense measures to protect the safety and well-being of our communities".*

SB 634 directly undermines this decision by stripping local governments of the authority to tailor enforcement strategies to their unique circumstances. It also disregards the years of legal effort cities have invested to gain the clarity now provided by the Court.

The City of Exeter urges the Legislature to support policies that empower local governments to act with compassion and urgency — not tie their hands behind their backs. SB 634 does not reflect the nuanced, community-led solutions that show promise across the state. For these reasons, the City of Exeter must oppose SB 634 (Pérez).

Sincerely,

---

Jacob Johnson, City of Exeter Mayor

cc: Senator Melissa Hurtado  
Assemblymember Devon Mathis  
League of California Cities, [cityletters@cacities.org](mailto:cityletters@cacities.org)

AMENDED IN SENATE MARCH 26, 2025

**SENATE BILL**

**No. 634**

**Introduced by Senator Pérez**

February 20, 2025

---

*An act to add Sections 11145.1 and 53069.44 to the Government Code, relating to ~~local government~~ homelessness.*

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as amended, Pérez. ~~Local government~~. *Homelessness: civil and criminal penalties.*

*The California Constitution authorizes a county or city to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. Existing law establishes procedures for the enactment of ordinances by counties and cities and makes a violation of a county or city ordinance, as applicable, a misdemeanor unless by ordinance it is made an infraction. Existing law also prohibits a state agency from adopting or enforcing any rule or a violation of which can result in the imposition of a fine or imprisonment, or both, unless a statute specifically authorizes the imposition of such fine or imprisonment, or both, for a violation of the rule or regulation.*

*This bill would prohibit a local jurisdiction from adopting a local ordinance, or enforcing an existing ordinance, that imposes civil or criminal penalties on a person who is homeless for any act immediately related to homelessness or any act related to basic survival, or on a person who is assisting a person who is homeless with any act related to basic survival. The bill would similarly prohibit a state agency from adopting any regulation or issuing any policy or guidance, or enforcing an existing regulation, policy, or guidance, that imposes those civil or*

*criminal penalties. The bill would define various terms for these purposes.*

*The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.*

~~Existing law provides for the formation and powers of various local governments, including counties and cities. Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts.~~

~~This bill would state the intent of the Legislature to enact legislation relating to local government.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) *The Legislature finds and declares all of the*  
2     *following:*

3     (1) *As of 2024, on any given night, over 187,000 people are*  
4     *experiencing homelessness in California, with data from the state's*  
5     *Homeless Data Integration System showing over 308,000 people*  
6     *experiencing homelessness accessing services over the course of*  
7     *the year and many more at risk of homelessness.*

8     (2) *Homelessness is a policy failure primarily caused by the*  
9     *unaffordability of housing in California, with over 1,000,000*  
10    *extremely low income households spending more than one-half*  
11    *their income on rent, and not the result of personal failings of*  
12    *people experiencing homelessness. This housing crisis is the result*  
13    *of decades of failed housing policy, coupled with structural and*  
14    *institutional racism, and a lack of sufficient investment in*  
15    *affordable housing and other programs to address homelessness.*

16    (3) *The solution to homelessness is affordable housing and*  
17    *robust supportive services, as demonstrated by years of*  
18    *peer-reviewed research.*

19    (4) *Data from the fifth cycle of the Regional Housing Needs*  
20    *Assessment (RHNA) showed that jurisdictions in California needed*  
21    *to add over 277,000 housing units that are affordable to very low*  
22    *income households over the 2013 to 2024 assessment period to*



1 *keep pace with the need for new housing, but jurisdictions*  
2 *statewide attained only 21 percent of that goal, permitting just*  
3 *over 57,000 units that are affordable to very low income*  
4 *households.*

5 *(5) Data from the United States Department of Housing and*  
6 *Urban Development's Housing Inventory Count showed that in*  
7 *2024, despite more than 300,000 people cycling through*  
8 *homelessness statewide, California had only 76,000 shelter beds*  
9 *and 79,000 units of permanent supportive housing.*

10 *(6) Homelessness is disproportionately experienced by Black,*  
11 *Indigenous, and other groups in California that have experienced*  
12 *historical and continued discrimination, and excessive penalties*  
13 *related to homelessness contribute to and exacerbate the racist*  
14 *outcomes in housing and criminal justice.*

15 *(7) Arresting, fining, and jailing people experiencing*  
16 *homelessness for the act of living outside and conducting*  
17 *life-sustaining activities does not contribute to ending their*  
18 *homelessness.*

19 *(8) A growing body of research suggests that these responses*  
20 *to homelessness add additional barriers to ending someone's*  
21 *homelessness, including causing people to lose touch with case*  
22 *managers, family, and friends seeking to assist them find housing.*

23 *(9) These barriers also including missing work and losing*  
24 *needed income to get back into housing.*

25 *(10) These barriers also include missing critical health care*  
26 *appointments that may contribute to deteriorating health.*

27 *(11) These barriers also include loss of key property, including*  
28 *identification, birth certificates, and other documents that are*  
29 *needed to access subsidized housing, essential services, and public*  
30 *benefits.*

31 *(12) These barriers also include financial penalties that can*  
32 *increase debt, damage credit, and result in bench warrants that*  
33 *result in additional jail time, all of which detracts from efforts to*  
34 *regain housing.*

35 *(13) Criminalization also adds risks to the community-based*  
36 *service provider organizations and community members working*  
37 *with the population experiencing homelessness, hindering the*  
38 *responsiveness of both publicly funded and other community-based*  
39 *responses to end homelessness.*



1     **(b)** *It is, therefore, the intent of the Legislature in enacting this*  
2 *act to limit penalties that local and state governments may pursue*  
3 *for the performance of acts related to experiencing homelessness,*  
4 *including conducting life-sustaining activities, for the purpose of*  
5 *removing hindrance to ending California's homeless crisis.*

6     SEC. 2. Section 11145.1 is added to the Government Code, to  
7 read:

8     11145.1. (a) *Notwithstanding any other law, a state agency*  
9 *shall not adopt any regulation or issue any policy or guidance, or*  
10 *enforce an existing regulation, policy, or guidance, that imposes*  
11 *civil or criminal penalties on a person who is homeless for any*  
12 *act immediately related to homelessness or any act related to basic*  
13 *survival, or on a person who is assisting a person who is homeless*  
14 *with any act related to basic survival.*

15     **(b)** *For purposes of this section, the following definitions apply:*

16     (1) *"Act immediately related to homelessness" means standing,*  
17 *sitting, laying, or sleeping in a public place, including, but not*  
18 *limited to, a public street, public park, or other outdoor area that*  
19 *is open to the public.*

20     (2) *"Act related to basic survival" includes, but is not limited*  
21 *to, the possession of a tent or tarp, erection of a tent or tarp, eating*  
22 *or drinking, possessing and utilizing blankets or pillows, seeking*  
23 *shade, and other activities to protect oneself from the elements.*

24     (3) *"Homeless" has the same meaning as defined in Section*  
25 *578.3 of Title 24 of the Code of Federal Regulations, as that section*  
26 *read on January 10, 2019.*

27     SEC. 3. Section 53069.44 is added to the Government Code,  
28 to read:

29     53069.44. (a) *Notwithstanding any other law, a local*  
30 *jurisdiction shall not adopt a local ordinance, or enforce an*  
31 *existing ordinance, that imposes civil or criminal penalties on a*  
32 *person who is homeless for any act immediately related to*  
33 *homelessness or any act related to basic survival, or on a person*  
34 *who is assisting a person who is homeless with any act related to*  
35 *basic survival.*

36     **(b)** *For purposes of this section, the following definitions apply:*

37     (1) *"Act immediately related to homelessness" means standing,*  
38 *sitting, laying, or sleeping in a public place, including, but not*  
39 *limited to, a public street, public park, or other outdoor area that*  
40 *is open to the public.*

1     (2) “Act related to basic survival” includes, but is not limited  
2     to, the possession of a tent or tarp, erection of a tent or tarp, eating  
3     or drinking, possessing and utilizing blankets or pillows, seeking  
4     shade, and other activities to protect oneself from the elements.

5     (3) “Homeless” has the same meaning as defined in Section  
6     578.3 of Title 24 of the Code of Federal Regulations, as that section  
7     read on January 10, 2019.

8     (4) “Local jurisdiction” means a city, county, city and county,  
9     or special district.

10    SEC. 4. The Legislature finds and declares that ensuring a  
11    compassionate, evidence-based approach to ending homelessness  
12    is a matter of statewide concern rather than a municipal affair as  
13    that term is used in Section 5 of Article XI of the California  
14    Constitution. Therefore, Section 3 of this act, adding Section  
15    53069.44 to the Government Code, applies to all cities, including  
16    charter cities.

17    ~~SECTION 1. It is the intent of the Legislature to enact~~  
18    ~~legislation relating to local government.~~

O

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** I.7.

**Wording for Agenda:** Approval of a request for a street closure of E St. between E. Cedar and Clarence for a private fundraising event hosted by Center for Art Culture and History – Exeter (CACHE) beginning at 3:30 p.m. May 17, 2025, and ending at 7:30 p.m., and a street closure fee waiver of \$100.00, subject to the conditions presented by staff.

**Submitting Department:** Public Works  
**Contact Name:** Marie Arroyo, Senior Administrative Assistant  
Adam Ennis, City Administrator  
**Phone Number:** (559)592-3318 ext. 4002  
**Email:** marroyo@exetercityhall.com, adam@exetercityhall.com

**For action by:**

☒ City Council

**Regular Session:**

☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

City Staff recommends that the City Council approve a request for a street closure of E St. between E. Cedar and Clarence for a private fundraising event hosted by Center for Art Culture and History – Exeter (CACHE) beginning at 3:30 p.m. May 17, 2025, and ending at 7:30 p.m., and a street closure fee waiver of \$100.00, subject to the conditions presented by staff.

**Summary/Background:**

Volunteers with CACHE will be hosting a private Wine and Artwork fundraiser on Saturday May 17, 2025, between the hours of 4:30 and 6:30 p.m. Ticket purchase allows for gathering in the front yards of 4 participating homes where attendees may enjoy displayed art from local artists, appetizers and fine wine. The street closure request will serve to allow for pedestrian safety and create a private event atmosphere.

- 1) The City of Exeter will post temporary road closure signs 72 hours prior to the event and the set up and removal of road closure barricades on the day of event.
- 2) CACHE will provide a certificate of liability and property damage insurance, naming the City of Exeter as an additional insured.
- 3) The distribution and sale of alcohol are limited to private property and must follow the guidelines of the ABC licensing.
- 4) CACHE is responsible for the collection and removal of any trash left in the public right of way.
- 5) Restrooms are to be provided by CACHE.

**Attachments:**

- Street Closure Application
- Fee waiver request
- Certificate of Insurance

- Event Flyer
- Street Closure signature authorizations

**Fiscal Impact:**

No direct fiscal impact is associated with this action; minimal staff time.

**Prior Council/Board Actions:**

None.

**Recommended motion to be made by Council/Board:** I motion to approve a request for a street closure of E St. between E. Cedar and Clarence for a private fundraising event hosted by Center for Art Culture and History – Exeter (CACHE) beginning at 3:30 p.m. May 17, 2025, and ending at 7:30 p.m., and a street closure fee waiver of \$100.00, subject to the conditions presented by staff.



## City of Exeter Street Closure Application

350 W. Firebaugh – PO Box 237, Exeter, CA 93221  
Ph. #559-592-3318 Fax # 559-592-3516

Date of Event: 5/17/25

Name of group requesting street closure: CACHE

Name of contact person: Rahna Stearns Phone: [REDACTED]

Mailing address: [REDACTED] Email: [REDACTED]

Alternate Contact Person: Patty Scott Phone: [REDACTED]

Mailing Address: [REDACTED] Phone: [REDACTED]

Type of event: wine tasting art sale fundraiser for CACHE

Time of closure: 3:30 pm until 7:30 pm

Details of streets/parking lots/public right of way requesting to be closed: (provide map or additional pages if necessary)

close E Street from Cedar to Clarence

☒ I have been provided a copy of the City of Exeter Street Closure Policy and understand the provisions.

☒ I have been provided a copy of the City of Exeter Street Closure Application Attachment for insurance/waiver requirements and COVID information and understand my responsibilities.

☐ I understand my \$50 application fee is nonrefundable and if my event needs to be rescheduled, I will not be required to pay a second application fee.

Applicant Signature: [REDACTED] Date 3/19/25

Office use: \*\*\*\*\*  
Fee paid \_\_\_\_\_

Public Works Director \_\_\_\_\_

Chief of Police \_\_\_\_\_

Council Approval: \_\_\_\_\_

**Marie Arroyo**

---

**From:** [REDACTED]  
**Sent:** Tuesday, April 8, 2025 3:47 PM  
**To:** Marie Arroyo  
**Subject:** CACHE WINE/ART WALK

Dear Maria,

CACHE is having our 2nd annual Wine/Art walk on May 17, 2025 fundraiser. We are asking that the City of Exeter waive the \$100 fee for the street closer. As you know we are a non profit trying to raise money for our facility. This would be of great help.

Sincerely,  
Robyn Stearns  
Vice President CACHE  
Art director



"Within the covers of the Bible are the answers for all the problems men face."  
Ronald Reagan





EXETE08

OP ID: AM

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/20/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|  |              |  |  |
|--|--------------|--|--|
| <b>PRODUCER</b><br>NSE Insurance Agencies, Inc.<br>United Valley Insurance Svcs<br>160 South D St., P.O. Box 704<br>Exeter, CA 93221<br>Patty L. Spott | 559-592-9411 |  | <b>CONTACT NAME:</b> Exeter - Commercial                                     |
|  |              |  | <b>PHONE (A/C, No, Ext):</b> 559-592-9411 <b>FAX (A/C, No):</b> 559-592-5059 |
|  |              |  | <b>E-MAIL ADDRESS:</b>   |
|  |              |  | <b>INSURER(S) AFFORDING COVERAGE</b>   |
|  |              |  | <b>INSURER A:</b> Hartford Underwriters Ins. Co.                             |
|  |              |  | <b>NAIC #</b> 30104  |
| <b>INSURED</b><br>Center for Arts, Culture and History-Exeter<br>P.O. Box 253<br>Exeter, CA 93221  |              |  | <b>INSURER B:</b>  |
|  |              |  | <b>INSURER C:</b>  |
|  |              |  | <b>INSURER D:</b>  |
|  |              |  | <b>INSURER E:</b>  |
|  |              |  | <b>INSURER F:</b>  |
|  |              |  |  |

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|--|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY   |           |          |               |                         |                         |  |
|          | <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR                                      | X         |          | 51SBABA2JD4   | 09/19/2024              | 09/19/2025              | EACH OCCURRENCE \$ 2,000,000   |
|          |  |           |          |               |                         |                         | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000               |
|          |  |           |          |               |                         |                         | MED EXP (Any one person) \$ 10,000                                   |
|          |  |           |          |               |                         |                         | PERSONAL & ADV INJURY \$ 2,000,000                                   |
|          |  |           |          |               |                         |                         | GENERAL AGGREGATE \$ 4,000,000                                       |
|          |  |           |          |               |                         |                         | PRODUCTS - COMP/OP AGG \$ 4,000,000                                  |
|          |  |           |          |               |                         |                         |  |
|          | <b>GEN'L AGGREGATE LIMIT APPLIES PER:</b>  |           |          |               |                         |                         |  |
|          | <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC           |           |          |               |                         |                         |  |
|          | OTHER:   |           |          |               |                         |                         |  |
|          | <b>AUTOMOBILE LIABILITY</b>  |           |          |               |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$                               |
|          | <input type="checkbox"/> ANY AUTO  |           |          |               |                         |                         | BODILY INJURY (Per person) \$  |
|          | <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS                       |           |          |               |                         |                         | BODILY INJURY (Per accident) \$                                      |
|          | <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                  |           |          |               |                         |                         | PROPERTY DAMAGE (Per accident) \$                                    |
|          |  |           |          |               |                         |                         |  |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR  |           |          |               |                         |                         | EACH OCCURRENCE \$   |
|          | <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE  |           |          |               |                         |                         | AGGREGATE \$   |
|          | <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$                                       |           |          |               |                         |                         |  |
|          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>   |           |          |               |                         |                         | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> |
|          | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N |           | N/A      |               |                         |                         | E.L. EACH ACCIDENT \$  |
|          | If yes, describe under DESCRIPTION OF OPERATIONS below   |           |          |               |                         |                         | E.L. DISEASE - EA EMPLOYEE \$  |
|          |  |           |          |               |                         |                         | E.L. DISEASE - POLICY LIMIT \$                                       |
|          |  |           |          |               |                         |                         |  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Street Closure for Wine & Art Walk, Date: May 17 2025,  
The City of Exeter, its officers, employees, agents, and volunteers are additional insured.

## CERTIFICATE HOLDER

## CANCELLATION

|   |  |
|---|--|
| <b>EXETE-5</b><br><br>City of Exeter<br>P O Box 237<br>Exeter, CA 93221 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
|   | AUTHORIZED REPRESENTATIVE<br>  |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



## BLANKET ADDITIONAL INSURED BY CONTRACT

This endorsement modifies insurance provided under the following:

### BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

**A. The following is added to Section C. WHO IS AN INSURED:**

**Additional Insureds When Required By Written Contract, Written Agreement Or Permit**

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written contract or written agreement, or when required by a written permit issued by a state or governmental agency or subdivision or political subdivision that such person or organization be added as an additional insured on your Coverage Part, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by any other endorsement issued by us and made a part of this Coverage Part.

The insurance afforded to such additional insured will not be broader than that which you are required by the contract, agreement, or permit to provide for such additional insured.

The insurance afforded to such additional insured only applies to the extent permitted by law.

The limits of insurance that apply to additional insureds are described in Section D. **LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**. How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. **LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**.

**a. Vendors**

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;



- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
  - (i) The exceptions contained in Paragraphs (d) or (f); or
  - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- b. Lessors Of Equipment**
  - (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
  - (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.
- c. Lessors Of Land Or Premises**
  - (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
  - (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
    - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
    - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.
- d. Architects, Engineers Or Surveyors**
  - (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
    - (a) In connection with your premises;
    - (b) In the performance of your ongoing operations performed by you or on your behalf; or
    - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
      - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
      - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
  - (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

    - (i) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
    - (ii) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property



damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service.

**e. State Or Governmental Agency Or Subdivision Or Political Subdivision Issuing Permit**

- (1) Any state or governmental agency or subdivision or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
  - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

- (1) Any other person or organization who is not in one of the categories or classes listed above in Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
  - (a) In the performance of your ongoing operations performed by you or on your behalf;
  - (b) In connection with your premises owned by or rented to you; or
  - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
    - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
    - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

  - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service described in Paragraphs f.(2)(a) or f.(2)(b) above.



*The Center for Art, Culture, and History - Exeter presents*

CACHE

# WINE & *Art Walk*

\$60

per person

Saturday, May 17<sup>th</sup>

Stroll through the front yards of  
4 homes on historic South E St., Exeter  
while enjoying art from local artists, tasting  
a variety of fine wines and appetizers

Wine & Art

4:30 - 6:30pm

We will have "Up in Smoke" a local food truck  
available for additional snacks for purchase  
and we encourage you to spend some time  
with us and then enjoy dinner at one of  
our downtown Exeter restaurants.

Tickets will be available April 1st  
through CACHE, 125 S B St., Exeter  
and the Exeter Chamber of Commerce.

For more information call  
Robyn Stearns at 559-679-2474

Proceeds from this event will support future projects for CACHE



## City of Exeter

350 W. Firebaugh – PO Box 237, Exeter, CA 93221  
Ph. # 559-592-3318 Fax # 559-592-3516

**Volunteers from CACHE are requesting a street closure of E St between Cedar and Clarence for a private fundraising event on Saturday May 17, 2025, between the hours of 3:30pm and 7:30pm.**

| Address     | Signature  | Phone        | Yes | No |
|-------------|------------|--------------|-----|----|
| 200 E Cedar | [Redacted] | 619-244      | ✓   |    |
| 417 S. E St | [Redacted] | 544-0041     | ✓   |    |
| 425 S E St  | [Redacted] | 554-972-2000 | ✓   |    |
| 435 S E St  | [Redacted] | 736-2000     |     |    |
| 441 S E St  | [Redacted] | 799-6877     |     |    |
| 445 S E St  | [Redacted] | 559-359-2138 |     |    |
| 463 S E St  | [Redacted] | 559-802-2579 | ✓   |    |
| 406 S, E St | [Redacted] |              |     |    |
| 418 S E St  | [Redacted] | 359-3287     | ✓   |    |
| 438 S E St  | [Redacted] | 799-3611     | ✓   |    |
| 444 S E St  | [Redacted] | 547-7937     | ✓   |    |
| 462 S E St  | [Redacted] | 333-2048     | ✓   |    |



**City of Exeter  
Agenda Item Transmittal**

**Meeting Date:** April 22, 2025

**Agenda Item Number:** **I.8.**

**Wording for Agenda:** Authorize the piggyback of a Sourcewell cooperative purchasing agreement and authorize the City Administrator to enter into a purchase agreement with RDO Equipment Co. of Fowler, CA for an ATX850 Wheel Loader, manufactured by Vermeer Corporation and appropriate an additional \$14,731.27 split between the water and sewer expenditure accounts for a total purchase of \$78,511.27.

**Submitting Department:** Public Works  
**Contact Name:** Daniel Espinola, Operations Manager  
**Phone Number:** (559) 592-3318  
**Email:** despinola@exetercityhall.com

**For action by:**

☒ City Council

**Regular Session:**

☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

City Staff recommends that the City Council authorize the piggyback of a Sourcewell cooperative purchasing agreement and authorize the City Administrator to enter into a purchase agreement with RDO Equipment Co. of Fowler, CA for an ATX850 Wheel Loader, manufactured by Vermeer Corporation and appropriate an additional \$14,731.27 split between the water and sewer expenditure accounts for a total purchase of \$78,511.27.

**Summary/Background:**

Included in the approved CIP FY 2024/2025 budget cycle, is the purchase of a Wheel Loader to be used by the Public Works Department which will allow crews to safely load sand and asphalt type materials.

Vermeer Corporation is a member of Sourcewell, a public corporation serving as a municipal contracting agency for government agencies, eliminating the requirement for additional quotes. This item was included in the FY 2024/2025 CIP budget at a cost of \$63,780.00 with the following fund cost split.

|                       |                    |
|-----------------------|--------------------|
| Water 105.461.080.050 | \$21,260.00        |
| Sewer 107.441.080.050 | <u>\$42,520.00</u> |
|                       | \$63,780.00        |

Due to recent inflation, the purchase price has since increased by \$14,731.27, therefore staff is requesting the following additional appropriations.

|                       |                   |
|-----------------------|-------------------|
| Water 105.461.080.011 | \$4,861.32        |
| Sewer 107.441.080.008 | <u>\$9,869.95</u> |
|                       | \$14,731.27       |

**Fiscal Impact:**

This item was included in the FY 2024/2025 CIP budget at a cost of \$63,780.00 with the remainder covered by additional appropriation from the water 105.461.080.011 and sewer 107.441.080.008 expenditure accounts.

**Prior Council/Board Actions:**

None.

**Attachments:**

- Proposal from RDO Equipment Co

**Recommended motion to be made by Council/Board:** I move to authorize the piggyback of a Sourcewell cooperative purchasing agreement and authorize the City Administrator to enter into a purchase agreement with RDO Equipment Co. of Fowler, CA for an ATX850 Wheel Loader, manufactured by Vermeer Corporation and to appropriate an additional \$14,731.27 split between the water and sewer expenditure accounts for a total purchase of \$78,511.27.



## Investment Proposal (Quote)

RDO Equipment Co.  
2714 Vineyard Place  
Fowler CA, 93625  
Phone: (559) 834-5096 - Fax: (559) 834-5067



**WARNING**  
Warning: Cancer and  
Reproductive Harm.

For more information go to:  
[www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

Proposal for:  
CITY OF EXETER  
350 W FIREBAUGH AVE  
EXETER, CA, 932211560  
TULARE

Investment Proposal Date: 2/26/2025  
Pricing Valid Until: 4/30/2025  
Deal Number: 1749549  
Customer Account#: 3318040  
Account Manager: Ricky Squire  
Phone: (559) 209-9847  
Fax:  
Email: [rsquire@rdoequipment.com](mailto:rsquire@rdoequipment.com)

### Equipment Information

| Quantity            | Serial Number<br>Stock Number | Hours<br>(approx.) | Status / Year / Make / Model<br>Additional Items           | Cash Price         |
|---------------------|-------------------------------|--------------------|--|--------------------|
| 1                   | 1M1KALD3VRV357506<br>Z037019  | 14                 | New 2024 VERMEER ATX850                                    | \$64,514.38        |
|                     |                               |                    | Freight in   | \$3,901.00         |
|                     |                               |                    | Prep / Reconditioning                                      | \$610.00           |
|                     |                               |                    | Other SOURCE WELL MEMBER #180825 ACCOUNT #031721VRM        | \$0.00             |
| 1                   | 1VRZ040HLN1000106<br>X782726  |                    | New 2022 VERMEER VERMEER UDMP48 - HIGH DUMP BUCKET<br>48"W | \$3,162.45         |
|                     |                               |                    | Other SOURCE WELL MEMBER #180825 ACCOUNT #031721VRM        | \$0.00             |
| Equipment Subtotal: |                               |                    |  | <b>\$72,187.83</b> |

### Purchase Order Totals

|                  |                    |
|------------------|--------------------|
| Balance:         | \$72,187.83        |
| CA STATE TAX:    | \$4,331.27         |
| CA COUNTY TAX:   | \$180.47           |
| CA CITY TAX:     | \$721.88           |
| CA SPECIAL TAX:  | \$1,082.82         |
| Sales Tax Total: | \$6,316.44         |
| CA Tire Fee:     | \$7.00             |
| Sub Total:       | \$78,511.27        |
| Cash with Order: | \$0.00             |
| Balance Due:     | <b>\$78,511.27</b> |

### Equipment Options

| Qty | Serial Number     | Year / Make / Model                                    | Description  |
|-----|-------------------|--|--|
| 1   | 1M1KALD3VRV357506 | 2024 VERMEER ATX850                                    | ATX8505VP ATX850 VALUE PACKAGE-ROPS/TURF TIRE<br>ATX8501635 TURF TIRES -26X12.00-12, SET OF 4<br>ATX8504110 LED WORK LIGHTS<br>ATX8504140 110V ENGINE BLOCK HEATER<br>ATX8504230 FLOATING BOOM VALVE<br>ATX8504725 SIDE WEIGHTS (160 KG/352 LBS) |
| 1   | 1VRZ040HLN1000106 | 2022 VERMEER VERMEER UDMP48<br>- HIGH DUMP BUCKET 48"W | None   |

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:**

**I.9.**

**Wording for Agenda:** Authorize the purchase of six APX6500 vehicle radios (\$35,918.61) as well as necessary upgrades to two existing APX6500 radios (\$5,811.75) to accommodate required radio encryption at a total purchase cost of \$41,730.36 with Motorola Solutions and appropriate \$41,730.36 from the COPS Grant fund for this purchase.

**Submitting Department:** Police  
**Contact Name:** Interim Chief of Police Rob Schimpf  
**Phone Number:** (559)592-3103  
**Email:** [rschimpf@exeterpd.com](mailto:rschimpf@exeterpd.com)

**For action by:**

☒ City Council

**Regular Session:**


☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



### Department Recommendation:

That City Council authorize Department Staff to purchase/upgrade 8 total vehicle radios capable of required encrypted transmissions and appropriate \$41,730.36 from the COPS Grant fund for the purchase. The purchase from Motorola Solutions allows the City of Exeter Police Department to adhere to equipment requirements set forth by our contracted dispatch services at the Tulare County Sheriff's Office.

### Summary/Background:

In approximately 2020, the California Department of Justice (CA DOJ) mandated encryption of radio traffic for law enforcement agencies to protect Criminal Justice Information (CJI) and Personally Identifiable Information (PII). This policy, often tied to federal requirements like the FBI's CJIS Security Policy, aimed to prevent unauthorized access to sensitive data transmitted over police radios.

The Tulare County Sheriff's Office provides contracted dispatch services to the City of Exeter and plans to switch operations to encryption in approximately July of 2025. The Tulare County Sheriff's Office has delayed the switch in an effort to allow smaller jurisdiction to absorb the fiscal impact. This purchase is now exigent for the City of Exeter to equip emergency vehicles with the necessary equipment to communicate with our dispatch provider.

Motorola Solution's, the manufacturer of the APX6500, was contacted via Tulare County Radio Maintenance and asked to provide a quote for six vehicle radios. Radio Maintenance also identified two existing radios that are capable of being upgraded to satisfy encryption requirements. The returned quote for both was in the total amount of \$41,730.36.

**Fiscal Impact:**

Motorola Solution's purchase totaling \$41,730.36 is planned to be funded by COPS Grant funding (137.421.012.000), which has ample funding to cover the purchase. Appropriation of the purchase amount from the COPS Grant Fund will facilitate eight total unit radios capable to providing emergency communication after the mandated switch to encryption.

**Prior Council/Board Actions:**

None.

**Attachments:**

- Copy of the quote from Motorola Solutions.

**Recommended motion to be made by Council/Board:** I move to authorize Department Staff to purchase six APX6500 vehicle radios (\$35,918.61) and upgrade two existing APX6500 radios (\$5,811.75) with Motorola Solutions and appropriate the total cost of \$41,730.36 from the COPS Grant Fund.



**MOTOROLA SOLUTIONS**QUOTE-3068440  
APX6500 UHF EXETER PD qty 6Billing Address:  
TCICT GOV PLAZA  
Exeter Police Department  
100 N C ST  
EXETER, CA 93221  
USShipping Address:  
Exeter Police Department  
100 N C ST  
EXETER, CA 93221  
USQuote Date:03/28/2025  
Expiration Date:06/26/2025  
Quote Created By:  
Ronald Taylor  
Ronald.Taylor1@  
motorolasolutions.comEnd Customer:  
Exeter PD  
Eric Ott  
EOtt@tularecounty.ca.gov  
559 730 2553

Contract: 17724 - HGAC (TX)-RA05-21

Payment Terms:30 NET

| Line # | Item Number            | Description   | Qty | List Price | Disc % | Sale Price | Ext. Sale Price |
|--------|------------------------|---|-----|------------|--------|------------|-----------------|
|        | APX™ 6500 / Enh Series | ENHANCEDAPX6500   |     |            |        |            |                 |
| 1      | M25QSS9PW1BN           | APX6500 ENHANCED UHF R1 MOBILE                                  | 6   | \$3,518.00 | 27.0%  | \$2,568.14 | \$15,408.84     |
| 1a     | GA00250AA              | ADD: GNSS/BT-WIFI THRU MNT ANT, 17FT LOW LOSS PFP-100A/240, QMA | 6   | \$110.00   | 27.0%  | \$80.30    | \$481.80        |
| 1b     | G48BD                  | ENH: CONVENTIONAL OPERATION APX6500                             | 6   | \$550.00   | 27.0%  | \$401.50   | \$2,409.00      |
| 1c     | G67DT                  | ADD: REMOTE MOUNT E5 APXM                                       | 6   | \$327.00   | 27.0%  | \$238.71   | \$1,432.26      |
| 1d     | G78AT                  | ENH: 3 YEAR ESSENTIAL SVC                                       | 6   | \$288.00   | 0.0%   | \$288.00   | \$1,728.00      |
| 1e     | GA09001AA              | ADD: WI-FI CAPABILITY   | 6   | \$330.00   | 27.0%  | \$240.90   | \$1,445.40      |
| 1f     | B18CR                  | ADD: AUXILIARY SPKR 7.5 WATT APX                                | 6   | \$66.00    | 27.0%  | \$48.18    | \$289.08        |
| 1g     | G843AH                 | ADD: AES ENCRYPTION AND ADP                                     | 6   | \$523.00   | 27.0%  | \$381.79   | \$2,290.74      |
| 1h     | G426AD                 | ADD: ANT 1/4 WAVE WHIP 450-470 MHZ                              | 6   | \$28.00    | 27.0%  | \$20.44    | \$122.64        |
| 1i     | G444AH                 | ADD: APX CONTROL HEAD SOFTWARE                                  | 6   | \$0.00     | 0.0%   | \$0.00     | \$0.00          |



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800





| Line # | Item Number | Description                      | Qty | List Price | Disc % | Sale Price | Ext. Sale Price |
|--------|-------------|----------------------------------|-----|------------|--------|------------|-----------------|
| 1j     | G806BL      | ENH: ASTRO DIGITAL CAI<br>OP APX | 6   | \$567.00   | 27.0%  | \$413.91   | \$2,483.46      |
| 1k     | GA01670AA   | ADD: APX E5 CONTROL<br>HEAD      | 6   | \$717.00   | 27.0%  | \$523.41   | \$3,140.46      |
| 1l     | W22BA       | ADD: STD PALM<br>MICROPHONE APX  | 6   | \$79.00    | 27.0%  | \$57.67    | \$346.02        |
| 1m     | QA09113AB   | ADD: BASELINE RELEASE<br>SW      | 6   | \$0.00     | 0.0%   | \$0.00     | \$0.00          |
| 1n     | W969BG      | ENH: MULTIKEY<br>OPERATION       | 6   | \$363.00   | 27.0%  | \$264.99   | \$1,589.94      |

Subtotal \$33,167.64

Estimated Tax \$2,750.97

**Grand Total \$35,918.61(USD)**

## Notes:



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.  
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 - #: 36-1115800



## Purchase Order Checklist NA OM

Marked as PO/ Contract/ Notice to Proceed on Company Letterhead  
(PO will not be processed without this)

PO Number/ Contract Number

PO Date

Vendor = Motorola Solutions, Inc.

Payment (Billing) Terms/ State Contract Number

Bill-To Name on PO must be equal to the *Legal* Bill-To Name

Bill-To Address

Ship-To Address (If we are shipping to a MR location, it must be documented on PO)

Ultimate Address (If the Ship-To address is the MR location then the Ultimate Destination address must be documented on PO )

PO Amount must be equal to or greater than Order Total

Non-Editable Format (Word/ Excel templates cannot be accepted)

Tax Exemption Status

Signatures (As required)

**NOTE:** When an email order is submitted a confirmation is sent from Motorola AutoNotify referencing a case number.

Once checklist is complete, order still must go through **Order Validation/Credit Approval**

Billing Address:  
EXETER POLICE DEPT, CITY OF  
100 N C ST  
EXETER, CA 93221  
US

Shipping Address:  
EXETER POLICE DEPT, CITY OF  
100 N C ST  
EXETER, CA 93221  
US

Quote Date:03/28/2025  
Expiration Date:06/26/2025  
Quote Created By:  
Ronald Taylor  
Ronald.Taylor1@  
motorolasolutions.com

End Customer:  
EXETER POLICE DEPT, CITY OF  
Eric Ott  
EOtt@tularecounty.ca.gov  
559.920.7785

Contract: 17724 - HGAC (TX)-RA05-21

Payment Terms:30 NET

| Line # | Item Number                      | Description                  | Qty | List Price | Disc % | Sale Price | Ext. Sale Price |
|--------|----------------------------------|------------------------------|-----|------------|--------|------------|-----------------|
|        | FLASHport Series                 | APX6500FLASHPORT             |     |            |        |            |                 |
| 1      | T7695A                           | DIGITAL CONVENTIONAL         | 1   | \$0.00     | 0.0%   | \$0.00     | \$0.00          |
| 1a     | W969BL                           | ENH: MULTIKEY OPERATION      | 5   | \$417.00   | 20.0%  | \$333.60   | \$1,668.00      |
|        | After Market Encryption Upgrades |                              |     |            |        |            |                 |
| 2      | T7936A                           | APX UCM UPGRADE CD*          | 1   | \$57.50    | 10.0%  | \$51.75    | \$51.75         |
| 2a     | CA00182AR                        | ADD: AES ENCRYPTION SOFTWARE | 6   | \$696.00   | 10.0%  | \$626.40   | \$3,758.40      |
|        | FLASHport Series                 | APX6500FLASHPORT             |     |            |        |            |                 |
| 3      | T7695A                           | DIGITAL CONVENTIONAL         | 1   | \$0.00     | 0.0%   | \$0.00     | \$0.00          |
| 3a     | W969BL                           | ENH: MULTIKEY OPERATION      | 1   | \$417.00   | 20.0%  | \$333.60   | \$333.60        |

**Grand Total** **\$5,811.75(USD)**

## Notes:

- Additional information is required for one or more items on the quote for an order.



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.  
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 - #: 36-1115800



- Unless otherwise noted, this quote excludes sales tax or other applicable taxes (such as Goods and Services Tax, sales tax, Value Added Tax and other taxes of a similar nature). Any tax the customer is subject to will be added to invoices.



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.  
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 - #: 36-1115800





## Purchase Order Checklist NA OM

Marked as PO/ Contract/ Notice to Proceed on Company Letterhead  
(PO will not be processed without this)

PO Number/ Contract Number

PO Date

Vendor = Motorola Solutions, Inc.

Payment (Billing) Terms/ State Contract Number

Bill-To Name on PO must be equal to the *Legal* Bill-To Name

Bill-To Address

Ship-To Address (If we are shipping to a MR location, it must be documented on PO)

Ultimate Address (If the Ship-To address is the MR location then the Ultimate Destination address must be documented on PO )

PO Amount must be equal to or greater than Order Total

Non-Editable Format (Word/ Excel templates cannot be accepted)

Tax Exemption Status

Signatures (As required)

**NOTE:** When an email order is submitted a confirmation is sent from Motorola AutoNotify referencing a case number.

Once checklist is complete, order still must go through **Order Validation/Credit Approval**

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** I.10

**Wording for Agenda:** Approve and authorize the City Administrator to execute a Memorandum of Understanding (MOU) Between the County of Tulare and the City of Exeter for Interim Police Chief Services.

**Submitting Department:** Administration  
**Contact Name:** Francesca Quintana, City Clerk/Human Resources Manager;  
Adam Ennis, City Administrator  
**Phone Number:** (559)592-9244 ext. 1001  
**Email:** [fquintana@exetercityhall.com](mailto:fquintana@exetercityhall.com),  
[adam@exetercityhall.com](mailto:adam@exetercityhall.com)

**For action by:**

☒ City Council

**Regular Session:**

☒ Consent Calendar

☐ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

City Staff recommends that the City Council approve the Memorandum of Understanding (MOU) between the County of Tulare and the City of Exeter for the temporary assignment of personnel to serve as the City's Interim Police Chief, and authorize the City Manager to execute the agreement and any necessary documents in a form approved by the City Attorney.

**Summary:**

The City of Exeter has agreed to enter into a Memorandum of Understanding (MOU) with the County of Tulare for the temporary assignment of Assistant Sheriff Robert Schimpf to serve as Interim Police Chief. This agreement formalizes an arrangement that has been in place since the resignation of former Chief John Hall on February 28, 2025. Assistant Sheriff Schimpf has provided exceptional leadership during this transition and has been instrumental in rebuilding and stabilizing the Exeter Police Department. The MOU outlines the scope of services, compensation, and terms of the assignment, ensuring continuity in law enforcement services until the permanent Police Chief position is filled.

The proposed MOU formalizes the temporary arrangement between the City and County and outlines the terms under which the Sheriff's Office will assign Assistant Sheriff Robert Schimpf to serve as Interim Police Chief, effective February 25, 2025. The agreement includes the following key provisions:

- **Scope of Services:** The Interim Police Chief will oversee and manage all aspects of the Exeter Police Department, including patrol operations, investigations, communications, and compliance with local, state, and federal laws, as referenced in the Police Chief job description.
- **Term:** The agreement is effective immediately and will remain in effect until the City hires a permanent Police Chief or unless otherwise terminated as outlined in the MOU.
- **Compensation:** The City will pay the County a flat fee of \$18,453.00 per month, payable within 15 days after the end of each month in which services are rendered.
- **Independent Contractor Status:** The County and its personnel will perform services as independent contractors and not as City employees.



- Indemnification: The City agrees to indemnify and defend the County and Interim Police Chief in connection with all services rendered under this agreement, except in cases of the County's sole active negligence or willful misconduct.
- Termination: Either party may terminate the MOU without cause with thirty (30) days written notice.
- This temporary arrangement ensures stability and continuity within the Police Department and allows the City sufficient time to conduct a thorough recruitment process for a permanent Police Chief.

**Background:**

The City of Exeter's Police Chief position has been vacant since February 28, 2025. In order to ensure continued leadership and oversight of the Exeter Police Department, staff has coordinated with the Tulare County Sheriff's Office to temporarily assign qualified personnel to serve as Interim Police Chief.

Assistant Sheriff Robert Schimpf has been serving in this interim role since the resignation of former Chief John Hall on February 28, 2025. Since stepping into the position, Assistant Sheriff Schimpf has been an excellent asset to the City. He has taken an active role in rebuilding and stabilizing the Police Department and has brought with him years of expertise, professionalism, and strong leadership skills. His service has had a positive and meaningful impact, and the City is truly grateful to have him in this critical role during this transitional period.

The County of Tulare, acting through its Sheriff's Office, possesses the capacity and expertise to provide interim law enforcement leadership services. Assistant Sheriff Robert Schimpf has been identified and agreed upon as the appropriate personnel to be assigned as Interim Police Chief for the City of Exeter.

**Fiscal Impact:**

The monthly cost to the City for these services is \$18,453.00. The Chief of Police position salary and benefits are already accounted for and encompassed in the adopted FY 24-25 budget, thus the cost is covered.

**Prior Council/Board Actions:**

None.

**Attachments:**

- Memorandum of Understanding between the City of Exeter and the County of Tulare with Exhibit A
- Police Chief Job Description

**Recommended motion to be made by Council/Board:** I move to approve and authorize the City Administrator to execute a Memorandum of Understanding (MOU) Between the County of Tulare and the City of Exeter for Interim Police Chief Services.

## **MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN COUNTY OF TULARE AND THE CITY OF EXETER**

This MOU is made and entered into as of the **28th day of February 2025** by and between the County of Tulare acting through its Sheriff's Office (hereinafter "County") and the City of Exeter, California (hereinafter "City"), each a "Party" to this MOU.

### **RECITALS**

WHEREAS, the Tulare County Sherriff's Office ("Sheriff") has the resources, knowledge, and ability to provide limited law enforcement services on a temporary basis to the City; and,

WHEREAS, the City has an immediate need to utilize Sheriff's personnel to fill its Police Chief vacancy for a limited time.

The County and City mutually agree as follows:

#### **1. PURPOSE**

This MOU defines the scope of services, duties and responsibilities of the Sheriff to provide limited law enforcement services to the City, specifically by providing personnel to serve as Interim Police Chief.

#### **2. SCOPE OF SERVICES**

The Sheriff agrees to perform its duties and responsibilities and provide such services as described in the scope of services attached as Exhibit A and incorporated herein by reference.

#### **3. TIME OF PERFORMANCE**

This MOU shall be in effect immediately and shall terminate upon City hiring a Police Chief, or as provided under section 10 below.

#### **4. CHANGES AND AMENDMENTS**

Either the County or the City may request changes in the scope of services. Any mutually agreed upon changes shall be effective when incorporated in written and signed amendments to this MOU.

#### **5. COST AND PAYMENT OF SERVICES**

City agrees to pay, and the County agrees to receive **\$18,453.00** in the form of a monthly flat fee, payable within 15 days after the end of the month in which services were rendered.

#### **6. ASSIGNMENT OF PERSONNEL**

The Sheriff agrees to assign Assistant Sheriff Robert Schimpf (hereinafter "Interim Police Chief") to serve as City of Exeter Interim Police Chief beginning on: **February 28, 2025**.

## **7. INDEPENDENT CONTRACTOR STATUS**

The Parties agree and understand that the County, its employees, designees, and/or agents will perform these services as an independent contractor rather than as an employee of the City.

## **8. DISPUTE RESOLUTION**

If the Parties fail to mutually agree on any matters under this MOU or if either Party believes the other has failed to satisfactorily perform or is otherwise in breach of this MOU, the Parties shall submit the matter to resolution according to the following procedures:

A. If there is a disagreement, dispute or alleged breach arising out of or in connection with this MOU, the disputing Party shall first provide a written statement to the other describing the general nature of the claim.

B. The statement must indicate that it is the first statement of a formal dispute resolution process.

C. The statement need not be complete and does not limit the claim(s) of either Party in any further action or procedure.

D. Within ten (10) business days of the receipt of the statement, the respective authorized representatives shall meet and confer in good faith to either:

(1) Resolve the matter and set forth such resolution in writing; or,

(2) Define the dispute in writing including a description of each Party's position, proposed resolution(s) and projects or tasks that would be affected.

E. If the agencies fail to resolve the matter, within ten (10) business days of such failure to agree, a representative from the County and the City Manager shall meet and confer in good faith to attempt to further resolve the matter. The description of the dispute as written by the respective Department chairpersons/authorized representatives shall serve as the basis for further attempts at resolution.

F. A resolution of the matter shall be memorialized in writing and incorporated into this MOU.

## **9. INDEMNIFICATION AND DEFENSE**

A. To the fullest extent permitted by law, City must indemnify, defend (at City's sole cost and expense and with legal counsel approved by County, which approval may not be unreasonably withheld), protect and hold harmless County and Interim Police Chief, all subsidiaries, divisions and affiliated agencies of County, and all of their representatives, partners, designees, officers, directors, employees, consultants, agents, successors and assigns, (each, an "Indemnified Party" and collectively, the "Indemnified Parties"), from and against all claims(including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs, and all other professional expert or consultants' fees and costs and County general and administrative expenses) of every kind and nature whatsoever (individually, a "Claim"; collectively, "Claims") which may arise out of, pertain to, or relate (directly or indirectly) to any work performed or services provided under this MOU (including, without limitation, the acts, decisions, errors

and/or omissions of Interim Police Chief). City's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of the County. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of the County, then City's indemnification obligation shall be reduced in proportion to the established comparative liability.

B. The duty to defend is a separate and distinct obligation from City's duty to indemnify. City shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, the Indemnified Parties immediately upon tender to City of the Claim in any form or at any stage of an action or proceeding, whether or not liability is established. Payment to City by any Indemnified Party or the payment or advance of defense costs by any Indemnified Party cannot be a condition precedent to enforcing the Indemnified Party's rights to indemnification under this MOU. An allegation or determination that persons other than City are responsible for the Claim does not relieve City from its separate and distinct obligation to defend under this section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if City asserts that liability is caused in whole or in part by the negligence or willful misconduct of County. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of County, then City may submit a claim to the County for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the County. City's indemnification obligations under this MOU will survive the expiration or earlier termination of this MOU until action against the Indemnified Parties for the matter indemnified is fully and finally barred by the applicable statute of limitations or statute of repose. City's liability for indemnification under this MOU is in addition to any liability City may have to County for a breach by City of any of the provisions of this MOU. Under no circumstances may the insurance requirements and limits set forth in this MOU be construed to limit City's indemnification obligation or other liability under this MOU. The terms of this MOU are contractual and the result of negotiation between the Parties.

C. City must indemnify and hold County and Interim Police Chief harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses, for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by County, or any of its officers or agents, including Interim Police Chief, of articles or services to be supplied in the performance of this MOU.

#### **10. TERMINATION**

City and County may terminate this MOU without cause by giving thirty (30) days' prior written notice to the other Party of its intention to terminate under this provision, specifying the date of termination. City will pay County the compensation earned for work satisfactorily performed and not previously paid for to the date of termination.

- A. Effects of Termination: Expiration or termination of this MOU will not terminate any obligations to indemnify, to maintain and make available any records pertaining to the MOU, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities. Where City terminates Sherriff's services, that termination will not affect any rights of County to recover damages against City.

**11. RECORD KEEPING**

Both Parties agree to maintain complete and accurate records with respect to the services rendered and the costs incurred under this MOU. All of the records must be prepared in accordance with generally accepted accounting procedures, must be clearly identified, and must be kept readily accessible. Upon request, Parties must make the records available, for the purpose of auditing and/or copying the records for a period of five (5) years from the date of final payment under this MOU.

**12. FURTHER ASSURANCES**

Each Party will execute any additional documents and perform any further acts that may be reasonably required to affect the purposes of this MOU.

**13. CONSTRUCTION**

This MOU reflects the contributions of all Parties and so the provisions of Civil Code section 1654 will not apply to address and interpret any alleged uncertainty or ambiguity.

**14. HEADINGS**

Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning, or intent of the provisions under the headings.

**15. NO THIRD-PARTY BENEFICIARIES INTENDED**

Unless specifically set forth, the Parties to this MOU do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

**16. WAIVERS**

The failure of either Party to insist on strict compliance with any provision of this MOU will not be considered a waiver of any right to do so, whether for that breach or any later breach. The acceptance by either Party of either performance or payment will not be considered a waiver of any preceding breach of the MOU by the other Party

///

///

///

**17. ORDER OF PRECEDENCE**

In the event of any conflict or inconsistency between or among the body of the MOU and any Exhibit, Schedule, or Attachment, then the terms and conditions of the body of the MOU shall prevail.

**18. ENTIRE AGREEMENT**

This MOU constitutes the entire agreement between the County and the City. There are no terms, conditions or obligations made or entered into by the Parties other than those contained herein.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

City of Exeter

County of Tulare

By \_\_\_\_\_

Print Name: Adam Ennis

Title: City Administrator

By \_\_\_\_\_

Pete Vander Poel

Chairman, Board of Supervisors

ATTEST: JASON T. BRITT

County Administrative Office / Clerk of  
the Board of Supervisors

By: \_\_\_\_\_

Approved as to Form:

County Counsel

Approved as to Form:

Attorney, City of Exeter

By \_\_\_\_\_

Deputy

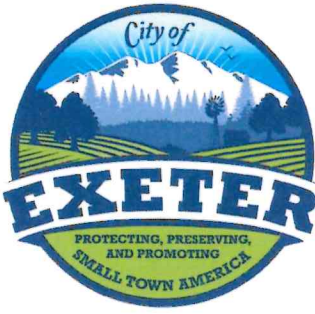
By \_\_\_\_\_

City Attorney



EXHIBIT A  
SCOPE OF SERVICES

County will provide personnel to serve as City's Interim Police Chief, as referenced in the attached job description . Under administrative direction, the Interim Police Chief will oversee the City Police Department and plan, organize, direct, and manage all law enforcement activities of the City, including patrol, investigations, communications, evidence, crime scene investigation, and records. Interim Police Chief will exercise general supervision over assigned staff and oversee enforcement of applicable federal, state and local laws and ordinances, protection of life and property, and preservation of order.



March 2025  
Classification: Sworn  
FLSA: Exempt, At-will, Contract  
Salary: \$10,663 - \$12, 594 per month

## CHIEF OF POLICE

### **DEFINITION:**

Under administrative direction, plans, organizes, directs, and manages all law enforcement activities of the City, including patrol, investigations, communications, evidence, crime scene investigation, and records. Responsible for enforcement of applicable federal, state and local laws and ordinances, protection of life and property, and preservation of order. This position is “at will” and serves solely at the discretion of, and under the supervision and direction of, the City Administrator and City Council.

### **SUPERVISION RECEIVED AND EXERCISED:**

Receives general direction and supervision from the City Administrator. May exercise general supervision over assigned staff, programs, and projects.

### **CLASS CHARACTERISTICS:**

The single-position classification that is responsible for all activities of the Police Department. Incumbents perform highly responsible and professional work in planning, organizing, and directing the activities of the Police Department in law enforcement and the prevention of crime. The work requires extensive public contact, the frequent use of tact, discretion, and independent judgment, knowledge of City activities, and the ability to conduct independent projects. The incumbent is accountable for accomplishing goals and objectives for the office and for furthering City goals and objectives within general policy guidelines.

### **EXAMPLES OF ESSENTIAL FUNCTIONS (Illustrative Only):**

*The following duties ARE NOT intended to serve as a comprehensive list of all duties performed by all employees within this classification; they represent only a summary of the primary duties and responsibilities. Incumbent(s) may not be required to perform all listed duties and may be required to perform, additional position specific duties*

- Plans, organizes, coordinates, controls and administers the enforcement of local, state, and federal laws,
- Administers the provision of programs and services to protect life and property and preserve order,
- Provides for enforcement and regulation of traffic laws,
- Provides for the apprehension, arrest and detention of law violators,
- Maintains policies and procedures for the maintenance of police records,
- Establishes and maintains effective law enforcement and crime prevention programs,
- Establishes broad department policies; evaluates operations, and implements improvement when necessary,
- Determines service levels and staffing requirements,
- Analyzes operational and service demands,
- Develops law enforcement policies and procedures,
- Manages and participates in the development and administration of the department’s budget; directs the forecast of funds needed for staffing, equipment and supplies; directs the monitoring of and approves expenditures; directs the preparation and implementation of budgetary adjustments,

- 
- Establishes and maintains effective relationships with other law enforcement agencies and other units of local government,
  - Speaks to members of the media and manages public information related to law enforcement, disaster preparedness and response, and related activities,
  - Makes recommendations pertaining to legislation concerning law enforcement,
  - Conducts performance evaluations of departmental staff,
  - Recruits, hires, evaluates, and disciplines departmental employees,
  - Explains policies procedures and objectives to staff by written directive and by oral communications,
  - Establishes standards of performance for each position supervised,
  - Conducts staff meetings, public meetings, community presentations, and City Council presentations,
  - Attends Exeter City Council meetings and prepares staff reports, presentations, resolutions, notice of public hearings, and ordinances,
  - Attends to a variety of office administrative details, such as keeping informed of departmental activities, transmitting information, ordering and coordinating supply orders, preparing contracts and agreements, arranging for equipment purchases and maintenance, attending meetings, preparing timesheets, tracking time-off requests for payroll, and serving on various task forces and committees,
  - Clarifies, interprets, ensures compliance with, and suggests changes to Personnel Rules and Regulations, City policies and procedures, Memoranda of Understanding (MOU), and other pertinent rules and regulations,
  - Monitors changes in laws, regulations and technology that may affect department operations; implements policy and procedural changes as required,
  - Performs a variety of community relations activities to establish and maintain an effective public image and communication network for the Department,
  - Participates on the City's management team; assists in decision making and policy advice to the City Administrator and Department Heads by providing an adequate foundation of information regarding significant events and issues,
  - As a sworn law enforcement officer, may be called upon to perform any and all tasks typically performed by a Police Officer – thus the duties and responsibilities of the Police Officer classification are also incorporated herein by reference, and
  - Perform related work as required.

## **QUALIFICATIONS**

### **Knowledge of:**

- Federal, state, and local laws and regulations regarding civil and criminal violations,
- Municipal ordinances, codes, rules, and regulations,
- Principles and practices of modern police and public administration,
- Municipal budget preparation and analysis,
- Principles of supervision, training and performance evaluation,
- Appropriate safety precautions, policies, and procedures,
- Advanced English grammar, usage spelling and composition,
- Computer usage and applications including word processing and spreadsheets,
- Automated and manual records management principles and practices, including legal requirements for recording, retention, and disclosure,
- Advanced technology, particularly as applied to law enforcement,
- Standard office administrative practices and procedures, including the use of standard office equipment, computer hardware and software including spreadsheets, and related technology,
- A variety of public documents including contracts and ordinances,
- Business letter writing and the standard format for reports, correspondence and presentations,

- 
- Techniques for effectively representing the City in contacts with governmental agencies, community groups, various business, professional, educational, and regulatory organizations and with property owners, developers, contractors, and the public, and
  - Techniques for dealing effectively with the public, vendors, contractors, and City staff, in person and over the telephone, and providing a high level of customer service.

**Ability to:**

- Provide effective and efficient administrative and professional leadership and direction for the City Police Department,
- Conduct law enforcement operations including arrest, search, seizure, incarceration, interrogation, investigation and use of deadly force,
- Meet all legal requirements and obligations of the Police Department in a timely and effective manner,
- Plan, organize and administer the work of the Police Department,
- Analyze police organizational patterns and make appropriate modifications,
- Oversee and coordinate maintenance and management of the Police Department records,
- Interpret, apply, and explain complex laws, codes, regulations, and ordinances,
- Schedule, assign, supervise, review, and evaluate the work of staff as needed,
- Act calmly and quickly in emergency situations and to make effective decisions in such circumstances,
- Train and motivate staff,
- Develop and implement goals, objectives, policies, procedures, work standards, and internal controls for the office,
- Provide varied, confidential, and complex administrative work requiring the use of independent judgment, tact, and discretion,
- Respond to, effectively prioritize, and resolve as needed multiple phone calls, walk-up traffic, and other requests/interruptions,
- Interpret and implement policies, procedures, technical processes, and computer applications related to the department to which assigned,
- Prepare and implement the department budget,
- Perform research and prepare reports and recommendations,
- Compose correspondence and reports independently or from brief instructions,
- Operate modern office equipment including computer equipment and software programs,
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials,
- Organize own work, coordinate projects, set priorities, meet critical deadlines, and follow-up on assignments with a minimum of direction,
- Provide exceptional customer service to coworkers, internal customers, and the public,
- Use English effectively to communicate in person, over the telephone, and in writing,
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines,
- Establish and maintain effective working relationships with employees and those contacted in the course of the work,
- Make public presentations, and
- Operate a vehicle observing legal and defensive driving practices, including in emergency situations.

---

## **Education and Experience:**

Any combination of education, experience, and training which demonstrates the knowledge, skills, and abilities to perform the duties of the position and to learn skills normally acquired on the job is qualifying. Typically this would be: Graduation from an accredited four-year college or university with completion of a Bachelors Degree in criminal justice, police science, public administration or a related field; and more than five years of increasingly responsible experience in a law enforcement agency, with at least three years in a supervisory or management capacity, preferably in a municipal police department, or any combination of training and experience that provides the desired knowledge and abilities.

## **Licenses and Certifications:**

- Possession of a Basic Certificate issued by the State Commission on Peace Officer Standards and Training (P.O.S.T.),
- Possession of California Peace Officer Standards and Training (P.O.S.T.) Intermediate and Advanced Certificates,
- Possession of a California Peace Officer Standards and Training (P.O.S.T.) Supervisory Certificate desirable, and
- Possession of a valid and appropriate California's driver's license.

## **PHYSICAL DEMANDS**

Must possess ability to:

- Work in a standard office setting and use standard office equipment, including a computer,
- Operate a motor vehicle safely and effectively, including in emergency response situations,
- Hear and see clearly - Specific vision abilities required include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus,
- Use hands to control and operate machinery, equipment, tools, and weapons,
- Occasionally lift and/or move more than 100 pounds,
- Frequently work in outside weather conditions, possibly of an extreme or dangerous nature,
- Appropriately apply and efficiently and effectively use weapons, including all manner of firearms, bladed or edged weapons, chemical weapons, striking weapons, restraint devices, and other law enforcement technology,
- Occasionally work near working mechanical parts; in high, precarious places; or with explosives or toxic, noxious, caustic or otherwise unpleasant or dangerous substances,
- Occasionally exposed to wet and/or humid conditions, fumes or airborne particles, extreme cold, extreme heat, and vibration. The noise level in the work environment is usually moderate,
- Communicate in person, before groups and over the telephone or radio,
- Maintain P.O.S.T. physical standards, including mobility and physical strength and stamina to respond to emergency situations and apprehend suspects,
- Positions in this classification frequently bend, stoop, kneel, reach and climb to perform work and inspect work sites, and
- Employees must possess the ability to lift, carry, push, and pull materials and objects necessary to perform job functions.

## **ENVIRONMENTAL ELEMENTS**

Employees work indoors and outdoors, and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing laws and ordinances, as well as departmental policies and procedures.

The tasks and demands listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.



## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** J.1

**Wording for Agenda:** Adoption of Resolution 2025-10, A Resolution of the City Council of the City of Exeter, Directing the City Engineer to Prepare a Report for the current twenty (20) City of Exeter Landscape and Lighting Maintenance Assessment Districts 91-01A; 91-01B; 97-01; 98-01; 08-01; 06-01; 05-01; 05-02; 04-01; 04-02; 04-03; 04-04; 04-05; 03-01; 03-02; 01-01; 01-02; 00-01, 00-02, and 23-01.

**Submitting Department:** Finance  
**Contact Name:** Martin Querin, City Engineer  
**Phone Number:** (559)737-0440  
**Email:** [john.doyel@gkinc.com](mailto:john.doyel@gkinc.com), [Martin.Querin@gkinc.com](mailto:Martin.Querin@gkinc.com)

**For action by:**

☒ City Council

**Regular Session:**

☐ Consent Calendar

☒ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

It is recommended that the City Council adopt a resolution directing the City Engineer to prepare a report on the twenty listed Landscape and Lighting Assessment Districts.

**Summary/Background:**

The purpose of landscaping and lighting districts is to provide maintenance to the turf areas, shrubs, trees, irrigation systems and walls within the common areas of subdivisions. The City of Exeter has formed twenty of these assessment districts pursuant to the Landscaping & Lighting Act of 1972 (Section 22500 and following, Streets & Highways Code).

The Director of Public Works typically utilizes the services of qualified landscape contractors to do the actual maintenance. This serves two (2) purposes; a) to limit undue burden on existing City crews and b) to easily track the actual costs for maintenance. This second item also makes it easier for the Finance Department to account for the costs on an annual basis. Staff has the cost projections for 2024-2025 and will be utilizing this information, along with any necessary adjustments, for the 2025-2026 assessment needs.

Each year the City Council requests the City Engineer prepare a report of costs that will be levied on these existing assessment districts. Further details regarding these twenty landscape and lighting districts are provided below:

- 91-01A County View Estates No. 1/Country View Estates No. 2/Awbrey Estates;
- 91-01B Wildrose Estates No. 1;
- 97-01 Wildrose Estates No. 2;
- 98-01 Citruscrest Estates No.1;
- 00-01 Glenn View Estates No.1;



- 00-02 Glenn View Estates No. 2;
- 01-01 Glenn View Estates No. 3;
- 01-02 Citruscrest Estates No. 2;
- 03-01 Glenn View Estates No.4;
- 03-02 Glenn View Estates No. 5;
- 04-01 Glenn View Estates No. 6;
- 04-02 Orchard Estates;
- 04-03 Maple Place;
- 04-04 Park Place No. 1;
- 04-05 Park Place No. 2;
- 05-01 Blossom Estates;
- 05-02 Country View Estates No. 3;
- 06-01 Rocky Hill Haciendas;
- 08-01 Exeter Golf Estates;
- 23-01 Yokohl Landing

These districts were formed upon approval, and as a part, of each subdivision's Final Maps. It is anticipated that any assessment increases will be within previous property owner approval and that each lot within each subdivision would be assessed an amount equal to the projected costs for said maintenance for the 2025-2026 fiscal year.

Each annual update reviews the costs from the previous year and adjusts the fees as may be necessary to cover costs for the upcoming year. The original formation resolutions included allowances for an annual adjustment for all but one district based upon a CPI increase in conformance with Prop 218 per the City Attorney's recommendation.

Individual circumstances of each district will be considered and the assessments will be adjusted appropriately. The April 22<sup>nd</sup> Council meeting kicks-off the annual 2025-2026 process for the annual review with the resolution described above.

The City Council is currently undertaking the process of trying to consolidate eight of these districts into two districts to reduce costs and to make the maintenance process more efficient. The City Engineer will draft reports for all twenty districts in case the May 27<sup>th</sup> public hearing for the consolidation doesn't pass and each district will still need to have a report prepared for them individually.

#### **Fiscal Impact:**

This action would likely lead to increasing 2025/2026 assessments over last year's assessments of \$96,701.44 for maintenance of the districts. Without the assessments there would be no available funding for the district's maintenance and, since these districts were formed for the benefit of the property owners within the subdivisions, responsibility to fund the maintenance is incumbent upon those property owners.

In addition, there will be several days of preparation needed by staff and the City Engineer to compile the necessary data and finalize the report for approval by City Council for updating the projected costs for the districts in 2025-26 which is estimated to cost \$10,000-\$12,000 of which City Engineer time is paid for by the districts.

**Prior Council/Board Actions:**

This is done annually by City Council for the existing Landscape and Lighting Districts.

**Attachments:**

- Resolution 2025-10

**Recommended motion to be made by Council/Board:** I move to adopt Resolution 2025-10, A Resolution of the City Council of the City of Exeter, Directing the City Engineer to Prepare a Report for the current twenty (20) City of Exeter Landscape and Lighting Maintenance Assessment Districts 91-01A; 91-01B; 97-01; 98-01; 08-01; 06-01; 05-01; 05-02; 04-01; 04-02; 04-03; 04-04; 04-05; 03-01; 03-02; 01-01; 01-02; 00-01, 00-02, and 23-01.

**RESOLUTION 2025-10**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EXETER DIRECTING CITY ENGINEER TO PREPARE A REPORT ON ASSESSMENT DISTRICT NOS. 91-01A; 91-01B; 97-01; 98-01; 08-01; 06-01; 05-01; 05-02; 04-01; 04-02; 04-03; 04-04; 04-05; 03-01; 03-02; 01-01; 01-02; 00-01, 00-02, and 23-01.**

**WHEREAS**, the City of Exeter has formed twenty assessment districts pursuant to the Landscaping & Lighting Act of 1972 (Section 22500 and following, Streets & Highways Code) for the purpose of the following improvements:

Maintenance of turf areas, shrubs, trees, irrigation systems and walls; and

**WHEREAS**, the City Council needs to direct the City Engineer to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscaping & Lighting Act of 1972.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council does herewith direct and order the City Engineer to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscaping & Lighting Act of 1972 for the 20 districts listed above.

**PASSED AND ADOPTED THIS 22nd DAY OF APRIL, 2025, BY THE FOLLOWING VOTE:**

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
JACOB JOHNSON, MAYOR

ATTEST:

\_\_\_\_\_  
FRANCESCA QUINTANA, CITY CLERK

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** J.2.

**Wording for Agenda:** Receive the Fiscal Year 2023/2024 Audited Financial Statements for the City of Exeter, review the financial condition of the City, and provide feedback.

**Submitting Department:** Finance  
**Contact Name:** Rene Miller, Hourly Finance Manager  
**Phone Number:** (559)592-2755  
**Email:** [rmiller@exetercityhall.com](mailto:rmiller@exetercityhall.com)

**Department Recommendation:**

City Staff recommends that the City Council:

- Receive the Fiscal Year 2023/2024 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, 2024

**Summary/Background:**

State law requires the City of Exeter to prepare annual financial statements and then have them audited. Furthermore, an audit is a valuable management tool for assessing an organization's fiscal performance that can reveal underlying causes of financial distress. It serves as a resource for credit rating agencies while serving as a valuable vehicle to management for improving financial controls and practices. Audit reports may also identify internal control weaknesses and vulnerabilities to fraud.

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 2023/2024 fiscal year, the City had the following report for following its financial policies.

Table 1: 2021/22 Fiscal Year Financial Policy Report Card

| FINANCIAL POLICY   | FY 21/22 RESULTS<br>ACTION ITEMS                      |
|--|---|
| Balanced Budget  | GF-Yes & Enterprise Funds-Yes                         |
| Budget Reserve 25%   | Partially achieved: GF, - Yes, Enterprise Funds - No  |
| One-time revenues towards reserves or one-time use         | Yes   |
| Enterprise Rates should cover operations and capital needs | No for Water Fund and Yes for Sewer & Sanitation Fund |
| Investment Policy to keep cash liquid and safe             | Yes   |
| Debt sparingly used  | Yes   |
| Annual Audit timely  | No, 01/18/23 issue date                               |

For the 2022/2023 fiscal year, City Council had in place a balanced budget and continued actions to improve financial conditions. Despite the continued challenges with the economic uncertainty and inflation, the City was able to adhere to the budgeted expenditures without utilizing more than the projected revenues during FY2022/2023. By adhering to its' financial policies, the City's financial condition will continue to improve.

**For action by:**

☒ City Council

**Regular Session:**

☐ Consent Calendar

☒ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**





Table 2: 2022/23 Fiscal Year Financial Policy Report Card

| FINANCIAL POLICY   | FY22/23 RESULTS<br>ACTION ITEMS                       |
|--|---|
| Balanced Budget  | GF-Yes & Enterprise Funds-Yes                         |
| Budget Reserve 25%   | Partially achieved: GF,- Yes, Enterprise Funds - No   |
| One-time revenues towards reserves or one-time use         | Yes   |
| Enterprise Rates should cover operations and capital needs | No for Water & Sanitation Fund and Yes for Sewer Fund |
| Investment Policy to keep cash liquid and safe             | Yes   |
| Debt sparingly used  | Yes   |
| Annual Audit timely  | No. 05/10/24 issue date                               |

The Enterprise Funds for Water and Sewer underwent a Proposition 218 process in late 2019; as a result of that process, the Council approved rate increases to ensure that rates cover operations, debt service, capital needs, and required reserves. 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 a restriction of approximately \$400,000 cash in each fund during FY2019/2020. Rates for Water and Sewer Enterprise Funds have increased annually through January 2024 to fund maintenance and capital improvement projects needed to provide reliable and efficient systems. The final increase in January 2024 resulted in the funds being able to cover the majority of the necessary expenditures with the anticipation that only minor cost index increases would be needed thereafter. As to the Sewer Enterprise Fund, the final increase in January 2024 resulted in the funds being able to cover most of the necessary expenditures with the anticipation that only minor cost index increases would be needed thereafter. Furthermore, due to the Covid-19 emergency moratorium, the City was not able to deal with water fees delinquencies for nearly three years. The water shut off resumed during January 2023 and the City staff have been working diligently to bring the delinquencies into a more manageable level. Sanitation Fund is reporting a positive fund balance. As a part of a collective effort in negotiating the contract with Mid Valley, the City implemented another Prop 218 rate increase to update the Refuse rates to be able to recover the operating costs in addition to the needed infrastructure needs and required reserves which attributed to the faster fund rebound.

Table 3: 2023/24 Fiscal Year Financial Policy Report Card

| FINANCIAL POLICY   | FY 23/24 RESULTS<br>ACTION ITEMS                      |
|--|---|
| Balanced Budget  | GF - Yes & Enterprise Funds - Yes                     |
| Budget Reserve 25%   | Partially achieved GF - Yes, Enterprise Funds - No    |
| One-time Revenues towards reserves or one-time use         | Yes   |
| Enterprise Rates should cover operations and capital needs | No for Sanitation Fund and Yes for Water & Sewer Fund |
| Investment Policy to keep cash liquid and safe             | Yes   |
| Debt sparingly used  | Yes   |
| Annual Audit timely  | Better Goal date is 12/31 issue date 2/26/25          |

### Background Discussion:

State law requires the City to prepare audited financial statements for each fiscal year. The attached 2023/2024 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, 2024, with the final letter dated February 26, 2025. The report acknowledged the following signs of continued improvement in the City's financial condition: Primary revenues in all funds were at or exceeded budget and

expenditures in the General Fund and Enterprise Funds. All Funds reported positive unassigned fund balances at June 30, 2024.

- City Council's requirement for a balanced budget resulted in an 88% Fund Balance to total annual Expenditures.
- With the July, 2024 rate increase Water, Sewer, Sanitation Equity balances continue to grow.
- The City's Enterprise Funds (Water, Sewer and Refuse) are gaining fiscal health. Water working capital is 171% of annual expenditures, while Sewer Fund working capital is 161% of annual expenditures. The Sanitation Fund working capital is 9% of annual expenses.

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 2023/2024 Audited Financial Statements will be available on the City's web site.

#### Auditor Comments

The City received verbal warnings on a few areas for past years and now, the following comments were noted on the audit report.

- Delay in presenting the Treasurer's report to Council.

In the last few years, the City has faced major staffing challenges as a small agency with staff turnovers. Over the last fiscal year, Staff developed procedures to complete the reconciliations using a "proof of cash" method. They included preparation signatures and approval/review signatures. During the current fiscal year, staff presented the first two quarters of treasurer reports in March and the third quarter treasurer report at the current council meeting which is within the 30 day period after the end of the quarter required by the State. .

- Duplicate Vendors

The staff has reviewed and located multiple vendors created due to Employer Identification Number change, federal tax classification change, and when vendors have multiple departments with different mailing addresses. Staff have reached out to the financial software representative for recommendations and has completed consolidating any vendors with the same name and same Employer Identification Number to eliminate any future confusion and noncompliance. There are still a few vendors who will continue to be an issue as they cannot be deleted.

#### 2023/2024 Report Card Discussion

##### General Fund Balance

The General Fund revenue has been growing at a steady pace in the past few years. The growth is largely attributed to the Property Tax and Utility Users Tax growth. By June 30, 2023, the City's General Fund reserve grew to \$5,358,003, achieving the reserve level at 93.9%. The fund gain is attributed to revenue growth and transfers from Measure P and street funds.



|                             | FY23 ACTUAL         | FY24 ACTUAL         |
|-----------------------------|---------------------|---------------------|
| Beginning Fund Balance      | \$ 4,090,680        | \$ 4,603,406        |
| GF Revenue                  | 5,326,480           | 6,004,562           |
| GF Expenditures             | 5,168,112           | 5,703,646           |
| Transfers In/Out            | 354,358             | 453,682             |
| Net Fund Gain               | 512,726             | 754,597             |
| <b>Ending Fund Balance</b>  | <b>\$ 4,603,406</b> | <b>\$ 5,358,003</b> |
| 25% Reserve of Expenditures | 1,292,028           | 1,425,912           |
| <b>Reserve %</b>            | <b>89.1%</b>        | <b>93.9%</b>        |

#### Enterprise Fund Balance

The Enterprise Fund overall fiscal health of the three business Funds have been improving for the last few years. The 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 and the final increase was implemented January 2024. As a result of the City's concerted effort in adhering to the financial policies and providing fiscal oversight, all three business funds are back in the black. Both Water and Sewer systems need more capital investment as demonstrated by a high number of water leaks and lift station repairs. In part due to the fee increases, staff have been able to begin addressing these issues now instead of continuing deferral.

#### Measure P

The passage of Measure P by voters in November 2020 has helped insure the City has a stronger financial standing going into the future while covering deferred needs for essential and desired services wanted by the voters. During fiscal year 2023/2024, a total of \$2,028,226 was received from the Measure P sales tax. In the first couple of years of this tax measure, revenue came in higher than projected (\$1.6M in FY 2021/2022 and \$1.8M in FY 22/23). Measure P revenue projection can be challenging due to lack of historical data. In addition, Measure P is a sales tax-based revenue source, and the revenue can fluctuate with the economy.

Measure P budgeted expenditures for the year was \$1,251,800, however, the actual expenditures were \$604,938 and was approved by Measure P Committee. The Measure P fund continues to cover several essential needs of the City including funding one full time Police Officer and partial funding for Sergeant and Lieutenant positions along with one full time Code Enforcement position. In addition, Measure P fund will fund ongoing expenditures of the Public Safety, Parks, Recreation Program, and Street overlays and rebuilds.

The Measure P beginning fund balance was \$3,300,019 at June 30, 2024, Some of this amount is being held for large projects and equipment purchases that will require multiple years to acquire the needed funds. At year end, while only a \$120,000 Revenue exceeding expenditures were budgeted, the City actually increased fund balance by \$1,423,288.

Even with the instability of the economy over the last year, 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 along with increasing CalPERS pension cost. The City is in a better position to withstand future known and unknown financial pressures. However, it is important to remain cautiously optimistic to prepare for possible cost increase outpacing the growth of revenues, along with inflation, and predictions of a potential recession.

#### **Fiscal Impact:**

This item is informational. There is no fiscal impact.

**Prior Council/Board Actions:**

Not applicable

**Attachments:**

- 2023/2024 Financial Audit Report
- PowerPoint Presentation

**Recommended motion to be made by Council/Board:** No action required, the Council is asked to receive a report and provide feedback on the Financial Policy Report Card for the City as of June 30, 2024.

CITY OF EXETER

AUDITED BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

## FINANCIAL SECTION

**CITY OF EXETER**  
**BASIC FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2024**

| <b><u>Financial Section:</u></b>   | <b><u>PAGE</u></b> |
|--|--------------------|
| Independent Auditor's Report   | 1                  |
| Management's Discussion and Analysis   | 4                  |
| Basic Financial Statements:  |                    |
| Government-wide Financial Statements:  |                    |
| Statement of Net Position  | 12                 |
| Statement of Activities  | 13                 |
| Fund Financial Statements:   |                    |
| Governmental Funds:  |                    |
| Balance Sheet  | 14                 |
| Reconciliation of the Balance Sheet to the   |                    |
| Statement of Net Position  | 15                 |
| Statement of Revenues, Expenditures, and Changes in                                  |                    |
| Fund Balances  | 16                 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes               |                    |
| in Fund Balances to the Statement of Activities                                      | 17                 |
| Proprietary Funds:   |                    |
| Statement of Net Position - Enterprise Funds   | 18                 |
| Statement of Revenues, Expenses, and Changes in                                      |                    |
| Fund Net Position - Enterprise Funds   | 19                 |
| Statement of Cash Flows - Enterprise Funds   | 20                 |
| Notes to the Financial Statements  | 21                 |
| <b><u>Required Supplementary Information:</u></b>                                    |                    |
| Schedule of City's Proportionate Share of Net Pension Liabilities and Related Ratios | 49                 |
| Schedule of Plan Contributions   | 50                 |
| Major Governmental Funds Statements of Revenues, Expenditures,                       |                    |
| and Changes in Fund Balances - Budget and Actual:                                    |                    |
| General Fund   | 51                 |
| Housing Funds  | 52                 |
| American Rescue Plan Act Fund (ARPA)   | 53                 |
| Measure P Fund   | 54                 |
| <b><u>Supplementary Information:</u></b>   |                    |
| Combining and Individual Nonmajor Governmental Funds Statements:                     |                    |
| Combining Balance Sheet - Nonmajor Governmental funds                                | 55                 |
| Combining Statement of Revenues, Expenditures, and                                   |                    |
| Changes in Fund Balances - Nonmajor Governmental funds                               | 57                 |
| <b><u>Other Reports:</u></b>   |                    |
| Report On Internal Control Over Financial Reporting And On Compliance And            |                    |
| Other Matters Based On An Audit Of Financial Statements Performed In                 |                    |
| Accordance With <i>Government Auditing Standards</i>                                 | 59                 |

*Independent Auditor's Report*

To the Honorable City Council  
City of Exeter, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Exeter (the City), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of June 30, 2024, 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.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements for non-major funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 non-major fund financial statements and the budgetary comparison schedules for non-major funds is 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 February 26, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
February 26, 2025

## 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, 2024. 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 \$41,924,813 (*net position*). Of this amount, \$5,188,729 is *unrestricted net position*.
- As of the close of the current fiscal year, the City of Exeter governmental funds reported combined ending fund balances of \$18,485,502. Of this amount, there is a balance of \$4,538,976 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 \$4,538,976.

### 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 17 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, Housing Funds, American Rescue Plan Act (ARPA) and Measure P, all of which are considered to be major funds. Data from the other 13 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 \$41,924,813 at the close of the most recent fiscal year.

Of the City of Exeter's net position, 52.55 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                |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                   | 2024                    | 2023                 | 2024                     | 2023                | 2024                 | 2023                 |
| Current & other assets            | \$ 27,447,840           | \$ 24,175,879        | \$ 6,304,484             | \$ 4,319,412        | \$ 33,752,324        | \$ 28,495,291        |
| Capital assets                    | 15,710,837              | 15,537,770           | 14,475,150               | 14,925,601          | 30,185,987           | 30,463,371           |
| Total assets                      | <u>43,158,677</u>       | <u>39,713,649</u>    | <u>20,779,634</u>        | <u>19,245,013</u>   | <u>63,938,311</u>    | <u>58,958,662</u>    |
| Deferred outflows<br>of resources | <u>2,269,329</u>        | <u>2,447,310</u>     | <u>901,984</u>           | <u>936,703</u>      | <u>3,171,313</u>     | <u>3,384,013</u>     |
| Long-term liabilities             | 5,208,311               | 4,843,613            | 10,473,894               | 10,706,894          | 15,682,205           | 15,550,507           |
| Other liabilities                 | 8,618,346               | 9,829,298            | 521,590                  | 458,559             | 9,139,936            | 10,287,857           |
| Total liabilities                 | <u>13,826,657</u>       | <u>14,672,911</u>    | <u>10,995,484</u>        | <u>11,165,453</u>   | <u>24,822,141</u>    | <u>25,838,364</u>    |
| Deferred inflows<br>of resources  | <u>269,670</u>          | <u>469,042</u>       | <u>93,000</u>            | <u>150,918</u>      | <u>362,670</u>       | <u>619,960</u>       |
| Net position:                     |                         |                      |                          |                     |                      |                      |
| Investment in capital<br>assets   | 15,710,837              | 15,537,770           | 6,320,338                | 6,333,195           | 22,031,175           | 21,870,965           |
| Restricted                        | 13,693,298              | 10,050,270           | 1,011,611                | 630,348             | 14,704,909           | 10,680,618           |
| Unrestricted                      | <u>1,927,544</u>        | <u>1,430,966</u>     | <u>3,261,185</u>         | <u>1,901,802</u>    | <u>5,188,729</u>     | <u>3,332,768</u>     |
| Total net position                | <u>\$ 31,331,679</u>    | <u>\$ 27,019,006</u> | <u>\$ 10,593,134</u>     | <u>\$ 8,865,345</u> | <u>\$ 41,924,813</u> | <u>\$ 35,884,351</u> |

An additional portion of the City of Exeter's net position (35.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is \$5,188,729. For the business-type activities, unrestricted net position was \$3,261,185 at June 30, 2024, an increase from \$1,901,802 at June 30, 2023.

***The remainder of this page left intentionally blank.***



**City of Exeter's Changes In Net Assets**

|  | Governmental Activities |               | Business-type Activities |              | Total         |               |
|--|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|  | 2024                    | 2023          | 2024                     | 2023         | 2024          | 2023          |
| Program Revenues:                        |                         |               |                          |              |               |               |
| Charges for services                     | \$ 1,024,173            | \$ 673,881    | \$ 6,980,001             | \$ 6,411,842 | \$ 8,004,174  | \$ 7,085,723  |
| Operating grants and contributions       | 1,235,916               | 807,373       | -                        | -            | 1,235,916     | 807,373       |
| Capital grants and contributions         | 1,318,128               | 1,650,406     | -                        | -            | 1,318,128     | 1,650,406     |
| General Revenues:                        |                         |               |                          |              |               |               |
| Property taxes                           | 2,434,623               | 2,274,792     | -                        | -            | 2,434,623     | 2,274,792     |
| Other taxes                              | 4,709,801               | 5,152,744     | -                        | -            | 4,709,801     | 5,152,744     |
| Investment earnings - unrestricted       | 465,126                 | (27,519)      | 150,832                  | 46,323       | 615,958       | 18,804        |
| Gain on sale of capital assets           | -                       | -             | -                        | -            | -             | -             |
| Other revenue                            | -                       | -             | 88,056                   | 35,724       | 88,056        | 35,724        |
| Total Revenue                            | 11,187,767              | 10,531,677    | 7,218,889                | 6,493,889    | 18,406,656    | 17,025,566    |
| Expenses                                 |                         |               |                          |              |               |               |
| Community & economic development         | 101,989                 | 682,345       | -                        | -            | 101,989       | 682,345       |
| General government                       | 1,505,570               | 1,466,987     | -                        | -            | 1,505,570     | 1,466,987     |
| Parks and recreation                     | 430,046                 | 406,980       | -                        | -            | 430,046       | 406,980       |
| Public safety                            | 4,342,089               | 3,787,920     | -                        | -            | 4,342,089     | 3,787,920     |
| Public works                             | 1,446,956               | 1,326,913     | -                        | -            | 1,446,956     | 1,326,913     |
| Water operating                          | -                       | -             | 2,336,956                | 2,153,999    | 2,336,956     | 2,153,999     |
| Sewer operating                          | -                       | -             | 1,512,367                | 1,329,401    | 1,512,367     | 1,329,401     |
| Transit                                  | -                       | -             | -                        | -            | -             | -             |
| Sanitation operating                     | -                       | -             | 1,642,602                | 1,618,248    | 1,642,602     | 1,618,248     |
| Total expenses                           | 7,826,650               | 7,671,145     | 5,491,925                | 5,101,648    | 13,318,575    | 12,772,793    |
| Changes in net position before transfers | 3,361,117               | 2,860,532     | 1,726,964                | 1,392,241    | 5,088,081     | 4,252,773     |
| Transfers in (out)                       | (825)                   | (573,092)     | 825                      | 573,092      | -             | -             |
| Changes in net position                  | 3,360,292               | 2,287,440     | 1,727,789                | 1,965,333    | 5,088,081     | 4,252,773     |
| Net position - beginning                 | 27,019,006              | 24,731,566    | 8,865,345                | 6,900,012    | 35,884,351    | 31,631,578    |
| Correction of an error                   | -                       | 952,318       | -                        | -            | -             | 952,318       |
| Net position - beg., restated            | 27,019,006              | 25,683,884    | 8,865,345                | 6,900,012    | 35,884,351    | 32,583,896    |
| Net position - ending                    | \$ 30,379,298           | \$ 27,971,324 | \$ 10,593,134            | \$ 8,865,345 | \$ 40,972,432 | \$ 36,836,669 |

**Governmental activities.** Governmental activities increased the City of Exeter's net position by \$3,360,292 and \$2,287,440 for the fiscal years ended June 30, 2024 and 2023 respectively.

**Business-type activities.** Business-type activities increased the City of Exeter's net position by \$1,727,789 and \$1,965,333 for the fiscal years ended June 30, 2024 and 2023 respectively.

## 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, 2024 and 2023, the City of Exeter's governmental funds reported combined ending fund balances of \$18,485,502 and \$14,950,428. Of the June 30, 2024 and 2023 total amount, 24.56 and 25.21 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, 2024 and 2023, unassigned fund balance of the general fund was \$4,538,976 and \$3,811,788, respectively. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of June 30, 2024 and 2023, unassigned fund balance represents 79.58 and 73.76 percent, respectively, of the amount needed to cover general fund expenditures.

The fund balance of the City of Exeter's general fund increased by \$754,598 and \$512,726 for the years ended June 30, 2024 and 2023. The key factor in the increase is reduced spending on operations and 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 \$3,261,185 and \$1,901,802 for June 30, 2024 and 2023. The total change in net position for all these funds in 2024 and 2023 was an increase of \$1,727,789 and \$1,965,333 respectively. 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 2023/24, there were no reallocations and additional appropriations for the city's general fund.

## 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, 2024, amounts to \$30,185,987 (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                |                      |
|--------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                          | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| Land                     | \$ 1,298,149            | \$ 1,298,149         | \$ 2,404,191             | \$ 2,404,191         | \$ 3,702,340         | \$ 3,702,340         |
| Buildings & Improvements | 1,763,890               | 1,818,785            | 8,251,440                | 8,603,694            | 10,015,330           | 10,422,479           |
| Machinery & equipment    | 1,324,527               | 965,385              | 2,810,670                | 2,907,128            | 4,135,197            | 3,872,513            |
| Infrastructure           | 11,216,164              | 11,455,451           | 982,667                  | 1,010,588            | 12,198,831           | 12,466,039           |
| Construction in progress | 108,107                 | -                    | 26,182                   | -                    | 134,289              | -                    |
|                          | <u>\$ 15,710,837</u>    | <u>\$ 15,537,770</u> | <u>\$ 14,475,150</u>     | <u>\$ 14,925,600</u> | <u>\$ 30,185,987</u> | <u>\$ 30,463,371</u> |

**Long-term debt.** At June 30, 2024 and 2023, the City of Exeter had total debt outstanding of \$8,162,081 and \$8,601,129. 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.

**City of Exeter's Outstanding Debt**

|                     | Governmental Activities |             | Business-type Activities |                     | Total               |                     |
|---------------------|-------------------------|-------------|--------------------------|---------------------|---------------------|---------------------|
|                     | 2024                    | 2023        | 2024                     | 2023                | 2024                | 2023                |
| Leases payable      | \$ -                    | \$ -        | \$ 840,665               | \$ 990,550          | \$ 840,665          | \$ 990,550          |
| Bonds/Notes payable | -                       | -           | 7,321,416                | 7,610,579           | 7,321,416           | 7,610,579           |
|                     | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ 8,162,081</u>      | <u>\$ 8,601,129</u> | <u>\$ 8,162,081</u> | <u>\$ 8,601,129</u> |

## Economic Factors and Next Year's Budgets and Rates

The City of Exeter continues to experience slow increases in development activities, 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 – by design – more the rule than the exception. There were eight new building permits pulled within the City in 2022/2023 that paid development impact fees.

With a balanced budget passed for 2023/24, the City realized operational savings from adhering to the City's budget and City's low reliance on volatile revenues such as sales tax revenues. The general fund revenue outperformed its original estimates. However, with substantial cost increases and inflation, the City continues to monitor its budgets closely to ensure financial stability.

### **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.

The approved 2023/24 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 have implemented rate increases over the last five years. There was a 14.5% rate increase each year for water and 17.5% rate increase each year for sewer, which will be used towards increased operating costs and infrastructure improvements. The final rate increase went into effect January 2024 and ends the five-year approved rate increases. The contracted renewal for the solid waste service resulted in various rate increases in Refuse services effective January 1, 2022. Inflationary adjustments to refuse service fees have been approved for annual review and rate increases based on the percentage increase in the annual Consumer Price Index (CPI). A CPI increase of 5% was approved and implemented in December 2023. The next CPI increase of 4.27% has been approved for July 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, 2024**

|  | Primary Government   |                      |                      |
|--|----------------------|----------------------|----------------------|
|  | Governmental         | Business-type        | Total                |
|  | Activities           | Activities           |                      |
| <b>ASSETS</b>                                |                      |                      |                      |
| Cash and investments                         |                      |                      |                      |
| Unrestricted                                 | \$ 16,925,317        | \$ 4,279,365         | \$ 21,204,682        |
| Restricted                                   | 2,035,349            | 1,018,611            | 3,053,960            |
| Receivables:                                 |                      |                      |                      |
| Accounts                                     | -                    | 965,643              | 965,643              |
| Intergovernmental                            | 1,002,643            | -                    | 1,002,643            |
| Inventories                                  | -                    | 40,865               | 40,865               |
| Loans receivable                             | 7,484,531            | -                    | 7,484,531            |
| Capital assets:                              |                      |                      |                      |
| Non-depreciable                              | 1,406,256            | 2,430,373            | 3,836,629            |
| Depreciable, net of accumulated depreciation | 14,304,581           | 12,044,777           | 26,349,358           |
| Total assets                                 | <u>43,158,677</u>    | <u>20,779,634</u>    | <u>63,938,311</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>        |                      |                      |                      |
| Deferred bond issue costs/amortization       | -                    | 7,269                | 7,269                |
| Deferred pensions                            | 2,269,329            | 894,715              | 3,164,044            |
| Total deferred outflows of resources         | <u>2,269,329</u>     | <u>901,984</u>       | <u>3,171,313</u>     |
| <b>LIABILITIES</b>                           |                      |                      |                      |
| Accounts payable and other accruals          | 798,493              | 388,194              | 1,186,687            |
| Interest payable                             | -                    | 55,706               | 55,706               |
| Unearned revenue                             | 7,699,273            | -                    | 7,699,273            |
| Compensated absences                         | 120,580              | 77,690               | 198,270              |
| Noncurrent liabilities:                      |                      |                      |                      |
| Due to depositors                            | -                    | 84,056               | 84,056               |
| Net pension liability                        | 5,118,075            | 2,200,058            | 7,318,133            |
| Compensated absences                         | 90,236               | 27,699               | 117,935              |
| Due in one year                              | -                    | 431,662              | 431,662              |
| Due in more than one year                    | -                    | 7,730,419            | 7,730,419            |
| Total liabilities                            | <u>13,826,657</u>    | <u>10,995,484</u>    | <u>24,822,141</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>         |                      |                      |                      |
| Deferred pensions                            | 269,670              | 93,000               | 362,670              |
| <b>NET POSITION</b>                          |                      |                      |                      |
| Net investment in capital assets             | 15,710,837           | 6,320,338            | 22,031,175           |
| Restricted for:                              |                      |                      |                      |
| Public service                               | 13,388,822           | -                    | 13,388,822           |
| Impact fees                                  | 304,476              | 791,109              | 1,095,585            |
| Capital reserves                             | -                    | 220,502              | 220,502              |
| Unrestricted                                 | 1,927,544            | 3,261,185            | 5,188,729            |
| Total net position                           | <u>\$ 31,331,679</u> | <u>\$ 10,593,134</u> | <u>\$ 41,924,813</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, 2024

| 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                |
| <b>Primary government:</b>         |                      |                      |                                    |                                  |   |                          |                      |
| Governmental activities:           |                      |                      |                                    |                                  |   |                          |                      |
| Community and economic development | \$ 101,989           | \$ 606,866           | \$ 190,443                         | \$ 341,835                       | \$ 1,037,155                                    |                          | \$ 1,037,155         |
| General government                 | 1,505,570            | 42,196               | 74,946                             | 10,415                           | (1,378,013)                                     |                          | (1,378,013)          |
| Parks and recreation               | 430,046              | 85,714               | -                                  | 177,952                          | (166,380)                                       |                          | (166,380)            |
| Public safety - fire               | 450,950              | -                    | -                                  | -                                | (450,950)                                       |                          | (450,950)            |
| Public safety - police             | 3,891,139            | 153,806              | 315,201                            | -                                | (3,422,132)                                     |                          | (3,422,132)          |
| Public works                       | 1,446,956            | 135,591              | 655,326                            | 787,926                          | 131,887   |                          | 131,887              |
| Total governmental activities      | <u>7,826,650</u>     | <u>1,024,173</u>     | <u>1,235,916</u>                   | <u>1,318,128</u>                 | <u>(4,248,433)</u>                              |                          | <u>(4,248,433)</u>   |
| Business-type Activities:          |                      |                      |                                    |                                  |   |                          |                      |
| Water operations                   | 2,336,956            | 2,904,169            | -                                  | -                                |   | \$ 567,213               | 567,213              |
| Sewer operations                   | 1,512,367            | 2,428,271            | -                                  | -                                |   | 915,904                  | 915,904              |
| Sanitation operations              | 1,642,602            | 1,647,561            | -                                  | -                                |   | 4,959                    | 4,959                |
| Total business-type activities     | <u>5,491,925</u>     | <u>6,980,001</u>     | <u>-</u>                           | <u>-</u>                         |   | <u>1,488,076</u>         | <u>1,488,076</u>     |
| <b>Total primary government</b>    | <b>\$ 13,318,575</b> | <b>\$ 8,004,174</b>  | <b>\$ 1,235,916</b>                | <b>\$ 1,318,128</b>              | <b>(4,248,433)</b>                              | <b>1,488,076</b>         | <b>(2,760,357)</b>   |
| General revenues:                  |                      |                      |                                    |                                  |   |                          |                      |
| Property taxes                     |                      |                      |                                    |                                  | 2,434,623                                       | -                        | 2,434,623            |
| Fire property taxes                |                      |                      |                                    |                                  | 286,544   | -                        | 286,544              |
| Sales tax                          |                      |                      |                                    |                                  | 1,135,313                                       | -                        | 1,135,313            |
| Sales tax - Measure P              |                      |                      |                                    |                                  | 1,892,341                                       | -                        | 1,892,341            |
| Utility users tax                  |                      |                      |                                    |                                  | 779,912   | -                        | 779,912              |
| Franchise tax                      |                      |                      |                                    |                                  | 278,554   | -                        | 278,554              |
| Other taxes                        |                      |                      |                                    |                                  | 137,630   | -                        | 137,630              |
| ARPA                               |                      |                      |                                    |                                  | 199,507   | -                        | 199,507              |
| Other revenue                      |                      |                      |                                    |                                  | -   | 88,056                   | 88,056               |
| Unrestricted investment earnings   |                      |                      |                                    |                                  | 465,126   | 150,832                  | 615,958              |
| Transfers                          |                      |                      |                                    |                                  | (825)   | 825                      | -                    |
| Total general revenues             |                      |                      |                                    |                                  | <u>7,608,725</u>                                | <u>239,713</u>           | <u>7,848,438</u>     |
| Change in net position             |                      |                      |                                    |                                  | <u>3,360,292</u>                                | <u>1,727,789</u>         | <u>5,088,081</u>     |
| Net position - July 1              |                      |                      |                                    |                                  | 27,019,006                                      | 8,865,345                | 35,884,351           |
| Correction of an error             |                      |                      |                                    |                                  | 952,381   | -                        | 952,381              |
| Net position - July 1, restated    |                      |                      |                                    |                                  | <u>27,971,387</u>                               | <u>8,865,345</u>         | <u>36,836,732</u>    |
| Net position - June 30             |                      |                      |                                    |                                  | <u>\$ 31,331,679</u>                            | <u>\$ 10,593,134</u>     | <u>\$ 41,924,813</u> |

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

**City of Exeter  
Balance Sheet  
Governmental Funds  
June 30, 2024**

|   | General             | Housing<br>Funds    | ARPA                | Measure P           | Non-major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|---------------------|---------------------|---------------------|------------------------------------|--------------------------------|
| <b>ASSETS</b>                             |                     |                     |                     |                     |                                    |                                |
| Cash and cash equivalents                 | \$ 4,983,064        | \$ 1,971,292        | \$ -                | \$ 4,448,960        | \$ 5,162,797                       | \$ 16,566,113                  |
| Receivables - (net):                      |                     |                     |                     |                     |                                    |                                |
| Intergovernmental                         | 336,076             | 136,711             | -                   | 292,833             | 237,023                            | 1,002,643                      |
| Due from other funds                      | 5,822               | -                   | -                   | -                   | -                                  | 5,822                          |
| Notes receivable                          | 135,000             | 7,229,241           | -                   | -                   | 120,290                            | 7,484,531                      |
| Restricted - cash and cash<br>equivalents | 656,117             | -                   | 1,379,232           | -                   | -                                  | 2,035,349                      |
| Total assets                              | <u>\$ 6,116,079</u> | <u>\$ 9,337,244</u> | <u>\$ 1,379,232</u> | <u>\$ 4,741,793</u> | <u>\$ 5,520,110</u>                | <u>\$ 27,094,458</u>           |
| <b>LIABILITIES AND FUND<br/>BALANCES</b>  |                     |                     |                     |                     |                                    |                                |
| Liabilities:                              |                     |                     |                     |                     |                                    |                                |
| Accounts and other payables               | \$ 637,495          | \$ 1,269            | \$ 684              | \$ 18,486           | \$ 125,347                         | \$ 783,281                     |
| Compensated absences<br>payable           | 120,580             | -                   | -                   | -                   | -                                  | 120,580                        |
| Due to other funds                        | -                   | -                   | -                   | -                   | 5,822                              | 5,822                          |
| Unearned revenue                          | -                   | 6,276,860           | 1,302,123           | -                   | 120,290                            | 7,699,273                      |
| Total liabilities                         | <u>758,075</u>      | <u>6,278,129</u>    | <u>1,302,807</u>    | <u>18,486</u>       | <u>251,459</u>                     | <u>8,608,956</u>               |
| Fund balances:                            |                     |                     |                     |                     |                                    |                                |
| Nonspendable                              | 135,000             | -                   | -                   | -                   | -                                  | 135,000                        |
| Restricted                                | 656,117             | 3,059,115           | 76,425              | 4,723,307           | 5,178,334                          | 13,693,298                     |
| Committed alley repair                    | 25,411              | -                   | -                   | -                   | -                                  | 25,411                         |
| Committed parking-in-lieu                 | 2,500               | -                   | -                   | -                   | -                                  | 2,500                          |
| Committed for storm drains                | -                   | -                   | -                   | -                   | 90,317                             | 90,317                         |
| Unassigned                                | 4,538,976           | -                   | -                   | -                   | -                                  | 4,538,976                      |
| Total fund balances                       | <u>5,358,004</u>    | <u>3,059,115</u>    | <u>76,425</u>       | <u>4,723,307</u>    | <u>5,268,651</u>                   | <u>18,485,502</u>              |
| Total liabilities and fund<br>balances    | <u>\$ 6,116,079</u> | <u>\$ 9,337,244</u> | <u>\$ 1,379,232</u> | <u>\$ 4,741,793</u> | <u>\$ 5,520,110</u>                | <u>\$ 27,094,458</u>           |

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, 2024**

|  |                    |                             |
|--|--------------------|-----------------------------|
| Fund balances of governmental funds  |                    | \$ 18,485,502               |
| 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.  |                    | 14,304,581                  |
| Other long-term assets are not available to pay current expenditures, and therefore are deferred in the funds - construction-in-progress and land.   |                    | 1,406,256                   |
| 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. |                    | 338,437                     |
| 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  | 508,961            |                             |
| Internal Service   | 77,151             |                             |
| Safety   | <u>1,683,217</u>   | 2,269,329                   |
| Deferred pension inflows of resources  |                    |                             |
| Miscellaneous  | (52,903)           |                             |
| Internal Service   | (8,019)            |                             |
| Safety   | <u>(208,748)</u>   | (269,670)                   |
| 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  | (1,251,506)        |                             |
| Internal Service   | (189,710)          |                             |
| Safety   | <u>(3,676,859)</u> | (5,118,075)                 |
| Long-term portion of compensated absences and sick leave   |                    | <u>(84,681)</u>             |
| Net position of governmental activities  |                    | <u><u>\$ 31,331,679</u></u> |

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, 2024**

|  | General      | Housing<br>Funds | ARPA      | Measure P    | Non-major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------|------------------|-----------|--------------|------------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |              |                  |           |              |                                    |                                |
| Property taxes                                       | \$ 2,721,167 | \$ -             | \$ -      | \$ -         | \$ -                               | \$ 2,721,167                   |
| Sales taxes  | 1,135,313    | -                | -         | 1,892,341    | -                                  | 3,027,654                      |
| Utility users tax                                    | 779,912      | -                | -         | -            | -                                  | 779,912                        |
| Franchise tax  | 278,554      | -                | -         | -            | -                                  | 278,554                        |
| Other taxes  | 137,630      | -                | -         | -            | 435,944                            | 573,574                        |
| Licenses and permits                                 | 73,655       | -                | -         | -            | -                                  | 73,655                         |
| Intergovernmental                                    | 243,464      | 341,835          | 199,507   | -            | 970,378                            | 1,755,184                      |
| Charges for services                                 | 338,127      | -                | -         | -            | 32,796                             | 370,923                        |
| Rental income  | 42,196       | -                | -         | -            | -                                  | 42,196                         |
| Loan payments  | -            | 606,866          | -         | -            | -                                  | 606,866                        |
| Fines and forfeitures                                | 39,479       | -                | -         | -            | -                                  | 39,479                         |
| Investment earnings                                  | 277,366      | 54,628           | 51,875    | 135,885      | 180,677                            | 700,431                        |
| Miscellaneous  | 23,568       | -                | -         | -            | 194,604                            | 218,172                        |
| Total revenues                                       | 6,090,431    | 1,003,329        | 251,382   | 2,028,226    | 1,814,399                          | 11,187,767                     |
| <b>EXPENDITURES</b>                                  |              |                  |           |              |                                    |                                |
| Community and economic<br>development                | -            | 14,875           | -         | -            | 87,114                             | 101,989                        |
| General government                                   | 899,205      | -                | -         | 29,362       | 112,447                            | 1,041,014                      |
| Parks and recreation                                 | 361,849      | -                | -         | 26,799       | -                                  | 388,648                        |
| Public safety - fire                                 | 441,735      | -                | -         | -            | -                                  | 441,735                        |
| Public safety - police                               | 3,339,479    | -                | -         | 189,000      | 10,115                             | 3,538,594                      |
| Public works   | 437,832      | -                | -         | -            | 186,747                            | 624,579                        |
| Capital outlay                                       |              |                  |           |              |                                    |                                |
| General government                                   | 37,036       | -                | 163,272   | 9,960        | -                                  | 210,268                        |
| Parks & recreation                                   | 185,844      | -                | -         | 6,981        | -                                  | 192,825                        |
| Public safety - police                               | 666          | -                | 44,944    | 51,950       | 183,313                            | 280,873                        |
| Public works   | -            | -                | -         | 278,299      | 553,044                            | 831,343                        |
| Total expenditures                                   | 5,703,646    | 14,875           | 208,216   | 592,351      | 1,132,780                          | 7,651,868                      |
| Excess (deficiency) of<br>revenues over expenditures | 386,785      | 988,454          | 43,166    | 1,435,875    | 681,619                            | 3,535,899                      |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>            |              |                  |           |              |                                    |                                |
| Transfers in   | 375,968      | -                | 12,587    | -            | 7,330                              | 395,885                        |
| Transfers out  | (8,155)      | -                | (3,878)   | (12,587)     | (372,090)                          | (396,710)                      |
| Total other financing sources<br>and uses            | 367,813      | -                | 8,709     | (12,587)     | (364,760)                          | (825)                          |
| Net change in fund balances                          | 754,598      | 988,454          | 51,875    | 1,423,288    | 316,859                            | 3,535,074                      |
| Fund balances, July 1                                | 4,603,406    | 1,118,280        | 24,550    | 3,300,019    | 4,951,792                          | 13,998,047                     |
| Correction of an error                               | -            | 952,381          | -         | -            | -                                  | 952,381                        |
| Fund balances, July 1, restated                      | 4,603,406    | 2,070,661        | 24,550    | 3,300,019    | 4,951,792                          | 14,950,428                     |
| Fund balances, June 30                               | \$ 5,358,004 | \$ 3,059,115     | \$ 76,425 | \$ 4,723,307 | \$ 5,268,651                       | \$ 18,485,502                  |

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, 2024**

|   |                            |
|---|----------------------------|
| Net change in fund balances —total governmental funds   | \$ 3,535,074               |
| 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 (\$792,331) exceeded depreciation (\$619,264) in the current period: | 173,067                    |
| 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  | 19,216                     |
| 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.   | (28,095)                   |
| Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68.   | (338,970)                  |
| Change in net position of governmental activities   | <u><u>\$ 3,360,292</u></u> |

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

**City of Exeter**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

|  | <b>Business-Type Activities - Enterprise Funds</b> |                         |                              |                                | <b>Governmental Activities - Internal Service Fund</b> |
|--|--|-------------------------|------------------------------|--------------------------------|--|
|  | <b>Major Funds</b>                                 |                         |                              | <b>Total Proprietary Funds</b> |  |
|  | <b>Water Operations</b>                            | <b>Sewer Operations</b> | <b>Sanitation Operations</b> |                                |  |
| <b>ASSETS</b>                          |  |                         |                              |                                |  |
| Current assets:                        |  |                         |                              |                                |  |
| Cash and cash equivalents              | \$ 1,623,914                                       | \$ 2,568,855            | \$ 86,596                    | \$ 4,279,365                   | \$ 359,204   |
| Accounts receivable, net of allowance  | 358,154  | 362,232                 | 245,257                      | 965,643                        | -  |
| Inventories                            | 40,865   | -                       | -                            | 40,865                         | -  |
| Noncurrent assets:                     |  |                         |                              |                                |  |
| Restricted cash and cash equivalents   | 998,386  | 20,225                  | -                            | 1,018,611                      | -  |
| Capital assets:                        |  |                         |                              |                                |  |
| Nondepreciable                         | 26,182   | 2,404,191               | -                            | 2,430,373                      | -  |
| Depreciable, net                       | 6,625,837  | 5,418,940               | -                            | 12,044,777                     | -  |
| Total assets                           | <u>9,673,338</u>                                   | <u>10,774,443</u>       | <u>331,853</u>               | <u>20,779,634</u>              | <u>359,204</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |  |                         |                              |                                |  |
| Deferred bond issue costs/amortization | 7,269  | -                       | -                            | 7,269                          | -  |
| Deferred pensions                      | 498,594  | 340,738                 | 55,383                       | 894,715                        | 77,151   |
| Total deferred outflow of resources    | <u>505,863</u>                                     | <u>340,738</u>          | <u>55,383</u>                | <u>901,984</u>                 | <u>77,151</u>  |
| <b>LIABILITIES</b>                     |  |                         |                              |                                |  |
| Current liabilities:                   |  |                         |                              |                                |  |
| Accounts and other payables            | 128,124  | 34,946                  | 225,124                      | 388,194                        | 15,212   |
| Compensated absences                   | 42,033   | 30,000                  | 5,657                        | 77,690                         | -  |
| Accrued Interest                       | 42,436   | 13,270                  | -                            | 55,706                         | -  |
| Noncurrent liabilities:                |  |                         |                              |                                |  |
| Due to depositors                      | 84,056   | -                       | -                            | 84,056                         | -  |
| Compensated absences                   | 15,094   | 10,958                  | 1,647                        | 27,699                         | 5,555  |
| Due in one year                        | 280,662  | 151,000                 | -                            | 431,662                        | -  |
| Due in more than one year              | 4,899,419  | 2,831,000               | -                            | 7,730,419                      | -  |
| Net pension liability                  | 1,226,017  | 837,857                 | 136,184                      | 2,200,058                      | 189,710  |
| Total liabilities                      | <u>6,717,841</u>                                   | <u>3,909,031</u>        | <u>368,612</u>               | <u>10,995,484</u>              | <u>210,477</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |                         |                              |                                |  |
| Deferred pensions                      | 51,826   | 35,418                  | 5,756                        | 93,000                         | 8,019  |
|  | <u>51,826</u>                                      | <u>35,418</u>           | <u>5,756</u>                 | <u>93,000</u>                  | <u>8,019</u>   |
| <b>NET POSITION</b>                    |  |                         |                              |                                |  |
| Net investment in capital assets       | 1,479,207  | 4,841,131               | -                            | 6,320,338                      | -  |
| Restricted for impact fees             | 770,884  | 20,225                  | -                            | 791,109                        | -  |
| Restricted for capital reserves        | 220,502  | -                       | -                            | 220,502                        | -  |
| Unrestricted                           | 938,941  | 2,309,376               | 12,868                       | 3,261,185                      | 217,859  |
| Total net position                     | <u>\$ 3,409,534</u>                                | <u>\$ 7,170,732</u>     | <u>\$ 12,868</u>             | <u>\$ 10,593,134</u>           | <u>\$ 217,859</u>                                      |

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, 2024**

|   | <b>Business-type Activities - Enterprise Funds</b> |                         |                              | <b>Governmental Activities - Internal Service Fund</b> |
|---|--|-------------------------|------------------------------|--|
|   | <b>Water Operations</b>                            | <b>Sewer Operations</b> | <b>Sanitation Operations</b> |  |
|   |  |                         |                              | <b>Total Proprietary Funds</b>                         |
| <b>OPERATING REVENUES</b>               |  |                         |                              |  |
| Charges for services                    | \$ 2,801,564                                       | \$ 2,419,416            | \$ 1,466,375                 | \$ 6,687,355   |
| Connection fees                         | 102,605  | 8,855                   | -                            | 111,460  |
| Internal Service Charges                | -  | -                       | 181,186                      | 181,186  |
| Total operating revenues                | <u>2,904,169</u>                                   | <u>2,428,271</u>        | <u>1,647,561</u>             | <u>6,980,001</u>                                       |
| <b>OPERATING EXPENSES</b>               |  |                         |                              |  |
| Personnel Services                      | 837,175  | 569,267                 | 91,787                       | 1,498,229  |
| General and administrative              | 112,347  | 79,181                  | 23,362                       | 214,890  |
| Materials and supplies                  | 827,873  | 527,844                 | 1,346,267                    | 2,701,984  |
| Depreciation/amortization               | 353,601  | 255,139                 | -                            | 608,740  |
| Total operating expenses                | <u>2,130,996</u>                                   | <u>1,431,431</u>        | <u>1,461,416</u>             | <u>5,023,843</u>                                       |
| Operating income (loss)                 | <u>773,173</u>                                     | <u>996,840</u>          | <u>186,145</u>               | <u>1,956,158</u>                                       |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |  |                         |                              |  |
| Grants and reimbursements               | 25,682   | 48,469                  | (181,186)                    | (107,035)  |
| Investment earnings                     | 79,241   | 70,247                  | 1,344                        | 150,832  |
| Other revenue                           | 6,275  | 7,630                   | -                            | 13,905   |
| Interest expense                        | (205,960)  | (80,936)                | -                            | (286,896)  |
| Total nonoperating revenue (expenses)   | <u>(94,762)</u>                                    | <u>45,410</u>           | <u>(179,842)</u>             | <u>(229,194)</u>                                       |
| Income before transfers                 | 678,411  | 1,042,250               | 6,303                        | 1,726,964  |
| Transfers in (out)                      | <u>5,592</u>                                       | <u>(4,767)</u>          | <u>-</u>                     | <u>825</u>   |
| Change in net position                  | 684,003  | 1,037,483               | 6,303                        | 1,727,789  |
| Net position, July 1                    | <u>2,725,531</u>                                   | <u>6,133,249</u>        | <u>6,565</u>                 | <u>8,865,345</u>                                       |
| Net position, June 30                   | <u>\$ 3,409,534</u>                                | <u>\$ 7,170,732</u>     | <u>\$ 12,868</u>             | <u>\$ 10,593,134</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, 2024**

|   | Business-type Activities - Enterprise Funds |              |              |              | Governmental |
|---|---|--------------|--------------|--------------|--------------|
|   | Major Funds                                 |              |              | Total        | Activities - |
|   | Water                                       | Sewer        | Sanitation   | Proprietary  | Internal     |
|   | Operating                                   | Operating    | Operating    | Funds        | Service Fund |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |              |              |              |              |
| Charges for services  | \$ 2,851,492                                | \$ 2,368,789 | \$ 1,631,983 | \$ 6,852,264 | \$ 1,416,350 |
| Personnel services  | (734,955)                                   | (499,186)    | (82,341)     | (1,316,482)  | (95,698)     |
| General administration  | (112,347)                                   | (79,181)     | (23,362)     | (214,890)    | (1,331,930)  |
| Payments to suppliers and contractors   | (783,620)                                   | (531,177)    | (1,336,999)  | (2,651,796)  | 9,161        |
| Net cash provided (used) by operating activities  | 1,220,570                                   | 1,259,245    | 189,281      | 2,669,096    | (2,117)      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |   |              |              |              |              |
| Local - operating reimbursements  | -   | -            | (181,186)    | (181,186)    | -            |
| Proceeds from other revenue   | 31,957                                      | 56,099       | -            | 88,056       | -            |
| Proceeds from transfers in  | 5,592                                       | (4,767)      | -            | 825          | -            |
| Net cash provided (used) by noncapital financing  | 37,549                                      | 51,332       | (181,186)    | (92,305)     | -            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |   |              |              |              |              |
| Interest paid on long-term debt   | (230,227)                                   | (81,595)     | -            | (311,822)    | -            |
| Principal paid on bonds/capital lease   | (269,885)                                   | (148,000)    | -            | (417,885)    | -            |
| Purchase of capital assets  | (111,482)                                   | (46,807)     | -            | (158,289)    | -            |
| Net cash provided (used) by capital and related financing activities                                  | (611,594)                                   | (276,402)    | -            | (887,996)    | -            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |              |              |              |              |
| Investment earnings   | 79,241                                      | 70,247       | 1,344        | 150,832      | 6,931        |
| (Increase) decrease in restricted cash  | (225,099)                                   | (18,532)     | -            | (243,631)    | -            |
| Net cash provided (used) by investing activities  | (145,858)                                   | 51,715       | 1,344        | (92,799)     | 6,931        |
| Net Increase (decrease) in cash and cash equivalents  | 500,667                                     | 1,085,890    | 9,439        | 1,595,996    | 4,814        |
| Balances, July 1  | 1,123,247                                   | 1,482,965    | 77,157       | 2,683,369    | 354,390      |
| Balances, June 30   | \$ 1,623,914                                | \$ 2,568,855 | \$ 86,596    | \$ 4,279,365 | \$ 359,204   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |   |              |              |              |              |
| Operating income (loss)   | \$ 773,173                                  | \$ 996,840   | \$ 186,145   | \$ 1,956,158 | \$ (35,026)  |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |   |              |              |              |              |
| Depreciation and amortization   | 353,601                                     | 255,139      | -            | 608,740      | -            |
| Changes in assets, deferred outflows/inflows and liabilities:   |   |              |              |              |              |
| (Increase) decrease in inventory  | (13,611)                                    | -            | -            | (13,611)     | -            |
| (Increase) decrease in receivables  | (56,774)                                    | (59,482)     | (15,578)     | (131,834)    | -            |
| (Increase) decrease deferred outflows   | 18,247                                      | 12,464       | 4,008        | 34,719       | (5,694)      |
| Increase (decrease) in accounts payable   | 57,864                                      | (3,333)      | 9,268        | 63,799       | 9,461        |
| Increase (decrease) in due to accrued wages   | (212)                                       | (690)        | (266)        | (1,168)      | (105)        |
| Increase (decrease) in deferred inflows   | (31,992)                                    | (22,023)     | (3,903)      | (57,918)     | (3,602)      |
| Increase (decrease) in due to depositors  | 4,097                                       | -            | -            | 4,097        | -            |
| Increase (decrease) in compensated absences   | 568   | 3,452        | 1,378        | 5,398        | (2,910)      |
| Increase (decrease) in net pension liability  | 115,609                                     | 76,878       | 8,229        | 200,716      | 35,759       |
| Net cash provided (used) by operating activities  | \$ 1,220,570                                | \$ 1,259,245 | \$ 189,281   | \$ 2,669,096 | \$ (2,117)   |

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

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**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. Grant revenues are considered available if they are collected within six months. 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.

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.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 1 - Summary of significant accounting policies (continued)**

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 *American Rescue Plan Fund* (ARPA) is the government's fund to record the City's share of the response to the COVID-19 pandemic and the corresponding economic crisis have undermined the health and economic wellbeing of American workers.

The *Measure P Fund* is the government's fund to record the 1 cent transaction and use tax which provides discretionary funds for essential services such as public safety, streets, parks, recreation and other facilities/services.

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, 2024

**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, 2024

**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. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.

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 two 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                     | 2-8          |
| City equipment               | 2-20         |

**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, 2024

**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 assets 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 assets 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, 2024

**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, 2024

**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     | June 30, 2022                 |
| Measure Date       | June 30, 2023                 |
| Measurement Period | July 1, 2022 to June 30, 2023 |

**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, 2024

**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                            |
|------------------------|---------------|------------|------------|--|
| General Fund           |               |            |            |  |
| Public safety - fire   | \$ 430,000    | \$ 441,735 | \$ 11,735  | Negotiated contract renewal increase   |
| Capital outlay         |               |            |            | Additional costs for more equipment    |
| General government     | 15,000        | 37,036     | 22,036     | Additional costs for more equipment    |
| Parks and recreation   | -             | 185,844    | 185,844    | Additional costs for more equipment    |
| Public safety - police | -             | 666        | 666        | Additional costs for more equipment    |
| ARPA                   |               |            |            |  |
| General government     | -             | 163,272    | 163,272    | Cost of activity paid for in ARPA fund |
| Public works           | -             | 44,944     | 44,944     | Cost of activity paid for in ARPA fund |
| Transfers out          | -             | 3,878      | 3,878      | Additional costs for more equipment    |
| Measure P              |               |            |            |  |
| Capital outlay         |               |            |            |  |
| General government     | -             | 9,960      | 9,960      | Additional costs for more equipment    |
| Parks and recreation   | -             | 6,981      | 6,981      | Additional costs for more equipment    |

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 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, 2024

**NOTE 4 - Detailed notes on all funds**

**A. Cash and investments**

Cash and investments are reported in the accompanying financial statements as follows:

|                                   | Statement<br>of Net<br>Position |
|-----------------------------------|---------------------------------|
| Cash and investments              | \$ 21,204,682                   |
| Restricted - Cash and investments | 3,053,960                       |
| Total cash and investments        | <u>\$ 24,258,642</u>            |

Cash and investments as of June 30, 2024, consist of the following:

|                                      |                      |
|--------------------------------------|----------------------|
| Cash on hand                         | \$ 1,100             |
| Deposits with financial institutions | 1,236,236            |
| Investments                          | 23,021,306           |
| Total cash and investments           | <u>\$ 24,258,642</u> |

*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.

***The remainder of this page left intentionally blank.***

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - Detailed notes on all funds**

| Investment Types<br>Authorized by State Law                               | Maximum<br>Maturity | Maximum<br>Percentage<br>of Portfolio*       | Minimum<br>Quality<br>Requirements                  |
|---|---------------------|--|---|
| Local Agency Bonds  | 5 years             | None   | None  |
| U.S. Treasury Obligations   | 5 years             | None   | None  |
| State Obligations- CA and Others  | 5 years             | None   | None  |
| CA Local Agency Obligations   | 5 years             | None   | None  |
| U.S. Agency Securities/Mortgage Securities                                | 5 years             | None   | None  |
| Bankers' Acceptances  | 180 days            | 40%  | None  |
| Commercial Paper-Non-Pooled Funds<br>(under \$100,000,000 of investments) | 270 days or less    | 25% of the agency's<br>money                 | Highest letter and number<br>rating by an NRSRO     |
| Commercial Paper-Non-Pooled Funds (min.<br>\$100,000,000 of investments)  | 270 days or less    | 40% of the agency's<br>money                 | Highest letter and number<br>rating by an NRSRO     |
| Commercial Paper-Pooled Funds   | 270 days or less    | 40% of the agency's<br>money                 | Highest letter and number<br>rating by an NRSRO     |
| Negotiable Certificates of Deposit  | 5 years             | 30%  | None  |
| Non-negotiable Certificates of Deposit                                    | 5 years             | None   | None  |
| Placement Service Deposit   | 5 years             | 50%  | None  |
| Placement Service Certificates of Deposit                                 | 5 years             | 50%  | None  |
| Repurchase Agreements   | 1 year              | None   | None  |
| Reverse Repurchase Agreements and<br>Securities Lending Agreements        | 92 days             | 20% of the base<br>value of the<br>portfolio | None  |
| Medium-Term Notes/Corporate Bonds   | 5 years             | 30%  | None  |
| Mutual Funds  | N/A                 | 20%  | 10%   |
| Collateralized Bank Deposits  | 5 years             | None   | None  |
| Money Market Mutual Funds   | N/A                 | 20%  | 10%   |
| Mortgage Pass-Through Securities  | 5 years             | 20%  | None  |
| County Pooled Investment Funds  | N/A                 | None   | None  |
| Joint Powers Authority Pool   | N/A                 | None   | Multiple  |
| Local Agency Investment Fund (LAIF)                                       | N/A                 | None   | None  |
| Voluntary Investment Program Fund   | N/A                 | None   | None  |
| Supranational Obligations   | 5 years or less     | 30%  | "AA" rating category or its<br>equivalent or better |
| Public Bank Obligations   | 5 years             | None   | None  |

*Investments authorized by debt agreements*

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



CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - Detailed notes on all funds (continued)**

| 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, 2024:

|   | Fair Value    | Observable Inputs<br>(Level 2) |
|---|---------------|--------------------------------|
| Investments classified by fair value hierarchy        |               |                                |
| U.S. Government Securities                            | \$ 1,488,804  | \$ 1,488,804                   |
| Total investments by fair value hierarchy             | 1,488,804     | 1,488,804                      |
| Investments not subject to fair value hierarchy       |               |                                |
| Local Agency Investment Fund                          | \$ 19,225,993 |                                |
| Money Market funds                                    | 321,509       |                                |
| Non-negotiable Certificates of Deposit                | 1,985,000     |                                |
| Total investments not subject to fair value hierarchy | 21,532,502    |                                |
| Total investments measured at fair value              | \$ 23,021,306 |                                |

*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, 2024

**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     | \$ 19,225,993        | \$ 19,225,993                  | \$ -                | \$ -                | \$ -                    |
| Money market funds        | 321,509              | 321,509                        | -                   | -                   | -                       |
| U.S. Treasury Bonds/Notes | 1,488,804            | -                              | 1,022,827           | 465,977             | -                       |
| Certificates of Deposit   | 1,985,000            | 747,000                        | 493,000             | 745,000             | -                       |
|                           | <u>\$ 23,021,306</u> | <u>\$ 20,294,502</u>           | <u>\$ 1,515,827</u> | <u>\$ 1,210,977</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     | \$ 19,225,993        | N/A                  | -                      | \$ 19,225,993        |
| Money market funds        | 321,509              | AAA/Aa               | AAA                    | -                    |
| U.S. Treasury Bonds/Notes | 1,488,804            | N/A                  | AAA,Aaa                | -                    |
| Certificates of deposit   | 1,985,000            | N/A                  | -                      | 1,985,000            |
|                           | <u>\$ 23,021,306</u> |                      |                        | <u>\$ 21,210,993</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, 2024, 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, 2024

**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, 2024 was \$19,225,993.

**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, 2024, is as follows:

Due to/from other funds:

| Receivable Fund | Payable fund | Amount   | Purpose   |
|-----------------|--------------|----------|-----------|
| General         | Measure R    | \$ 5,822 | Cash flow |

Interfund transfers:

| Transfer Out:            | Transfer In:             | Amount     | Purpose       |
|--------------------------|--------------------------|------------|---------------|
| Gas tax                  | General                  | \$ 137,831 | Costs applied |
| Transportation           | General                  | 200,000    | Costs applied |
| Landscape Lighting       | General                  | 28,437     | Costs applied |
| American Rescue Plan Act | General                  | 3,878      | Costs applied |
| Measure R                | General                  | 5,822      | Costs applied |
| General                  | Sewer                    | 689        | Costs applied |
| General                  | Water                    | 5,592      | Costs applied |
| General                  | Impact Fee               | 1,874      | Costs applied |
| Measure P                | American Rescue Plan Act | 12,587     | Costs applied |
| Sewer                    | Storm Drain              | 5,456      | Costs applied |

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - Detailed notes on all funds (continued)**

**D. Capital assets**

Capital asset activity, for the year ended June 30, 2024, was as follows:

|   | Balance July 1,<br>2023 | Additions &<br>Transfers | Dispositions &<br>Transfers | Balance June 30,<br>2024 |
|---|-------------------------|--------------------------|-----------------------------|--------------------------|
| <b>Governmental Activities:</b>                                     |                         |                          |                             |                          |
| Capital assets not depreciated                                      |                         |                          |                             |                          |
| Construction in progress  | \$ -                    | \$ 108,107               | \$ -                        | \$ 108,107               |
| Land  | 1,298,149               | -                        | -                           | 1,298,149                |
| Total capital assets not depreciated                                | 1,298,149               | 108,107                  | -                           | 1,406,256                |
| Capital assets being depreciated                                    |                         |                          |                             |                          |
| Buildings & improvements  | 3,518,590               | 51,950                   | -                           | 3,570,540                |
| Infrastructure  | 12,465,414              | 10,156                   | -                           | 12,475,570               |
| Equipment/autos   | 4,635,133               | 622,118                  | -                           | 5,257,251                |
|   | 20,619,137              | 684,224                  | -                           | 21,303,361               |
| Less accumulated depreciation                                       | (6,379,516)             | (619,264)                | -                           | (6,998,780)              |
| Total capital assets being depreciated:                             | 14,239,621              | 64,960                   | -                           | 14,304,581               |
| Governmental activities<br>capital assets, net                      | 15,537,770              | 173,067                  | -                           | 15,710,837               |
| <b>Business-Type Activities:</b>                                    |                         |                          |                             |                          |
| Capital assets not depreciated                                      |                         |                          |                             |                          |
| Construction in progress  | -                       | 26,182                   | -                           | 26,182                   |
| Land  | 2,404,191               | -                        | -                           | 2,404,191                |
| Total capital assets not depreciated                                | 2,404,191               | 26,182                   | -                           | 2,430,373                |
| Capital assets being depreciated:                                   |                         |                          |                             |                          |
| Buildings & improvements  | 14,115,877              | -                        | -                           | 14,115,877               |
| Infrastructure  | 1,396,031               | -                        | -                           | 1,396,031                |
| Equipment/autos   | 4,493,981               | 132,107                  | -                           | 4,626,088                |
|   | 20,005,889              | 132,107                  | -                           | 20,137,996               |
| Less accumulated depreciation                                       | (7,484,479)             | (608,740)                | -                           | (8,093,219)              |
| Business-type activities<br>Total capital assets being depreciated: | 12,521,410              | (476,633)                | -                           | 12,044,777               |
| Business-type activities<br>capital assets, net                     | 14,925,601              | (450,451)                | -                           | 14,475,150               |
| Entity wide capital assets  | \$ 30,463,371           | \$ (277,384)             | \$ -                        | \$ 30,185,987            |

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - Detailed notes on all funds (continued)**

Depreciation

Depreciation expense was charged to governmental activities as follows:

|                          |                |
|--------------------------|----------------|
| Governmental departments |                |
| General government       | \$ 366,388     |
| Parks and recreation     | 26,278         |
| Public safety - fire     | 9,215          |
| Public safety - police   | 80,280         |
| Public works             | <u>137,103</u> |
| Governmental activities  | <u>619,264</u> |

Depreciation expense was charged to business-type activities as follows:

|   |                            |
|---|----------------------------|
| Water Funds   | 353,601                    |
| Sewer Fund  | <u>255,139</u>             |
| Total depreciation expense,<br>business-type activities | <u>608,740</u>             |
| Total depreciation, entity wide                         | <u><u>\$ 1,228,004</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, 2024, are as follows:

| Funds  | Amount                     |
|--|----------------------------|
| Governmental activities:                         |                            |
| Special revenue funds:                           |                            |
| Housing  | \$ 6,276,860               |
| ARPA   | 1,302,123                  |
| Non-Major Governmental Funds                     | <u>120,290</u>             |
| Total Unearned Revenue - Governmental Activities | <u><u>\$ 7,699,273</u></u> |

*The remainder of this page left intentionally blank.*

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**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, 2024:

|                                 | Balance<br>July 1, 2023 | Additions        | Deductions        | Balance<br>June 30, 2024 | Due within<br>one year |
|---------------------------------|-------------------------|------------------|-------------------|--------------------------|------------------------|
| <b>Governmental activities</b>  |                         |                  |                   |                          |                        |
| Compensated Absences            | \$ 237,479              | \$ 81,731        | \$ 108,394        | \$ 210,816               | \$ 120,580             |
|                                 | <u>\$ 237,479</u>       | <u>\$ 81,731</u> | <u>\$ 108,394</u> | <u>\$ 210,816</u>        | <u>\$ 120,580</u>      |
| <b>Business-type activities</b> |                         |                  |                   |                          |                        |
| Notes Payable                   | \$ 7,145,000            | \$ -             | \$ 268,000        | \$ 6,877,000             | \$ 276,000             |
| Premium on notes                | 465,579                 | -                | 21,163            | 444,416                  | 21,163                 |
| Lease Payable                   | 990,550                 | -                | 149,885           | 840,665                  | 155,662                |
| Compensated Absences            | 99,991                  | 51,039           | 45,641            | 105,389                  | 77,690                 |
| Due to depositors               | 79,959                  | 32,004           | 27,907            | 84,056                   | 84,056                 |
|                                 | <u>\$ 8,781,079</u>     | <u>\$ 83,043</u> | <u>\$ 512,596</u> | <u>\$ 8,351,526</u>      | <u>\$ 614,571</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. This activity is being serviced by Banc of America currently. The water meters have a cost of \$2,097,701 and accumulated depreciation of \$549,399 at June 30, 2024.

The following is a summary of future required minimum payments due:

| Fiscal Year<br>Ending | Water Meter Lease |                  |                   |
|-----------------------|-------------------|------------------|-------------------|
|                       | Principal         | Interest         | Total             |
| 2025                  | \$ 155,662        | \$ 29,745        | \$ 185,407        |
| 2026                  | 161,662           | 23,745           | 185,407           |
| 2027                  | 167,893           | 17,513           | 185,406           |
| 2028                  | 174,364           | 11,042           | 185,406           |
| 2029                  | 181,084           | 4,321            | 185,405           |
| Totals                | <u>\$ 840,665</u> | <u>\$ 86,366</u> | <u>\$ 927,031</u> |

***The remainder of this page left intentionally blank.***



CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - Detailed notes on all funds (continued)**

**2020 Water Revenue Refunding Bonds – direct borrowing**

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 following is a summary of future required minimum payments due:

| Fiscal Year<br>Ending | 2020 Water Revenue Refunding Bonds |                     |                     |
|-----------------------|------------------------------------|---------------------|---------------------|
|                       | Principal                          | Interest            | Total               |
| 2025                  | \$ 125,000                         | \$ 143,225          | \$ 268,225          |
| 2026                  | 130,000                            | 138,750             | 268,750             |
| 2027                  | 135,000                            | 133,450             | 268,450             |
| 2028                  | 140,000                            | 127,950             | 267,950             |
| 2029                  | 145,000                            | 122,250             | 267,250             |
| 2030-2034             | 820,000                            | 517,550             | 1,337,550           |
| 2035-2039             | 995,000                            | 336,250             | 1,331,250           |
| 2040-2044             | 1,210,000                          | 126,900             | 1,336,900           |
| 2045-2046             | 195,000                            | 5,025               | 200,025             |
| Totals                | <u>\$ 3,895,000</u>                | <u>\$ 1,651,350</u> | <u>\$ 5,546,350</u> |

**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 following is a summary of future required minimum payments due:

| Fiscal Year<br>Ending | 2020 Sewer Revenue Refunding Bonds |                   |                     |
|-----------------------|------------------------------------|-------------------|---------------------|
|                       | Principal                          | Interest          | Total               |
| 2025                  | \$ 151,000                         | \$ 77,604         | \$ 228,604          |
| 2026                  | 156,000                            | 73,505            | 229,505             |
| 2027                  | 160,000                            | 69,287            | 229,287             |
| 2028                  | 164,000                            | 64,961            | 228,961             |
| 2029                  | 169,000                            | 60,516            | 229,516             |
| 2030-2034             | 915,000                            | 231,556           | 1,146,556           |
| 2035-2039             | 1,044,000                          | 100,926           | 1,144,926           |
| 2040                  | 223,000                            | 2,977             | 225,977             |
| Totals                | <u>\$ 2,982,000</u>                | <u>\$ 681,332</u> | <u>\$ 3,663,332</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 \$2,800,000 in gross revenues to pay \$266,900 in debt service. The Sewer Fund had approximately \$2,400,000 in gross revenues to pay \$229,595 in debt service.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**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, 2024:

| Net Assets   |                      |
|--|----------------------|
| Assets   | \$ 179,635,612       |
| Liabilities to member cities                         | (144,400,470)        |
| Net assets, reserved for insurance claims and losses | <u>\$ 35,235,142</u> |
|  |                      |
| Changes in Net Assets                                |                      |
| Revenues   | \$ 95,596,916        |
| Expenses   | <u>(94,324,180)</u>  |
| Excess of income over (under) expenses               | <u>\$ 1,272,736</u>  |

This information is not included in the accompanying financial statements. Separate financial statements of the Authority may be obtained at Bickmore Risk Services, 1020 19<sup>th</sup> 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, 2024

**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. In addition, the City has no control of any of the assets of either plan, therefore the plans' assets have not been reported in these 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 or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. 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 generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and 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](http://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, 2024

**NOTE 6 - Defined benefit pension plan (continued)**

The Plans' provisions and benefits in effect at June 30, 2024, 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                                    | 50 - 60            | 52 - 67          |
| Monthly benefits, as a % of eligible compensation | 2.0% - 3.0%        | 1.0% to 2.5%     |
| Required employee contribution rates for 2024     | 8.00%              | 7.75%            |
| Required employer contribution rates for 2024     | 16.44% + \$237,491 | 7.68% + \$0      |

|   | 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                                    | 50 - 55            | 50 - 57          |
| Monthly benefits, as a % of eligible compensation | 2.4% - 3.0%        | 2.0% - 2.7%      |
| Required employee contribution rates for 2024     | 9.00%              | 13.75%           |
| Required employer contribution rates for 2024     | 22.83% + \$230,270 | 13.54% + \$0     |

**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, 2024, were \$855,771. The actual employer payments of \$825,343, made to CalPERS by the City during the measurement period ended June 30, 2023, differed from the City's proportionate share of the employer's contributions of \$857,973 by (\$32,630), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 6 - Defined benefit pension plan (continued)**

**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 is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

**Actuarial Assumptions Methods and Assumptions Used to Determine Total Pension Liability**

|                                  |  |
|----------------------------------|--|
| Valuation Date                   | June 30, 2022  |
| Measurement Date                 | June 30, 2023  |
| Actuarial Cost Method            | Entry Age Normal   |
| Asset valuation method           | Fair Value of Assets   |
| Actuarial Assumptions:           |  |
| Discount Rate                    | 6.90%  |
| Inflation                        | 2.30%  |
| Salary increases                 | Varies by Entry Age and Service  |
| Mortality rate table (1)         | Derived using CalPERS' Membership data for all funds   |
| Post Retirement Benefit Increase | The lesser of contract COLA up to 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 6 - Defined benefit pension plan (continued)**

The expected real rates of return by asset class are as follows:

| Asset Class <sup>1 2</sup>       | Assumed Asset<br>Allocation | Real return <sup>1 2</sup> |
|----------------------------------|-----------------------------|----------------------------|
| Global Equity - Cap-Weighted     | 30.00%                      | 4.54%                      |
| Global Equity - Non-Cap-Weighted | 12.00%                      | 3.84%                      |
| Private equity                   | 13.00%                      | 7.28%                      |
| Treasury                         | 5.00%                       | 0.27%                      |
| Mortgage-backed Securities       | 5.00%                       | 0.50%                      |
| Investment Grade Corporates      | 10.00%                      | 1.56%                      |
| High Yield                       | 5.00%                       | 2.27%                      |
| Emerging Market Debt             | 5.00%                       | 2.48%                      |
| Private Debt                     | 5.00%                       | 3.57%                      |
| Real Assets                      | 15.00%                      | 3.21%                      |
| Leverage                         | -5.00%                      | -0.59%                     |

<sup>1</sup> An expected inflation of 2.3% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

***Change in Assumptions***

There were no changes in assumptions in this period.

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographics assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Pension Plan Fiduciary Net Position***

Information about the pension plans' 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](http://www.calpers.ca.gov). The plans' fiduciary net position and additions to/deductions from the plans' 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 each plan. Investments are reported at fair value.



CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**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<br>Liability | Plan Fiduciary Net<br>Position | Plan Net Pension<br>Liability |
| Balance at: 6/30/2022 (VD) | \$ 27,175,281                   | \$ 20,444,687                  | \$ 6,730,593                  |
| Balance at: 6/30/2023 (MD) | 28,408,823                      | 21,090,690                     | 7,318,133                     |
| Net changes during 2022-23 | <u>\$ 1,233,542</u>             | <u>\$ 646,003</u>              | <u>\$ 587,539</u>             |

\*Valuation Date (VD), Measurement Date (MD)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City's proportionate share of the net pension liability for the miscellaneous/safety/total Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

|                              |                 |
|------------------------------|-----------------|
| Proportion - June 30, 2022   | 0.05827%        |
| Proportion - June 30, 2023   | <u>0.05866%</u> |
| Change - increase/(decrease) | <u>0.00039%</u> |

**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 of the Plan as of the measurement date, calculated using the discount rate of 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

|                                     | Discount rate -1%<br>5.90% | Current discount rate<br>6.90% | Discount rate +1%<br>7.90% |
|-------------------------------------|----------------------------|--------------------------------|----------------------------|
| Plan's Net Pension Liability(Asset) | \$ 11,188,573              | \$ 7,318,133                   | \$ 4,143,472               |

**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.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 6 - Defined benefit pension plan (continued)**

The amortization period differs depending on the source of the gain or loss:

|  |  |
|--|--|
| Net difference between projected and actual earnings on pension plan investments | 5-year straight-line amortization  |
| All other amounts  | Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period |

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2022), the City's net pension liability for the plan was \$6,730,593. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a pension expense of \$1,397,264 for the Plan.

At June 30, 2024, the City has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

|  | Deferred outflows<br>of resources | Deferred inflows<br>of resources |
|--|-----------------------------------|----------------------------------|
| Differences between Expected and Actual Experience   | \$ 455,965                        | \$ 51,966                        |
| Changes in assumptions   | 434,427                           | -                                |
| Net Differences between Projected and Actual Earnings on Pension Plan Investments                        | 1,092,732                         | -                                |
| Adjustment due to Differences in Proportions   | -                                 | -                                |
| Changes in employer's proportion   | 324,389                           | -                                |
| Differences between the employer's contributions and the employer's proportionate share of contributions | 760                               | 310,703                          |
| Pension Contributions Subsequent to Measurement Date   | 855,771                           | -                                |
| Total  | <u>\$ 3,164,044</u>               | <u>\$ 362,670</u>                |

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 6 - Defined benefit pension plan (continued)**

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$855,771 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Fiscal Year<br>Ended June 30: | Deferred<br>Outflows/(Inflows)<br>of Resources |
|-------------------------------|--|
| 2025                          | \$ 621,683                                     |
| 2026                          | 439,701  |
| 2027                          | 853,257  |
| 2028                          | 30,961   |
| 2029                          | -  |
| Thereafter                    | -  |
|                               | \$ 1,945,603                                   |

**E. Payable to the Pension Plan**

At June 30, 2024, the City reports a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

**NOTE 7 - Recent Accounting Pronouncements**

*GASB Statement No. 99 – Omnibus 2022:* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. There was little impact on the current year financial statements due to the implementation of this standard.

*GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62:* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. There was an impact on the current year financial statements due to the implementation of this standard.

*GASB Statement No. 101 – Compensated Absences:* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurements guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 7 - Recent Accounting Pronouncements (continued)**

*GASB Statement No. 102 – Certain Risk Disclosure:* This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

*GASB Statement No. 103 – Financial Reporting Model Improvements:* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

*GASB Statement No. 104 – Disclosure of Certain Capital Assets:* State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**NOTE 8 - Subsequent Events**

The date to which events occurring after June 30, 2024, have been evaluated for possible adjustments to the financial statements or disclosures is February 26, 2025, which is the date that the financial statements were available to be issued.

CITY OF EXETER  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 9 - Correction of an error**

The City had not included a HOME loan receivable in Housing fund that was dated June 17, 1996, in the amount of \$952,318. This correction has been reflected in this financial statement as an increase to note receivable and beginning equity.

## REQUIRED SUPPLEMENTARY INFORMATION



# **REQUIRED SUPPLEMENTARY 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, 2024  
**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<br>Proportion of the<br>Collective Net<br>Pension Liability <sup>1</sup> | Employer's<br>Proportionate<br>Share of the<br>Collective Net<br>Pension Liability | Covered Payroll | Employer's<br>Proportionate<br>Share of the<br>Collective Net<br>Pension Liability<br>as a percentage of<br>the Employer's<br>Covered Payroll | Pension Plan's<br>Fiduciary Net<br>Position as a<br>percentage of the<br>Total Pension<br>Liability |
|----------------------|---|--|-----------------|---|---|
| <b>Miscellaneous</b> |   |  |                 |   |   |
| 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%   |
| 6/30/2020            | 0.06646%  | 2,803,195  | 1,116,900       | 250.98%   | 76.576%   |
| 6/30/2021            | 0.07841%  | 1,488,814  | 1,047,234       | 142.17%   | 88.180%   |
| 6/30/2022            | 0.07215%  | 3,376,128  | 1,350,980       | 249.90%   | 74.290%   |
| 6/30/2023            | 0.07282%  | 3,641,274  | 1,351,313       | 269.46%   | 73.635%   |
| <b>Safety</b>        |   |  |                 |   |   |
| 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%   |
| 6/30/2020            | 0.04362%  | 2,906,279  | 1,416,464       | 205.18%   | 75.964%   |
| 6/30/2021            | 0.03926%  | 1,377,665  | 1,371,833       | 100.43%   | 89.178%   |
| 6/30/2022            | 0.04882%  | 3,354,466  | 1,354,755       | 247.61%   | 76.114%   |
| 6/30/2023            | 0.04919%  | 3,676,859  | 1,278,976       | 287.48%   | 74.812%   |

<sup>1</sup> 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, 2024**  
**Schedule of Plan Contributions**  
**Last 10 Years**

| <u>Fiscal Year</u>   | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Contributions in Relation<br/>to the Actuarially<br/>Determined Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a<br/>Percentage of<br/>Covered Payroll</u> |
|----------------------|--|---|---|------------------------|---|
| <b>Miscellaneous</b> |  |   |   |                        |   |
| 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%  |
| 6/30/2021            | 300,742  | (300,742)   | -   | 1,047,234              | 28.72%  |
| 6/30/2022            | 343,849  | (343,849)   | -   | 1,350,980              | 25.45%  |
| 6/30/2023            | 389,119  | (389,119)   | -   | 1,351,313              | 28.80%  |
| 6/30/2024            | 391,247  | (391,247)   | -   | 1,359,076              | 28.79%  |
| <b>Safety</b>        |  |   |   |                        |   |
| 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%  |
| 6/30/2021            | 393,579  | (393,579)   | -   | 1,371,833              | 28.69%  |
| 6/30/2022            | 396,785  | (396,785)   | -   | 1,354,755              | 29.29%  |
| 6/30/2023            | 436,224  | (436,224)   | -   | 1,278,976              | 34.11%  |
| 6/30/2024            | 464,524  | (464,524)   | -   | 1,381,326              | 33.63%  |

**Notes to Schedule:**

Change in Benefit Terms: None

Changes in Assumptions: There were no changes in 2021. In 2020, a new amortization policy was effective, reducing the amortization period for gains and losses from 30 years to 20 years, and stopping the ramp up/ramp down on UAL bases and investment gains and losses. 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 SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2024**

|  | <b>Budgeted Amounts</b> |                  | <b>Actual</b>       | <b>Variance with</b>      |
|--|-------------------------|------------------|---------------------|---------------------------|
|  | <b>Original</b>         | <b>Final</b>     | <b>Amounts</b>      | <b>Final Budget</b>       |
|  |                         |                  |                     | <b>Positive(Negative)</b> |
| <b>REVENUES</b>  |                         |                  |                     |                           |
| Property taxes   | \$ 1,356,000            | \$ 1,356,000     | \$ 1,420,506        | \$ 64,506                 |
| Sales taxes  | 1,016,000               | 1,016,000        | 999,344             | (16,656)                  |
| Sales taxes - Prop 172   | 148,000                 | 148,000          | 135,969             | (12,031)                  |
| Utility users tax  | 740,000                 | 740,000          | 779,912             | 39,912                    |
| Transient occupancy tax  | 145,660                 | 145,660          | 137,630             | (8,030)                   |
| Property transfer tax/Real Property Transfer                     | 57,000                  | 57,000           | 32,642              | (24,358)                  |
| Franchise tax  | 220,000                 | 220,000          | 278,554             | 58,554                    |
| Business licenses  | 60,200                  | 60,200           | 61,793              | 1,593                     |
| Dog licenses   | 4,600                   | 4,600            | 2,848               | (1,752)                   |
| Other licenses and permits                                       | 6,100                   | 6,100            | 9,014               | 2,914                     |
| Motor vehicle in-lieu tax  | 1,218,650               | 1,218,650        | 1,268,019           | 49,369                    |
| Street Sweeping/Leaf Pickup                                      | 80,000                  | 80,000           | 82,356              | 2,356                     |
| State grants/reimbursements                                      | 8,000                   | 8,000            | 243,451             | 235,451                   |
| Zoning and subdivision fees                                      | 9,700                   | 9,700            | 11,590              | 1,890                     |
| Police services  | 75,000                  | 75,000           | 153,806             | 78,806                    |
| Recreational activities  | 60,000                  | 60,000           | 69,725              | 9,725                     |
| Parking fines  | 10,000                  | 10,000           | 9,585               | (415)                     |
| Vehicle code fines   | 18,000                  | 18,000           | 8,743               | (9,257)                   |
| Street sweeping fees   | 5,900                   | 5,900            | 5,888               | (12)                      |
| Other fines  | 65,900                  | 65,900           | 21,165              | (44,735)                  |
| Investment Earnings  | 2,200                   | 2,200            | 277,366             | 275,166                   |
| Rents/concessions  | 52,000                  | 52,000           | 42,196              | (9,804)                   |
| Other revenues   | 12,000                  | 12,000           | 38,329              | 26,329                    |
| <b>Total revenues</b>  | <b>5,370,910</b>        | <b>5,370,910</b> | <b>6,090,431</b>    | <b>719,521</b>            |
| <b>EXPENDITURES</b>  |                         |                  |                     |                           |
| Current:   |                         |                  |                     |                           |
| General government   | 951,300                 | 951,300          | 899,205             | 52,095                    |
| Parks and recreation   | 385,500                 | 385,500          | 361,849             | 23,651                    |
| Public safety - fire   | 430,000                 | 430,000          | 441,735             | (11,735)                  |
| Public safety - police   | 3,487,810               | 3,487,810        | 3,339,479           | 148,331                   |
| Public works   | 525,000                 | 525,000          | 437,832             | 87,168                    |
| Capital outlay   |                         |                  |                     |                           |
| General government   | 15,000                  | 15,000           | 37,036              | (22,036)                  |
| Parks and recreation   | -                       | -                | 185,844             | (185,844)                 |
| Public safety - police   | -                       | -                | 666                 | (666)                     |
| <b>Total expenditures</b>  | <b>5,794,610</b>        | <b>5,794,610</b> | <b>5,703,646</b>    | <b>90,964</b>             |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(423,700)</b>        | <b>(423,700)</b> | <b>386,785</b>      | <b>810,485</b>            |
| Transfers in   | 423,700                 | 423,700          | 367,813             | (55,887)                  |
| <b>Total other financing sources (uses)</b>                      | <b>423,700</b>          | <b>423,700</b>   | <b>367,813</b>      | <b>(55,887)</b>           |
| <b>Net change in fund balance</b>                                | <b>\$ -</b>             | <b>\$ -</b>      | <b>754,598</b>      | <b>\$ 754,598</b>         |
| <b>Fund balance, July 1</b>                                      |                         |                  | <b>4,603,406</b>    |                           |
| <b>Fund balance, June 30</b>                                     |                         |                  | <b>\$ 5,358,004</b> |                           |

**CITY OF EXETER**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTARY INFORMATION**  
**HOUSING FUNDS**  
**For the Fiscal Year Ended June 30, 2024**

|                                       | <b>Budgeted Amounts</b> |              | <b>Actual</b>  | <b>Variance with</b>      |
|---------------------------------------|-------------------------|--------------|----------------|---------------------------|
|                                       | <b>Original</b>         | <b>Final</b> | <b>Amounts</b> | <b>Final Budget</b>       |
|                                       |                         |              |                | <b>Positive(Negative)</b> |
| <b>REVENUES</b>                       |                         |              |                |                           |
| Intergovernmental                     | \$ -                    | \$ -         | \$ 341,835     | \$ 341,835                |
| Loan payments                         | 235,000                 | 235,000      | 606,866        | 371,866                   |
| Investment earnings                   | 3,000                   | 3,000        | 54,628         | 51,628                    |
| Total revenues                        | 238,000                 | 238,000      | 1,003,329      | 765,329                   |
| <b>EXPENDITURES</b>                   |                         |              |                |                           |
| Current:                              |                         |              |                |                           |
| Community and economic development    | 561,000                 | 561,000      | 14,875         | 546,125                   |
| Total expenditures                    | 561,000                 | 561,000      | 14,875         | 546,125                   |
| Net change in fund balance            | \$ (323,000)            | \$ (323,000) | 988,454        | \$ 1,311,454              |
| <b>Fund balance, July 1</b>           |                         |              | 1,118,280      |                           |
| Correction of an error                |                         |              | 952,381        |                           |
| <b>Fund balance, July 1, restated</b> |                         |              | 2,070,661      |                           |
| <b>Fund balance, June 30</b>          |                         |              | \$ 3,059,115   |                           |

**CITY OF EXETER**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTARY INFORMATION**  
**AMERICAN RESCUE PLAN ACT FUND (ARPA)**  
**For the Fiscal Year Ended June 30, 2024**

|  | <b>Budgeted Amounts</b> |              | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive(Negative)</b> |
|--|-------------------------|--------------|---------------------------|--|
|  | <b>Original</b>         | <b>Final</b> |                           |  |
| <b>REVENUES</b>  |                         |              |                           |  |
| Intergovernmental  | \$ -                    | \$ -         | \$ 199,507                | \$ 199,507   |
| Investment earnings  | -                       | -            | 51,875                    | 51,875   |
| Total revenues   | -                       | -            | 251,382                   | 251,382  |
| <b>EXPENDITURES</b>  |                         |              |                           |  |
| Capital outlay   |                         |              |                           |  |
| General governments  | -                       | -            | 163,272                   | (163,272)  |
| Public safety - police                                       | -                       | -            | 44,944                    | (44,944)   |
| Total expenditures   | -                       | -            | 208,216                   | (208,216)  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                       | -            | 43,166                    | 43,166   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |              |                           |  |
| Transfers in   | -                       | -            | 12,587                    | 12,587   |
| Transfers out  | -                       | -            | (3,878)                   | (3,878)  |
| Total other financing sources (uses)                         | -                       | -            | 8,709                     | 8,709  |
| Net change in fund balance                                   | \$ -                    | \$ -         | 51,875                    | \$ 51,875  |
| <b>Fund balance, July 1</b>                                  |                         |              | 24,550                    |  |
| <b>Fund balance, June 30</b>                                 |                         |              | <u>\$ 76,425</u>          |  |



**CITY OF EXETER**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP basis) AND ACTUAL - REQUIRED SUPPLEMENTARY INFORMATION**  
**MEASURE P FUND**  
**For the Fiscal Year Ended June 30, 2024**

|                                       | <u>Budgeted Amounts</u> |                   |                     | <u>Variance with</u>      |
|---------------------------------------|-------------------------|-------------------|---------------------|---------------------------|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>       | <u>Final Budget</u>       |
|                                       |                         |                   | <u>Amounts</u>      | <u>Positive(Negative)</u> |
| <b>REVENUES</b>                       |                         |                   |                     |                           |
| Sales taxes                           | \$ 1,365,000            | \$ 1,365,000      | \$ 1,892,341        | \$ 527,341                |
| Investment earnings                   | 3,000                   | 3,000             | 135,885             | 132,885                   |
| Total revenues                        | <u>1,368,000</u>        | <u>1,368,000</u>  | <u>2,028,226</u>    | <u>660,226</u>            |
| <b>EXPENDITURES</b>                   |                         |                   |                     |                           |
| Current:                              |                         |                   |                     |                           |
| General government                    | 218,100                 | 218,100           | 29,362              | 188,738                   |
| Parks and recreation                  | 85,000                  | 85,000            | 26,799              | 58,201                    |
| Public safety - police                | 236,700                 | 236,700           | 189,000             | 47,700                    |
| Public works                          | 12,000                  | 12,000            | -                   | 12,000                    |
| Capital outlay                        |                         |                   |                     |                           |
| General government                    | -                       | -                 | 9,960               | (9,960)                   |
| Parks and recreation                  | -                       | -                 | 6,981               | (6,981)                   |
| Public safety                         | 100,000                 | 100,000           | 51,950              | 48,050                    |
| Public works                          | 600,000                 | 600,000           | 278,299             | 321,701                   |
| Total expenditures                    | <u>1,251,800</u>        | <u>1,251,800</u>  | <u>592,351</u>      | <u>659,449</u>            |
| Excess (deficiency) of revenues       |                         |                   |                     |                           |
| over (under) expenditures             | <u>116,200</u>          | <u>116,200</u>    | <u>1,435,875</u>    | <u>1,319,675</u>          |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                   |                     |                           |
| Transfers in                          | -                       | -                 | -                   | -                         |
| Transfers out                         | -                       | -                 | (12,587)            | (12,587)                  |
| Total other financing sources (uses)  | <u>-</u>                | <u>-</u>          | <u>(12,587)</u>     | <u>(12,587)</u>           |
| Net change in fund balance            |                         |                   |                     |                           |
|                                       | <u>\$ 116,200</u>       | <u>\$ 116,200</u> | 1,423,288           | <u>\$ 1,307,088</u>       |
| <b>Fund balance, July 1</b>           |                         |                   | <u>3,300,019</u>    |                           |
| <b>Fund balance, June 30</b>          |                         |                   | <u>\$ 4,723,307</u> |                           |

## SUPPLEMENTARY INFORMATION

**City of Exeter**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

|                                      | Special Revenue   |                  |                   |                     |                  |                        |                   |
|--------------------------------------|-------------------|------------------|-------------------|---------------------|------------------|------------------------|-------------------|
|                                      | Gas<br>Tax        | Storm<br>Drain   | Grant<br>Fund     | RMRA<br>Fund        | CASP<br>Fund     | Transportation<br>Fund | COPS<br>Fund      |
| <b>ASSETS</b>                        |                   |                  |                   |                     |                  |                        |                   |
| Cash and cash equivalents            | \$ 210,410        | \$ 25,317        | \$ 153,887        | \$ 1,063,060        | \$ 18,968        | \$ 1,846,705           | \$ 287,179        |
| Intergovernmental receivables        | 24,496            | 65,000           | -                 | 46,566              | -                | -                      | -                 |
| Notes receivables                    | -                 | -                | 90,000            | -                   | -                | -                      | -                 |
| Total assets                         | <u>\$ 234,906</u> | <u>\$ 90,317</u> | <u>\$ 243,887</u> | <u>\$ 1,109,626</u> | <u>\$ 18,968</u> | <u>\$ 1,846,705</u>    | <u>\$ 287,179</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                   |                  |                   |                     |                  |                        |                   |
| Liabilities:                         |                   |                  |                   |                     |                  |                        |                   |
| Accounts and other payables          | \$ 11,530         | \$ -             | \$ 22             | \$ 10,928           | \$ -             | \$ 23,728              | \$ 37,184         |
| Due to other funds                   | -                 | -                | -                 | -                   | -                | -                      | -                 |
| Unearned revenue                     | -                 | -                | 90,000            | -                   | -                | -                      | -                 |
| Total liabilities                    | <u>11,530</u>     | <u>-</u>         | <u>90,022</u>     | <u>10,928</u>       | <u>-</u>         | <u>23,728</u>          | <u>37,184</u>     |
| Fund balances:                       |                   |                  |                   |                     |                  |                        |                   |
| Restricted                           | 223,376           | -                | 153,865           | 1,098,698           | 18,968           | 1,822,977              | 249,995           |
| Committed                            | -                 | 90,317           | -                 | -                   | -                | -                      | -                 |
| Total fund balances                  | <u>223,376</u>    | <u>90,317</u>    | <u>153,865</u>    | <u>1,098,698</u>    | <u>18,968</u>    | <u>1,822,977</u>       | <u>249,995</u>    |
| Total liabilities and fund balances  | <u>\$ 234,906</u> | <u>\$ 90,317</u> | <u>\$ 243,887</u> | <u>\$ 1,109,626</u> | <u>\$ 18,968</u> | <u>\$ 1,846,705</u>    | <u>\$ 287,179</u> |

**City of Exeter**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

|                                      | Special Revenue  |                  |                  |                 |                     | Total             |                     |
|--------------------------------------|------------------|------------------|------------------|-----------------|---------------------|-------------------|---------------------|
|                                      | Police           | Landscape        |                  | COVID Aid       |                     | Impact            | Nonmajor            |
|                                      | Donations        | & Lighting       | BIP              | Grant           | Measure R           | Fees              | Governmental        |
|                                      | Fund             | Fund             | Fund             | Fund            | Fund                | Fund              | Funds               |
| <b>ASSETS</b>                        |                  |                  |                  |                 |                     |                   |                     |
| Cash and cash equivalents            | \$ 94,903        | \$ 95,667        | \$ -             | \$ 1,154        | \$ 1,061,071        | \$ 304,476        | \$ 5,162,797        |
| Intergovernmental receivables        | -                | 1,518            | -                | -               | 99,443              | -                 | 237,023             |
| Notes receivables                    | -                | -                | 30,290           | -               | -                   | -                 | 120,290             |
| Total assets                         | <u>\$ 94,903</u> | <u>\$ 97,185</u> | <u>\$ 30,290</u> | <u>\$ 1,154</u> | <u>\$ 1,160,514</u> | <u>\$ 304,476</u> | <u>\$ 5,520,110</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                  |                  |                  |                 |                     |                   |                     |
| Liabilities:                         |                  |                  |                  |                 |                     |                   |                     |
| Accounts and other payables          | \$ -             | \$ 17,100        | \$ -             | \$ -            | \$ 24,855           | \$ -              | \$ 125,347          |
| Due to other funds                   | -                | -                | -                | -               | 5,822               | -                 | 5,822               |
| Unearned revenue                     | -                | -                | 30,290           | -               | -                   | -                 | 120,290             |
| Total liabilities                    | <u>-</u>         | <u>17,100</u>    | <u>30,290</u>    | <u>-</u>        | <u>30,677</u>       | <u>-</u>          | <u>251,459</u>      |
| Fund balances:                       |                  |                  |                  |                 |                     |                   |                     |
| Restricted                           | 94,903           | 80,085           | -                | 1,154           | 1,129,837           | 304,476           | 5,178,334           |
| Committed                            | -                | -                | -                | -               | -                   | -                 | 90,317              |
| Total fund balances                  | <u>94,903</u>    | <u>80,085</u>    | <u>-</u>         | <u>1,154</u>    | <u>1,129,837</u>    | <u>304,476</u>    | <u>5,268,651</u>    |
| Total liabilities and fund balances  | <u>\$ 94,903</u> | <u>\$ 97,185</u> | <u>\$ 30,290</u> | <u>\$ 1,154</u> | <u>\$ 1,160,514</u> | <u>\$ 304,476</u> | <u>\$ 5,520,110</u> |

**City of Exeter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2024**

|  | Special Revenue   |                  |                   |                     |                  |                        |                   |
|--|-------------------|------------------|-------------------|---------------------|------------------|------------------------|-------------------|
|  | Gas<br>Tax        | Storm<br>Drain   | Grant<br>Fund     | RMRA<br>Fund        | CASP<br>Fund     | Transportation<br>Fund | COPS<br>Fund      |
| <b>REVENUES</b>                                      |                   |                  |                   |                     |                  |                        |                   |
| Other Taxes  | \$ 285,253        | \$ -             | \$ -              | \$ -                | \$ -             | \$ -                   | \$ -              |
| Intergovernmental                                    | -                 | 65,000           | -                 | 267,196             | -                | -                      | 186,159           |
| Charges for services                                 | -                 | 3,707            | -                 | -                   | 6,714            | -                      | -                 |
| Investment earnings                                  | 10,731            | 807              | 5,313             | 32,878              | 507              | 72,900                 | 11,694            |
| Miscellaneous  | 192,416           | -                | -                 | -                   | -                | -                      | 2,188             |
| Total revenues                                       | <u>488,400</u>    | <u>69,514</u>    | <u>5,313</u>      | <u>300,074</u>      | <u>7,221</u>     | <u>72,900</u>          | <u>200,041</u>    |
| <b>EXPENDITURES</b>                                  |                   |                  |                   |                     |                  |                        |                   |
| Community and economic development                   | -                 | -                | 109               | -                   | -                | -                      | -                 |
| General government                                   | -                 | -                | -                 | -                   | -                | -                      | -                 |
| Public safety - police                               | -                 | -                | -                 | -                   | -                | -                      | -                 |
| Public works   | 172,568           | 74               | -                 | 586                 | -                | 5,599                  | -                 |
| Capital outlay                                       |                   |                  |                   |                     |                  |                        |                   |
| Public safety - police                               | -                 | -                | -                 | -                   | -                | -                      | 183,313           |
| Public works   | 55,574            | -                | -                 | 21,300              | -                | 346,749                | -                 |
| Total expenditures                                   | <u>228,142</u>    | <u>74</u>        | <u>109</u>        | <u>21,886</u>       | <u>-</u>         | <u>352,348</u>         | <u>183,313</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>260,258</u>    | <u>69,440</u>    | <u>5,204</u>      | <u>278,188</u>      | <u>7,221</u>     | <u>(279,448)</u>       | <u>16,728</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |                  |                   |                     |                  |                        |                   |
| Transfers in(out)                                    | (137,831)         | 5,456            | -                 | -                   | -                | (200,000)              | -                 |
| Total other financing sources<br>and uses            | <u>(137,831)</u>  | <u>5,456</u>     | <u>-</u>          | <u>-</u>            | <u>-</u>         | <u>(200,000)</u>       | <u>-</u>          |
| Net change in fund balances                          | 122,427           | 74,896           | 5,204             | 278,188             | 7,221            | (479,448)              | 16,728            |
| Fund balances, July 1                                | <u>100,949</u>    | <u>15,421</u>    | <u>148,661</u>    | <u>820,510</u>      | <u>11,747</u>    | <u>2,302,425</u>       | <u>233,267</u>    |
| Fund balances, June 30                               | <u>\$ 223,376</u> | <u>\$ 90,317</u> | <u>\$ 153,865</u> | <u>\$ 1,098,698</u> | <u>\$ 18,968</u> | <u>\$ 1,822,977</u>    | <u>\$ 249,995</u> |

**City of Exeter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2024**

|  | Police<br>Donations<br>Fund | Landscape<br>& Lighting<br>Fund | BIP<br>Fund | COVID Aid<br>Grant<br>Fund | Measure R<br>Fund   | Impact<br>Fees<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|---------------------------------|-------------|----------------------------|---------------------|------------------------|--|
| <b>REVENUES</b>                                      |                             |                                 |             |                            |                     |                        |  |
| Other Taxes  | \$ -                        | \$ 150,691                      | \$ -        | \$ -                       | \$ -                | \$ -                   | \$ 435,944                                 |
| Intergovernmental                                    | 7,321                       | -                               | -           | 130,502                    | 314,200             | -                      | 970,378                                    |
| Charges for services                                 | -                           | -                               | -           | -                          | -                   | 22,375                 | 32,796                                     |
| Investment earnings                                  | -                           | -                               | -           | -                          | 35,752              | 10,095                 | 180,677                                    |
| Miscellaneous  | -                           | -                               | -           | -                          | -                   | -                      | 194,604                                    |
| Total revenues                                       | <u>7,321</u>                | <u>150,691</u>                  | <u>-</u>    | <u>130,502</u>             | <u>349,952</u>      | <u>32,470</u>          | <u>1,814,399</u>                           |
| <b>EXPENDITURES</b>                                  |                             |                                 |             |                            |                     |                        |  |
| Community and economic development                   | -                           | -                               | -           | 87,005                     | -                   | -                      | 87,114                                     |
| General government                                   | -                           | 107,080                         | -           | -                          | 5,367               | -                      | 112,447                                    |
| Public safety - police                               | 10,115                      | -                               | -           | -                          | -                   | -                      | 10,115                                     |
| Public works   | -                           | -                               | -           | -                          | 7,920               | -                      | 186,747                                    |
| Capital outlay                                       | -                           | -                               | -           | -                          | -                   | -                      | 183,313                                    |
| Public safety - police                               | -                           | -                               | -           | -                          | -                   | -                      | 553,044                                    |
| Public works   | -                           | -                               | -           | -                          | -                   | -                      | 1,132,780                                  |
| Total expenditures                                   | <u>10,115</u>               | <u>107,080</u>                  | <u>-</u>    | <u>87,005</u>              | <u>129,421</u>      | <u>-</u>               | <u>1,132,780</u>                           |
| Excess (deficiency) of revenues<br>over expenditures | <u>(2,794)</u>              | <u>43,611</u>                   | <u>-</u>    | <u>43,497</u>              | <u>207,244</u>      | <u>32,470</u>          | <u>681,619</u>                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                             |                                 |             |                            |                     |                        |  |
| Transfers in(out)                                    | -                           | (28,437)                        | -           | -                          | (5,822)             | 1,874                  | (364,760)                                  |
| Total other financing sources<br>and uses            | <u>-</u>                    | <u>(28,437)</u>                 | <u>-</u>    | <u>-</u>                   | <u>(5,822)</u>      | <u>1,874</u>           | <u>(364,760)</u>                           |
| Net change in fund balances                          | (2,794)                     | 15,174                          | -           | 43,497                     | 201,422             | 34,344                 | 316,859                                    |
| Fund balances, July 1                                | 97,697                      | 64,911                          | -           | (42,343)                   | 928,415             | 270,132                | 4,951,792                                  |
| Fund balances, June 30                               | <u>\$ 94,903</u>            | <u>\$ 80,085</u>                | <u>\$ -</u> | <u>\$ 1,154</u>            | <u>\$ 1,129,837</u> | <u>\$ 304,476</u>      | <u>\$ 5,268,651</u>                        |



## OTHER REPORT

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

*Independent Auditor's Report*

To the Honorable City Council  
City of Exeter, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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 entity) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated February 26, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as items 2024-001 and 2024-002.

### ***The City's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
February 26, 2025

## **Other Matters**

### **Finding 2024-001**

#### ***Duplicate Vendors***

##### *Observation*

While conducting the audit on cash disbursement procedures, we noted a few instances in which vendors were listed under similar names throughout the disbursement register.

##### *Recommendation*

We recommend that management reconcile all vendors that have similar names and consolidate any vendors with multiple names under a single vendor so as to avoid any future confusion or possible duplicate payments.

##### *Management response*

The City has completed review after receiving Finding 2023-002 from the last Auditor's Report covering audit period fiscal year July 1, 2022, to June 30, 2023, dated May 10, 2024. During review, staff have updated vendors to reflect W9 changes and consolidated any vendors with the same name and Employer Identification Number to eliminate any future confusion and noncompliance.

### **Finding 2024-002**

#### ***Investment reports***

##### *Observation*

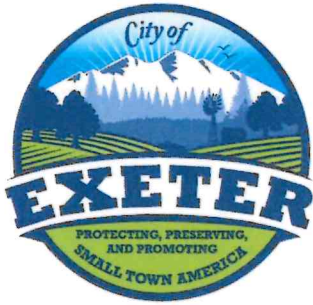
Per the City's investment policy, "Periodic investment reports will be submitted by the Treasurer to the governing board". During our audit of investments, we noted out of the four (of twelve) treasurer's reports tested, none of them were submitted in a timely manner. Per Government Code §53646, "if the treasurer or chief fiscal officer of a local agency elects to submit or if the legislative body mandates the submission of a quarterly investment report to the legislative body pursuant to Section 53646, it must do so within 30 days after the end of the quarter."

##### *Recommendation*

In order to be in compliance with the City's investment policy (and the California Government Code), we recommend the City begin submitting its investment reports on a continuous, timely basis.

##### *Management response*

Due to the staffing challenges the City has faced has caused the investment reports to be delayed. We understand recommendations and Investments Reports will be submitted quarterly and timely within 30 days after the end of the quarter.



04/22/2025

FY 2023/2024

# Audited Financial Statement



---

## **WHY DOES THE CITY HAVE AN ANNUAL AUDIT?**

- STATE LAW requires the City to prepare audited financial statements for each fiscal year
- Audit is a valuable management tool for assessing an organizations fiscal performance
- Serves as a resource for credit rating agencies as well as a management tool for improving financial controls and practices
- Audit reports may also identify internal control weakness and vulnerabilities to fraud



## 2023/2024 FISCAL YEAR FINANCIAL POLICY REPORT CARD

| FINANCIAL POLICY   | FY 23/24 RESULTS<br>ACTION ITEMS                         |
|--|--|
| Balanced Budget  | GF - Yes & Enterprise Funds - Yes                        |
| Budget Reserve 25%   | Partially achieved: GF - Yes, Enterprise Funds - Not All |
| One-time Revenues towards reserves or one-time use         | Yes  |
| Enterprise Rates should cover operations and capital needs | No for Sanitation Fund and Yes for Water & Sewer Fund    |
| Investment Policy to keep cash liquid and safe             | Yes  |
| Debt sparingly used  | Yes  |
| Annual Audit timely  | Better Goal date is 12/31 issue date 2/26/25             |

# FINANCIAL STATEMENT OVERVIEW



CITY OF EXETER

## AUDITED BASIC FINANCIAL STATEMENTS

### *Independent Auditor's Report*

FOR THE YEAR ENDED JUNE 30, 2024

To the Honorable City Council  
City of Exeter, California

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Exeter (the City), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of June 30, 2024, 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.

**City of Exeter**  
**Schedule of Findings and Responses**  
**For the year ended June 30, 2024**

---

## GENERAL FUND OVERVIEW

|                          | <b>FY 23 ACTUAL</b> | <b>FY24 ACTUAL</b> |
|--------------------------|---------------------|--------------------|
| Beginning Fund Balance   | \$ 4,090,680        | \$ 4,603,406       |
| GF Revenue               | 5,326,480           | 6,120,413          |
| GF Expenditure           | 5,168,112           | 5,697,878          |
| Transfers In/Out         | 354,358             | 337,831            |
| Fund Increase/(Decrease) | 158,368             | 760,366            |
| Ending Fund Balance      | 4,603,406           | 5,358,003          |
| 25% Reserve of Expend    | 1,292,028           | 1,424,469          |
| Reserve %                | 89.07%              | 94.04%             |

- General Fund Balance grew from \$4.6M to \$5.3M is a combination of increased revenue overall and expenditures that were lower than the previous fiscal year.
- Total reserve level 94.04%

# **ENTERPRISE FUNDS OVERVIEW**

## **WATER SEWER SANITATION**

- Water Fund working capital \$1,529,678 which represents 65% of annual outflows
- Sewer Fund working capital had substantial growth due to the cumulative effect of prior rate increases totaling 17.50% passed by Council previously.
- Fund balance of \$2,701,871 with 189% reserve
- Sanitation Fund working capital is \$101,072, which is a 7% reserve

# MEASURE P

- ❖ The Measure P ending fund balance was \$4,723,307. The fund balance increased \$1.4M. Sales taxes were up by \$80,000 over the previous fiscal year. The remaining increase was due to savings in the budget and capital planning.
- ❖ The fund balance represents prior years unspent revenue carried over to be used for various large projects such as a fire engine replacement, annual street rebuilds/overlays and large building maintenance projects all of which require more than one year of revenue to accumulate before the project can be initiated and/or purchased.



## **NO ACTION REQUIRED**

**RECEIVE REPORT AND PROVIDE FEEDBACK ON THE FINANCIAL POLICY REPORT CARD AS OF JUNE 30, 2024**

## **QUESTIONS/ COMMENTS**



## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:** J.3.

**Wording for Agenda:** Consider Approval of Employment Agreement with Rob Schimpf for the position of Chief of Police.

**Submitting Department:** Administration  
**Contact Name:** Francesca Quintana, City Clerk/Human Resources Manager;  
Adam Ennis, City Administrator  
**Phone Number:** (559)592-9244 ext. 1001  
**Email:** [fquintana@exetercityhall.com](mailto:fquintana@exetercityhall.com),  
[adam@exetercityhall.com](mailto:adam@exetercityhall.com)

**For action by:**

☒ City Council

**Regular Session:**

☐ Consent Calendar

☒ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



**Department Recommendation:**

City Staff recommends that the City Council approve the Employment Agreement between the City of Exeter and Rob Schimpf to serve as the City's Chief of Police, and authorize the City Administrator and Mayor to execute the agreement on behalf of the City.

**Summary:**

City Staff asks that the City Council consider entering into an employment agreement, that will initially extend through June 30, 2026, with Rob Schimpf to serve as Chief of Police. Mr. Schimpf has been serving as Interim Chief of Police under a contract with the Tulare County Sheriff's Office since February 28, 2025. During this time, he has demonstrated exemplary leadership, professionalism, and a deep understanding of both departmental operations and community needs. Based on his performance, background, and strong alignment with the City's vision for public safety, the City Administrator has determined that Mr. Schimpf is the best long-term fit for the role.

A long-time resident of Tulare County, Mr. Schimpf brings over 25 years of law enforcement experience and a distinguished record of public service. His career includes military service as a combat medic and pharmacy specialist in the U.S. Army, followed by law enforcement roles with the Woodlake Police Department and the Tulare County Sheriff's Office. He rose through the ranks from patrol deputy to assistant sheriff, serving in specialized units such as Crimes Against Children, Agricultural Crimes, and Emergency Services, while also holding leadership assignments in detention, administration, and search and rescue operations.

The proposed agreement includes the following terms:

- Position and Term: Full-time Chief of Police through June 30, 2026, contingent upon completion of standard pre-employment processes.
- Compensation:
  - Monthly salary of \$13,479, including applicable deferred compensation conversion.

- Eligible for future salary adjustments tied to the Exeter Police Officers Association (EPOA).
- Responsible for 3% of employer CalPERS contribution.
- **Benefits:**
  - Full benefits as provided to management employees.
  - City-provided vehicle for City and personal use.
  - Uniform allowance (\$1,000 annually), cell phone stipend or City-issued phone, and bilingual pay (if qualified).
  - CalPERS "3% at 55" plan participation, with full employee contribution.
  - Retention pay based on years of service (up to 7.5%).
  - Vacation (23 days/year), sick leave (8 hours/month), 96 hours executive leave, and personal leave.
  - Options for sick leave cash-out and vacation buyback.
  - Educational reimbursement up to \$1,000 annually
- **Termination and Severance:**
  - At-will position per City Code.
  - If terminated without cause, eligible for three (3) months' salary as severance.
  - No severance if terminated for cause or as a result of criminal conviction involving abuse of position.

The proposed agreement formalizes the City's intent to invest in stable, capable leadership within the Exeter Police Department, and affirms the City Council and Administrator's confidence in Mr. Schimpf's ability to lead the department forward with integrity, professionalism, and strong community engagement.

### **Background:**

Assistant Sheriff Rob Schimpf has been serving as Interim Chief of Police for the City of Exeter since February 28, 2025, under a management services arrangement with the Tulare County Sheriff's Office. Since assuming this interim role, Schimpf has demonstrated exemplary leadership, professionalism, and commitment to both the department and the community. His integrity, experience, and approachability have brought stability and renewed confidence within the Exeter Police Department.

Following a thorough review of his performance and qualifications, the City Administrator has determined that Mr. Schimpf is the best fit for the position of Chief of Police based on his extensive background in law enforcement and the strong alignment of his leadership style with the goals and culture of the department.

He began his career with the Woodlake Police Department before joining the Tulare County Sheriff's Office, where he rose through the ranks over the course of nearly three decades.

His assignments have included roles in patrol, agricultural crimes, crimes against children, detention operations, and emergency services. He has held leadership positions as a detective, sergeant, lieutenant, captain (promoted in 2018), and most recently, assistant sheriff (promoted in 2023).

**Fiscal Impact:**

The fiscal impact of this agreement is within the approved budget for the Chief of Police position and includes compensation and benefits that are consistent with comparable department head roles. An amended salary schedule memorializing the salary proposed in the agreement is forthcoming.

**Prior Council/Board Actions:**

None.

**Attachments:**

- Draft Employment Agreement Between City of Exeter and Rob Schimpf

**Recommended motion to be made by Council/Board:** I move to approve the Employment Agreement with Rob Schimpf for the position of Chief of Police and authorize the City Administrator and Mayor to execute the agreement on behalf of the City.

## **EMPLOYMENT AGREEMENT BETWEEN THE CITY OF EXETER AND ROB SCHIMPF**

This Agreement is entered into this 22<sup>nd</sup> day of April 2025 by and between the City of Exeter ("City") and Rob Schimpf ("Schimpf"), pursuant to the terms and conditions described herein.

The City wishes to continue to employ the services of Schimpf, in the capacity of Chief of Police, a full-time position. Further, the City and Schimpf noted desire to provide for certain procedures, benefits and requirements regarding the employment. Schimpf is willing to work in the stated capacity under the terms and conditions recited herein.

Schimpf shall represent and support the policies and procedures established by the City Council and City Administrator.

### **Employee Rights and the City of Exeter Department Heads Agreement**

As a City Department Head, Schimpf is an at-will employee of the City pursuant to the City Code of Ordinances Section 2.08.060. Schimpf shall enjoy all employment rights provided by State and Federal statutes and applicable law. Further, the City shall have as a primary goal the protection and furtherance of these rights.

Where this Agreement contains an article pertaining to a specific topic also contained in the City of Exeter Employee Rules & Regulations, the provisions in this document shall apply and shall in effect replace the section of the Rules & Regulations.

Where provisions of this Agreement conflict or contradict provisions in the City of Exeter Employee Rules & Regulations, this document shall have precedent over the Rules & Regulations. Where this Agreement is silent as to matters already addressed in the City of Exeter Employee Rules & Regulations, that document shall be the guiding source and authority, if applicable by its own terms.

### **Term of Agreement**

This agreement shall commence upon the successful completion of all pre-employment requirements, including a thorough background investigation, medical evaluation, and psychological evaluation, and will be effective through June 30, 2026.

### **Compensation**

The salary shall be at the (incrementally equalized) Step E of the established five-step salary range for the position combined with the advancement of the scheduled increase that would have otherwise commenced July 01, 2025, equal in total to \$13,479 per month, as reflected in the salary schedule to be considered for adoption on or about May 13, 2025. In addition, Schimpf shall receive all future increases in salary that are also paid to and received by the EPOA members during this contract period. Step increases shall be granted pursuant to the City of Exeter Employee Rules & Regulations. Compensation shall be provided in equal payments consistent with the employee payroll periods of the City. Schimpf is responsible for payment of 3.0% of the employer contribution to CalPERS, consistent with the other City Department Heads.

Schimpf has elected to take the management employees deferred compensation program's City contribution of 7.0% (seven percent) in salary, with the adjustment for City CalPERS cost, which is already reflected in the above salary.

#### Benefits

Benefits will be made available to Schimpf as outlined in the City of Exeter Employee Rules & Regulations as pertains to Management Employees, including any future amendment of said rules and regulations that may occur during the term of this Agreement. Specific and/or unique benefit provisions are described herein.

#### Provision of Automobile/Automobile Allowance/Mileage Reimbursement

The City shall provide an automobile for City and personal use during employment with the City.

The City shall be responsible for providing liability, property damage, and comprehensive insurance, and for the purchase, operation, maintenance, repair, and regular replacement of the provided automobile. Schimpf shall not permit any person other than an authorized City employee to drive or use said automobile.

#### Retention Pay

Retention Pay shall be available to Schimpf. Retention Pay is based on complete years of City of Exeter full-time, sworn law enforcement officer employment/service as a percentage of base wages as follows: 2.5% at each of 6, 10, and 15 years (up to a maximum of 7.5%). Lateral officers' prior full-time, sworn law enforcement officer employment/service will be counted toward years of service in determining retention pay.

#### Retirement Benefit

The City of Exeter participates in the CalPERS retirement program. Schimpf shall participate in the CalPERS local government employee "3% at Age 55" plan. The City shall follow the provisions of PEPPA based on Schimpf's eligibility as a "classic" or "new" member.

Except as specifically noted in the Compensation section above, the City of Exeter is responsible for payment of the employer contribution to the plan. Schimpf is responsible for payment of the full employee contribution.

Retirement benefits, including share of premium costs, are as currently established in the Rules and Regulations for City of Exeter Department Heads, and adjustments shall be made consistent with any new or revisions adopted applicable to City of Exeter Department Heads, during the term of this agreement.

Employees contemplating retirement are strongly urged to contact CalPERS directly to estimate retirement benefits and plan accordingly.

#### Health Benefits

Schimpf shall enjoy the same medical, dental, and vision benefits afforded to the employees within his department – with comparable benefit levels and employee/employer contributions. Schimpf may choose to participate in the City's "Opt-Out" Plan, but otherwise will contribute a portion of his base salary towards his medical coverage consistent with the applicable City policies in effect.



The City shall provide dental/vision insurance coverage through Principal (dental) and VSP (vision) per the plan provided to the represented groups. This dental/vision benefit program will be reviewed by the City in the last quarter of each calendar year to determine how it compares to other options. To qualify for this dental/vision insurance coverage participation in the health insurance coverage is required.

Any subsequent changes made to the applicable plans that are applicable to the Department employees shall apply to Schimpf.

Vacation, Sick Leave/Personal Leave, Executive Leave, and Holidays

Schimpf shall be afforded vacation leave, sick leave/personal leave, executive leave, and holidays as follows : 8 hours per month of sick leave, 23 days per year (15 and 1/3 hours per month) of vacation leave based on total years of service, and 96 hours per fiscal year of Executive leave.

Upon separation from City employment, Schimpf will be paid as indicated for unused sick time hours remaining in his/her accumulated sick leave bank at the employee's current base rate of pay:

| <u>Years of Service</u> | <u>Percentage of Balance to be Paid</u> |
|-------------------------|---|
| 0 to less than 5        | Not eligible                            |
| 5 to less than 10       | 15%                                     |
| 10 to less than 15      | 20%                                     |
| 15 to less than 20      | 25%                                     |
| 20 and over             | 30%                                     |

A retiring employee should consider at the time of retirement the opportunity to convert all, or a portion, of unused sick leave into service credit as part of the City's contract with CalPERS.

Schimpf is allowed four (4) personal leave days per year to be taken from his sick leave bank and utilized at his discretion, upon approval by his supervisor. Personal leave does not accrue in a separate bank, it is more aptly described as an allowed use of accumulated sick leave. Because it does not accrue separately, it should be thought of as a 4-day-per-year allowable use of sick leave for personal reasons other than illness or injury, which may be substituted for other previously scheduled leave prior to submittal of timesheets.

If Schimpf uses only between zero (0) and thirty-six (36) hours of sick leave in a calendar year, Schimpf may, at the start of the new calendar year, request to redeem up to sixty (60) hours of accrued sick leave in pay, at the rate of 30% of his regular rate of pay, provided that Schimpf's remaining sick leave balance, at the conclusion of the transaction, does not drop below the greater of one hundred sixty (160) hours or the elimination period for the disability insurance acquired by the EPOA.

Should Schimpf be killed in the line of duty, the City shall pay to Schimpf's spouse or beneficiary 50% of the employees accumulated sick leave at their regular rate of pay at the time of passing.



Once each calendar year if Schimpf reaches his maximum accrual of 360 hours of vacation leave in a pay period he may redeem up to eighty (80) hours of vacation in pay (at his current rate of pay) in that pay period so long as he has taken at least a forty (40) hour vacation leave during the previous eight (8) months.

#### Uniform Pay

Schimpf will be entitled to an annual uniform contribution from the City of \$1,000.00, paid biweekly with his regular payroll check.

#### Provision of Technology/Stipends

Either a City-owned cell phone shall be provided or a stipend in the current amount of \$45.00 per month shall be provided to compensate Schimpf for the use of their personal cell phone and other necessary technology.

#### Bi-Lingual Pay

If qualified and designated, Schimpf shall be granted a monthly bi-lingual pay allowance of \$50.00. Employees in these designated positions must satisfactorily pass the City's established bi-lingual exam process. Qualification and designation shall be approved by the City Administrator.

#### Educational Reimbursement

Educational reimbursement will be provided up to a maximum of \$1,000.00 per fiscal/school year. Employees wishing to pursue such reimbursement may request City funds when registering for the course(s) or after completion of the course(s). If the employee requests funds at the time of registration, they must submit documentation of the name, location, and cost of the course(s). The employee must also submit proof of successful completion of the course with a passing grade upon completion. If the employee fails to complete the course(s) or does not complete the course(s) with a passing grade, the employee must return the funds to the City of Exeter. The City reserves the right to deduct any such amount due the City from the employee's payroll or next special check.

If the employee requests reimbursement for a course(s) after completion, they must submit documentation of the name, location, and cost along with evidence of successful completion of the course(s) with a passing grade.

If an employee covered by this Agreement completes an accelerated degree program, successfully receiving a bachelor's degree or master's degree as a result of such a program, reimbursement for allowable educational expenses (tuition, books, etc. directly paid to the program) may be extended to the single calendar year beyond completion of the program (at the reimbursement rate of \$1,000.00 per fiscal year.)

Termination and Severance

Schimpf is subject to termination from employment in accordance with City Code of Ordinances Section 2.08.060. If Schimpf is terminated from employment of the City during the term of this Agreement for any reason except as expressly provided herein, he shall be entitled to severance pay as follows:

The employee shall be compensated equal to three (3) months' salary.

No compensation or benefits beyond those specifically described herein shall be provided to Schimpf, excepting compensation for accrued leave balances as provided for herein and in the City of Exeter Employee Rules & Regulations.

Schimpf shall not be entitled to severance pay or the other benefits noted in this section in the event that he is terminated as the result of conviction of a felony or for a crime involving moral turpitude, violation of the public trust, or official responsibility. Any cash settlement provided by the City related to termination of Schimpf shall be fully reimbursed to the City if Schimpf is convicted of a crime involving an abuse of his office or position, as defined by AB 1344 (California Government Code 53243, et seq.). To the extent this Agreement allows for paid leave salary pending any investigation, and/or the payment of a legal criminal defense of Schimpf, any funds expended by the City for these purposes shall be fully reimbursed to the City if Schimpf is convicted of a crime involving an abuse of his office or position. Said reimbursements are required if such payments are made, even if the payments were made by the City in the absence of any contractual requirement to do so.

Schimpf shall not be terminated other than for misconduct in office, during or within a period of 90 days next succeeding any general municipal election held in the City, at which a member of the city council is elected.

Notwithstanding any provision in this Agreement to the contrary, Schimpf expressly acknowledges and agrees that he serves the City of Exeter in an "at will" position, and that the Exeter City Council may exercise its uncontrolled discretion in terminating the employment of any Department Head.

Executed this 22<sup>nd</sup> day of April, 2025.

CITY OF EXETER

EMPLOYEE

\_\_\_\_\_  
Jacob Johnson, Mayor

\_\_\_\_\_  
Rob Schimpf

\_\_\_\_\_  
Adam Ennis, City Administrator

## City of Exeter Agenda Item Transmittal

**Meeting Date:** April 22, 2025

**Agenda Item Number:**

**J.4.**

**Wording for Agenda:** Consider Approval of Employment Agreement and Appointment of Jason Ridenour as the City Administrator effective May 27, 2025.

**Submitting Department:** Administration

**Contact Name:** Francesca Quintana, City Clerk/Human Resources Manager;  
Julia Lew, City Attorney

**Phone Number:** (559)592-9244 ext. 1001

**Email:** [fquintana@exetercityhall.com](mailto:fquintana@exetercityhall.com), [jmleu@mkjw.com](mailto:jmleu@mkjw.com)

**For action by:**

☒ City Council

**Regular Session:**

☐ Consent Calendar

☒ Regular Item

☐ Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



### Department Recommendation:

City Staff recommends that the City Council approve the attached Employment Agreement between the City of Exeter and Jason Ridenour, and authorize the Mayor to execute the agreement on behalf of the City.

### Summary:

The City of Exeter conducted an open recruitment for the City Administrator position from February 19 to March 24, 2025 following the announcement of current City Administrator Adam Ennis's retirement. Candidates were interviewed by a fit panel, a technical panel, and the City Council. Jason Ridenour, who brings over twelve years of progressively responsible public sector experience, was identified as the most qualified candidate through this process. Thus the City Council directed staff to prepare an employment agreement to appoint Jason Ridenour as Exeter's next City Administrator, who is set to begin on May 27, 2025, and who must satisfactorily meet all pre-employment requirements.

The proposed agreement includes the following terms:

- Position: City Administrator (full-time, at-will)
- Start Date: May 27, 2025
- Term: Through June 30, 2030
- Monthly Salary: \$15,425 (City Council has approved providing the scheduled 4.0% base wage salary increase scheduled for the position effective 5/27/25 instead of 7/1/25)
- Annual Evaluation: Performance and compensation to be evaluated annually in December
- Severance Pay: Six months' salary in case of involuntary separation without cause
- Benefits:
  - CalPERS enrollment as a "Classic" employee
  - 22 vacation days per year
  - 96 hours of executive leave annually

- 12 sick days per year, with carry-over from previous public employer
- Vacation accrual at 12-year service level
- \$45/month cell phone stipend or City-provided phone
- \$550/month vehicle allowance
- Retention pay of 2.5% at 6, 10, and 15 years (up to 7.5%)

**Background:**

The position of City Administrator is critical to the successful administration and leadership of the City of Exeter. Following the announcement of City Administrator Adam Ennis's retirement, the City opened a comprehensive recruitment effort on February 19, 2025. Following this rigorous recruitment and evaluation process, Jason Ridenour was selected as the most qualified candidate to serve as City Administrator. Mr. Ridenour brings with him over a decade of public service experience and a track record of professional advancement and impactful leadership.

Mr. Ridenour has served the City of Porterville in various leadership roles over the past twelve years, including positions such as Development Associate, Economic Development and Housing Manager, Community Development Director, Assistant City Manager, Deputy City Manager, and most recently as Interim City Manager. In these roles, Mr. Ridenour has overseen the work of numerous city departments, advised city councils, led budget development efforts, facilitated public and private development projects, and built relationships with key regional and state agencies.

Prior to his career in public administration, Mr. Ridenour held management-level roles in private equity finance, construction management, and logistics. He holds a Bachelor of Science in Business Administration with an option in Finance from California State University, Chico (Magna Cum Laude), and a Master of Public Administration with an Option in Leadership from National University (4.0 GPA). He is also an Accredited California Economic Developer.

**Fiscal Impact:**

Funding for the City Administrator position is included in the adopted FY 2024-2025 budget. An amended salary schedule memorializing the salary proposed in the agreement is forthcoming.

**Prior Council/Board Actions:**

None.

**Attachments:**

- Draft Employment Agreement Between City of Exeter and Jason Ridenour

**Recommended motion to be made by Council/Board:** I move to approve the Employment Agreement and Appointment of Jason Ridenour as the City Administrator effective May 27, 2025, and authorize the execution of the Agreement upon the City's standard background check clearance.

**EMPLOYMENT AGREEMENT  
BETWEEN THE CITY OF EXETER AND  
JASON RIDENOUR**

**WHEREAS**, the City of Exeter, hereafter referred to as "City," desires to employ JASON RIDENOUR, as its City Administrator;

**WHEREAS**, JASON RIDENOUR, desires to be employed as the City Administrator of the City of Exeter;

**WHEREAS**, it is the desire and intent of the parties to create an employment agreement;

**WHEREAS**, the City desires to continue to employ the services of Mr. Ridenour, as City Administrator of the City as provided by Sections 2.08.010 through 2.08.110 of the City of Exeter Code of Ordinances,

**WHEREAS**, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment and to set working conditions of the City Administrator; and

**WHEREAS**, it is the desire of the City Council to:

- (1) Secure and retain the services of the City Administrator and provide inducement for him to remain in such employment;
- (2) To make possible full work productivity by assuring the City Administrator's morale and peace of mind with respect to future security; and
- (3) To provide a just means for terminating the City Administrator's services at such time as he may be unable to discharge his duties or when the City may desire to otherwise terminate his employ.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree to enter into this Employment Agreement, as follows:

**Section 1. Employment**

The City Administrator shall represent and support the policies and procedures established by the City Council. The powers and duties of the City Administrator include but are not limited to those set forth in the City of Exeter Code of Ordinances Sections 2.08.060 and 2.08.090. This position is full-time and at-will,

and the City Administrator serves at the pleasure of the City Council.

## **Section 2. Compensation**

City agrees to employ and pay the City Administrator for the retention of the above-mentioned services, commencing May 27, 2025, at the sum of \$15,425 per month. The City Council may, but is not required to, consider adjustments to the base compensation to be effective on or about July 01, 2026, or at other such times after that as the City Council deems necessary or appropriate.

## **Section 3. Term of Service**

The City Administrator's term of employment shall be through June 30, 2030. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of the City Administrator at any time, provided that such termination shall be subject to the provisions of Sections 3 and 4 herein below, and applicable City regulations and law. The City Administrator may be removed at the discretion of the City Council by three affirmative votes of the whole city council as then constituted, convened at a regular meeting. However, the Administrator shall not be removed from office other than for misconduct office, during or within a period of 90 days next succeeding any general municipal election held in the City, at which a member of the city council is elected. Before voluntarily resigning his position, the City Administrator agrees to give the City Council at least two (2) months' notice in writing of his intention to resign stating the reasons therefore. It is specifically noted and agreed that City Administrator's employment with the City is in an "at will" capacity and as such, he may be terminated at any time, with or without cause, as provided in this Agreement and applicable law.

## **Section 4. Severance Pay**

In the event of involuntary separation of the City Administrator without cause, he shall be entitled to receive a lump sum payment as and for severance pay in an amount equal to six (6) months' salary. For the purposes of this Agreement, termination "with cause" is termination by the City 1) as the result of a conviction of a felony or for a crime involving moral turpitude; 2) due to a violation of the public trust, 3)



due to a violation of an official fiduciary responsibility; or 4) due to dereliction of duty or failure to adequately perform the prescribed job duties and responsibilities.

In addition to any such salary, the City Administrator shall be paid any other amounts that would be due to a City employee upon termination of employment with the City. Consistent with the provisions of AB 1344 effective January 01, 2012, and California Government Code Sections 53243 through 53243.4, any cash settlement provided by the City related to termination of the City Administrator shall be fully reimbursed to the City if City Administrator is convicted of a crime involving an abuse of his office or position. To the extent this Agreement can be construed to allow for paid leave pending any investigation, and/or the payment of a legal criminal defense of the City Administrator, any funds expended by the City for these purposes shall be fully reimbursed to the City if City Administrator is convicted of a crime involving an abuse of his office or position. Said reimbursements are required if such payments are made, even if the payments were made by the City in the absence of any contractual requirement to do so.

#### **Section 5. Regular Benefits**

All provisions of the City's Code of Ordinances and Employee Rules and Regulations relating to vacation, sick leave, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended shall apply to the City Administrator as they would to other management employees of the City, in addition to any other benefits enumerated herein specifically for the benefit of the City Administrator, except as otherwise provided in this Agreement.

#### **Section 6. Supplemental Benefits**

The City Administrator shall be entitled to the following specific benefits:

- a. He shall be enrolled in the CalPERS retirement system as a "Classic" employee, participating in the "3% at Age 60" plan. He shall pay his full employee contribution to PERS plus 3% of the City's contribution.

- b. He shall receive Vacation Leave equivalent to 22 working days per year, subject to the accumulation and accrual provisions set forth for Department Heads in the Employee Rules and Regulations.
- c. He shall receive 96 hours of Executive Leave per fiscal year at the beginning of the fiscal year.
- d. He shall receive Sick Leave equivalent to 12 working days per year, and subject to the applicable sections of the Employee Rules and Regulations. Additionally, he shall be entitled to carry forward and receive credit for his sick leave accrued at his prior city employer.
- e. He shall start accrual of Vacation Leave at the 12 years of service level (currently 14 hours per month/21 working days per year), in recognition of his years in public service.

#### **Section 7. General Expenses**

The City recognizes that certain expenses of a non-personal job related nature will be incurred by the City Administrator while on City business. City agrees to reimburse or to pay appropriate and legal general expenses and the Finance Director is hereby authorized to disperse such money upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits. Such receipts and supporting documentation shall be obtained and maintained in accordance with applicable law, and shall be made available to the Mayor and City Council. The City Council may designate an individual or third party to audit the City Administrator's expenses.

#### **Section 8. Cellular Telephone Expense**

The City Administrator shall be provided, at City expense, either a City-owned cellular telephone or a stipend of \$45.00 per month; provided that he shall be available and accessible to City Council members by means of these communication devices seven (7) days a week, twenty four (24) hours a day, unless he has first otherwise notified the Council of his unavailability for an approved reason or basis;

### **Section 9. Vehicle Allowance**

In lieu of a City vehicle, the City Administrator shall receive a vehicle allowance in the amount of \$550.00 per month.

### **Section 10. Retention Pay**

Retention Pay shall be available to the City Administrator. The City Administrator shall receive retention pay based on complete City of Exeter full-time employment/service as a percentage of base wages as follows: 2.5% at each 6, 10, and 15 years (up to a maximum of 7.5%).

### **Section 11. Other Terms and Conditions of Employment**

The parties shall, by amendment to this Agreement, fix such other terms and conditions of employment from time to time as may be determined relating to the performance of the City Administrator of the City, provided such terms and conditions are not inconsistent or in conflict with the provisions of this Agreement or City Charter.

### **Section 12. Annual Evaluation**

The City Administrator's performance and compensation shall be evaluated on an annual basis in or about the month of December by the City Council. Said evaluation process shall include written goals and objectives for the City Administrator being set for the next year by the City Council.

### **Section 13. General Provisions**

If a provision or any portion thereof contained in this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement or portion thereof shall be deemed to be severable, shall not be affected and shall remain in full force and effect.

**DATED** this 22<sup>nd</sup> day of April, 2025.

**"CITY"**

**"CITY ADMINISTRATOR"**

---

Jacob Johnson  
Mayor of the City of Exeter

**ATTEST:**

**APPROVED AS TO FORM:**

---

Francesca Quintana  
City Clerk and Clerk of the City Council

---

Julia M. Lew  
City Attorney

e:/julia/mkjl/slk/Exeter/administratoremploymentridenour2025.docx