

CITY COUNCIL / LRA BOARD

Mayor/Chair

Richard D. O'Brien

Vice Mayor/Chair (CM-D1) Luis Uribe

Council/Authority Members

District 2 Rachel Hernandez

District 3 Cal Campbell

District 4 Darlene Barber-Martinez



**City of Riverbank
Regular City Council and
Local Redevelopment Authority
Board Meetings
(via Virtual Platform Only)**
Council Chambers is located at
6707 Third St., Suite B
Riverbank, CA 95367

AGENDA

TUESDAY, APRIL 13, 2021– 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH THE GOVERNOR'S NEW EXECUTIVE ORDER N-29-20, ISSUED ON MARCH 17, 2020, REGARDING THE OPEN MEETING REQUIREMENTS OF THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT IN AN EFFORT TO HELP AVOID THE SPREAD OF COVID-19, TO MAXIMIZE TRANSPARENCY, AND PROVIDE PUBLIC ACCESS TO CITY COUNCIL MEETINGS.

1. CALL TO ORDER

2. FLAG SALUTE

3. INVOCATION

4. ROLL CALL

5. AGENDA CHANGES

6. CONFLICT OF INTEREST: *Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.*

7. PUBLIC COMMENTS (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes or stated by the presiding Officer**. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

Refer to the last page of this agenda for the Public Comment Procedures via ZOOM.

8. PRESENTATIONS (Informational only)

Item 8.1. Riverbank Representative Update by Stanislaus County Fire Protection District Board of Director Charles Neal.

9. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

Item 9.1. Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

- Item 9.2.** A **Resolution** to Authorize a contract with JB Anderson Land Use Planning for SB2 Grant Funds Program Services.
- Item 9.3.** A **Resolution** to Award and Authorize the City Manager to Enter into Professional Service Agreements for Retainer On-Call Construction Inspection Services with Cecil & Cecil Enterprises, Inc., Giuliani & Kull, Inc., SNG & Associates, Inc. and West Coast Code Consultants, Inc.
- Item 9.4.** A **Resolution** Approving the Development Clerk Part-Time Job Classification and Salary Range; and Amending the City of Riverbank Compensation Plan for Part-Time/Temporary/Seasonal Positions to add the New Part-Time Job Classification and Salary Range.
- Item 9.5.** A **Resolution** Accepting the Annual Financial Reports for Fiscal Year 2015-16 and Fiscal Year 2016-17.

10. PUBLIC HEARINGS

The Public Hearing Notice was published in the Riverbank News on 03/31/2021 and a Notification Letter was mailed on 03/31/2021 to each property owner within 300 feet of the property project matter based on the latest equalized assessment rolls of record by the Stanislaus County Assessor.

- Item 10.1.** **Development Agreement Amendment 06-2020 for E&J Distributors, LLC DBA Canna+Rise and Terminal Infusion.**

The First Reading by Title Only and Introduction of a Proposed Ordinance Approving a Development Agreement Amendment by and between the City of Riverbank and E & J Distributors LLC. Currently Doing Business as Canna+Rise to Add a Second Cannabis Business a California Limited Liability Corporation Doing Business as Terminal Infusion – It is recommended that the City Council conduct the public hearing for the first reading and introduction of the proposed ordinance and consider its approval, which initiates the second reading at the regular City Council meeting of April 27, 2021, or soon thereafter to consider its adoption.

11. NEW BUSINESS

- Item 11.1.** **Final Map 01-2021 Crossroads Unit 1 – APN: 074-011-009.** The project consists of a Final Map to subdivide approximately 15.54 acres into ninety-one (91) buildable residential lots (overall density of 5.86 du/acre), associated street, sewer, water, and storm drainage improvements.

A Resolution Approving Final Map 01-2021 for DMG Development, LP for Crossroads West Unit 1 (APN 074-011-009) – Approve the Final Map (“FM”) for Crossroads Unit 1 based on the required finding that the map is in conformity with the provisions of subdivision law and city code.

Item 11.2. **A Resolution Amending the \$600,000 Budgetary Authority Resolution No. 2020-085 for an Additional \$206,000 Gap Funding for the Roselle and Westgate (formerly Crawford Rd) Sewer Collection Capacity Upgrade Project (Crossroads West Specific Plan)** – It is recommended that the City Council consider approving the proposed resolution authorizing an amendment to the previously approved budgetary authority in an amount not to exceed \$206,000 in sewer connection fees to supplement the previously approved \$600,000 system development fees for the updated construction gap funding to complete the Roselle/Westgate sewer collection upgrade project.

Item 11.3. **Consideration of Partnership for City of Riverbank Banner Program. A Resolution Approving the No Cost Riverbank Banner Program and Partnership with CGI Communications and Directing the City Manager to Execute an Agreement to Begin the Process of Designing and Implementing the No Cost Banner Program** – It is recommended that the City Council consider approving the no cost Riverbank Banner program and partner with CGI Communications and directing the City Manager to execute the attached agreement (subject to City Attorney review) to begin the process of designing and implementing no cost sponsored banners in key areas within Riverbank.

12. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 12.1. Staff

Item 12.2. Council/Authority Member

Item 12.3. Mayor/Chair

13. ADJOURNMENT OF THE REGULAR MEETING

(The next regular meeting is on Tuesday, April 27, 2021 at 6:00 p.m.)

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted on an accessible public location, and the City's website 72 hours prior to the meeting in accordance to the California Ralph M. Brown Act.

Posted this Thursday, April 8, 2021

/s/ Annabelle H. Aguilar, CMC, City Clerk of Riverbank

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, and the Governor's Executive Order N-29-20, the City will make every effort to make reasonable modifications or accommodations from individuals with disabilities. Contact the Administration Dept. at (209) 863-7122 or the City Clerk at aaquilar@riverbank.org at least (48) hours prior to the meeting to enable the City to make reasonable arrangements for accessibility.

NOTICE REGARDING NON-ENGLISH SPEAKERS

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank City Council/LRA Board shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.



**PUBLIC PARTICIPATION PROCEDURES
FOR THE CITY COUNCIL/LRA MEETINGS HELD IN A
TELECONFERENCE OR VIRTUAL PLATFORM IN CONFORMANCE
WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20**

CHANGES TO THIS NOTICE OF PROCEDURES

In accordance with the Governor's Executive Order, should the meeting procedures change, the City may use the most rapid means of communication available at the time including, but not limited to, posting the notice of changes on the City's website.

PUBLIC "LIVE" VIEWING

- Charter Government Channel - 2
- AT&T U-VERSE Government Channel - 99
- YouTube Live <https://www.youtube.com/channel/UCq2x8QChEcknBq7uuJLcZow>
- Via ZOOM Platform (See instructions below)

SUBMITTING PUBLIC COMMENTS

Via Mail Service: Mail comments to City of Riverbank, Attn. City Clerk, 6707 Third Street, Suite A, Riverbank, CA 95367. (Must be received by 4:00 p.m. on the day of the meeting.)

Via Email to cityclerk@riverbank.org:

- Written comments must be received by 4:00 p.m. on the day of the meeting; and
- Indicate Agenda Item # in the *subject line*.

Join via ZOOM Platform:

- Visit <https://zoom.us/j/94943925973?status=success> for a free account or to download the app.
- Join by this link: <https://us02web.zoom.us/j/88218332518>
- Join by accessing website: <https://zoom.us/join>
 - o Webinar ID: 882 1833 2518
- Join by telephone: 1 669 900 9128 or 1 253 215 8782 plus Webinar ID

HOW DO I COMMENT? The Mayor will announce when public comment may be made for the agenda item being considered, at which time you will:

- o Using a computer - click on the "raise hand" feature in the webinar controls. This will let us know you wish to speak.
 - Once you confirm that you want to be unmuted, your 3 minutes will begin for you to make your comments.
- o Using a Phone - press *9 to "raise the hand".
 - Once you confirm that you want to be unmuted, your 3 minutes will begin for you to make your comments.

Learn about using ZOOM - Visit <https://support.zoom.us/hc/en-us/categories/201146643>

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 8.1

SECTION 8: PRESENTATIONS

Meeting Date:	April 13, 2021
Subject:	Riverbank Representative Update by Stanislaus County Fire Protection District Board of Director Charles Neal
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk

RECOMMENDATION

It is recommended that the City Council receive an update by SCFPD Board of Director Charles Neal.

SUMMARY

The Stanislaus Consolidated Fire Protection District's ("SCFPD") is a five-member Board of Directors charged with strategic leadership, policy and direction, and fiscal oversight. Established March 3, 1995, the "District" is the consolidation that includes unincorporated sections of East Modesto, the cities of Riverbank and Waterford and the communities of Empire, La Grange and Hickman.

On January 12, 2020, the City Council appointed Riverbank resident Charles Neal to represent the City of Riverbank, replacing former Board Representative Chad Homme who left an unexpired four-year term ending December, 2023. Director Neal is scheduled to provide a quarterly update to the City Council.

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENT

There are no attachments to this item.

RIVERBANK CITY COUNCIL / LRA AGENDA ITEM NO. 9.1

SECTION 9: CONSENT CALENDAR

Meeting Date:	April 13, 2021
Subject:	Waiver of Readings
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk / LRA Recorder

RECOMMENDATION

It is recommended that the City Council / LRA Board approve the waiver of readings of any proposed ordinances and resolutions for consideration, except by title.

SUMMARY

In lieu of reading the entire text of a proposed ordinance or resolution that is introduced for consideration for adoption and approval, by majority vote, the City Council/LRA Board may waive the reading of the text and introduce the ordinance or resolution by title only for the record.

The full text of the proposed ordinances and resolutions, and any related documents that are part of the agenda packet, are available for review by the public on the City's website and in the City Clerk's office at City Hall (North) upon distribution to a majority of the City Council/LRA Board; typically 72 hours prior to the scheduled date and time of the meeting.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

There are no attachments to this report.

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 9.2

SECTION 9: CONSENT CALENDAR

Meeting Date:	April 13, 2021
Subject:	A Resolution to Authorize a contract with JB Anderson Land Use Planning for SB2 Grant Funds Program Services
From:	Sean Scully, City Manager
Submitted by:	Donna M. Kenney, Planning and Building Manager

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into a contract with JB Anderson Land Use Planners ("JB Anderson") to provide SB2 Grant services pursuant to City Council Resolution No. 2019-100.

SUMMARY

Planning staff is requesting authorization from the City Council for the City Manager to sign a contract with JB Anderson which includes updating the City's Accessory Dwelling Unit ("ADU") section of the Municipal Code, creating design guidelines for ADUs, conducting a fee study for ADUs, and updating the counter hand-outs provided to the public (added task).

BACKGROUND

The California Department of Housing and Community Development issued a Notice of Funding Availability ("NOFA") on March 28, 2019 for its Planning Grants Program ("PGP"). The goal of the program is to encourage the creation of housing through rezoning, streamlining the permit process, developing ADU plans, or other creative ideas. On November 12, 2019 the Council approved Resolution No. 2019-100 (Attachment 1) authorizing the City Manager to "execute the Riverbank Planning Grants Program application, the PGP Grant Documents, any amendments thereto, and Agency Letter on behalf of the City." The PGP Grant application was signed and submitted to update the City's ADU ordinance, develop design guidelines for ADUs, and conduct an ADU fee study. The ADUs can be constructed in any residential zoning district on a property already containing a primary structure. Also known as "granny flats", these units may be attached or detached and may be rented.

On November 19, 2019, the City Manager formalized a funding agreement (Attachment 2) with Stanislaus County and the cities of Ceres, Modesto, Oakdale, Turlock, and Waterford to develop seven (7) sets of fully engineered ADU plans that will be available to our citizens at no charge. Planning staff participated in the interview and selection of an architectural firm to draw up the plans and they are currently being drafted. These ADUs will range in size between 250 square feet and 1,100 square feet.

On March 10, 2020, staff was notified by the Department of Housing and Community Development that the City had received an award in the amount of \$160,000 from the SB2 Planning Grants Program. Staff prepared a Request for Proposals ("RFP") and distributed it to eight (8) Central Valley planning firms in early December 2020, allowing four weeks response time due to the upcoming holidays and Covid-19 restrictions. Only one response was received. A second RFP was distributed in January 2021 and staff followed up with phone calls to the firms. Several firms said they had more offers than they could accommodate with staff out due to Covid. Some stated they might apply but again, staff only received one response and it was from JB Anderson Land Use Planners.

The JB Anderson proposal costs came in lower than expected, leaving approximately \$40,000 in available funding. Staff contacted the State about adding an additional task to the City's grant application and it was well received. The added task is to review and update all the City's counter hand-outs, especially the ones related to ADUs and housing information. Staff is currently updating the grant application to include the added task per a request by the State and would like to enter into a contract (Attachment 3) with JB Anderson for both the original project and the added task.

STRATEGIC PLAN

While the development of ADU housing is not a specific goal of the 2020-2025 Strategic Plan, one strategy is to consider exploring dual-use housing for farmworkers during the growing season and for the homeless in the winter, or off-season. Accessory dwelling units could be used as dual-use housing.

FINANCIAL IMPACT

The SB2 grant award is \$160,000. Of this amount, approximately \$17,000 is earmarked for a project with Stanislaus County and the cities of Ceres, Modesto, Oakdale, Turlock, and Waterford to develop seven (7) sets of fully engineered ADU plans to provide to our citizens for free. The rest of the grant will be used for a consultant to update the ADU ordinance, develop design guidelines for ADUs, conduct an ADU fee study, and update the counter hand-outs provided to the public (added task).

ATTACHMENTS

1. City Council adopted Resolution 2019-100
2. Stanislaus County Letter dated November 14, 2019
3. Riverbank Standard Contract
4. Proposed Resolution

CITY OF RIVERBANK

RESOLUTION NO. 2019-100

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, TO RESCIND RESOLUTION NO. 2019-085 AND TO AUTHORIZE AN APPLICATION FOR, AND RECEIPT OF, SB 2 PLANNING GRANTS PROGRAM FUNDS IN THE AMOUNT OF \$160,000 WITH NO REQUIRED MATCH OF FUNDS AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS AS NEEDED

WHEREAS, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated March 28, 2019, for its Planning Grants Program (PGP); and

WHEREAS, the City Council of Riverbank desires to submit a project application for the PGP program to accelerate the production of housing and will submit a 2019 PGP grant application as described in the Planning Grants Program NOFA and SB 2 Planning Grants Program Guidelines released by the Department for the PGP Program; and

WHEREAS, the Department is authorized to provide up to \$123 million dollars under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)) related to the PGP Program.

WHEREAS, the City Council adopted Resolution No. 2019-085 authorizing the application for and receipt of SB 2 Planning Grant Program Funds in the amount of \$110,000; and

WHEREAS, it has been determined that the City may actually be eligible for \$160,000 with no match required.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank does hereby declare as follows:

SECTION 1. The City Council is hereby authorized and directed to apply for and submit to the Department the 2019 Planning Grants Program application in the amount of \$160,000.

SECTION 2. In connection with the PGP grant, if the application is approved by the Department, the City Manager is authorized to enter into,

execute, and deliver a State of California Agreement (Standard Agreement) for the amount of \$160,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the PGP grant, the City's obligations related thereto, all amendments thereto (collectively, the "PGP Grant Documents"), and a Letter allowing for collaboration with Stanislaus County and other Agencies for the creation of an Accessory Dwelling Unit plan set.

SECTION 3. The City shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by the Department. Funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application will be enforceable through the executed Standard Agreement. The City Council hereby agrees to use funds for eligible uses in the manner presented in the application as approved by the Department and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grants Program Application.

SECTION 4. The City Manager is authorized to execute the City of Riverbank Planning Grants Program application, the PGP Grant Documents, any amendments thereto, and Agency Letter on behalf of the City as required by the Department for receipt of the PGP Grant.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 12th day of November, 2019; motioned by Councilmember District 2 Cindy Fosi, seconded by Councilmember District 1 Luis Uribe, and upon roll call was carried by the following City Council vote of 5-0:

AYES: Campbell, Fosi, Uribe, Barber-Martinez, and Mayor O'Brien
NAYS: None
ABSENT: None
ABSTAINED: None

ATTEST:


Marisela H. Garcia
Asst. City Manager / Recorder

APPROVED:


Richard D. O'Brien
Mayor



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10TH Street, Suite 3400, Modesto, CA 95354
Planning Phone: (209) 525-6330 Fax: (209) 525-5911
Building Phone: (209) 525-6557 Fax: (209) 525-7759

November 14, 2019

Sean Scully
City Manager
City of Riverbank
6707 Third Street
Riverbank, CA 95367

Dear Mr. Scully,

This letter is to formalize the funding agreement related to the collaborative effort among the cities of Ceres, Modesto, Oakdale, Riverbank, Turlock and Waterford, and Stanislaus County, to develop Standard Accessory Dwelling Unit (ADU) Plans, including architectural building plans for detached new construction, under the SB2 Planning Grants Program.

The proposed Standard ADU Plans project will include development of seven (7) fully engineered ADU plan sets that will be made available to the public at no charge. The plans will be designed to provide maximum adaptability to fit typical lot sizes and configurations applicable to the participating jurisdictions. The intended benefit of the project is to provide a more consistent process for the permitting of ADUs throughout the county by avoiding duplication in efforts and to reduce the costs of preparing the plans for each of the participating jurisdictions.

The County will coordinate the contract for the Standard ADU Plans project by first working collaboratively with the participating jurisdictions in selecting an architect / engineer consultant for the proposed project. The County shall enter into a contract with the selected consultant for an amount not to exceed \$70,000. Funding for the grant will be provided by the State Housing and Community Development (HCD) Department by way of Senate Bill (SB) 2 Planning Grant Program funding to be received by each of the participating jurisdictions. Each participating jurisdiction shall be responsible for applying for SB2 Planning Grant Program funds, and for contributing an equal share of the total cost of \$70,000, not to exceed \$10,000 per jurisdiction, for their share of the cost of development of the Standard ADU Plans. Each participating jurisdiction will reimburse the County for their share of the Standard ADU Plans and shall be responsible, in equal part, for any costs that may exceed the anticipated grant funding from the State for the project. All aspects of the collaborative work products will be shared among the participating jurisdictions. The Participation Agreement included in this letter serves to commit your jurisdiction to funding your share of the project as outlined.

Please contact me with any questions related to this letter and/or the agreement at (209) 525-6330 or by email at angela@stancounty.com. I look forward to this collaborative approach and hope that the outcomes are beneficial for all. For your records, a copy of the contract the County enters into with an architect / engineer consulting firm for the preparation of the standard ADU plans will be provided once executed.

Sincerely,


Angela Freitas
Planning Director
Stanislaus County Planning and Community Development Department

Attachment:

Appendix A – Standard Accessory Dwelling Unit Plans Project Description

PARTICIPATION AGREEMENT FOR STANDARD ACCESSORY DWELLING UNIT (ADU) PLANS

By the signature of the authorized representative below, the City of Riverbank is agreeing to the following:

To reimburse the County of Stanislaus for the City of Riverbank's equal share of the total cost for proposed Standard ADU Plan project, as outlined above. The project cost is planned and expected not to exceed \$10,000 per jurisdiction. Any additional cost for the project beyond the aforementioned figure will be shared by each jurisdiction in equal part. All work product produced as part of the Standard ADU Plan project will be shared with each participating jurisdiction.

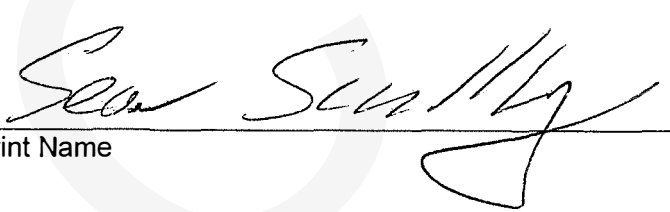
Each participating jurisdiction is responsible for applying for grant funding from the State HCD Department. County of Stanislaus will initially fund the cost of the project, contingent upon the agreement of each jurisdiction to provide reimbursement for the total costs of the Standard ADU Plan project upon completion of the scope identified in Appendix A of this project funding agreement. Reimbursement to the County of Stanislaus for the Standard ADU Plan project is due within 30 days after the City of Riverbank receives funds for the project from the State HCD, and shall be sent to:

Attention: Business Manager
Stanislaus County Planning and Community Development Department
1010 10th Street, Suite 3400
Modesto, CA 95354

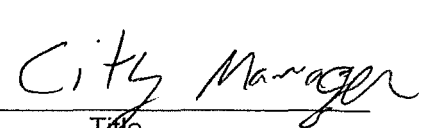
Agreed:



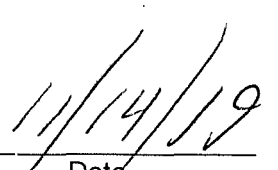
Authorized Representative for the City of Riverbank



Print Name



Title



Date

Appendix A

Section E. – Project Description

This Appendix services as the “Project Description” required in Section E of the SB 2 Planning Grants Program Application.

Standard Accessory Dwelling Unit (ADU) Plans

Context

Encouraging, incentivizing, and streamlining the development of ADUs, also known as second units, is one of the many ways to boost infill housing production. The cities of Ceres, Modesto, Oakdale, Riverbank, Turlock and Waterford, and Stanislaus County, are all independently considering programs that include revised ordinances, design standards, and fee reductions, waivers, or deferrals that encourage ADU development. Streamlining the ADU review process through the provision of free, fully engineered ADU plan sets with fee program options, will encourage homeowners in developing ADUs.

General Goals and Objectives

One of the barriers to ADU production is the cost of architectural building plans for detached new construction. In order to motivate homeowners to develop second units the objective of this project is to develop fully engineered ADU plans, in a variety of sizes, to provide at no cost to applicants. This project will result in the availability of complete building plans (pre-approved and ready for building permit issuance) available for use by property owners interested in improving their property with an ADU. The plans will be designed to provide maximum adaptability to fit typical lot sizes and configurations applicable to the participating jurisdictions.

This project will be completed in collaboration with the cities of Ceres, Modesto, Oakdale, Riverbank, Turlock and Waterford, and Stanislaus County, in order to provide a more consistent process for the permitting of ADUs throughout the county, to avoid duplication in efforts, and to reduce costs of preparing the plans for each of the participating jurisdictions.

Scope

The six cities and Stanislaus County will work together to hire and manage an architecture / engineer consulting firm to develop seven (7) fully engineered ADU plan sets that will be made available to the public at no charge. Three (3) of the plans will be smaller than 750 square feet and three (3) will be larger. The seventh option will consist of an ADU over a garage. Options will include an asphalt shingle or tile roof, and lap siding or stucco. Building permits could be issued over the counter, after a brief planning review, thus streamlining the process significantly.

Anticipated Outcome

It is anticipated that this project will remove some of the cost and time barriers for the permitting process for ADUs and will increase the number of ADUs constructed within the participating jurisdictions.

Deliverables: Seven (7) fully engineered ADU plan sets

Completion Date: June 2022

**CONSULTANT AGREEMENT
CITY OF RIVERBANK
AND
JB ANDERSON LAND USE PLANNING**

This Agreement is made and entered into this 12th day of March, 2021, by and between the CITY OF RIVERBANK, a California municipal corporation, hereinafter referred to as "CITY", and JB ANDERSON LAND USE PLANNING, hereinafter referred to as "CONSULTANT".

WITNESSETH:

CITY desires to retain the services of CONSULTANT regarding services in connection with an SB2 Grant for an Accessory Dwelling Unit code update and related work.

CONSULTANT desires to perform the services requested by CITY regarding said projects on the terms and conditions set forth below.

NOW, THEREFORE, the parties agree as follows:

1. Description of Work

CONSULTANT will provide to CITY temporary assistance in planning and organizing services that are reasonably required for project documents and service for completion of CITY's planning projects that consist of a review and update to the Accessory Dwelling Unit sections of the Municipal Code, preparation of ADU Design Guidelines, and an ADU Fee Study. Specific tasks for projects may include: background research, public outreach and public meetings, the preparation of Design Guidelines, the preparation of a fee study, and similar tasks.

CONSULTANT shall provide all labor, equipment, material and

1 supplies required or necessary to properly, competently and
2 completely perform the work or render services under this
3 Agreement. CONSULTANT shall determine the method, details and
4 means of doing the work or rendering the services.

5 It is understood by the parties hereto that description of
6 work pursuant to this Agreement may change from time to time.
7 Changes to the work description shall be subject to approval by
8 both parties in writing and signed by each party.

9 2. Scheduling

10 The parties shall confer at least monthly about the schedule of
11 pending and anticipated work. CITY shall give CONSULTANT
12 reasonable advance notice of deadlines for completion of specific
13 work and CONSULTANT shall use his best good faith efforts, subject
14 to pre-existing commitments, to meet those deadlines. CITY shall
15 give CONSULTANT at least one week's notice of meetings and other
16 events CITY wishes CONSULTANT to attend outside of his planned
17 CITY work hours and, whenever possible, CITY will schedule such
18 meetings and events in conjunction with CONSULTANT. CONSULTANT
19 shall not be obligated to attend any meeting or event that
20 conflicts with his pre-existing commitments or that unreasonably
21 interferes with his work schedule.

22 3. Compensation

23 The total cost of the work described herein shall not exceed
24 \$80,000.00. Compensation shall be on a time-and-expense basis,
25 based on the work described herein.

26 CONSULTANT shall maintain automobile liability insurance with
27 coverage for any vehicle including those owned, leased, rented or

1 borrowed. This insurance shall have a standard cross liability
2 clause or endorsement. The limit amount for this insurance shall
3 be no less than \$1,000,000.00 per occurrence combined single limit
4 for bodily injury and property damage.

5 CONSULTANT shall not incur any single expense in excess of
6 \$50 with the prior written consent of CITY.

7 4. Term and Time For Completion

8 This Agreement shall become effective on the date first
9 hereinabove written and will continue in effect until the services
10 provided herein have been completed, unless sooner terminated as
11 provided in Paragraph 8.

12 If not terminated pursuant to other provisions herein, this
13 Agreement shall terminate as June 30, 2022.

14 5. Payment For Services

15 CONSULTANT shall submit to CITY monthly itemized bills for
16 the services rendered and costs incurred. If the work is
17 satisfactorily completed, CITY shall pay such bill within thirty
18 (30) days of its receipt. Should CITY dispute any portion of any
19 bill, CITY shall pay the undisputed portion within the time stated
20 above, and at same time advise CONSULTANT in writing of the
21 disputed portion.

22 6. Compliance With Laws

23 CONSULTANT agrees that it shall conduct its work and perform
24 its services in compliance with all laws and regulations of
25 Stanislaus County, California, and any officer, department or
26 agency thereof, as well as other laws and regulations as may be
27 applicable thereto.

1 7. Indemnification and Hold Harmless

2 CONSULTANT shall protect, indemnify, hold harmless and defend
3 CITY, its directors, officers, employees and agents, from any and
4 all claims, fines, demands, costs, expenses (including but not
5 limited to attorneys' fees and costs of litigation or arbitration),
6 liability, losses, penalties, causes of action, awards, suits or
7 judgments for damages of any nature whatsoever (hereinafter
8 collectively referred to as "Claims") to the extent arising out of
9 the breach of this Agreement in whole or in part by, or willful or
10 fraudulent misconduct or negligent acts, errors or omissions by
11 CONSULTANT in the performance of her duties under this Agreement,
12 but not including the sole or active negligence or the willful
13 misconduct of CITY.

14 Neither termination of this Agreement nor completion of the
15 acts to be performed under this Agreement shall release CONSULTANT
16 from its obligations to indemnify as to any claims so long as the
17 event upon which such Claims is predicated shall have occurred
18 prior to the effective date of any such termination or completion
19 and arose out of or was in any way connected with performance or
20 operations under this Agreement by CONSULTANT, its employees,
21 agents or consultants, or the employee, agent or consultant of any
22 one of them.

23 Submission of insurance certificates or other proof of
24 compliance with the insurance requirements in this Agreement does
25 not relieve CONSULTANT from liability under this indemnification
26 and hold harmless clause. The obligation of this indemnity article
27 shall apply whether or not such insurance policies shall have been

1 determined to be applicable to any of such damages or claims for
2 damages.

3 8. Termination

4 This Agreement shall terminate on June 30, 2022. However,
5 this Agreement may be terminated at any time and for any reason by
6 CITY upon five (5) days' advance written notice. In the event of
7 such termination, CONSULTANT is to be fairly compensated for all
8 work performed to the date of termination as calculated by CITY
9 based on Paragraph 2 hereof, provided that such compensation shall
10 not in any case exceed the maximum sum set forth in Paragraph 2
11 hereof. Compensation under this paragraph shall not include costs
12 related to lost profit associated with the expected completion of
13 the work or other such payments relating to the benefit of the
14 bargain.

15 9. Attorneys' Fees

16 In the event that any arbitration, litigation or other action
17 or proceeding of any nature between CITY and CONSULTANT becomes
18 necessary to enforce or interpret all or any portion of this
19 Agreement or because of an alleged breach by either party of any
20 of the terms hereof, it is mutually agreed that the losing or
21 defaulting party shall pay the prevailing party's reasonable
22 attorneys' fees, costs and expenses incurred in connection with
23 the prosecution or defense of such action or proceeding.

24 10. Entire Agreement

25 This writing constitutes the entire Agreement between the
26 parties relative to the services specified herein, and no
27 modifications hereof shall be effective unless and until such

1 modification is evidenced by a writing signed by both parties to
2 this Agreement. There are no understandings, agreements,
3 conditions, representations, warranties or promises with respect
4 to the subject matter of this Agreement except those contained in
5 or referred to in this writing.

6 11. Independent CONSULTANT

7 It is expressly understood and agreed by the parties hereto
8 that CONSULTANT's relationship to CITY is that of an independent
9 consultant. All persons hired by CONSULTANT and performing the
10 work shall be consultant's employees or agents. CITY shall not be
11 obligated in any way to pay any wages or other claims by any such
12 employees or agents or any other person by reason of this
13 Agreement. CONSULTANT shall be solely liable to such employees
14 and agents for losses, costs, damage of injuries by said employees
15 or agents during the course of the work.

16 12. Conflicts of Interest

17 CONSULTANT (including its employees and subconsultants) shall
18 not maintain or acquire any direct or indirect interest that
19 conflicts with the performance of this Agreement. In the event
20 that CONSULTANT maintains or acquires such a conflicting interest,
21 any contract (including this Agreement) involving CONSULTANT's
22 conflicting interest may be terminated by CITY.

23 13. Ownership of Work

24 All original documents prepared by CONSULTANT for this
25 Agreement, whether complete or in progress, are the property of
26 the CITY, and shall be given to CITY at the completion of
27 CONSULTANT's services, or upon demand from the CITY. No such

1 documents shall be revealed or made available by CONSULTANT to any
2 third party without the prior written consent of the CITY.
3 CONSULTANT shall be allowed to retain copies of all documents
4 prepared under this Agreement.

5 14. Successors and Assignment

6 This Agreement shall be binding on the heirs, successors,
7 executors, administrators and assigns of the parties; however,
8 CONSULTANT agrees that it will not assign, transfer, convey or
9 otherwise dispose of this Agreement or any part thereof, or its
10 rights, title or interest therein, or its power to execute the
11 same without the prior written consent of CITY.

12 15. Severability

13 If any provision of this Agreement is held to be
14 unenforceable, the remainder of this Agreement shall be severable
15 and not affected thereby.

16 16. Waiver of Rights

17 Any waiver at any time by either party hereto of its rights
18 with respect to a breach or default, or any other matter arising
19 in connection with this Agreement, shall not be deemed to be a
20 waiver with respect to any other breach, default or matter.

21 17. Remedies Not Exclusive

22 The use by either party of any remedy specified herein for
23 the enforcement of this Agreement is not exclusive and shall not
24 deprive the party using such remedy of, or limit the application
25 of any remedy provided by law.

26 18. Notices

27 All notices, statements, reports, approvals or requests or
28

1 other communications that are required either expressly or by
2 implication to be given by either party to the other under this
3 Agreement shall be in writing and signed for each party by such
4 officers as each may, from time to time, authorize in writing to
5 so act. All such notices shall be deemed to have been received on
6 the date of delivery if delivered personally or three (3) days
7 after mailing if enclosed in a properly addressed and stamped
8 envelope and deposited in the U.S. post office for delivery.
9 Unless and until formally notified otherwise, all notices shall be
10 addressed to the parties at their addresses shown below:

11 CITY

12 Sean Scully, Riverbank City Manager
13 6707 Third Street
Riverbank, CA 95367

14 CONSULTANT
15 JB Anderson Land Use Planning
16 139 S. Stockton Avenue
Ripon, CA 95366

17 19. Sub-Consultants

18 No subcontract shall be awarded or an outside consultant
19 engaged by CONSULTANT unless prior written approval is obtained
20 from CITY.

21 **IN WITNESS WHEREOF** the parties execute this Agreement on the
22 day and year first hereinabove written.

23

24 CITY OF RIVERBANK

CONSULTANT

25

26 By: _____
27 Sean Scully
City Manager

John B Anderson
JB Anderson Land Use Planning

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ATTEST:

Annabelle Aguilar
City Clerk

PROPOSED

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, TO AUTHORIZE A CONTRACT WITH JB ANDERSON LAND USE PLANNING FOR SB2 GRANT FUNDS PROGRAM SERVICES

WHEREAS, the California Department of Housing and Community Development issued a Notice of Funding Availability (“NOFA”) on March 28, 2019 for its Planning Grants Program (“PGP”) to encourage the creation of housing through rezoning, streamlining the permit process, developing Accessory Dwelling Unit (“ADU”) plans, or other creative ideas; and

WHEREAS, on November 12, 2019 the Council adopted Resolution No. 2019-100 to authorize an application for, and receipt of, SB 2 Planning Grants Program Funds in the amount of \$160,000 with no required match of funds; and

WHEREAS, said Resolution authorized the City Manager to execute the Riverbank Planning Grants Program application the PGP Grant Documents, any amendments thereto, and an Agency Letter on behalf of the City allowing for collaboration with Stanislaus County and other Agencies for the creation of an Accessory Dwelling Unit plan set; and

WHEREAS, on March 10, 2020, staff was notified by the Department of Housing and Community Development that the City had received an award in the amount of \$160,000 from the SB2 Planning Grants Program; and

WHEREAS, services needed to accomplish the tasks approved in the application include updating the City’s ADU section of the Municipal Code, creating design guidelines for ADUs, conducting a fee study for ADUs, and the added task of updating the counter hand-outs provided to the public; and

WHEREAS, a Request for Proposals (“RFP”) was distributed to eight (8) Central Valley planning firms in early December 2020, allowing four weeks response time, with only one response received, and again distributed in January 2021, resulting in the single response from JB Anderson Land Use Planning.

NOW, THEREFORE, BE IT RESOLVED, that the City of Riverbank City Council does hereby authorizes the City Manager to execute a contract attached hereto as **Exhibit A** between the City of Riverbank and JB Anderson Land Use Planning, not to

exceed \$80,000 for the aforementioned services need to accomplish the tasks approved by the State Department of Housing and Community Development.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 13th day of April, 2021; motioned by Councilmember , seconded by Councilmember , and upon roll call was carried by the following City Council vote of :

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: Exhibit A - Contract

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 9.3

SECTION 9: CONSENT CALENDAR

Meeting Date:	April 13, 2021
Subject:	A Resolution to Award and Authorize the City Manager to Enter into Professional Service Agreements for Retainer On-Call Construction Inspection Services with Cecil & Cecil Enterprises, Inc., Giuliani & Kull, Inc., SNG & Associates, Inc. and West Coast Code Consultants, Inc.
From:	Sean Scully, City Manager
Submitted by:	Kathleen Cleek, Development Services Administration Manager

RECOMMENDATION

It is recommended that the City Council approved the attached Resolution awarding Retainer On-Call Services for Construction Inspections to Cecil & Cecil Enterprises, Inc., Giuliani & Kull, Inc., SNG & Associates, Inc. and West Coast Code Consultants, Inc. and authorize City Manager to enter into a contract with each of these firms to perform on-call construction inspection services for the City of Riverbank. In addition, the Resolution authorizes the City to negotiate separate contracts with these firms as needed for specific development projects.

STAFF SUMMARY

On February 25, 2021, the City received four Request for Qualifications (RFQ) for On-Call Construction Inspection Services to perform construction inspections on various developments within the City of Riverbank.

The City received proposals from the following engineering firms:

Cecil & Cecil Enterprises, Inc.
Giuliani & Kull, Inc.
SNG & Associates, Inc.
West Coast Code Consultants, Inc.

The four (4) Proposals for On-Call Construction Inspection Services were received and reviewed by the selection committee made up of the Planning & Building Manager, Development Services Administration Manager, Sr. Construction Inspector and Project Coordinator. After a thorough analysis of the proposals, utilizing the established criteria

set forth in the RFQ, the committee deemed all 4 firms met the City's qualification requirements.

After a thorough discussion amongst the committee the decision was made to recommend all four (4) firms be awarded on-call professional service agreement with the City. Due the increased development within the City, the committee believes that we will need the expertise of all four firms to meet the construction inspection needs of all the development within the City. This will also give the City an opportunity to work with some new firms and get familiar with the services their firms have to offer. Separate contracts will be negotiated for specific development projects. Individual Project Task Orders will be created for each project needing construction inspection services and will be deemed an attachment to the firms Professional Services Agreement.

FINANCIAL IMPACT

No financial impact to the City of Riverbank's budget. Inspection fees will be covered by each separate development project.

ATTACHMENTS

1. Resolution
2. Professional Services Agreement Retainer On-Call - Example

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, TO AWARD AND AUTHORIZE THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICE AGREEMENTS FOR RETAINER ON-CALL CONSTRUCTION INSPECTION SERVICES WITH CECIL & CECIL ENTERPRISES, INC., GIULIANI & KULL, INC., SNG & ASSOCIATES, INC. AND WEST COAST CODE CONSULTANTS, INC.

WHEREAS, on February 25, 2021, the City received four (4) Request for Qualifications (RFQ) for On-Call Construction Inspection Services to perform construction inspections on various developments within the City of Riverbank; and

WHEREAS, the four (4) proposals were reviewed by the selection committee; and

WHEREAS, the committee deemed all four (4) firms met the City's qualification requirements detailed in the RFQ; and

WHEREAS, the committee recommended awarding all four (4) firms, Cecil & Cecil Enterprises, Inc., Giuliani & Kull, Inc., SNG & Associates, Inc. and West Coast Code Consultants, Inc. On-Call Professional Service Agreements; and

WHEREAS, the committee believes that the City will require the expertise of all four firms to meet the construction inspection needs of all the development projects within the City; and

WHEREAS, separate contracts will be negotiated for specific development projects, and individual Project Task Orders will be created for each project needing construction inspection services, and will be deemed an attachment to the firms Professional Services Agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby approves the following:

1. The award of Professional Service Agreements for Retainer On-Call Services for Construction Inspections to Cecil & Cecil Enterprises, Inc., Giuliani & Kull, Inc., SNG & Associates, Inc., and West Coast Code Consultants, Inc.
2. Authorize the City Manager to negotiate and enter into a contract with each of these firms on an On-Call basis for construction inspections for development projects within the City of Riverbank.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 13th day of April, 2021; motioned by Councilmember , seconded by Councilmember , and upon roll call was carried by the following City Council vote of :

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Annabelle H. Aguilar, CMC
City Clerk

APPROVED:

Richard D. O'Brien
Mayor

**PROFESSIONAL SERVICES AGREEMENT
RETAINER ON-CALL**

CITY OF RIVERBANK

AND

CONSULTANT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 2021, (the "Effective Date") by and between the City of Riverbank, a California municipal corporation ("City"), and Consultant, a California limited liability company ("Consultant"). City and Consultant may herein be referred to individually as a "Party" and collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. City has determined to retain consultant for professional services as needed for construction inspection on development projects to be in conformance with the City's Standard Details, Specifications and Approved Plans (the "Project").

B. Consultant has submitted a proposal to City that includes a scope of proposed consultant services, attached hereto and described more fully in **Exhibit A** ("Services").

C. Consultant represents that it is qualified, willing and able to provide the Services to City, and that it will perform Services related to the Project according to the rate schedule attached hereto and described more fully in **Exhibit B** (the "Rates").

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Description of Work.

(a) *Services.* Consultant shall provide all labor, equipment, materials and supplies required to properly, adequately and completely perform the Services described in Exhibit A, subject to the terms and conditions set forth herein. Consultant shall determine the method, details and means of doing the work or rendering the Services, however, Consultant shall not receive compensation for the performance of any services unless they are included in Exhibit A, or the Parties otherwise agree in writing.

(b) *Modification of Services.* The City Manager or his designee may authorize extra or changed work. Failure of Consultant to secure written authorization for extra or changed work shall constitute a waiver of any and all right to an adjustment in the Rates, and Consultant

shall be entitled to no compensation whatsoever for the performance of such work. Consultant further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra work performed without such express and prior written authorization of the City Manager.

2. Compensation. City shall pay Consultant according to the fee schedule set forth in the Rates, as full remuneration for performance of the Services. Payments shall not exceed those specified in the Rates unless approved by City in writing. Consultant agrees to maintain a log of time spent in connection with performing the Services. On a monthly basis, Consultant shall provide City, in reasonable and understandable detail, a description of the Services rendered pursuant to the Services and in accordance with the Rates. If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. If City disputes any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

3. Reimbursement. *“Omitted”*

4. Confidential Information. *“Omitted”*

5. Term. This Agreement shall become effective on the Effective Date and will continue in effect for a duration of three (3) years, with options to extend for two additional one-year terms, unless terminated earlier as provided in Section 6 or 7 below (the “Term”).

(a) *Termination.* City may terminate this Agreement prior to the expiration of the Term, without cause or reason, by notifying Consultant in writing of City’s desire to terminate this Agreement. Upon receipt of such notice, Consultant shall immediately cease performing the Services. Consultant will be entitled to compensation for Services actually performed as of the date Consultant receives such notice.

(b) *Termination for Cause.* Notwithstanding Section 6 above, this Agreement may be terminated by City for cause based on the loss or suspension of any licenses, permits or registrations required for the continued provision of the Services, or Consultant’s malfeasance. Termination of the Agreement for cause as set forth in this Section shall relieve City from compensating Consultant.

6. Performance by Key Employee. *“Omitted”*

7. Property of City. The following will be considered and will remain the property of City:

(a) *Documents.* All reports, drawings, graphics, working papers and Confidential Information furnished by City in connection with the Services (“Documents”). Nothing herein shall be interpreted as prohibiting or limiting City’s right to assign all or some of City’s interests in the Documents.

(b) *Data*. All data collected by Consultant and produced in connection with the Services including, but not limited to, drawings, plans, specifications, models, flow diagrams, visual aids, calculations, and other materials (“Data”). Nothing herein shall be interpreted as prohibiting or limiting City’s right to assign all or some of City’s interests in the Data.

(c) *Delivery of Documents and Data*. Consultant agrees, at its expense and in a timely manner, to return to City all Documents and Data upon the conclusion of the Term or in the event of Termination.

8. Duties of City. In order to permit Consultant to render the Services required hereunder, City shall, at its expense and in a timely manner: (i) provide such information as Consultant may reasonably require to undertake or perform the Services; (ii) promptly review any and all documents and materials submitted to City by Consultant in order to avoid unreasonable delays in Consultant’s performance of the Services; and (iii) promptly notify Consultant of any fault or defect in the performance of Consultant’s Services hereunder.

9. Representations of Consultant. City relies upon the following representations by Consultant in entering into this Agreement:

(a) *Qualifications*. Consultant represents that it is qualified to perform the Services and that it possesses the necessary licenses, permits and registrations required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Consultant represents and warrants to City that Consultant shall, at Consultant’s sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and registrations that are legally required for Consultant to practice Consultant’s profession at the time the Services are rendered.

(b) *Consultant Performance*. Consultant represents and warrants that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Consultant shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such Services. Consultant shall insure compliance with all applicable federal, state, and local laws, ordinances, regulations and permits, including but not limited to federal, state, and county safety and health regulations. All work or products completed by Consultant shall be completed using the best practices available for the profession. Consultant agrees that, if a Service is not so performed in the discretion of the City, in addition to all of its obligations under this Agreement and at law, Consultant shall re-perform or replace unsatisfactory Service at no additional expense to City.

10. Independent Contractor; Subcontracting. Consultant will employ, at its own expense, all personnel reasonably necessary to perform the Services. All acts of Consultant, its agents, officers, employees and all others acting on behalf of Consultant relating to this Agreement will be performed as independent contractors. Consultant, its agents and employees will represent and conduct themselves as independent contractors and not as employees of City. Consultant has no authority to bind or incur any obligation on behalf of City. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever. Consultant is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by City in writing.

11. Insurance. Consultant and all of Consultant's contractors and subcontractors shall obtain and maintain insurance of the types and in the amounts described in this paragraph and its subparagraphs with carriers reasonably satisfactory to City.

(a) *General Liability Insurance.* Consultant shall maintain occurrence version commercial general liability insurance or an equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) per claim and Two Million Dollars (\$2,000,000) for each occurrence.

(b) *Workers' Compensation Insurance.* Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code. Consultant shall also carry employer's liability insurance in the amount of One Million Dollars (\$1,000,000.00) per accident, with a One Million Dollar (\$1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollar (\$1,000,000.00) limit for each employee's bodily injury by disease.

(c) *Automobile Liability.* Consultant shall maintain automobile liability insurance with coverage for any vehicle including those owned, leased, rented or borrowed. The limit amount for this insurance shall be no less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.

(d) *Errors and Omissions Liability.* Consultant shall carry errors and omissions liability insurance in the amount of no less than One Million Dollars (\$1,000,000.00) per occurrence or greater if appropriate for the Consultant's profession. Architects and engineers coverage is to be endorsed to include contractual liability. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("City's Agents"); or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

(c) *Other Insurance Requirements.* Promptly upon execution of this Agreement and prior to commencement of any work, Consultant shall provide City with certificates of insurance evidencing that all insurance and endorsements required by this Agreement have been

obtained and are in full force and effect. Approval of the insurance by City shall not relieve or decrease any liability of Consultant. In addition, in the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, Consultant shall notify City prior to making such changes.

(d) *Material Breach.* If Consultant, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. City, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, City may purchase such required insurance coverage, and without further notice to Consultant, City may deduct from sums due to Consultant any premium costs advanced by City for such insurance. These remedies shall be in addition to any other remedies available to City.

12. Indemnification. Consultant shall protect, defend, indemnify hold harmless and release City, and City's Agents, from any and all actions, claims, demands, loss, costs, damage, injury (including, without limitation, disability, injury or death of an employee of Consultant or its subcontractors), expenses (including but not limited to attorney's fees and costs of litigation or arbitration) and liability of every kind, that arise out of, pertain to or relate to willful or fraudulent misconduct or negligent acts, errors or omissions by Consultant, or any subcontractor, employee, contractor, representative or agent of Consultant, or anyone that Consultant controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify City and City's Agents shall be apportioned to the extent that such Liabilities are caused in whole by the negligence or willful misconduct of City or City's Agents. With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type of express or implied indemnity against City and City's Agents. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts. Submission of insurance certificates or other proof of compliance with the insurance requirements in this Agreement does not relieve Consultant from liability under this indemnification section. The obligation of this indemnity article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

13. Consequential Damages. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

14. Litigation. In the event that either Party brings an action under this Agreement for the breach or enforcement hereof, or must incur any collection expenses for any amounts due hereunder the prevailing Party in such action shall be entitled to its costs including reasonable attorney's fees, whether or not such action is prosecuted to judgment.

15. Notices. Any notice or communication required hereunder between City or Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight

delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices given by registered or certified mail shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, (b) on the date delivered as shown on a receipt issued by the courier, or (c) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the addresses in this paragraph set forth below:

If to City: City of Riverbank
6707 Third Street
Riverbank, CA 95367
Attn: Sean Scully City Manager

And to: Churchwell White LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attn: Douglas L. White, Esq.

If to Consultant: _____

16. General Provisions.

(a) *Recitals.* The recitals set forth above are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Section 1 through 18 of this Agreement, Sections 1 through 18 shall prevail.

(b) *Modification.* No alteration, amendment, modification, or Termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

(c) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

(d) *Authority.* All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by

such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into the Agreement have been fully complied with.

(e) *Assignment.* No Party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties.

(f) *Drafting and Ambiguities.* Each Party acknowledges that it has reviewed, or has been provided the opportunity to review, this Agreement with its own legal counsel, and has freely entered into this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

(g) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the state of California.

(h) *Venue.* Venue for any legal proceedings shall be in the Superior Court of California for the County of Stanislaus.

(i) *Severability.* If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

(j) *Counterparts.* This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(k) *Audit.* City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to City under this Agreement.

(l) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

(m) *Mandatory and Permissive.* "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

(n) *Headings.* Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

(o) *Necessary Acts and Further Assurances.* The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

(p) *Time is of the Essence.* Time is of the essence in this Agreement for each covenant and term of a condition herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement, which shall be effective as of the above-referenced Effective Date.

CITY:

CONSULTANT:

CITY OF RIVERBANK, a California
municipal corporation

By: _____
Sean Scully, City Manager

By: _____

Name: _____

Date: _____

Date: _____

Approved as to Form:

Tom Hallinan, City Attorney

Attest:

Annabelle Aguilar
City Clerk

EXHIBIT A

Services

The proposed scope of services would include, but would not be limited to the following:

1. Provide Construction Inspection services upon the request of the City of Riverbank for projects related to the City's properties and/or structures and private development.
2. Requested services may involve any one, or a combination, of the following Inspection Service areas:
 - a. Construction inspections for all new commercial, industrial, residential development and city capital projects as it relates to civil improvements for offsite and onsite;
 - b. Attend project meetings as needed with City staff and Contractor for duration of project;
 - c. Prepare Daily Reports for all construction activity, and obtain/document all material tags during construction;
 - d. Assure that overall Quality Control/Quality Assurance (QA/QC) is implemented in a manner consistent with the City Quality Assurance Plan (QAP) and/or projects' Special Provisions;
 - e. Work in close coordination with Material Testing personnel, and maintain testing records;
 - f. Assure that the Contractor's construction operations are being conducted in a safe manner in accordance to the project's Traffic Control Plan and CAL-OSHA Construction Safety Order;
 - g. Administer the project to assure all elements of the actual construction are furnished, installed and constructed in accordance with the Project Plans, Specifications, Caltrans Standard Specifications, and City of Riverbank Standards;
 - h. Create and maintain well-organized construction records/files and submit to the City of Riverbank upon completion of project.

Assumptions

At the discretion of the City, deliverables shall be provided to the City in the form of hard copies and/or electronic copies for all reports and documents, including but not limited to: daily reports/diaries, as-built plans and construction photos.

The Development Services Administration Manager, or his designee, will be the main point of contact to facilitate the various services requested. The Consultant shall have or obtain a City of Riverbank business license prior to performing any of the work listed in the Agreement.

EXHIBIT B

Rate Schedule

2021 Hourly Rate Schedule is provided below.

Hourly Rates Schedule

All hourly rates are all inclusive and include the use of a vehicle, laptop, cell phone, safety equipment, etc.

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 9.4

SECTION 9: CONSENT CALENDAR

Meeting Date: April 13, 2021

Subject: A **Resolution** Approving the Development Clerk Part-Time Job Classification and Salary Range; and Amending the City of Riverbank Compensation Plan for Part-Time/Temporary/Seasonal Positions to add the New Part-Time Job Classification and Salary Range

From: Sean Scully, City Manager

Submitted by: Cheryl Stefani, Human Resources Analyst

RECOMMENDATION

It is recommended that the City Council consider approving the Development Clerk Part-Time Classification and Salary Range. In addition, it is recommended the City Council consider amending the City of Riverbank Compensation Plan for Part-Time/Temporary/Seasonal Positions to add the new part-time job classification and salary range.

SUMMARY

The Development Clerk position will assist both Planning and Administration in the Development Services Department. The Development Clerk position differentiates from the current part-time positions in that it requires increased knowledge and responsibilities essential for current and new development in the City. This position is necessary to ensure new development is tracked efficiently.

BACKGROUND

Due to continued development and growth in the City, the Development Services department is straining to meet the increasing demands of the administrative tasks associated with current and future new development. The Development Clerk will be responsible for duties associated with keeping track of developer deposits, inspection and engineering hours, and routing plans. This staff member will serve as the direct liaison for developers to contact with inquiries regarding plans, permits, fees, etc. The proposed hourly salary range for this position is as follows:

Development Clerk (Part-Time / Hourly)					
Salary Range	Step A	Step B	Step C	Step D	Step E
17	\$16.00	\$16.25	\$16.50	\$16.75	\$17.00

STRATEGIC PLAN

The acceptance of the Development Clerk classification; and the amending the Compensation Plan for Part-Time/Temporary/Seasonal Positions supports the City's Goal to Attract, Develop, and Retain Quality Staff.

FINANCIAL IMPACT

There is a nominal financial impact for FY 2020-21 for the addition of the Development Clerk position. The new salary range for the Development Clerk position was presented in the Resolution Approving the Fiscal Year 2020-21 Mid-Year Budget Amendments at the City Council Meeting on 02/23/2021.

FY 2020-21 Mid-Year Budget Adjustments					
Fund	Account Name	Amendment Justification	Amendment	Original	Amended
Planning	Salary Request	PT Position for Dev Serv (Admin & Planning)	\$9,100	0	\$9,100

ATTACHMENT

1. Resolution
2. Development Clerk_Job Description
3. Compensation Plan_Part-Time/Temporary/Seasonal Positions)_Effective April 13, 2021

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, APPROVING THE DEVELOPMENT CLERK PART-TIME JOB CLASSIFICATION AND HOURLY SALARY RANGE; AND AMENDING THE CITY OF RIVERBANK COMPENSATION PLAN FOR PART-TIME/TEMPORARY/SEASONAL POSITIONS TO ADD THE NEW PART-TIME JOB CLASSIFICATION AND SALARY RANGE

WHEREAS, the Development Clerk position will assist both Planning and Administration in the Development Services Department. The Development Clerk position differentiates from the current part-time positions in that it requires increased knowledge and responsibilities essential for current and new development in the City. This position is necessary to ensure new development is tracked efficiently; and

WHEREAS, due to continued development and growth in the City, the Development Services department is straining to meet the increasing demands of the administrative tasks associated with current and future new development. The Development Clerk will be responsible for duties associated with keeping track of developer deposits, inspection and engineering hours, and routing plans. This staff member will serve as the direct liaison for developers to contact with inquiries regarding plans, permits, fees, etc.; and

WHEREAS, the new job classification of Development Clerk has been created with a proposed hourly salary range as follows:

Development Clerk (Part-Time / Hourly)					
Salary Range	Step A	Step B	Step C	Step D	Step E
17	\$16.00	\$16.25	\$16.50	\$16.75	\$17.00

WHEREAS, the City of Riverbank's Compensation Plan for Part-Time/Temporary/Seasonal Positions is amended to reflect the new classification and hourly salary for the Development Clerk position; and

WHEREAS, the acceptance of the Development Clerk classification; and the amending the Compensation Plan for Part-Time/Temporary/Seasonal Positions supports the City's Goal to Attract, Develop, and Retain Quality Staff.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby approves and authorized the new job classification of Development

Clerk attached hereto as **Exhibit A** and its respective hourly salary of Range 17; and amends the City of Riverbank Compensation Plan for Part-Time/Temporary/Seasonal Positions attached here to as **Exhibit B** to reflect the new classification and hourly salary.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the _____ day of _____, 2021; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____ :

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: **Exhibit A – Development Clerk Classification**
Exhibit B – Amended Part-Time/Temporary/Seasonal Positions Compensation Plan

**CITY OF RIVERBANK
COMPENSATION PLAN
EFFECTIVE APRIL 13, 2021**

PART-TIME/TEMPORARY/SEASONAL POSITIONS

TITLE	RANGE	HOURLY SALARY STEP				
		A	B	C	D	E
Recreation Leader I	1	12.00	12.25	12.50	12.75	13.00
Recreation Leader II	5	13.00	13.25	13.50	13.75	14.00
Recreation Leader III	9	14.00	14.25	14.50	14.75	15.00
Sr. Recreation Leader	13	15.00	15.25	15.50	15.75	16.00

Lifeguard/Instructor	5	13.00	13.25	13.50	13.75	14.00
Head Lifeguard	9	14.00	14.25	14.50	14.75	15.00
Assistant Pool Manager	13	15.00	15.25	15.50	15.75	16.00
Pool Manager	17	16.00	16.25	16.50	16.75	17.00

Site Monitor	1	12.00	12.25	12.50	12.75	13.00
Program Specialist	9	14.00	14.25	14.50	14.75	15.00

Facilities Maintenance Worker Aide	5	13.00	13.25	13.50	13.75	14.00
Park Maintenance Worker Aide	5	13.00	13.25	13.50	13.75	14.00
Administrative Intern	9	14.00	14.25	14.50	14.75	15.00
Maintenance Worker Aide	13	15.00	15.25	15.50	15.75	16.00
Building/Neighborhood Improvement Aide	17	16.00	16.25	16.50	16.75	17.00
Water Utility Worker Aide	17	16.00	16.25	16.50	16.75	17.00
Collections Clerk	17	16.00	16.25	16.50	16.75	17.00
Development Clerk	17	16.00	16.25	16.50	16.75	17.00
Personnel Clerk	17	16.00	16.25	16.50	16.75	17.00
Water Conservation Coordinator	17	16.00	16.25	16.50	16.75	17.00
Neighborhood Improvement Officer - PT	23	21.02	22.07	23.18	24.33	25.55

California Minimum Wage

January 1, 2019 - \$12.00

January 1, 2020 - \$13.00

January 1, 2021- \$14.00

January 1, 2022 - \$15.00

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 9.5

SECTION 9: CONSENT CALENDAR

Meeting Date:	April 13, 2021
Subject:	A Resolution Accepting the Annual Financial Reports for Fiscal Year 2015-16 and Fiscal Year 2016-17
From:	Sean Scully, City Manager
Submitted by:	Marisela H. Garcia, Assistant City Manager/Administrative Services Director

RECOMMENDATION

It is recommended that the City Council consider adopting a Resolution accepting the Annual Financial Reports for Fiscal Year 2015-16 and Fiscal Year 2016-17.

SUMMARY

On an annual basis, all cities are required to perform a financial audit performed by an independent accounting firm. Due to the transition in financial software in 2015, the financial audits for Fiscal Year 2015-16 and 2016-17 were delayed. The firm of Clendenin Bird & Company has completed these financial audits and are being presented to the City Council for acceptance.

BACKGROUND

Government Auditing Standards issued by the Comptroller General of the United States, require that all entities of local government, including special districts, undergo an annual review (audit) of their financial records. The purpose of this review is to obtain reasonable assurance about whether the financial statements for these entities are free from material mistakes. These audits involve performing procedures to obtain evidence about the amounts and disclosures included in the financial statements. The audit firm makes an assessment of the risks that these statements include material misstatements, whether they are due to fraud or errors. The auditors make an assessment about whether the City has sufficient internal controls in place to ensure that there are no instances of fraud and to limit the opportunity for errors in the financial records.

For both Fiscal Year 2015-16 and Fiscal Year 2016-17 the City received an ***Unqualified Opinion***, which states that the auditor feels the City followed all accounting rules appropriately and that the financial reports are an accurate representation of the City's financial condition.

The Annual Financial Reports begin with a Management Discussion & Analysis (MD&A) prepared by City staff which highlights important details included in the Financial Statements. In reviewing the Annual Financial Report, this MD&A provides the general public with an overview of the financial status of the City, including those factors that may have contributed to positive or negative changes to the City's financial position.

The Governmental Accounting Standards Board (GASB), which is the body that oversees all accounting standards for governmental agencies, requires that financial statements be presented in 2 different ways:

1. **Government-Wide Financial Statements** which reports information about the City as a whole, and provides viewers with a broad overview of the City's finances. These reports are similar to those issued by a private company, and
2. **Fund Financial Statements** which provide detailed information about the City's most significant funds and not the City as a whole.

In reviewing and evaluating the financial status of the City, the Statement of Net Position (a government-wide financial statement) on page 13 of each report will serve as a useful indicator as to whether the City's financial position is improving or deteriorating. This Statement of Net Position is divided into two categories:

1. *Governmental Activities*, which includes police, public works, community development, grants and special programs, and general government. Taxes and intergovernmental revenues such as sales tax, property tax, vehicle license fees, user fees, franchise fees, and federal and state grants primarily finance these activities, and
2. *Proprietary Activities*, which include the City's water and sewer systems, in addition to the City's Community Center and the LRA. Fees and rents are charged to customers to help cover the cost of the services it provides.

Under the Fund Financial Statements, major funds are grouped together based on specific activities, all other funds are shown under "Other Funds." Page 16 of the report provides information regarding the major fund groups of the City, including the General Fund, CDBG (Federal & State Grants), Successor RDA LMI Housing, and System Development Fees.

As stated before, major funds are grouped together under one heading. For example, the "General Fund" groups together Fund 101 (General Fund), Fund 201 (Benefit Liabilities Fund), Fund 119 (Fleet Services) and Fund 134 (Recreation Fund).

FY 2015-16 OVERALL NET POSITION

Overall, the City's Net Position increased by 7% over the 2014-15 year. This was primarily due to the receipt of ESCA funds for the remediation project at the LRA. Revenues for the City's Governmental and Proprietary Funds exceeded expenditures for the fiscal year

thereby increasing unrestricted funds available and indicating positive growth in the City. The City's General Fund ended with a 5.1% increase over the prior year.

FY 2016-17 OVERALL NET POSITION

Overall, the City's Net Position decreased by 2% over the 2015-16 year. This was primarily due to the completion of major streets & roads projects throughout the City. Expenditures for the City's Governmental and Proprietary Funds exceeded revenues for the fiscal year thereby decreasing unrestricted funds available and indicating a decline in growth in the City. The City's General Fund ended with an increase of 13.5%.

STRATEGIC PLAN

This report is in alignment with the City Council's Strategic Plan Goal to "Ensure Financial Stability."

FINANCIAL IMPACT

There is no financial impact associated with the acceptance of these reports.

ATTACHMENT

1. Resolution
2. Annual Financial Report Year Ended June 30, 2016
3. Annual Financial Report Year Ended June 30, 2017

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, ACCEPTING THE ANNUAL FINANCIAL REPORTS FOR FISCAL YEAR 2015-16 AND FISCAL YEAR 2016-17

WHEREAS, the Comptroller General of the United States has issued Government Auditing Standards which must be met by the City; and

WHEREAS, on an annual basis the City of Riverbank is required to undergo a financial review (audit) which includes procedures to obtain evidence about the amounts and disclosures included in the Annual Financial Report; and

WHEREAS, the annual audit is required to be performed by an independent accounting firm; and

WHEREAS, the firm of Clendenin Bird & Company has completed the audits of Fiscal Year 2015-16 and Fiscal Year 2016-17; and

WHEREAS, Clendenin Bird & Company has issued an Unqualified Opinion for Fiscal Year 2015-16 and Fiscal Year 2016-17 which states that in their opinion the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverbank.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby accepts the Annual Financial Report for Fiscal Year 2015-16 attached hereto as **Exhibit A**, and the Annual Financial Report for Fiscal Year 2016-17 attached hereto as **Exhibit B**.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 13th day of April, 2021; motioned by Councilmember , seconded by Councilmember , and upon roll call was carried by the following City Council vote of :

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: **Exhibit A – Annual Financial Report Year Ended June 30, 2016**
 Exhibit B – Annual Financial Report Year Ended June 30, 2017

PROPOSED

CITY OF RIVERBANK
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016

CITY OF RIVERBANK, CALIFORNIA

Table of Contents

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion And Analysis (unaudited)	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement Of Net Position	13
Statement Of Activities	14-15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16-17
Reconciliation Of The Governmental Funds Balance Sheet To Statement Of Net Position	18
Statement Of Revenues, Expenditures, And Changes In Fund Balances – Governmental Funds	19-20
Reconciliation Of The Statement Of Revenues, Expenditures, And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	21
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – General Fund	22-23
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – CDBG Fund	24
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – System Development Fund	25
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – Successor RDA LMI Housing Fund	26
Statement Of Net Position – Proprietary Funds	27
Statement Of Revenues, Expenses, And Changes In Net Position – Proprietary Funds	28
Statement Of Cash Flows – Proprietary Funds	29-30
Statement Of Fiduciary Net Position – Agency Funds	31
Notes To The Basic Financial Statements	32-59
REQUIRED SUPPLEMENTAL FINANCIAL DATA	
Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous	60
Schedule of Proportionate Share of the Net Pension Liability – Safety	61
Schedule of Contributions – Miscellaneous	62
Schedule of Contributions – Safety	63

CITY OF RIVERBANK, CALIFORNIA

Table of Contents

	Page
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Definitions	64-65
Combining Balance Sheet – Nonmajor Governmental Funds	66-69
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds	70-73
OTHER REPORTS	
Schedule Of Federal Expenditures	74
Schedule Of Findings And Questioned Costs	75-76
Independent Auditor's 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>	77-78
Independent Auditor's Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.	79-80
Report On Compliance With Laws And Regulations Based On An Examination Of General-Purpose Financial Statements Performed In Accordance With The California Transportation Development Act	81



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Cathy L. Gatewood, EA

Constance Hillas Bird, CPA (Inactive)
Gerald L. Clendenin, CPA (Inactive)

INDEPENDENT AUDITOR'S REPORT

To The City Council
City Of Riverbank
State of California

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverbank, State of California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverbank, State of California as of June 30, 2016, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverbank, State of California's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Clendenin Bird & Company, PC
CLENDENIN BIRD & COMPANY, PC

Modesto, California
May 22, 2020

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

This discussion and analysis of the City of Riverbank's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. The City's financial statements for the fiscal year ended June 30, 2016 are presented in accordance with GASB 34. Please read Management's Discussion and Analysis in conjunction with the City's financial statements, notes, and supplementary schedules.

FINANCIAL HIGHLIGHTS

- The City's governmental activities total assets exceeded liabilities (net position) at the close of the fiscal year by \$83,638,252. Of this amount, \$2,631,484 is in unrestricted net position, which is available to meet the City's ongoing financial obligations. The total assets of the business-type activities exceeded its liabilities (net position) by \$28,455,681. Of this amount, \$13,901,400 was unrestricted.
- General and program revenues for Governmental Activities exceeded expenditures by \$218,265. City program expenses totaled \$13,073,191 for fiscal year 2015-2016, a decrease of 3.5% over the 2014-15 Fiscal Year. Public Works costs comprised \$5,121,039 or 39% of the total expenses, whereas Public Safety comprised 30% of expenditures.
- In the City's business-type activities (which include the Water, Sewer and Community Center and Local Redevelopment Funds), revenues exceeded expenses by \$7,155,236 due to the receipt of Environmental Services Contract Agreement Funds received by the LRA.
- The City's General Fund ended the year with a fund balance of \$5,484,320. This is an increase of 5.1% from the year ending June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements include all activities of the City of Riverbank using the integrated approach as prescribed by GASB Statement No. 34. The government-wide Statement of Net position and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements show how City services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements. The government-wide financial statements report information about the City as a whole, providing readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All the current year's revenues and expenses are taken into account in the statement of activities regardless of when cash is received or paid.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

The *statement of net position* presents information on all the City'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 as to whether the City's financial position is improving or deteriorating.

The *statement of changes in net position* presents information showing how the City's net position changed in 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 on this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

- Over time, increases or decreases in the City's net position can be an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- **Governmental Activities:** Includes police, public works, community development (building and planning), grants and special programs, and general government. Taxes and intergovernmental revenues such as sales tax, property tax, vehicle license fees, user fees, franchise fees, and federal and state grants primarily finance these activities.
- **Business-type activities** include the City's water and sewer systems, in addition to the City's Community Center. Fees are charged to customers to help cover the costs of the services it provides.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements. The fund financial statements provide detailed information about the City's most significant *funds* – not the City as a whole. 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. Some funds are required to be established by State law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for the use of certain taxes, grants, and other resources. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Because the focus of the governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. The differences of results in the governmental funds financial statements to those in the government-wide financial statement are shown in reconciliations following the governmental funds financial statements.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The City's proprietary funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Below is a table showing the City's net position as of June 30, 2016 compared to the City's net position as of June 30, 2015.

City of Riverbank Net Position For Year Ended June 30, 2016						
	Governmental Activities		Proprietary Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Cash and Investments	\$14,782,984	\$13,964,218	\$13,796,305	\$6,422,492	\$28,579,289	\$20,386,710
Other Assets	16,501,557	15,971,803	2,830,512	723,195	\$19,332,069	16,694,998
Capital Assets	57,369,954	59,197,301	23,793,770	22,082,953	\$81,163,724	81,280,254
Total Assets	88,654,495	89,133,322	40,420,587	29,228,640	129,075,082	118,361,962
Current Pension Plan Cont.	461,934	281,145	145,639	99,200	607,573	380,345
Liabilities						
Current Liabilities	1,558,592	1,838,996	1,616,237	886,956	3,174,829	2,725,952
Compensated Absences	214,382	203,025	90,940	85,700	305,322	288,725
Net Pension Liability	3,035,999	2,951,755	1,063,149	1,041,512	4,099,148	3,993,267
Long-Term Liabilities	0	123,600	9,084,139	5,703,747	9,084,139	5,827,347
Total Liabilities	4,808,973	5,117,376	11,854,465	7,717,915	16,663,438	12,835,291
Deferral of Pension Expense	669,204	877,107	256,080	309,482	925,284	1,186,589
Net Assets						
Invested in Capital Assets, Net of Related Debt	57,369,954	59,197,301	14,554,281	16,211,906	71,924,235	75,409,207
Restricted	23,636,814	22,462,136	0	0	23,636,814	22,462,136
Unrestricted	2,631,484	1,760,550	13,901,400	5,088,537	16,532,884	6,849,087
Total Net Assets	\$83,638,252	\$83,419,987	\$28,455,681	\$21,300,443	\$112,093,933	\$104,720,430

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Of the total net position for both the Governmental and Business-type activities, \$71,924,235 or 64% reflects the City's investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position amounts to \$23,636,814 or 21% of the total. Restricted net position are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds established by state or federal regulations.

Unrestricted net position is those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position is \$16,532,884 or 15% of the total net position.

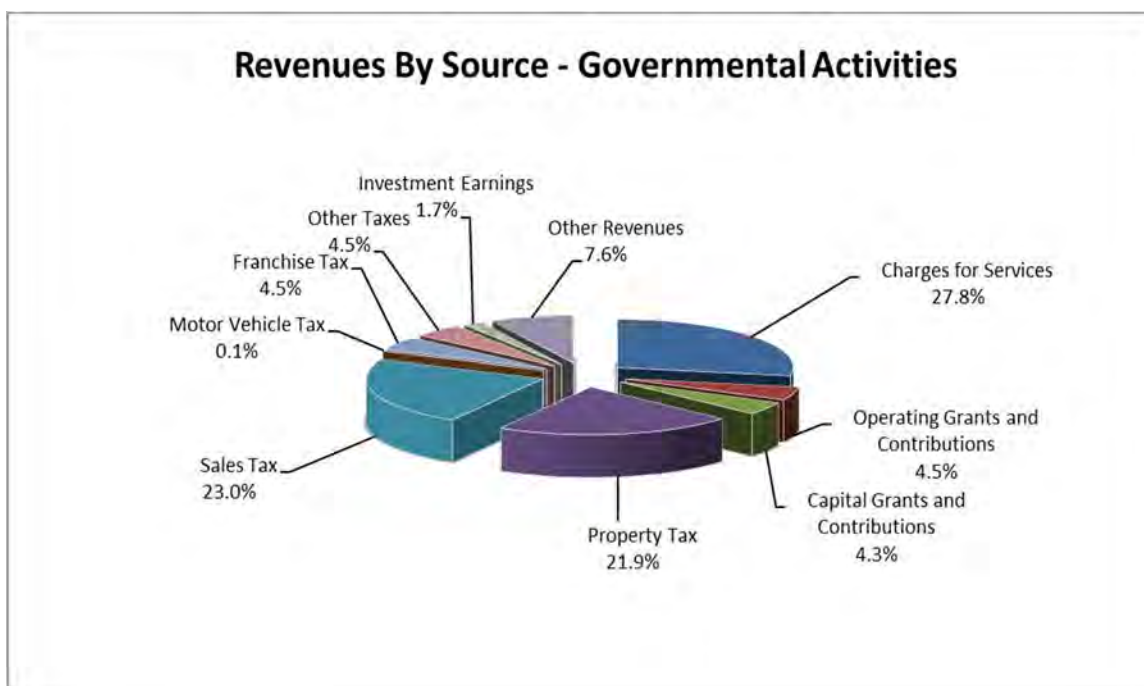
Changes in Net Position. Total revenues for the year exceeded expenditures by \$7,373,501. Below is a table showing the Governmental and Proprietary Activities of the City for the year ended June 30, 2016 as compared to the year ending June 30, 2015.

**City of Riverbank
Changes in Net Position
For Year Ended June 30, 2016**

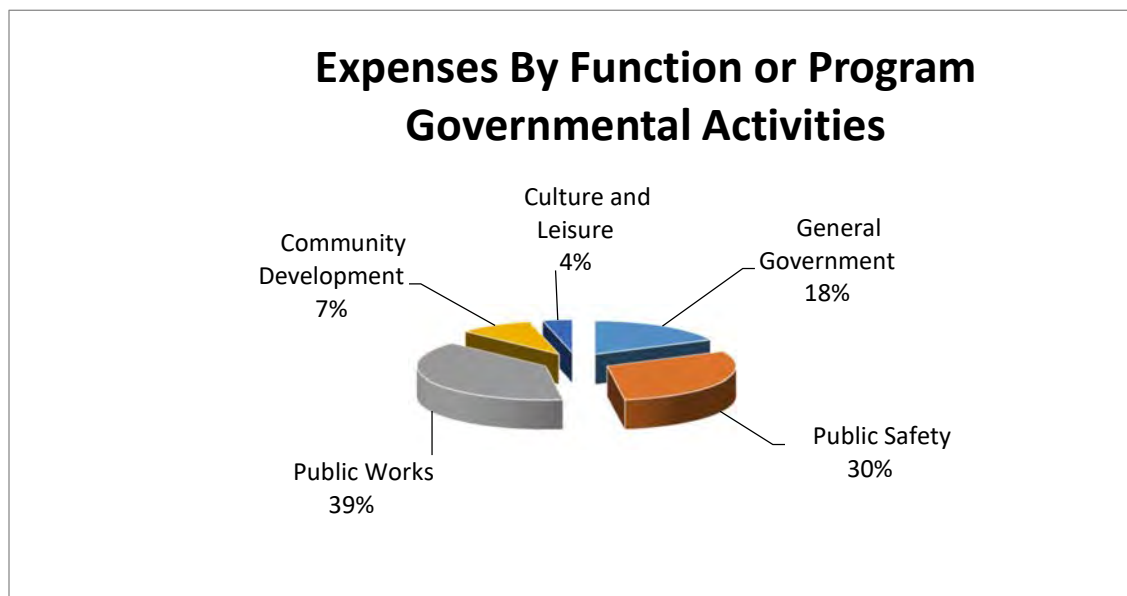
	Governmental Activities		Proprietary Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	3,688,960	3,117,410	16,068,328	7,855,460	19,757,288	10,972,870
Operating Grants and Contributions	595,848	106,230	0	0	595,848	106,230
Capital Grants and Contributions	576,108	398,298	0	0	576,108	398,298
General Revenues:						
Property Tax	2,913,875	2,822,426	0	0	2,913,875	2,822,426
Sales Tax	3,061,904	2,756,970	0	0	3,061,904	2,756,970
Motor Vehicle Tax	9,476	9,525	0	0	9,476	9,525
Franchise Tax	599,343	550,492	0	0	599,343	550,492
Other Taxes	603,696	797,945	0	0	603,696	797,945
Investment Earnings	227,451	160,412	44,993	26,962	272,444	187,374
(Loss) on Disposal of Assets	0	0	0	5,500	0	5,500
Transfers	1,014,795	920,166	(1,014,795)	(920,167)	0	(1)
Total Revenues	13,291,456	11,639,874	15,098,526	6,967,755	28,389,982	18,607,629
Expenses						
General Government	2,320,167	2,690,373	0	0	2,320,167	2,690,373
Public Safety	3,931,723	4,031,421	0	0	3,931,723	4,031,421
Public Works	5,121,039	5,345,804	3,075,904	3,185,608	8,196,943	8,531,412
Community Development	1,214,749	999,920	4,715,892	3,879,868	5,930,641	4,879,788
Culture and Leisure	485,513	474,201	151,494	169,072	637,007	643,273
Total Expenses	13,073,191	13,541,719	7,943,290	7,234,548	21,016,481	20,776,267
Increase (Decrease) in Net Assets	218,265	(1,901,845)	7,155,236	(266,793)	7,373,501	(2,168,638)
Net Assets - Beginning	83,419,987	88,906,399	21,300,443	22,832,032	104,720,430	111,738,431
Prior Period Adjustment	0	(3,584,567)	0	(1,264,796)	0	(4,849,363)
Net Assets - Ending	\$83,638,252	\$83,419,987	\$28,455,679	\$21,300,443	\$112,093,931	\$104,720,430

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Governmental Activities. Total governmental revenues for the year were \$13,291,456. Sales and property tax revenue, which comprise 45% of the total, experienced an increase of 7.1% from the 2014-15 Fiscal Year. Revenues by source for governmental activities are shown in the graph below.



Total governmental expenses for the year were \$13,073,191. Public Works accounted for 39% of the total governmental activities expenses. Expenses by function or program for governmental activities are shown in the graph below.



**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Business-type Activities

- Revenues of the City's business-type activities were \$15,098,526, a 117% increase from fiscal year 2014-15. Expenditures for the year were \$7,943,290. Expenditures for the Water & Sewer Funds decreased by 3.4%. Overall, expenditures for the business-type activities increased by 9.8% from the prior fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

The City's governmental funds ended the year with a combined fund balance of \$29,511,567. Of the total combined fund balance, 2% is classified as Nonspendable, 69% is classified as Restricted, 10% is classified as Assigned, and 19% is Unassigned. Major fund changes from June 30, 2015 to June 30, 2016 are noted below and are also noted on the Statement of Revenues, Expenditures, and Changes in Fund Balances on page 19:

General Fund

- The City experienced an overall net increase of 13.9% in its General Fund revenues from fiscal year 2014-2015. Some of the major factors contributing to this increase are noted below.
 - A 2.8% increase in Property Tax was experienced due to the changes made in property values. The County continued to reverse their Proposition 8 property value reductions that were made beginning in 2008. In addition, the new construction housing market has added properties to the tax rolls as well as an increase in home sales.
 - Revenues from Licenses and Permits increased by 52.4%. This was due to the issuance of building permits for new home constructions for the final buildout of the Crossroads subdivision.
 - Sales tax for the City experienced an increase of 11.1%. This was primarily due to the continued rebound of the economy from the recent recession and the continued expansion of the Crossroads Shopping Center.
- General Fund expenditures decreased by 3.9% from the 2014-15 Fiscal Year. Major factors contributing to this increase in General Fund expenditures include:
 - General Government expenditures decreased by 12.6% as legal expenses were not incurred with the final settlement of several outstanding lawsuits.
 - Public Works expenditures increased by 7.1% due to the additional projects undertaken by the Parks Division.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

CDBG Fund

The CDBG Fund experienced a significant increase in revenues due to a new grant award to the City. The City has been awarded grant funding for the First-Time Homebuyer and Housing Rehabilitation Programs. An active housing market has allowed the City to assist four families in purchasing their first home.

Successor RDA LMI Housing Fund

On December 29, 2011 the California Supreme Court upheld Assembly Bill 1x26 ("the Bill") that provided for the dissolution of all redevelopment agencies in the State of California effective February 1, 2012. This action impacted the reporting entity of the City of Riverbank that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. The City elected not to become this successor agency therefore another designated authority, the Riverbank Designated Local Authority, was formed by the State of California to serve as successor agency to the now dissolved Riverbank Redevelopment Agency. However, the City did elect to serve as the Housing Successor Agency of the former RDA. As successor agency, the City now holds a loan receivable for a loan provided to Pacific West Associates for the construction of a 65-unit apartment complex completed in 2009. In addition, the City is now entitled to receive annual interest payments and a Payment in Lieu of Taxes from this project.

GASB Statement No. 68

The City of Riverbank implemented GASB Statement No. 68 this fiscal year. With the new reporting change, the City is allocated its proportionate share of the California Public Employees' Retirement System's net pension assets, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement in Fiscal Year 2014-15 to record the effects of the new reporting guidance decreased the City's beginning net position by \$4,849,363. Decisions regarding the allocations are made by the administration of the pension plan, not by the City of Riverbank's management.

General Fund Budgetary Highlights

For the City's General Fund, actual ending revenues of \$8,033,634 were mainly comprised of Sales Tax, Property Taxes, Other Taxes & Franchise Fees and Service Charges. Net Revenues received were \$680,634 over budget. This was due to a variety of reasons, including the following:

- Licenses and Permits were \$118,004 over budget due to the permit issued to KB Homes for the construction of new single-family homes and the increase in permits issued for solar installation.
- Sales Tax was over budget by \$313,300 due to the unanticipated increase in sales from new stores opening in the Crossroads Shopping Center.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

The General Fund's actual ending expenditures of \$8,862,863 were \$154,127 under the final budget of \$9,016,990.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2016, the City's Governmental Funds had \$57,369,954 invested in capital assets and the Business-type activities had \$23,638,420, net of accumulated depreciation. This total of \$81,008,374 is invested in a broad range of capital assets including land, construction in progress, building, equipment and infrastructure (i.e. streets, sidewalks, storm drain, etc.).

**City of Riverbank
Capital Assets, Net of Accumulated Depreciation
June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
Land	\$3,957,541	\$2,181,195	\$6,138,736
Land Improvements	\$12,359,425	\$0	\$12,359,425
Construction in Progress	\$344,215	\$6,027,447	\$6,371,662
Building and Improvements	\$3,648,600	\$10,265,809	\$13,914,409
Equipment and Vehicles	\$1,455,609	\$5,163,969	\$6,619,578
Infrastructure	\$35,604,564	\$0	\$35,604,564
Total	<u>\$57,369,954</u>	<u>\$23,638,420</u>	<u>\$81,008,374</u>

Major capital asset additions during Fiscal Year 2015-2016 include:

<i>Morrill Rd. Overlay</i>	<i>\$347,513.46</i>
<i>Central Ave. Rehabilitation</i>	<i>\$421,117.99</i>
<i>Roselle Sidewalk Improvement Project</i>	<i>\$141,064.07</i>
<i>Caselle Connect Software</i>	<i>\$70,251.64</i>
<i>Corporation Yard Fencing Project</i>	<i>\$34,000.00</i>
<i>High Street Sidewalk Improvement Project</i>	<i>\$30,058.00</i>
<i>Roof Replacement Project-LRA</i>	<i>\$57,615.00</i>

LONG TERM DEBT

At year-end, the City's governmental activities had \$214,382 in compensated absences. Compensated absences consist of vacation time that has been earned by employees but has not yet been taken. Compensated absences are due and payable to an employee upon separation if any balance exists.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Business-type activities, at year-end, had \$9,175,079 in outstanding long-term debt. This long-term debt is comprised of Compensated Absences, Sewer Revenue Bonds, and the State Revolving Fund Loan from the State of California for improvements to the Waste Water Treatment Plant. During the 2015-16 Fiscal Year, the City entered into a Master Lease Agreement with Wells Fargo to fund a city-wide water meter upgrade project for a total of \$4,054,224. Total debt was reduced during the year by the amount of the current debt principal payments.

**City of Riverbank
Long-Term Debt
June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
Loans Payable-Refinance	\$0	\$1,168,585	\$1,168,585
Loans Payable	\$0	\$3,649,957	\$3,649,957
SRF Loan – Sewer	\$0	\$359,638	\$359,638
Water – Lease Purchase	\$0	\$3,905,959	\$3,905,959
Compensated Absences	\$214,382	\$90,940	\$305,322
Total	\$214,382	\$9,175,079	\$9,389,461

The City's long-term liabilities, except for compensated absences, relate to the acquisition and construction/remodel of capital assets. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET

Due to the economic uncertainty surrounding the State of California's financial condition, the City's management has taken a position of conservative revenue projection while maintaining existing departmental spending limits.

In preparing the budget for the 2016-2017 fiscal year, City Management looked at the following factors:

REVENUE

- The Stanislaus County Assessor's Office continued to reverse the Prop 8 decreases from prior fiscal years, which increased values of many of the homes in Riverbank. The Certified Assessed Values are the basis on which Property Taxes are calculated. Therefore an increase in revenue is anticipated for the following Property Tax related revenues: Property Tax Current Secured & Unsecured, Property Tax in Lieu of VLF.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

- An increase of 2% is expected in Sales Tax Revenues as the economy continues to recover and consumer confidence has begun to increase.
- Overall, General Fund revenues are anticipated to increase by 2.49% during the 2016-17 fiscal year in comparison to the 2015-16 fiscal year budget due to increases in revenue sources such as Franchise Fees, Vehicle Code Fines, and the repayment of a loan from Riverbank Oil Transfer.

EXPENDITURES

- The Fiscal Year 2016-17 budget includes salary and all related payroll expenditures for the full-time Human Resources Manager Position.
- Upgrades to the City Council Chamber Audio & Visual for the airing of City Council meetings has been included at an approximate cost of \$40,000. This project will be funded via the Public Education & Government fee paid by all cable subscribers of AT&T and Charter.

Total operational and capital budgeted revenues and expenses for all funds for the 2016-2017 Fiscal Year are \$18,120,100 and \$19,595,000 respectively, excluding Inter-fund Transfers In and Out. Structural deficits (where expenditures exceed revenues) were anticipated in the following funds: General Fund, Gas Tax, Storm Drain Fund, Vehicle Tow Fund, Weed Abatement, General Liability, Teen Center Fund, System Development Streets/PW Fund, System Development Police/Gen. Government, HCD Old Program Income, HCD HOME Fund, Sewer Fund, Sewer Debt Service Fund, and the Water Fund. The City Council has authorized for the deficits to be paid via ending reserve balances from the 2015-16 fiscal year. Several of these allocations from reserve funds are due to the fact that funds must be spent during a certain time frame.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Riverbank's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Director of Finance, City of Riverbank, 6617 Third Street, Riverbank, California 95367.

CITY OF RIVERBANK
STATEMENTS OF NET POSITION
JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015

	Primary Government		Totals	
	Governmental Activities	Proprietary Activities	2016	2015
ASSETS				
Cash And Investments	14,782,984	13,796,305	28,579,289	20,386,710
Cash With Fiscal Agent	0	0	0	0
Accounts Receivable	1,522,745	3,411,244	4,933,989	2,449,267
Note Receivable	0	30,000	30,000	
Prepaid Expenses	0	6,096	6,096	45,387
Internal Balances	616,828 (	616,828)	0	0
Loans Receivable	14,361,984	0	14,361,984	14,200,344
Capital Assets (Net Of Accumulated Depreciation):				
Land	3,957,541	2,181,195	6,138,736	6,128,422
Land Improvements	12,359,425	0	12,359,425	12,791,185
Construction In Progress	344,215	6,027,447	6,371,662	4,394,725
Buildings And Improvements	3,648,600	10,265,809	13,914,409	14,204,444
Equipment And Vehicles	1,455,609	5,163,969	6,619,578	7,044,045
Infrastructure	35,604,564	0	35,604,564	36,550,133
Unamortized Bond Issue Costs	0	155,350	155,350	167,300
Total Assets	<u>88,654,495</u>	<u>40,420,587</u>	<u>129,075,082</u>	<u>118,361,962</u>
DEFERRED OUTFLOWS OF RESOURCES				
Current Pension Plan Contribution	<u>461,934</u>	<u>145,639</u>	<u>607,573</u>	<u>380,345</u>
LIABILITIES				
Accounts Payable And Other				
Current Liabilities	1,558,592	1,616,237	3,174,829	2,725,952
Compensated Absences	214,382	90,940	305,322	288,725
Net Pension Liability	3,035,999	1,063,149	4,099,148	3,993,267
Long-Term Liabilities:				
Due Within One Year	0	842,372	842,372	622,167
Due In More Than One Year	<u>0</u>	<u>8,241,767</u>	<u>8,241,767</u>	<u>5,205,180</u>
Total Liabilities	<u>4,808,973</u>	<u>11,854,465</u>	<u>16,663,438</u>	<u>12,835,291</u>
DEFERRED INFLOWS OF RESOURCES				
Deferral Of Pension Expense	<u>669,204</u>	<u>256,080</u>	<u>925,284</u>	<u>1,186,586</u>
NET POSITION				
Invested In Capital Assets				
Net Of Related Debt	57,369,954	14,554,281	71,924,235	75,409,207
Restricted For				
Capital Projects	7,527,607	0	7,527,607	6,153,691
Community Development Projects	14,205,687	0	14,205,687	14,130,206
Other Purposes	1,903,520	0	1,903,520	2,178,239
Unrestricted	<u>2,631,484</u>	<u>13,901,400</u>	<u>16,532,884</u>	<u>6,849,087</u>
Total Net Postion	<u>83,638,252</u>	<u>28,455,681</u>	<u>112,093,933</u>	<u>104,720,430</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015

Functions/Programs	Expenses
Primary Government:	
Governmental Activities:	
General Government	2,320,167
Public Safety	3,931,723
Public Works	5,121,039
Community Development	1,214,749
Culture And Leisure	<u>485,513</u>
Total Governmental Activities	<u>13,073,191</u>
Business-Type Activities	
Water Services	1,472,320
Sewer Services	1,603,584
Community Center	151,494
Local Redevelopment Authority	<u>4,715,892</u>
Total Business-Type Activities	<u>7,943,290</u>
Total Primary Government	<u><u>21,016,481</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Program Revenues			Net (Expense) Revenue And Changes In Net Assets			
Fines, Fees And Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Totals	
			Governmental Activities	Proprietary Activities	2016	2015
730,787	10,822	0	(1,578,558)	0	(1,578,558)	(1,718,101)
514,582	114,618	0	(3,302,523)	0	(3,302,523)	(3,517,587)
1,574,443	0	576,108	(2,970,488)	0	(2,970,488)	(3,390,657)
362,434	470,408	0	(381,907)	0	(381,907)	(945,099)
506,714	0	0	21,201	0	21,201	(348,337)
<u>3,688,960</u>	<u>595,848</u>	<u>576,108</u>	<u>(8,212,275)</u>	<u>0</u>	<u>(8,212,275)</u>	<u>(9,919,781)</u>
1,984,543	0	0	0	512,223	512,223	344,963
2,602,163	0	0	0	998,579	998,579	537,518
151,971	0	0	0	477	477	(13,934)
<u>11,329,651</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,613,759</u>	<u>6,613,759</u>	<u>(247,635)</u>
<u>16,068,328</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,125,038</u>	<u>8,125,038</u>	<u>620,912</u>
<u>19,757,288</u>	<u>595,848</u>	<u>576,108</u>	<u>(8,212,275)</u>	<u>8,125,038</u>	<u>(87,237)</u>	<u>(9,298,869)</u>
General Revenues:						
Taxes:						
Property Tax			2,913,875	0	2,913,875	2,822,426
Sales Tax			3,061,904	0	3,061,904	2,756,970
Motor Vehicle Tax			9,476	0	9,476	9,525
Franchise Tax			599,343	0	599,343	550,492
Other Taxes			603,696	0	603,696	797,945
Investment Earnings			227,451	44,993	272,444	187,374
Gain/(Loss) On Disposal of Assets			0	0	0	5,500
Transfers In/(Out)			<u>1,014,795</u>	<u>(1,014,795)</u>	<u>0</u>	<u>(1)</u>
Total General Revenues And Transfers			<u>8,430,540</u>	<u>(969,802)</u>	<u>7,460,738</u>	<u>7,130,231</u>
Change In Net Position			218,265	7,155,236	7,373,501	(2,168,638)
Net Position - Beginning			83,419,987	21,300,445	104,720,432	111,738,431
Prior Period Adjustment - GASB 68			<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,849,363)</u>
Net Position - Beginning, restated			<u>83,419,987</u>	<u>21,300,445</u>	<u>104,720,432</u>	<u>106,889,068</u>
Net Position - Ending			<u>83,638,252</u>	<u>28,455,681</u>	<u>112,093,933</u>	<u>104,720,430</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	General	CDBG	System Development
Assets			
Cash And Investments	5,254,858	405,611	5,022,655
Accounts Receivable	1,417,536	85	1,610
Loans Receivable	250,000	10,911,984	0
Prepaid Expenses	0	0	0
Unamortized Bond Issue Costs	0	0	0
Due From Other Funds	0	0	608,543
Total Assets	<u>6,922,394</u>	<u>11,317,680</u>	<u>5,632,808</u>
Liabilities			
Accounts Payable	601,131	1,039	11,081
Compensated Absences	188,220	12,670	0
Bonds Payable	0	0	0
Loan Payable	0	0	0
Other Liabilities	648,723	1,554	0
Due To Other Funds	0	0	0
Total Liabilities	<u>1,438,074</u>	<u>15,263</u>	<u>11,081</u>
Fund Balances	1,249,854		
Nonspendable	0	0	608,543
Restricted	0	11,302,417	5,013,184
Committed	0	0	0
Assigned	0	0	0
Unassigned	<u>5,484,320</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>5,484,320</u>	<u>11,302,417</u>	<u>5,621,727</u>
Total Liabilities And Fund Balances	<u>6,922,394</u>	<u>11,317,680</u>	<u>5,632,808</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Successor RDA LMI Housing	Other Funds	Total Governmental Funds	
		2016	2015
93,637	4,006,223	14,782,984	13,964,218
66	103,448	1,522,745	1,043,337
3,200,000	0	14,361,984	14,200,344
0	0	0	39,291
0	0	0	0
0	8,285	616,828	688,831
<u>3,293,703</u>	<u>4,117,956</u>	<u>31,284,541</u>	<u>29,936,021</u>
0	71,179	684,430	983,573
0	13,492	214,382	203,025
0	0	0	0
0	0	0	123,600
0	223,885	874,162	855,423
0	0	0	0
<u>0</u>	<u>308,556</u>	<u>1,772,974</u>	<u>2,165,621</u>
0	8,285	616,828	688,831
3,293,703	714,516	20,323,820	18,738,530
0	0	0	0
0	3,089,923	3,089,923	3,212,288
0	(3,324)	5,480,996	5,130,751
<u>3,293,703</u>	<u>3,809,400</u>	<u>29,511,567</u>	<u>27,770,400</u>
<u>3,293,703</u>	<u>4,117,956</u>	<u>31,284,541</u>	<u>29,936,021</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances - governmental funds	29,511,567
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	3,957,541	
Land Improvements net of \$3,294,707 accumulated depreciation	12,359,425	
Construction in progress	344,215	
Buildings and Improvements, net of \$1,816,829 accumulated depreciation	3,648,600	
Equipment and Vehicles, net of \$4,222,444 accumulated depreciation	1,455,609	
Infrastructure net of \$39,945,898 accumulated depreciation	<u>35,604,564</u>	
Total capital assets		<u>57,369,954</u>

Deferred Outflow of Resources	461,934
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Long-term liabilities applicable to the City's governmental activities are due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Net Pension Liability	(3,035,999)	
Deferred Inflows of Resources	(<u>669,204</u>)	
Total long-term liabilities		(<u>3,705,203</u>)

Total net position - governmental activities	<u><u>83,638,252</u></u>
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CITY OF RIVERBANK
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015

	<u>General</u>	<u>CDBG</u>	<u>System Development</u>
Revenues			
Property Tax	2,902,864	0	0
Sales Tax	3,061,904	0	0
Other Tax And Franchises	765,877	0	0
Licenses And Permits	412,304	0	0
Fines And Forfeitures	126,783	0	0
Investment Earnings	98,683	14,261	72,281
Intergovernmental	164,742	470,408	576,108
Impact Fees	0	0	1,257,996
Service Charges And Miscellaneous	500,477	0	0
Total Revenues	<u>8,033,634</u>	<u>484,669</u>	<u>1,906,385</u>
Expenditures			
Current			
General Government	1,985,025	0	0
Public Safety	3,842,435	0	0
Public Works	1,826,352	0	48,009
Community Development	687,907	218,458	0
Culture And Leisure	405,860	0	0
Capital Outlay	115,284	0	531,325
Total Expenditures	<u>8,862,863</u>	<u>218,458</u>	<u>579,334</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(829,229)</u>	<u>266,211</u>	<u>1,327,051</u>
Other Financing Sources (Uses)			
Operating Transfers In	1,637,248	158,670	327,357
Operating Transfers Out	<u>(444,700)</u>	<u>(158,670)</u>	<u>(354,976)</u>
Total Other Financing Sources (Uses)	<u>1,192,548</u>	<u>0</u>	<u>(27,619)</u>
Net Change In Fund Balances	363,319	266,211	1,299,432
Fund Balance - Beginning	<u>5,121,001</u>	<u>11,036,206</u>	<u>4,322,295</u>
Fund Balance- Ending	<u>5,484,320</u>	<u>11,302,417</u>	<u>5,621,727</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Successor RDA LMI Housing Fund	Other Funds	Total Governmental Funds	
		2016	2015
11,013	0	2,913,877	2,822,426
0	0	3,061,904	2,756,970
0	0	765,877	708,390
0	0	412,304	270,458
0	0	126,783	154,865
1,428	40,798	227,451	160,412
0	700,977	1,912,235	1,958,708
0	44,344	1,302,340	475,754
0	1,053,415	1,553,892	1,410,514
<u>12,441</u>	<u>1,839,534</u>	<u>12,276,663</u>	<u>10,718,497</u>
0	440,349	2,425,374	2,705,018
0	106,689	3,949,124	4,032,386
0	820,894	2,695,255	2,783,254
0	344,949	1,251,314	1,004,710
0	110,162	516,022	477,539
0	66,592	713,201	797,347
<u>0</u>	<u>1,889,635</u>	<u>11,550,290</u>	<u>11,800,254</u>
<u>12,441</u>	<u>(50,101)</u>	<u>726,373</u>	<u>(1,081,757)</u>
0	220,739	2,344,014	2,025,903
<u>0</u>	<u>(370,873)</u>	<u>(1,329,219)</u>	<u>(1,105,737)</u>
<u>0</u>	<u>(150,134)</u>	<u>1,014,795</u>	<u>920,166</u>
12,441	(200,235)	1,741,168	(161,591)
<u>3,281,262</u>	<u>4,009,635</u>	<u>27,770,399</u>	<u>27,931,990</u>
<u>3,293,703</u>	<u>3,809,400</u>	<u>29,511,567</u>	<u>27,770,399</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds	1,741,168
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The changes in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,540,549 exceeded capital outlays (\$713,201) in the current period.	(1,827,348)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and contributions) is to increase net assets.	(1,725,353)
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The net change in pension expense either contributed to pension plan in current fiscal year not included on statement of activities; or expenses reported in statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	304,447
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Changes in net position of governmental activities	(1,507,086)
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SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2015 Actual
	Original	Final	Actual		
REVENUES					
Property Tax	2,926,400	2,920,300	2,902,864	(17,436)	2,822,426
Sales Tax	2,748,600	2,748,600	3,061,904	313,304	2,756,970
Other Tax And Franchise Fees	586,800	639,100	765,877	126,777	708,390
Licenses And Permits	244,300	294,300	412,304	118,004	270,458
Intergovernmental	129,100	139,900	164,742	24,842	406,084
Fines And Forfeitures	164,300	104,300	126,783	22,483	154,865
Investment Earnings	41,900	41,900	98,683	56,783	50,487
Service Charges And Miscellaneous	409,900	464,600	500,477	35,877	741,469
Total Revenues	<u>7,251,300</u>	<u>7,353,000</u>	<u>8,033,634</u>	<u>680,634</u>	<u>7,911,149</u>
EXPENDITURES					
General Government	1,871,050	1,847,750	1,985,025	137,275	2,270,157
Public Safety	3,971,400	3,974,300	3,842,435	(131,865)	3,889,072
Public Works	1,851,550	1,907,840	1,826,352	(81,488)	1,705,423
Community Development	699,910	761,610	687,907	(73,703)	866,432
Recreation And Leisure	390,400	395,200	405,860	10,660	365,917
Capital Outlay	130,290	130,290	115,284	(15,006)	124,027
Total Expenditures	<u>8,914,600</u>	<u>9,016,990</u>	<u>8,862,863</u>	<u>(154,127)</u>	<u>9,221,028</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(1,663,300)</u>	<u>(1,663,990)</u>	<u>(829,229)</u>	<u>834,761</u>	<u>(1,309,879)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	1,880,300	1,855,700	1,637,248	(218,452)	1,540,022
Transfers Out	<u>(444,700)</u>	<u>(444,700)</u>	<u>(444,700)</u>	<u>0</u>	<u>(399,487)</u>
Total Other Financing Sources And (Uses)	<u>1,435,600</u>	<u>1,411,000</u>	<u>1,192,548</u>	<u>(218,452)</u>	<u>1,140,535</u>
Net Change In Fund Balance	<u>(227,700)</u>	<u>(252,990)</u>	<u>363,319</u>	<u>616,309</u>	<u>(169,344)</u>
Fund Balance - Beginning	<u>5,121,001</u>	<u>5,121,001</u>	<u>5,121,001</u>	<u>0</u>	<u>5,290,345</u>
Fund Balance - Ending	<u>4,893,301</u>	<u>4,868,011</u>	<u>5,484,320</u>	<u>616,309</u>	<u>5,121,001</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2015 Actual
	Original	Final	Actual		
General Government					
City Council	97,150	98,350	104,072	5,722	95,874
City Manager	240,100	240,700	229,555	(11,145)	226,652
Admin Services	684,100	659,000	654,069	(4,931)	644,591
Finance And Treasurer	700,400	700,400	724,464	24,064	669,719
City Attorney	217,300	217,300	345,679	128,379	638,006
Total General Government	<u>1,939,050</u>	<u>1,915,750</u>	<u>2,057,839</u>	<u>142,089</u>	<u>2,274,842</u>
Public Safety					
Police	3,808,800	3,815,300	3,682,485	(132,815)	3,733,489
Animal Control	162,600	159,000	159,950	950	155,583
Total Public Safety	<u>3,971,400</u>	<u>3,974,300</u>	<u>3,842,435</u>	<u>(131,865)</u>	<u>3,889,072</u>
Public Works					
Building Maintenance	160,900	161,400	162,697	1,297	199,542
Development Services	981,850	982,750	971,353	(11,397)	897,184
Street Maintenance	25,800	36,300	33,066	(3,234)	81,691
Parks Maintenance	683,000	727,390	701,706	(25,684)	646,348
Total Public Works	<u>1,851,550</u>	<u>1,907,840</u>	<u>1,868,822</u>	<u>(39,018)</u>	<u>1,824,765</u>
Community Development					
Planning	376,800	421,000	408,873	(12,127)	367,130
Building Department	250,500	252,000	252,330	330	238,310
Economic Development	134,900	150,900	26,704	(124,196)	260,992
Engineering	0	0	0	0	0
Total Community Development	<u>762,200</u>	<u>823,900</u>	<u>687,907</u>	<u>(135,993)</u>	<u>866,432</u>
Recreation And Leisure					
Recreation	390,400	395,200	405,860	10,660	365,917
Total Culture And Leisure	<u>390,400</u>	<u>395,200</u>	<u>405,860</u>	<u>10,660</u>	<u>365,917</u>
Total General Fund	<u>8,914,600</u>	<u>9,016,990</u>	<u>8,862,863</u>	<u>(154,127)</u>	<u>9,221,028</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
CDBG SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2015 Actual
	Original	Final	Actual		
REVENUES					
Interest Income	2,900	2,900	14,261	11,361	40,282
Intergovernmental	0	0	470,408	470,408	0
Miscellaneous	25,900	25,900	0	(25,900)	276
Total Revenues	<u>28,800</u>	<u>28,800</u>	<u>484,669</u>	<u>455,869</u>	<u>40,558</u>
EXPENDITURES					
Salaries And Benefits	187,300	187,300	115,862	(71,438)	119,510
Supplies And Services	2,200	2,200	2,596	396	11,153
Bad Debt	0	0	100,000	100,000	0
Capital Outlays	0	0	0	0	0
Total Expenditures	<u>189,500</u>	<u>189,500</u>	<u>218,458</u>	<u>28,958</u>	<u>130,663</u>
Excess (Deficiency) Of Revenues Over Expenditures	(160,700)	(160,700)	266,211	426,911	(90,105)
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	158,670	158,670	254,770
Transfers Out	0	0	(158,670)	(158,670)	(254,770)
Total Other Financing Sources And (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	(160,700)	(160,700)	266,211	426,911	(90,105)
Fund Balance - Beginning	<u>11,036,206</u>	<u>11,036,206</u>	<u>11,036,206</u>	<u>0</u>	<u>11,126,311</u>
Fund Balance - Ending	<u>10,875,506</u>	<u>10,875,506</u>	<u>11,302,417</u>	<u>426,911</u>	<u>11,036,206</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
SYSTEM DEVELOPMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015

	Budgeted Amounts			Variance With Final Budget Over (Under)	2015 Actual
	Original	Final	Actual		
REVENUES					
Investment Earnings	31,340	31,340	72,281	40,941	43,266
Intergovernmental	0	0	576,108	576,108	127,092
Impact Fees	316,392	316,392	1,257,996	941,604	431,507
Service Charges And Miscellaneous	0	0	0	0	4,218
Total Revenues	<u>347,732</u>	<u>347,732</u>	<u>1,906,385</u>	<u>1,558,653</u>	<u>606,083</u>
EXPENDITURES					
Salaries And Benefits	0	0	0	0	0
Supplies And Services	3,000	3,000	48,009	45,009	49,467
Capital Outlays	<u>665,949</u>	<u>675,949</u>	<u>531,325</u>	(144,624)	<u>552,487</u>
Total Expenditures	<u>668,949</u>	<u>678,949</u>	<u>579,334</u>	(99,615)	<u>601,954</u>
Excess (Deficiency) Of Revenues Over Expenditures	(321,217)	(331,217)	<u>1,327,051</u>	<u>1,658,268</u>	<u>4,129</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	327,357	327,357	0
Transfers Out	(25,700)	(25,700)	(354,976)	(329,276)	(22,726)
Total Other Financing Sources And (Uses)	(25,700)	(25,700)	(27,619)	(1,919)	(22,726)
Net Change In Fund Balance	(346,917)	(356,917)	1,299,432	1,656,349	(18,597)
Fund Balance - Beginning	<u>4,322,295</u>	<u>4,322,295</u>	<u>4,322,295</u>	<u>0</u>	<u>4,340,892</u>
Fund Balance - Ending	<u>3,975,378</u>	<u>3,965,378</u>	<u>5,621,727</u>	<u>1,656,349</u>	<u>4,322,295</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
SUCCESSOR REDEVELOPMENT AGENCY LMI HOUSING
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015

	Budgeted Amounts			Variance With Final Budget Over (Under)	2015 Actual
	Original	Final	Actual		
REVENUES					
Property Tax	0	0	11,013	11,013	0
Investment Earnings	100	100	1,428	1,328	108
Intergovernmental	0	0	0	0	0
Service Charges And Miscellaneous	0	0	0	0	0
Total Revenues	100	100	12,441	12,341	108
EXPENDITURES					
Salaries And Benefits	0	0	0	0	0
Supplies And Services	0	0	0	0	0
Interest	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) Of Revenues Over Expenditures	100	100	12,441	12,341	108
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources And (Use)	0	0	0	0	0
Net Change In Fund Balance	100	100	12,441	12,341	108
Fund Balance - Beginning	3,281,262	3,281,262	3,281,262	0	3,281,154
Fund Balance - Ending	3,281,362	3,281,362	3,293,703	12,341	3,281,262

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

Business-Type Activities-Enterprise Funds

	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals 2016	2015
Assets						
Cash And Investments	2,601,865	2,833,846	16,294	8,344,300	13,796,305	6,422,492
Cash With Fiscal Agent	0	0	0	0	0	0
Accounts Receivable	222,985	2,823,534	201	364,524	3,411,244	1,405,930
Notes Receivable	0	0	0	30,000	30,000	0
Prepays	3,048	3,048	0	0	6,096	6,096
Fixed Assets	15,731,051	11,919,999	754,642	706,065	29,111,757	28,794,669
Accumulated Depreciation	(5,554,505)	(5,357,680)	(471,390)	(117,209)	(11,500,784)	(10,681,517)
Construction In Progress	3,923,289	2,104,158	0	0	6,027,447	3,802,501
Unamortized Bond Issue Costs	155,350	0	0	0	155,350	167,300
Total Assets	<u>17,083,083</u>	<u>14,326,905</u>	<u>299,747</u>	<u>9,327,680</u>	<u>41,037,415</u>	<u>29,917,471</u>
DEFERRED OUTFLOWS OF RESOURCES						
Current Pension Plan Contributor	<u>53,408</u>	<u>57,203</u>	<u>3,481</u>	<u>31,547</u>	<u>145,639</u>	<u>99,200</u>
Liabilities						
Accounts Payable	52,711	47,865	15,062	1,103,464	1,219,102	498,856
Customer Deposits	0	126,687	8,970	261,478	397,135	388,100
Compensated Absences	25,469	37,846	0	27,625	90,940	85,700
Due to Other Funds	616,828	0	0	0	616,828	688,831
Net Pension Liability	362,127	369,889	3,649	327,484	1,063,149	1,041,512
Loan Payable	4,009,595	3,905,959	0	0	7,915,554	4,260,322
Bond Payable	1,168,585	0	0	0	1,168,585	1,443,425
Total Liabilities	<u>6,235,315</u>	<u>4,488,246</u>	<u>27,681</u>	<u>1,720,051</u>	<u>12,471,293</u>	<u>8,406,746</u>
DEFERRED INFLOWS OF RESOURCES						
Deferral Of Pension Expense	<u>82,101</u>	<u>80,288</u>	<u>(3,140)</u>	<u>96,831</u>	<u>256,080</u>	<u>309,482</u>
Net Position						
Invested In Capital Assets, Net Of Related Debt	8,921,655	4,760,518	283,252	588,856	14,554,281	16,211,906
Restricted For Debt Service	0	0	0	0	0	0
Unrestricted	<u>1,897,420</u>	<u>5,055,056</u>	<u>(4,565)</u>	<u>6,953,489</u>	<u>13,901,400</u>	<u>5,088,537</u>
Total Net Position	<u>10,819,075</u>	<u>9,815,574</u>	<u>278,687</u>	<u>7,542,345</u>	<u>28,455,681</u>	<u>21,300,443</u>
	17,136,491	14,384,108	303,228	9,359,227	41,183,054	30,016,671
	17,136,491	14,384,108	303,228	9,359,227	41,183,054	30,016,671

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds					
	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals	
					2016	2015
Operating Revenues						
Intergovernmental	0	0	0	8,868,988	8,868,988	728,552
Service Charges	2,049,984	1,808,665	137,536	2,416,644	6,412,829	6,597,116
Miscellaneous Revenues	1,321	31,927	14,435	44,019	91,702	281,162
Total Operating Revenues	<u>2,051,305</u>	<u>1,840,592</u>	<u>151,971</u>	<u>11,329,651</u>	<u>15,373,519</u>	<u>7,606,830</u>
Operating Expenses						
Employee Services	432,122	524,243	58,349	352,172	1,366,886	1,381,560
Supplies And Services	539,940	571,678	92,360	4,313,619	5,517,597	4,805,021
Depreciation	437,189	331,194	785	50,101	819,269	787,150
Total Operating Expenses	<u>1,409,251</u>	<u>1,427,115</u>	<u>151,494</u>	<u>4,715,892</u>	<u>7,703,752</u>	<u>6,973,731</u>
Operating Income (Loss)	<u>642,054</u>	<u>413,477</u>	<u>477</u>	<u>6,613,759</u>	<u>7,669,767</u>	<u>633,099</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	24,758	20,235	0	0	44,993	26,962
Connection Fees	57,310	96,525	0	0	153,835	48,047
Lease Proceeds	0	0	0	0	0	0
Development Fees	493,548	47,426	0	0	540,974	200,583
Gain (Loss) on Fixed Assets	0	0	0	0	0	5,500
Interest Expense	(182,383)	(45,205)	0	0	(227,588)	(248,867)
Amortization Of Bond Issue Costs	(11,950)	0	0	0	(11,950)	(11,950)
Total Nonoperating Revenues (Expenses)	<u>381,283</u>	<u>118,981</u>	<u>0</u>	<u>0</u>	<u>500,264</u>	<u>20,275</u>
Income Before Transfers And Contributed Capital	<u>1,023,337</u>	<u>532,458</u>	<u>477</u>	<u>6,613,759</u>	<u>8,170,031</u>	<u>653,374</u>
Contributed Capital	0	0	0	0	0	0
Operating Transfer In	889,625	3,729,725	15,000	8,772	4,643,122	3,375,095
Operating Transfer Out	(1,384,914)	(4,260,025)	0	(12,978)	(5,657,917)	(4,295,262)
Total Other Financing Sources (Uses)	<u>(495,289)</u>	<u>(530,300)</u>	<u>15,000</u>	<u>(4,206)</u>	<u>(1,014,795)</u>	<u>(920,167)</u>
Change In Net Position	528,048	2,158	15,477	6,609,553	7,155,236	(266,793)
Total Net Position - Beginning	10,291,027	9,813,416	263,210	932,792	21,300,445	22,832,032
Prior Period Adjustment - GASB 68	0	0	0	0	0	(1,264,796)
Adjusted Net Position - Beginning	<u>10,291,027</u>	<u>9,813,416</u>	<u>263,210</u>	<u>932,792</u>	<u>21,300,445</u>	<u>21,567,236</u>
Total Net Position - Ending	<u>10,819,075</u>	<u>9,815,574</u>	<u>278,687</u>	<u>7,542,345</u>	<u>28,455,681</u>	<u>21,300,443</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds					
	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals 2016	Totals 2015
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts From Customers And Users	2,191,262	1,888,746	151,770	11,748,876	15,980,654	7,643,055
Receipts From Interfund Services Provided	0	0	0	0	0	0
Payments To Suppliers	(539,070)	(631,087)	(91,289)	(3,499,213)	(4,760,659)	(5,634,537)
Payments To Employees	(466,894)	(561,656)	(58,350)	(346,800)	(1,433,700)	(1,385,272)
Payments For Interfund Services Used	(72,003)	0	0	0	(72,003)	(70,593)
Net Cash Provided By Operating Activities	<u>1,113,295</u>	<u>696,003</u>	<u>2,131</u>	<u>7,902,863</u>	<u>9,714,292</u>	<u>552,653</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer In	889,625	3,729,725	15,000	8,772	4,643,122	3,375,095
Transfer Out	(1,384,914)	(4,260,025)	0	(12,978)	(5,657,917)	(4,295,262)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(495,289)</u>	<u>(530,300)</u>	<u>15,000</u>	<u>(4,206)</u>	<u>(1,014,795)</u>	<u>(920,167)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Connection Fees	57,310	96,525	0	0	153,835	48,047
Development Fees	493,548	47,426	0	0	540,974	200,583
Purchase Of Capital Assets	(255,573)	(2,268,021)	(8,359)	(80,080)	(2,612,033)	(3,064,335)
Funds Provides On New Lease	0	1,447,967	0	0	1,447,967	0
Funding Costs On New Loan	0	0	0	0	0	0
Loss on Disposal Of Capital Assets	0	0	0	0	0	5,500
Principal Paid On Capital Debt	(525,567)	(148,265)	0	0	(673,832)	(2,581,591)
Interest Paid On Capital Debt	(182,383)	(45,205)	0	0	(227,588)	(248,867)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(412,665)</u>	<u>(869,573)</u>	<u>(8,359)</u>	<u>(80,080)</u>	<u>(1,370,677)</u>	<u>(5,640,663)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	<u>24,758</u>	<u>20,235</u>	<u>0</u>	<u>0</u>	<u>44,993</u>	<u>26,962</u>
Net Cash Provided By Investing Activities	<u>24,758</u>	<u>20,235</u>	<u>0</u>	<u>0</u>	<u>44,993</u>	<u>26,962</u>
Net Increase In Cash And Cash Equivalents	230,099	(683,635)	8,772	7,818,577	7,373,813	(5,981,215)
Cash And Equivalents, July 1	<u>2,371,766</u>	<u>3,517,481</u>	<u>7,522</u>	<u>525,723</u>	<u>6,422,492</u>	<u>12,403,707</u>
Cash And Equivalents, June 30	<u>2,601,865</u>	<u>2,833,846</u>	<u>16,294</u>	<u>8,344,300</u>	<u>13,796,305</u>	<u>6,422,492</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals	
					2016	2015
Operating Income	642,054	413,477	477	6,613,759	7,669,767	633,099
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities						
Depreciation Expense	437,189	331,194	785	50,101	819,269	787,150
(Increase) Decrease In						
Deferred Outflows of Resources	(19,795)	(22,993)	(3,279)	(372)	(46,439)	(10,318)
Accounts Receivable	139,957	41,732	(201)	419,455	600,943	(132,957)
Prepays	0	0	0	(30,000)	(30,000)	34,904
Due From Other Funds	0	0	0	0	0	0
Increase (Decrease) In						
Accounts Payable	870	(59,409)	4,378	844,406	790,245	(867,500)
Compensated Absences	(1,438)	1,306	0	5,372	5,240	9,289
Deferred Inflows of Resources	(22,763)	(26,440)	(3,771)	(428)	(53,402)	309,482
Net Pension Liability	9,224	10,714	1,527	172	21,637	(312,166)
Customer Deposits	0	6,422	2,215	398	9,035	172,263
Due To Other Funds	(72,003)	0	0	0	(72,003)	(70,593)
Net Cash Provided (Used) By Operating Activiti	<u>1,113,295</u>	<u>696,003</u>	<u>2,131</u>	<u>7,902,863</u>	<u>9,714,292</u>	<u>552,653</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	County Impact Fee Fund	Assessment District 1991 - 1 Fund	Assessment District 1991 - 3 Fund	RDA	Totals (Memorandum Only)	
					2016	2015
Assets						
Cash And Investments	160,216	215,895	167,919	1,104,241	1,648,271	1,277,226
Accounts Receivable	8	0	18	0	26	13
Fixed Assets		0	0	0	0	2,153,305
Accumulated Depreciation	0	0	0	0	0	(427,954)
Unamortized Bond Issue Costs	0	0	0	108,285	108,285	113,441
Due From Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>160,224</u>	<u>215,895</u>	<u>167,937</u>	<u>1,212,526</u>	<u>1,756,582</u>	<u>3,116,031</u>
Liabilities						
Due to Bond Paying Agent	0	0	0	0	0	0
Due To Other Government	<u>131,441</u>	<u>0</u>	<u>0</u>	<u>14,540,000</u>	<u>14,671,441</u>	<u>14,678,382</u>
Total Liabilities	<u>131,441</u>	<u>0</u>	<u>0</u>	<u>14,540,000</u>	<u>14,671,441</u>	<u>14,678,382</u>
Net Position	<u>28,783</u>	<u>215,895</u>	<u>167,937</u>	<u>(13,327,474)</u>	<u>(12,914,859)</u>	<u>(11,562,351)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Riverbank, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management and Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting for all of the City’s activities, except for infrastructure (roads, streets, bridges, etc.)
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The more significant of the City’s accounting policies are described below:

A. Financial Reporting Entity

The accompanying basic financial statements present the financial activity of the City of Riverbank (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Discretely presented component units represent other legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship to the primary government are such that exclusion would cause the City’s reporting entity to be misleading or incomplete. The City’s component units are blended; there are no discretely presented component units in the Financial Reporting Entity.

City of Riverbank

The City (primary government) was incorporated in 1922 under the general laws of the State of California. The City provides the full range of municipal services as contemplated by statute. Services provided include sewer, water, public safety (police), street construction and maintenance, culture-recreation, public improvements, planning and zoning, and general administrative and support services. The City operates under a Council-Manager form of government. The City Council consists of five members elected at large for overlapping four year terms. The City Council appoints a City Administrator and City Attorney.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

City of Riverbank – continued

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of one blended component unit: the Redevelopment Agency of the City of Riverbank through January 31, 2012. On February 1, 2012 all Redevelopment Agencies (RDA) statewide were dissolved. The City elected to be the Successor Agency for the Low/Moderate Income Housing Fund. The general RDA Fund was transferred to the Riverbank Local Designated Authority, a separate entity created by the State when the City did not elect to be the Successor Agency for that fund. The Successor Agency Fund is now reported as a special revenue on the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of 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 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Measurement Focus, Basis of Accounting and Basis of Presentation – continued

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.) net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City. The City reports the following major governmental funds:

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

CDBG Fund - To account for federal grants and other monies received and disbursed under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to purchase their first home and rehabilitate or revitalize their homes.

Systems Development Fund - To account for development impact fees collected. These fees are used for infrastructure and capital expenditure resulting from new developments.

Successor RDA LMI Housing Fund – This fund was created when the City elected to assume the housing function previously performed by the Redevelopment Agency. The non-cash assets and encumbered cash of the Redevelopment LMI Housing Fund were transferred to this Fund.

The city reports the following major proprietary funds.

The **Water Fund** accounts for the activities of the City's water service.

The **Sewer Fund** accounts for the activities of the City's sewer service.

The **Community Center Fund** accounts for the activities of the City's Community Center service.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Measurement Focus, Basis of Accounting and Basis of Presentation – continued

The **Local Redevelopment Authority Fund** accounts for the activities of the City's Ammunition Factory services.

Additionally, the City reports the following fund types:

The **County Impact Fee Agency Fund**, accounts for impact fees which are collected on behalf of Stanislaus County.

The **Assessment District 1991-1 Agency Fund**, accounts for the collection of assessments and payment of debt service on behalf of the District.

The **Assessment District Agency 1991-3 Fund**, accounts for the collection of assessments and payment of debt service on behalf of the District.

The **Redevelopment Agency Fund**, accounts for the collection of property tax revenues used for the administration of the agency and development projects within the designated redevelopment area.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers and applicants, for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. 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 goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, 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, then unrestricted resources, as they are needed.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

D. Assets, Liabilities and Equity

1. Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types of investments. Authorized investments include:

- Securities of the U.S. government or its agencies
- Certificates of Deposit (or time deposits) placed with commercial banks and/or savings and loan associations
- Bankers Acceptances
- State Treasurer's Local Agency Investment Fund (LAIF)
- Repurchase Agreements
- Passbook savings account demand deposits
- Mutual Funds
- High Grade Commercial Paper (A-1 and P-1 Rated)

Investments for the City are reported at fair value. LAIF operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows, the city has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool and restricted, non-pooled investment with initial maturities of three months or less.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. Receivables and Payables (continued)

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.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

3. Property Taxes

Property taxes are levied on the first day of March by the county assessor, and are payable to the county tax collector in two installments. The first installment is due November 1st, and is delinquent on December 10th, the second installment is due February 1st and is delinquent on April 10th.

Taxes become a lien on the property on March 1st, and on the date of transfer of title, and the date of new construction. The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states, "The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the counties and apportioned according to law to the districts within the counties."

The City has elected under state law (TEETER) to receive all of the annual property assessments in three installments as follows:

December	55%
April	40%
June	<u>5%</u>
	<u>100%</u>

4. Prepaid Items

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

5. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 for property, plant and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlay for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method. Assets are depreciated from 3 to 50 years.

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental and proprietary funds.

8. Pensions

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

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

9. Long-Term Obligations (continued)

whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position and Fund Equity

In the government-wide financial statements, net position are reported in three categories: net position invested in capital assets, net of related debt; restricted net position and unrestricted net position. Restricted net position represent net position restricted by parties outside the City (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net position are temporarily restricted (ultimately expendable assets). All other net position are considered unrestricted.

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications.

- Non-spendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) legally or contractually required to be maintained intact.
- Restricted fund balance includes amounts that are constrained for specific purposes which are externally (outside the City) imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that are constrained for specified purpose that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned fund balance represents limitations imposed by management.
- Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

10. Net Position and Fund Equity - continued

As of June 30, 2016, the fund balance details by classification are listed below:

	<u>General</u>	<u>CDBG</u>	<u>Successor RDA</u>	<u>System Development</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:						
Nonspendable:				608,543	8,285	616,828
Restricted:						
Housing		11,302,417	3,293,703			14,596,120
System Development				5,013,184		5,013,184
Transportation					714,516	714,516
Committed To:						
Assigned To:						
Community Development					1,444,558	1,444,558
Riverbank Donations					1,011	1,011
Landscaping					541,851	541,851
Public Works					655,505	655,505
Self Insurance					338,786	338,786
Other Purposes					108,212	108,212
Unassigned:	5,484,320				(3,324)	5,480,996
Total Fund Balances	<u>5,484,320</u>	<u>11,302,417</u>	<u>3,293,703</u>	<u>5,621,727</u>	<u>3,809,400</u>	<u>29,511,567</u>

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the general fund, and special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made several supplemental budgetary appropriations throughout the year.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations in several departments as follows:

General Fund:

General Government	137,275
Recreation and Leisure	10,660

CDBG Fund:

Supplies And Services	396
Bad Debt	100,000

System Development:

Supplies and Services	45,009
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The General funds over-expenditures were funded through the reserves of the General Fund. The CDBG, System Development fund over-expenditures was funded by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Cash And Investments

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

Cash and investments	28,579,289
Cash and investments held by bond trustee	0
Total cash and investments	<u>28,579,289</u>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	710
Deposits with financial institutions	23,132,085
Investments in LAIF	<u>5,446,494</u>
Total cash and investments	<u>28,579,289</u>

Investments Authorized by the City's Investment Policy

The City's investment policy authorizes investment in the local government investment pool administered by the State of California (LAIF).

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

A. Cash And Investments (continued)

The City's investment policy also authorizes cash to be invested in Certificates of Deposits, Money Market Mutual Funds, Bankers Acceptances, Repurchase Agreements, Passbook Savings Demand Deposits, and High Grade Commercial Paper. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 5.49 months.

		<u>Maturity Date</u>
State investment pool	5,446,494	5.49 months average maturity

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

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 California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must 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.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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 investments.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

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

Cash with Fiscal Agent

The City maintains cash and investments which are restricted under the terms of various debt agreements. The money is included in the City's pooled cash and investment program. Restricted cash and investments as of June 30, 2016 is \$0.00.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City deposits deferred compensation plan assets with the California Public Employees Retirement System (PERS). Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. PERS act as the trustees for the plan assets and the City is considered to have limited fiduciary responsibility for the plan assets. As such, the City does not report the deferred compensation plan assets on its financial statements.

B. Accounts Receivable

Receivables at June 30, 2016 for the City's individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

B. Accounts Receivable (continued)

All receivables are expected to be collected within one year.

	General	CDBG	System Development
Governmental Activities:			
Interest	1,429	85	1,610
Utility Billing	344,367	0	0
Other	1,071,740	0	0
Total	1,417,536	85	1,610

	Successor RDA LMI Housing	Nonmajor Governmental	Total
Governmental Activities:			
Interest	66	1,582	4,772
Utility Billing	0	0	344,367
Other	0	101,866	1,173,606
Total	66	103,448	1,522,745

	Water	Sewer	Community Center	Local Redevelop. Authority	Total
Business-Type Activities:					
Utility Billings	215,492	209,517	0	0	425,009
Interest	1,786	824	0	0	2,610
Other	2,606,256	12,644	201	364,524	2,983,625
Total	2,823,534	222,985	201	364,524	3,411,244

C. Notes Receivable

The City is the recipient of Community Development Block Grant and Home Program Funds. The Funds are provided to use for housing and business loans to qualified recipients at various below market interest rates ranging from 0 to 4%. The terms of the loans range between fifteen and thirty years. All loans are secured by deeds of trust. The amount outstanding as of June 30, 2016 is \$10,911,984.

D. Interfund Receivables and Payables

Interfund receivable/payable balances at June 30, 2016 consist of the following:

- The Sewer Fund borrowed \$300,000, \$340,000 and \$28,000, respectively, from the Local Transportation Fund, Special Projects Fund, and System Development Parks Fund to cover overdrafts of the cash and investment pool. The balance at June 30, 2016 is \$8,285 and will be reimbursed from future sewer fees collected.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

- The Sewer Fund borrowed \$608,542 from the Streets/PW System Development Fee Fund in accordance with Resolution 2011-021. The Sewer Fund will reimburse funds from future sewer fees collected.

E. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	3,947,227	10,314	0	3,957,541
Construction in progress	<u>592,224</u>	<u>189,509</u>	<u>(437,518)</u>	<u>344,215</u>
Total capital assets being depreciated	<u>4,539,451</u>	<u>199,823</u>	<u>(437,518)</u>	<u>4,301,756</u>
Capital assets being depreciated:				
Infrastructure	74,719,159	831,302	0	75,550,461
Land Improvements	15,635,670	18,462	0	15,654,132
Equipment And Vehicles	5,615,797	84,475	(22,219)	5,678,053
Building And Improvements	<u>5,448,773</u>	<u>16,657</u>	<u>0</u>	<u>5,465,430</u>
Total capital assets being depreciated	<u>101,419,399</u>	<u>950,896</u>	<u>(22,219)</u>	<u>102,348,076</u>
Less accumulated depreciation for:				
Infrastructure	(38,169,028)	(1,776,871)	0	(39,945,899)
Land Improvements	(2,844,485)	(450,222)	0	(3,294,707)
Equipment And Vehicles	(4,094,017)	(150,645)	22,219	(4,222,443)
Building And Improvements	<u>(1,654,018)</u>	<u>(162,811)</u>	<u>0</u>	<u>(1,816,829)</u>
Total accumulated depreciation	<u>(46,761,548)</u>	<u>(2,540,549)</u>	<u>22,219</u>	<u>(49,279,878)</u>
Net capital assets being depreciated	<u>54,657,851</u>	<u>(1,589,653)</u>	<u>0</u>	<u>53,068,198</u>
Total net capital assets -				
Governmental Activities	<u>59,197,302</u>	<u>(1,389,830)</u>	<u>(437,518)</u>	<u>57,369,954</u>

Depreciation was charged to functions/programs of the primary government as follows:

Government Activities:

Public Works	<u>2,540,549</u>
Total Depreciation expense – Government activities	<u>2,540,549</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

E. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets not being depreciated:				
Land	2,181,195	0	0	2,181,195
Construction in progress	<u>3,802,501</u>	<u>2,294,946</u>	<u>(70,000)</u>	<u>6,027,447</u>
Total capital assets not being depreciated	<u>5,983,696</u>	<u>2,294,946</u>	<u>(70,000)</u>	<u>8,208,642</u>
Capital assets being depreciated:				
Equipment And Vehicles	12,976,141	111,817	0	13,087,958
Building And Improvements	<u>13,637,333</u>	<u>205,273</u>	<u>0</u>	<u>13,842,606</u>
Total capital assets being depreciated	<u>26,613,474</u>	<u>317,090</u>	<u>0</u>	<u>26,930,564</u>
Less accumulated depreciation for:				
Equipment And Vehicles	(7,453,875)	(470,116)	0	(7,923,991)
Building And Improvements	<u>(3,227,642)</u>	<u>(349,153)</u>	<u>0</u>	<u>(3,576,795)</u>
Total accumulated depreciation	<u>(10,681,517)</u>	<u>(819,269)</u>	<u>0</u>	<u>(11,500,786)</u>
Net capital assets being depreciated	<u>15,931,957</u>	<u>(502,179)</u>	<u>0</u>	<u>15,429,778</u>
Total net capital assets - business-type activities	<u>21,915,653</u>	<u>1,792,767</u>	<u>(70,000)</u>	<u>23,638,420</u>

Business- Type Activities:

Water	331,194
Sewer	437,189
Ammo Plant	50,101
Community Center	<u>785</u>
Total Depreciation expense – Business-Type Activities	<u>819,269</u>

F. Transfers

Interfund transfers for the year ended June 30, 2016 consisted of the following amounts:

Fund	Transfers In	Transfers Out
General Fund	1,637,248	444,700
CDBG	158,670	158,670
System Development	327,357	354,976
Nonmajor Governmental	220,739	370,873
Proprietary	<u>4,643,122</u>	<u>5,657,917</u>
Total	<u>6,987,136</u>	<u>6,987,136</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

G. Payables And Other Liabilities

Payables at June 30, 2016 for the City's individual major funds and non-major funds in the aggregate are as follows:

	General	CDBG	System Development		
Governmental Activities					
Vendors	1,207,609	1,039	11,081		
Salaries and Benefits	42,245	1,554	0		
Total	1,249,854	2,593	11,081		
	Successor RDA	Nonmajor			
	LMI Housing	Governmental	Total		
Governmental Activities					
Vendors	0	287,127	1,506,856		
Salaries and Benefits	0	7,937	51,736		
Total	0	295,064	1,558,592		
			Local		
	Water	Sewer	Community Center	Redevelop. Authority	Total
Business-Type Activities					
Vendors	40,126	46,840	13,483	1,097,680	1,198,129
Customer Deposits	126,687	0	8,970	261,478	397,135
Salaries and Benefits	7,739	5,871	1,579	5,784	20,973
Total	174,552	52,711	24,032	1,364,942	1,616,237

H. Long-Term Debt

Governmental-Type Activities:

Stanislaus County Economic Development Loan - Loan Payable, Stanislaus County Downtown Beautification, is due with its first annual payment of \$75,000, then two annual installments of \$100,000 and a final payment of \$125,000, interest at 0% per annum payable starting on August 1, 2010 through 2014. Proceeds from the loans were used for the construction of the downtown beautification project. Loan contract was modified on February 1, 2013. Stanislaus County Downtown Beautification loan outstanding at June 30, 2016 is \$ 0.00

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Business-Type Activities:

Refinancing of Sewer Bond is due in bi-annual installments of \$153,784, interest not more than 2.38% per annum payable on February 1 and August 1 through 2019. Loan proceeds were used to finance the Waste Treatment Construction Project. Loan payable outstanding at June 30, 2016 is \$1,168,585.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2017	281,420	26,148
2018	288,158	19,410
2019	295,057	12,511
2020	303,950	3,617
Total	<u>1,168,585</u>	<u>61,686</u>

2013 Sewer Loan is due in bi-annual installments of \$167,890, interest not more than 2.38% per annum payable on February 1 and August 1 through 2029. Loan proceeds were used to finance the Waste Treatment Construction Project. Loan payable outstanding at June 30, 2016 is \$3,649,957

The annual debt service requirements to maturity are as follows:

2017	203,316	132,465
2018	210,867	124,914
2019	218,698	117,083
2020	226,820	108,961
2021	235,244	100,537
2022-2026	1,313,940	364,963
2027-2029	<u>1,241,072</u>	<u>102,050</u>
Total	<u>3,649,957</u>	<u>1,050,973</u>

Loan Payable, State of California Water Resources Control Board, is due in annual installments of \$65,563, interest at 2.7% per annum payable on October 25 through 2022. Proceeds from the loans were used for the construction and improvement of capital assets for the waste water treatment plant expansion. Loans payable outstanding at June 30, 2016 is \$359,637.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

H. Long-Term Debt (continued)

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2017	56,127	9,437
2018	57,599	7,964
2019	59,111	6,453
2020	60,662	4,902
2021	62,353	3,310
2022	63,786	1,676
Total	<u>359,638</u>	<u>33,742</u>

The City entered into a Master Governmental Lease Purchase agreement with Wells Fargo Banks to update the city's water meters on December 15, 2015. The agreed finance amount of \$4,054,224 is due in 24 semiannual installments of \$193,469.62, interest at 2.23% per annum payable on June and December through 2027. Proceeds from the lease are being used for the replacement of the City's water meters. Lease payable outstanding at June 30, 2016 is \$3,905,959.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2017	301,508	85,431
2018	308,269	78,670
2019	315,182	71,757
2020	322,250	64,690
2021	329,476	57,464
2022-2026	1,761,573	173,124
2027-2028	567,701	12,706
Total	<u>3,905,959</u>	<u>543,842</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

H. Long-Term Debt (continued)

The following is a summary of changes in the City's long-term debt and other long-term liabilities during the year ended June 30, 2016.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental-Type Activities:					
Loan Payable	123,600	0	(123,600)	0	0
Compensated Absences	<u>203,025</u>	<u>11,357</u>	<u>0</u>	<u>214,382</u>	<u>21,438</u>
Long-term liabilities of Governmental-Type Activities:	<u>326,625</u>	<u>11,357</u>	<u>(123,600)</u>	<u>214,382</u>	<u>21,438</u>

The following is a summary of changes in the City's Proprietary Funds long-term debt, including compensated absences, during the year ended June 30, 2016.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Loan Payable	1,443,425	0	(274,840)	1,168,585	281,420
Loan Payable	3,845,992	0	(196,035)	3,649,957	203,317
Loan Payable	414,329	0	(54,692)	359,637	56,127
Water Meter Lease	0	4,054,224	(148,265)	3,905,959	301,508
Compensated Absences	<u>85,700</u>	<u>5,240</u>	<u>0</u>	<u>90,940</u>	<u>9,094</u>
Long-term liabilities of Business-Type Activities:	<u>5,789,446</u>	<u>4,059,464</u>	<u>(673,832)</u>	<u>9,175,078</u>	<u>851,466</u>
 Total long-term liabilities	<u>6,116,071</u>	<u>4,070,821</u>	<u>(797,432)</u>	<u>9,389,460</u>	<u>872,904</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

H. Long-Term Debt (continued)

The annual debt service requirements for the City's Proprietary Funds to maturity are as follows:

Year Ending June 30	Total		Total
	Principal	Interest	Debt Service
2017	842,371	253,481	1,095,852
2018	864,893	230,958	1,095,851
2019	888,048	207,804	1,095,852
2020	913,682	182,170	1,095,852
2021	627,073	161,311	788,384
2022-2026	3,139,299	539,763	3,679,062
2027-2029	1,808,773	114,756	1,923,529
Total	<u>9,084,139</u>	<u>1,690,243</u>	<u>10,774,382</u>

I. Evaluation of Subsequent Events

The City has evaluated subsequent events through May 22, 2020 the date which the financial statements were available to be issued.

IV. OTHER INFORMATION

A. Risk Management

The City of Riverbank participates with other public entities in a joint exercise of powers agreement, which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$250,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$10,000 and workers' compensation losses under \$10,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000. The CSJVRMA participates in an excess pool that provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit. The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

The financial position and results of operations for the CSJVRMA, as of June 30, 2015, are presented below:

Total Assets	<u>86,630,360</u>
Total Liabilities	73,673,710
Total Net Assets	<u>12,956,650</u>
Total Liabilities & Net Assets	<u>86,630,360</u>
Total Revenues for Year	38,130,606
Total Expenses for Year	<u>40,427,807</u>
Net Income(Loss) for Year	<u>(2,297,201)</u>

At the termination of the joint powers agreement and after all claims have been settled, any excess deficit will be divided among the cities in accordance with its governing documents.

B. Commitments and Contingencies

The City of Riverbank is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Employee Retirement Systems and Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous		
	Prior to April 1, 2011	On or After April 1, 2011	On or After January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as of % of eligible compensation	Up to 2%	Up to 2%	Up to 2%
Required employee contribution rates	7.00%	7.00%	6.25%
Required employer contribution rates	13.578%	8.005%	6.25%

	Safety		
	Prior to April 1, 2011	On or After April 1, 2011	On or After January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 55	N/A
Benefit vesting schedule	5 Years	5 Years	N/A
Benefit payments	Monthly for life	Monthly for life	N/A
Retirement age	50	50	N/A
Monthly benefits, as of % of eligible compensation	Up to 2%	Up to 2%	N/A
Required employee contribution rates	6.25%		
Required employer contribution rates	6.25%		

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

In February 2011, the City Council adopted a new tier which became effective in April 2011. Effective January 1, 2013, the Public Employees' Pension Reform Act (PEPRA) implemented new benefit formulas, final compensation period, and new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member as per PEPRA.

Participants are required to contribute 7% (9% for public-safety employees) of their annual covered salary for Tier 1 and Tier 2. The participants that qualify under Tier 3 are required to contribute 6.25% of their annual covered salary. The City makes no required contribution on behalf of the City employees. The contribution requirements of plan members and the City are established and may be amended by PERS. The City is required to contribute at an actuarially determined rate. PERS has determined that because of past funding and investment earnings, current employer contributions are

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

not required for the public-safety employees of the City. The current rates are 13.578% (first-tier) and 8.005% (second-tier) for non-safety employees, of annual covered payroll.

For the year ended June 30, 2016, the contribution recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 432,667
Contributions - employee (paid by employer)	-

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

As of June 30, 2016, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 3,583,450
Safety	<u>515,698</u>
Total Net Pension Liability	<u><u>\$ 4,099,148</u></u>

The Local Government's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Local Government's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Employee Retirement Systems and Plans (continued)

<u>Miscellaneous Risk Pool</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance as of June 30, 2014	\$ 18,849,029	\$ 15,376,404	\$ 3,472,625
Percentage of the Pool	0.14377%	0.14452%	0.14051%
Balance as of June 30, 2015	\$ 19,067,480	\$ 15,484,030	\$ 3,583,450
Percentage of the Pool	0.13980%	0.14211%	0.13062%
<u>Safety Risk Pool</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance as of June 30, 2014	\$ 3,140,462	\$ 2,773,359	\$ 367,103
Percentage of the Pool	0.01772%	0.01986%	0.00979%
Balance as of June 30, 2015	\$ 3,142,951	\$ 2,627,253	\$ 515,698
Percentage of the Pool	0.01733%	0.01875%	0.01252%

At June 30, 2016, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Risk Pool</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 0	\$ (227,650)
Difference Between Expected and Actual Experiences	24,062	0
Net differences between projected and actual earnings on plan investments	583,511	(697,634)
Total	<u>\$ 607,573</u>	<u>\$ (925,284)</u>
<u>Safety Risk Pool</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 0	\$ 0
Difference Between Expected and Actual Experiences	0	0
Net differences between projected and actual earnings on plan investments	0	0
Total	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Employee Retirement Systems and Plans (continued)

\$607,573 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous Risk Pool</u>	
<u>Fiscal Year Ended</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ (93,397)
2018	(93,397)
2019	(92,051)
2020	145,878

<u>Safety Risk Pool</u>	
<u>Measurement Period</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ (9,758)
2018	(9,758)
2019	(7,806)
2020	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varied by Entry Age and Services
Payroll Growth	3.0%
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power Protection allowance floor on power applies, 2.75% thereafter

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2001. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for

GASB 67 and 68 calculations through at least the 2019-20 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Employee Retirement Systems and Plans (continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Miscellaneous Risk Pool			
Risk Pool's Net Pension Liability	\$4,600,985,615	\$2,743,467,016	\$1,209,869,645
The City's Proportionate Share	6,180,186	3,583,450	1,439,542
	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Safety Risk Pool			
Risk Pool's Net Pension Liability	\$6,606,487,536	\$4,120,444,515	\$2,081,934,880
The City's Proportionate Share	946,629	515,698	162,343

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

C. Employee Retirement Systems and Plans (continued)

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

Payable to the Pension Plan

At June 30, 2016, the Local Government reported a payable of \$4,099,148 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

D – Prior Period Adjustment (6/30/15)

As part of the GASB 68 implementation, the City had to record prior period adjustments to accrue the beginning balance of the Deferred Outflows of Resources and the Net Pension Liabilities. The net decrease adjustments to net position are as follows:

Governmental Activities	(\$ 3,584,567)
Proprietary Activities	(\$ 1,264,796)

REQUIRED SUPPLEMENTAL FINANCIAL DATA

CITY OF RIVERBANK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
JUNE 30, 2016

	2015	2014
Proportion of the net pension liability	0.1306%	0.1405%
Proportion share of the net pension liability	\$ 3,583,450	\$ 3,472,625
Covered - employee payroll	\$ 3,144,373	\$ 2,982,150
Proportionate share of the net pension liability as percentage of covered-employee payroll	113.96%	116.45%
Plan's fiduciary net position	\$ 15,484,030	\$ 15,376,404
Plan fiduciary net position as a percentage of the total pension liability	81.21%	81.58%

Notes to Schedule:

Benefit Changes. In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Change in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF RIVERBANK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - SAFETY
JUNE 30, 2016

	2015	2014
Proportion of the net pension liability	0.0125%	0.00979%
Proportion share of the net pension liability	\$ 515,698	\$ 367,103
Covered - employee payroll	\$ 0	\$ 0
Proportionate share of the net pension liability as percentage of covered-employee payroll	0.00%	0.00%
Plan's fiduciary net position	\$ 2,627,253	\$ 2,773,359
Plan fiduciary net position as a percentage of the total pension liability	83.59%	88.31%

Notes to Schedule:

Benefit Changes. In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Change in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF RIVERBANK
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
JUNE 30, 2016

	2015	2014
Contractually required contribution (actuarially determined)	\$ 409,877	\$ 340,922
Contributions in relation to the actuarially determined contributions	(409,877)	(340,922)
Contribution deficiency (excess)	\$ 0	\$ 0
 Covered - employee payroll	 \$ 3,144,373	 \$ 2,982,150
 Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	 13.04%	 11.43%

Notes to Schedule:

Valuation Date: 6/30/2014 6/30/2013

Methods and assumptions used to determine cotnribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salaray increases	Payroll from prior year was assumed to increase by 3.00 percent
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	57 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

CITY OF RIVERBANK
SCHEDULE OF CONTRIBUTIONS - SAFETY
JUNE 30, 2016

	2015	2014
Contractually required contribution (actuarially determined)	\$ 0	\$ 241,124
Contributions in relation to the actuarially determined contributions	0	(241,124)
Contribution deficiency (excess)	\$ 0	\$ 0
Covered - employee payroll	\$ 0	\$ 789,451
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	0.00%	30.54%

Notes to Schedule:

Valuation Date: 6/30/2014 6/30/2013

Methods and assumptions used to determine cotnribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salaray increases	Payroll from prior year was assumed to increase by 3.00 percent
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	57 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Gas Tax Fund - To account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction and traffic signal design and installation.

Local Transportation Fund - To account for the City's allocation of local transportation revenues for streets, roads, and sidewalk improvements.

Asset Forfeiture Fund - To account for monies received from asset seizures in the City's jurisdiction as well as revenues and expenditures from Office of traffic Safety grants awarded for police services

Weed And Rubbish Abatement - To account for weed and rubbish cleanup in the City.

Self-Insurance Reserve - To account for the City's workers compensation and liability insurance.

Lighting And Landscaping Districts - To account for lighting and landscaping fees collected and the related costs to operate the city's various districts.

Neighborhood Improvement Fund – To account for monies received from vehicle abatement fees and code enforcement officer costs.

Public Safety Augmentation Fund - To account for monies received through a special sales tax to be spent to sustain the public safety department.

Fee Reimbursement Fund - To account for monies received from developers for development planning cost incurred by the city.

Riverfest Fund - To account for monies received from community for helping citizens during the flood in 2006 and for revenues and expenditures of the Beyond Earth Day event.

Riverbank Donations Fund - To account for donation revenues for City's improvements.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Curb And Gutter Fund - To account for developer's assessments for curb and gutter construction in the Crossroads development area.

Park Fund - To account for park impact fees collected to mitigate additional city costs due to new construction.

Townsend Square Benefit Fund - To account for assessments in the Townsend Square.

Railroad Crossing Fund - To account for revenues to upgrade the Terminal and Townsend street railroad crossing.

Crossroads Development Fund – To account for the fees collected from developers for the Crossroads Specific Plan.

Special Building Projects Fund – To account for the building permit revenues designated by Council for future building inspections.

Storm Drain Fund - To account for storm drain revenues.

**CITY OF RIVERBANK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Special Revenue					
	Gas Tax Fund	Local Trans- portation Fund	Cheese And Wine Fund	Riverbank Donations Fund	Asset Forfeit- ture Fund	Weed And Rubbish Abatement Fund
Assets						
Cash And Investments	293,800	630,344	5,262	1,011	50,162	48,986
Accounts Receivable	2,325	88,172	0	0	0	63
Loans Receivable	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0
Total Assets	<u>296,125</u>	<u>718,516</u>	<u>5,262</u>	<u>1,011</u>	<u>50,162</u>	<u>49,049</u>
Liabilities And Fund Balances						
Liabilities						
Accounts Payable	34,174	4,000	32	0	0	0
Compensated Absences	12,400	0	0	0	0	0
Other Liabilities	50,811	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0
Total Liabilities	<u>97,385</u>	<u>4,000</u>	<u>32</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	0	714,516	0	0	0	0
Committed	0	0	0	0	0	0
Assigned	198,740	0	5,230	1,011	50,162	49,049
Unassigned	0	0	0	0	0	0
Total Fund Balances	<u>198,740</u>	<u>714,516</u>	<u>5,230</u>	<u>1,011</u>	<u>50,162</u>	<u>49,049</u>
Total Liabilities And Fund Balances	<u>296,125</u>	<u>718,516</u>	<u>5,262</u>	<u>1,011</u>	<u>50,162</u>	<u>49,049</u>

Special Revenue

Self-Insurance Reserve Fund	Lighting And Land-scaping Fund	Neighbor-Hood Improvement Fund	Public Safety Aug-mentation Fund	Off-Street Parking Fund	Riverfest Fund	Non-Major Special Revenue Total
338,637	512,081	15	0	42,963	3,728	1,926,989
149	2,470	0	9,799	58	0	103,036
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>338,786</u>	<u>514,551</u>	<u>15</u>	<u>9,799</u>	<u>43,021</u>	<u>3,728</u>	<u>2,030,025</u>
0	21,749	845	0	0	0	60,800
0	0	1,092	0	0	0	13,492
0	0	1,402	0	0	0	52,213
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>21,749</u>	<u>3,339</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,505</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	714,516
0	0	0	0	0	0	0
338,786	492,802	0	9,799	43,021	3,728	1,192,328
<u>0</u>	<u>0</u>	<u>(3,324)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,324)</u>
<u>338,786</u>	<u>492,802</u>	<u>(3,324)</u>	<u>9,799</u>	<u>43,021</u>	<u>3,728</u>	<u>1,903,520</u>
<u>338,786</u>	<u>514,551</u>	<u>15</u>	<u>9,799</u>	<u>43,021</u>	<u>3,728</u>	<u>2,030,025</u>

**CITY OF RIVERBANK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

	Capital Projects			
	Facility Improvement Fund	Quimby Fees Fund	Railroad Crossing Fund	Crossroads Devel- opment Fund
Assets				
Cash And Investments	4,780	108,439	399	1,474,110
Accounts Receivable	0	0	0	169
Loans Receivable	0	0	0	0
Due From Other Funds	0	0	0	0
Total Assets	<u>4,780</u>	<u>108,439</u>	<u>399</u>	<u>1,474,279</u>
Liabilities And Fund Balances				
Liabilities				
Accounts Payable	0	0	0	0
Compensated Absences	0	0	0	0
Other Liabilities	0	0	0	33,449
Due To Other Funds	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,449</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	4,780	108,439	399	1,440,830
Unassigned	0	0	0	0
Total Fund Balances	<u>4,780</u>	<u>108,439</u>	<u>399</u>	<u>1,440,830</u>
Total Liabilities And Fund Balances	<u>4,780</u>	<u>108,439</u>	<u>399</u>	<u>1,474,279</u>

Capital Projects				
Special Projects Fund	Storm Drain Fund	Non-Major Capital Projects Total	Totals	
			2016	2015
258,417	233,089	2,079,234	4,006,223	3,892,685
28	215	412	103,448	245,680
0	0	0	0	0
8,285	0	8,285	8,285	80,289
<u>266,730</u>	<u>233,304</u>	<u>2,087,931</u>	<u>4,117,956</u>	<u>4,218,654</u>
9,295	1,084	10,379	71,179	45,554
0	0	0	13,492	22,591
138,223	0	171,672	223,885	140,874
0	0	0	0	0
<u>147,518</u>	<u>1,084</u>	<u>182,051</u>	<u>308,556</u>	<u>209,019</u>
8,285	0	8,285	8,285	80,289
0	0	0	714,516	707,309
0	0	0	0	0
110,927	232,220	1,897,595	3,089,923	3,212,288
0	0	0	(3,324)	9,749
<u>119,212</u>	<u>232,220</u>	<u>1,905,880</u>	<u>3,809,400</u>	<u>4,009,635</u>
<u>266,730</u>	<u>233,304</u>	<u>2,087,931</u>	<u>4,117,956</u>	<u>4,218,654</u>

**CITY OF RIVERBANK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

Special Revenue

	Gas Tax Fund	Local Trans- portation Fund	Cheese And Wine Fund	Riverbank Donations Fund	Asset Forfeit- ture Fund
Revenues					
Investment Earnings	815	1,319	0	3	0
Intergovernmental	446,638	130,698	0	0	7,100
Other Taxes	0	0	0	0	0
Impact Fees	0	0	0	0	0
Licenses And Permits	0	0	0	0	0
Service Charges And Miscellaneous	4,205	0	105,205	2,671	23,858
Total Revenues	<u>451,658</u>	<u>132,017</u>	<u>105,205</u>	<u>2,674</u>	<u>30,958</u>
Expenditures					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	17,954
Public Works	787,364	13,391	0	0	0
Community Development	0	0	0	4,992	0
Culture And Leisure	0	0	110,162	0	0
Capital Outlay	19,908	33,858	0	0	0
Total Expenditures	<u>807,272</u>	<u>47,249</u>	<u>110,162</u>	<u>4,992</u>	<u>17,954</u>
Excess(Deficiency) Of Revenues Over Expenditures	(355,614)	84,768	(4,957)	(2,318)	13,004
Other Financing Sources (Uses)					
Operating Transfers In	159,228	0	0	0	0
Operating Transfers Out	(32,125)	(77,561)	0	0	0
Total Other Financing Sources (Uses)	<u>127,103</u>	<u>(77,561)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	(228,511)	7,207	(4,957)	(2,318)	13,004
Fund Balance - Beginning	<u>427,251</u>	<u>707,309</u>	<u>10,187</u>	<u>3,329</u>	<u>37,158</u>
Fund Balance - Ending	<u>198,740</u>	<u>714,516</u>	<u>5,230</u>	<u>1,011</u>	<u>50,162</u>

Special Revenue

Weed And Rubbish Abatement Fund	Self- Insurance Reserve Fund	Lighting And Land- scaping Fund	Neighbor- Hood Improvement Fund	Public Safety Aug- mentation Fund	Off-Street Parking Fund	Riverfest Fund	Non-Major Special Revenue Total
196	476	1,467	0	0	182	0	4,458
0	0	0	15,580	100,961	0	0	700,977
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
7,281	465,258	315,841	8,758	0	0	4,026	937,103
7,477	465,734	317,308	24,338	100,961	182	4,026	1,642,538
4,800	435,549	0	0	0	0	0	440,349
0	0	0	88,735	0	0	0	106,689
0	0	0	0	0	0	0	800,755
0	0	335,679	0	0	0	4,278	344,949
0	0	0	0	0	0	0	110,162
0	7,418	4,283	0	0	0	0	65,467
4,800	442,967	339,962	88,735	0	0	4,278	1,868,371
2,677	22,767	(22,654)	(64,397)	100,961	182	(252)	(225,833)
0	0	0	61,511	0	0	0	220,739
0	0	(59,576)	0	(100,363)	0	0	(269,625)
0	0	(59,576)	61,511	(100,363)	0	0	(48,886)
2,677	22,767	(82,230)	(2,886)	598	182	(252)	(274,719)
46,372	316,019	575,032	(438)	9,201	42,839	3,980	2,178,239
49,049	338,786	492,802	(3,324)	9,799	43,021	3,728	1,903,520

**CITY OF RIVERBANK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2015**

Capital Projects

	Facility Improvement Fund	Quimby Fees Fund	Railroad Crossing Fund
Revenues			
Investment Earnings	0	55	0
Intergovernmental	0	0	0
Other Taxes	0	0	0
Impact Fees	0	0	0
Licenses And Permits	0	0	0
Service Charges And Miscellaneous	4,780	0	0
Total Revenues	<u>4,780</u>	<u>55</u>	<u>0</u>
Expenditures			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Community Development	0	0	0
Culture And Leisure	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess(Deficiency) Of Revenues Over Expenditures	<u>4,780</u>	<u>55</u>	<u>0</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	4,780	55	0
Fund Balance - Beginning	<u>0</u>	<u>108,384</u>	<u>399</u>
Fund Balance - Ending	<u><u>4,780</u></u>	<u><u>108,439</u></u>	<u><u>399</u></u>

Capital Projects					
Crossroads Devel- opment Fund	Special Projects Fund	Storm Drain Fund	Non-Major Capital Projects Total	Totals	
				2016	2015
33,175	3,084	26	36,340	40,798	26,269
0	0	0	0	700,977	1,425,532
0	0	0	0	0	0
0	0	44,344	44,344	44,344	44,247
0	0	0	0	0	0
0	111,532	0	116,312	1,053,415	664,551
<u>33,175</u>	<u>114,616</u>	<u>44,370</u>	<u>196,996</u>	<u>1,839,534</u>	<u>2,160,599</u>
0	0	0	0	440,349	434,861
0	0	0	0	106,689	143,314
12	0	20,127	20,139	820,894	1,028,364
0	0	0	0	344,949	7,615
0	0	0	0	110,162	111,622
0	0	1,125	1,125	66,592	120,833
<u>12</u>	<u>0</u>	<u>21,252</u>	<u>21,264</u>	<u>1,889,635</u>	<u>1,846,609</u>
<u>33,163</u>	<u>114,616</u>	<u>23,118</u>	<u>175,732</u>	<u>(50,101)</u>	<u>313,990</u>
0	0	0	0	220,739	231,111
<u>0</u>	<u>(78,508)</u>	<u>(22,740)</u>	<u>(101,248)</u>	<u>(370,873)</u>	<u>(428,754)</u>
<u>0</u>	<u>(78,508)</u>	<u>(22,740)</u>	<u>(101,248)</u>	<u>(150,134)</u>	<u>(197,643)</u>
33,163	36,108	378	74,484	(200,235)	116,347
<u>1,407,667</u>	<u>83,104</u>	<u>231,842</u>	<u>1,831,396</u>	<u>4,009,635</u>	<u>3,893,288</u>
<u>1,440,830</u>	<u>119,212</u>	<u>232,220</u>	<u>1,905,880</u>	<u>3,809,400</u>	<u>4,009,635</u>

OTHER REPORTS

CITY OF RIVERBANK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

FEDERAL GRANTOR/PASS- THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Transportation			
Passed Through State of California:			
CML-5255(037)	20.507	CML-5255	496,362
STPL-5255(050)	20.507	STPL-5255	<u>0</u>
Total U.S. Department of Transportation			<u>496,362</u>
U.S. Department of Justice			
Local Law Enforcement Block Grant	16.710	N/A	<u>114,618</u>
Total U.S. Department of Justice			<u>114,618</u>
U.S. Department of Defense			
Passed Through Office of Economic Adjustment			
OEA	12.607	CL0610-11-03	<u>393,841</u>
Total U.S. Department of Defense			<u>393,841</u>
U.S. Department of Army			
U.S. Army Engineering And Support Center			
ESCA	12.599	N/A	<u>2,256,204</u>
U.S. Department of Housing And Urban Development			
Passed Through State of California:	14.228	13-CDBG-8959	<u>189,834</u>
Total Expenditures of Federal Awards			<u><u>3,450,859</u></u>

**CITY OF RIVERBANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

SUMMARY OF AUDITOR'S RESULTS

1. Type of report issued on the financial statements – Unmodified
2. Significant deficiencies in internal control disclosed by the audit of the financial statements and any such conditions that are material weaknesses– See Schedule of Findings
3. Disclosure of any noncompliance which are material to the financial statements - None
4. Disclosure of any significant deficiencies in internal control over major programs and any such conditions that are material weaknesses – None
5. Type of report issued on compliance for major programs – Unmodified
6. Audit findings relative to the major federal programs – None
7. Major programs are as follows: U.S. Department of Transportation CFDA number 20.507; U.S. Department of Defense (Passed through Office of Economic Adjustment) CFDA number 12.607.
8. Expenses in excess of \$300,000 was used as the threshold to distinguish between Type A and Type B programs
9. The City of Riverbank was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

Findings relating to financial statements which are required to be reported – None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS

Findings relating to major federal award programs which are required to be reported – None

PRIOR YEAR'S FINDINGS - None

**CITY OF RIVERBANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

MATERIAL WEAKNESSES

2016-1 UNTIMELY BANK RECONCILIATIONS

Finding: During the audit process, the bank reconciliations were not completed timely. The City migrated their accounting software to a new software in February 2016. The conversion was not seamless and required outside consultants to help complete.

Recommendation: The City should reconcile bank accounts timely to prevent fraud and unrecorded debits and credits.

Response:

**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***

To The City Council
City of Riverbank
State of California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Riverbank, State of California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Riverbank, State of California's basic financial statements and have issued our report thereon dated May 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Riverbank, State of California's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Riverbank, State of California's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Riverbank, State of California'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 identify a deficiency in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Riverbank, State of California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Clendenin Bird & Company, PC
CLENDENIN BIRD & COMPANY, PC

Modesto, California
May 22, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To The City Council
City of Riverbank
State of California

Report on Compliance for Each Major Federal Program

We have audited City of Riverbank, State of California's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Riverbank, State of California's major federal programs for the year ended June 30, 2016. City of Riverbank, State of California's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on each of City of Riverbank, State of California's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Riverbank, State of California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Riverbank, State of California's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Riverbank, State of California, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of City of Riverbank, State of California, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit, we considered City of Riverbank, State of California's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Riverbank, State of California's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Clendenin Bird & Company, PC

CLENDENIN, BIRD & COMPANY, PC

Modesto, California

May 22, 2020



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**REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
BASED ON AN EXAMINATION OF GENERAL-PURPOSE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH THE
CALIFORNIA TRANSPORTATION DEVELOPMENT ACT**

To The City Council
City of Riverbank
State of California

We have audited the general-purpose financial statements of the City of Riverbank, State of California for the year ended June 30, 2016, and have issued our report thereon dated April 13, 2020. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the California Administrative Code Section 6664 of the Transportation Development Act and the allocation instructions of the Stanislaus Area Association of Governments, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the City of Riverbank is responsible for the City's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the City's compliance with laws and regulations, noncompliance with which could have a material effect on the general-purpose financial statements of the City.

In our opinion the City of Riverbank Transportation Development Act funds were accounted for in conformance with the applicable laws, rules and regulations of the Transportation Development Act and the allocation instructions of the Stanislaus Council of Governments.

Clendenin Bird & Company, PC

CLENDENIN BIRD & COMPANY, PC

Modesto, California
May 22, 2020

CITY OF RIVERBANK
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

CITY OF RIVERBANK, CALIFORNIA

Table of Contents

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion And Analysis (unaudited)	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement Of Net Position	13
Statement Of Activities	14-15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16-17
Reconciliation Of The Governmental Funds Balance Sheet To Statement Of Net Position	18
Statement Of Revenues, Expenditures, And Changes In Fund Balances – Governmental Funds	19-20
Reconciliation Of The Statement Of Revenues, Expenditures, And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	21
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – General Fund	22-23
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – CDBG Fund	24
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – System Development Fund	25
Statement Of Revenues, Expenses, And Changes In Fund Balances – Budget And Actual – Successor RDA LMI Housing Fund	26
Statement Of Net Position – Proprietary Funds	27
Statement Of Revenues, Expenses, And Changes In Net Position – Proprietary Funds	28
Statement Of Cash Flows – Proprietary Funds	29-30
Statement Of Fiduciary Net Position – Agency Funds	31
Notes To The Basic Financial Statements	32-60
REQUIRED SUPPLEMENTAL FINANCIAL DATA	
Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous	61
Schedule of Proportionate Share of the Net Pension Liability – Safety	62
Schedule of Contributions – Miscellaneous	63
Schedule of Contributions – Safety	64

CITY OF RIVERBANK, CALIFORNIA

Table of Contents

	Page
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Definitions	65-66
Combining Balance Sheet – Nonmajor Governmental Funds	67-70
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds	71-74
OTHER REPORTS	
Schedule Of Federal Expenditures	75
Schedule Of Findings And Questioned Costs	76
Independent Auditor's 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>	77-78
Independent Auditor's Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.	79-80
Report On Compliance With Laws And Regulations Based On An Examination Of General-Purpose Financial Statements Performed In Accordance With The California Transportation Development Act	81



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INDEPENDENT AUDITOR'S REPORT

To The City Council
City Of Riverbank
State of California

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverbank, State of California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverbank, State of California as of June 30, 2017, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverbank, State of California's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Clendenin Bird & Company, PC
CLENDENIN BIRD & COMPANY, PC

Modesto, California
June 16, 2020

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

This discussion and analysis of the City of Riverbank's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. The City's financial statements for the fiscal year ended June 30, 2017 are presented in accordance with GASB 34. Please read Management's Discussion and Analysis in conjunction with the City's financial statements, notes, and supplementary schedules.

FINANCIAL HIGHLIGHTS

- The City's governmental activities total assets exceeded liabilities (net position) at the close of the fiscal year by \$81,457,206. Of this amount, \$2,968,424 is in unrestricted net position, which is available to meet the City's ongoing financial obligations. The total assets of the business-type activities exceeded its liabilities (net position) by \$28,535,182. Of this amount, \$12,039,483 was unrestricted.
- General and program expenses for Governmental Activities exceeded revenues by \$2,181,046. City program expenses totaled \$13,524,556 for fiscal year 2016-2017, an increase of 3.5% over the 2015-16 Fiscal Year. Public Works costs comprised \$5,335,465 or 39% of the total expenses, whereas Public Safety comprised 28% of expenditures.
- In the City's business-type activities (which include the Water, Sewer and Community Center and Local Redevelopment Funds), revenues exceeded expenses by \$79,501.
- The City's General Fund ended the year with a fund balance of \$6,225,749. This is an increase of 13.5% from the year ending June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements include all activities of the City of Riverbank using the integrated approach as prescribed by GASB Statement No. 34. The government-wide Statement of Net position and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements show how City services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements. The government-wide financial statements report information about the City as a whole, providing readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All the current year's revenues and expenses are taken into account in the statement of activities regardless of when cash is received or paid.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

The *statement of net position* presents information on all the City'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 as to whether the City's financial position is improving or deteriorating.

The *statement of changes in net position* presents information showing how the City's net position changed in 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 on this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

- Over time, increases or decreases in the City's net position can be an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- **Governmental Activities:** Includes police, public works, community development (building and planning), grants and special programs, and general government. Taxes and intergovernmental revenues such as sales tax, property tax, vehicle license fees, user fees, franchise fees, and federal and state grants primarily finance these activities.
- **Business-type activities** include the City's water and sewer systems, in addition to the City's Community Center and the Local Redevelopment Authority (LRA). Fees are charged to customers, including lease revenue, to help cover the costs of the services it provides.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements. The fund financial statements provide detailed information about the City's most significant *funds* – not the City as a whole. 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. Some funds are required to be established by State law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for the use of certain taxes, grants, and other resources. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Because the focus of the governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. The differences of results in the governmental funds financial statements to those in the government-wide financial statement are shown in reconciliations following the governmental funds financial statements.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The City's proprietary funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Below is a table showing the City's net position as of June 30, 2017 compared to the City's net position as of June 30, 2016.

**City of Riverbank
Net Position
For Year Ended June 30, 2017**

	Governmental Activities		Proprietary Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Cash and Investments	\$15,287,954	\$14,782,984	\$7,220,719	\$13,796,305	\$22,508,673	\$28,579,289
Other Assets	16,180,595	16,501,557	8,606,221	2,830,512	\$24,786,816	19,332,069
Capital Assets	55,958,879	57,369,954	24,880,866	23,793,770	\$80,839,745	81,163,724
Total Assets	87,427,428	88,654,495	40,707,806	40,420,587	128,135,234	129,075,082
Current Pension Plan Cont.	886,934	461,934	282,565	145,639	1,169,499	607,573
Liabilities						
Current Liabilities	2,203,095	1,558,592	2,563,772	1,616,237	4,766,867	3,174,829
Compensated Absences	204,732	214,382	90,684	90,940	295,416	305,322
Net Pension Liability	4,045,830	3,035,999	1,388,491	1,063,149	5,434,321	4,099,148
Long-Term Liabilities	0	0	8,241,768	9,084,139	8,241,768	9,084,139
Total Liabilities	6,453,657	4,808,973	12,284,715	11,854,465	18,738,372	16,663,438
Deferral of Pension Expense	403,499	669,204	170,475	256,080	573,974	925,284
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	55,958,879	57,369,954	16,495,699	14,554,281	72,454,578	71,924,235
Restricted	22,529,903	23,636,814	0	0	22,529,903	23,636,814
Unrestricted	2,968,424	2,631,484	12,039,483	13,901,400	15,007,907	16,532,884
Total Net Assets	\$81,457,206	\$83,638,252	\$28,535,182	\$28,455,681	\$109,992,388	\$112,093,933

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Of the total net position for both the Governmental and Business-type activities, \$72,454,578 or 66% reflects the City's investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position amounts to \$22,529,903 or 20% of the total. Restricted net position are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds established by state or federal regulations.

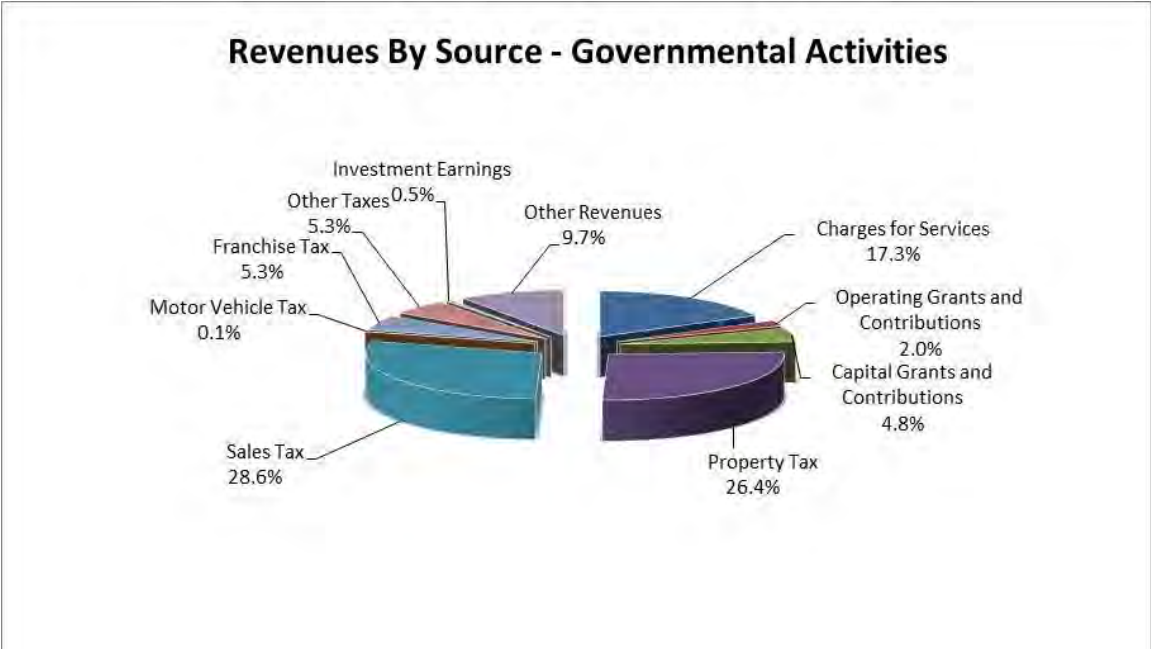
Unrestricted net position is those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position is \$15,007,907 or 14% of the total net position.

Changes in Net Position. Total expenditures for the year exceeded revenues by \$2,101,545. Below is a table showing the Governmental and Proprietary Activities of the City for the year ended June 30, 2017 as compared to the year ending June 30, 2016.

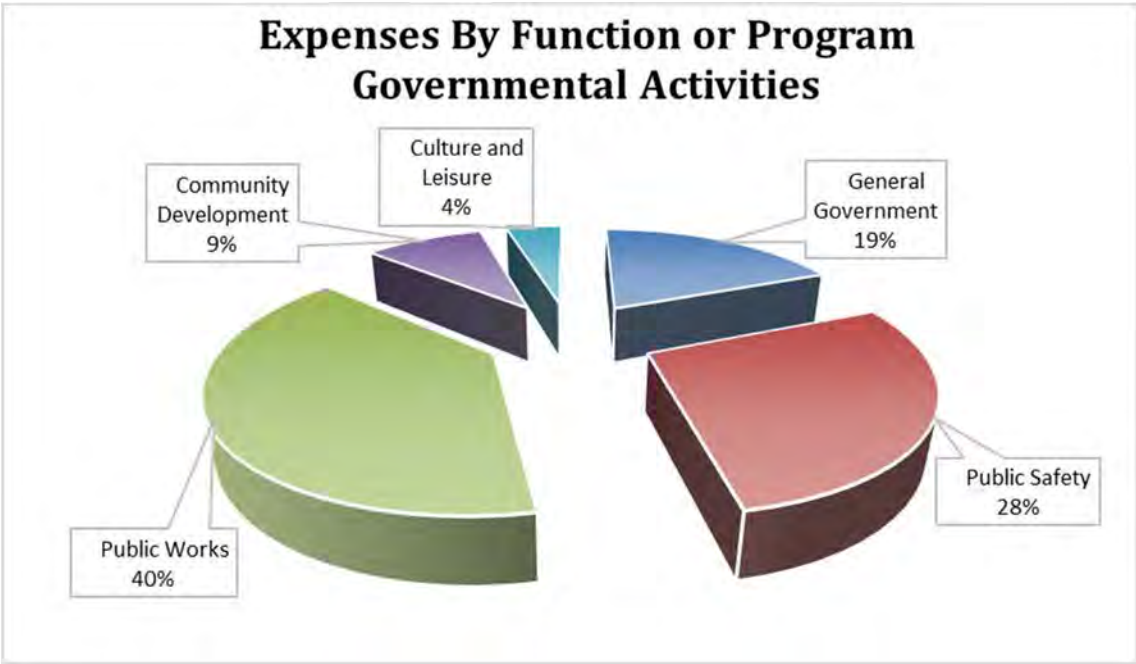
City of Riverbank Changes in Net Position For Year Ended June 30, 2017						
	Governmental Activities		Proprietary Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	1,959,945	3,688,960	22,101,216	16,068,328	24,061,161	19,757,288
Operating Grants and Contributions	231,746	595,848	0	0	231,746	595,848
Capital Grants and Contributions	550,152	576,108	0	0	550,152	576,108
General Revenues:			0			
Property Tax	2,994,412	2,913,875	0	0	2,994,412	2,913,875
Sales Tax	3,244,950	3,061,904	0	0	3,244,950	3,061,904
Motor Vehicle Tax	10,713	9,476	0	0	10,713	9,476
Franchise Tax	595,547	599,343	0	0	595,547	599,343
Other Taxes	595,805	603,696	0	0	595,805	603,696
Investment Earnings	56,634	227,451	26,980	44,993	83,614	272,444
(Loss) on Disposal of Assets	0	0	0	0	0	0
Transfers	1,103,606	1,014,795	(1,103,606)	(1,014,795)	0	0
Total Revenues	11,343,510	13,291,456	21,024,590	15,098,526	32,368,100	28,389,982
Expenses						
General Government	2,540,053	2,320,167	0	0	2,540,053	2,320,167
Public Safety	3,812,432	3,931,723	0	0	3,812,432	3,931,723
Public Works	5,335,465	5,121,039	3,308,362	3,075,904	8,643,827	8,196,943
Community Development	1,244,580	1,214,749	17,490,127	4,715,892	18,734,707	5,930,641
Culture and Leisure	592,026	485,513	146,600	151,494	738,626	637,007
Total Expenses	13,524,556	13,073,191	20,945,089	7,943,290	34,469,645	21,016,481
Increase (Decrease) in Net Assets	(2,181,046)	218,265	79,501	7,155,236	(2,101,545)	7,373,501
Net Assets - Beginning	83,638,252	83,419,987	28,455,681	21,300,445	112,093,933	104,720,432
Prior Period Adjustment	0	0	0	0	0	0
Net Assets - Ending	\$81,457,206	\$83,638,252	\$28,535,182	\$28,455,681	\$109,992,388	\$112,093,933

**CITY OF RIVERBANK
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Governmental Activities. Total governmental revenues for the year were \$11,343,510. Sales and property tax revenue, which comprise 55% of the total, experienced an increase of 4% from the 2015-16 Fiscal Year. Revenues by source for governmental activities are shown in the graph below.



Total governmental expenses for the year were \$13,524,556. Public Works accounted for 39% of the total governmental activities expenses. Expenses by function or program for governmental activities are shown in the graph below.



**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Business-type Activities

- Revenues of the City's business-type activities were \$21,024,590, a 39% increase from fiscal year 2015-16. Expenditures for the year were \$20,945,089. Expenditures for the business-type activities increased by 164% from the prior fiscal year. This was due to the Environmental Services clean up grant that was received by the Local Redevelopment Agency for the remediation of pollutants at the former Army Ammunition Plant.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

The City's governmental funds ended the year with a combined fund balance of \$29,060,722. Of the total combined fund balance, 2% is classified as Nonspendable, 68% is classified as Restricted, 8% is classified as Assigned, and 21% is Unassigned. Major fund changes from June 30, 2016 to June 30, 2017 are noted below and are also noted on the Statement of Revenues, Expenditures, and Changes in Fund Balances on page 19:

General Fund

- The City experienced an overall net decrease of 1% in its General Fund revenues from fiscal year 2015-2016. Some of the major factors contributing to this increase are noted below.
 - A 3% increase in Property Tax was experienced due to the changes made in property values. The County continued to reverse their Proposition 8 property value reductions that were made beginning in 2008. In addition, the completion of a new housing development has added properties to the tax rolls as well as an increase in home sales.
 - Sales tax for the City experienced an increase of 6%. This was primarily due to the continued rebound of the economy from the recent recession and the expansion of the Crossroads Shopping Center.
 - Revenues from Licenses and Permits decreased by 51%. The last Crossroads subdivision was completed and new building permits were not issued during the fiscal year.
 - A significant decrease in the investment market caused a 75% loss in investment revenues (interest earnings). Although the City's portfolio is diversified, the opportunities for re-investment were limited.
- General Fund expenditures decreased by 4.3% from the 2015-16 Fiscal Year. Major factors contributing to this increase in General Fund expenditures include:
 - General Government expenditures decreased by 7.8% due to salary savings from the vacancy of the City Manager and Accountant position for approximately 6 months.

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

- Public Safety Expenditures decreased by 4.2% due to salary savings from vacant Sheriff Deputy positions throughout the fiscal year.
- Capital Outlay for the General Fund increased by 49% as the City Council funded strategic programs via the use of General Fund Reserves. These projects included the grant funded purchase of new energy efficient motorcycles for Police Services and the initiation of the City Council Chambers camera system upgrade.

CDBG Fund

The CDBG Fund experienced a significant decrease in revenues due to the closeout of a grant that had been awarded to the City. The City was been awarded grant funding for the First-Time Homebuyer and Housing Rehabilitation Programs. All funds had been received in the prior fiscal year.

Successor RDA LMI Housing Fund

On December 29, 2011 the California Supreme Court upheld Assembly Bill 1x26 ("the Bill") that provided for the dissolution of all redevelopment agencies in the State of California effective February 1, 2012. This action impacted the reporting entity of the City of Riverbank that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. The City elected not to become this successor agency therefore another designated authority, the Riverbank Designated Local Authority, was formed by the State of California to serve as successor agency to the now dissolved Riverbank Redevelopment Agency. However, the City did elect to serve as the Housing Successor Agency of the former RDA. As successor agency, the City now holds a loan receivable for a loan provided to Pacific West Associates for the construction of a 65-unit apartment complex completed in 2009. In addition, the City is now entitled to receive annual interest payments and a Payment in Lieu of Taxes from this project.

GASB Statement No. 68

The City of Riverbank implemented GASB Statement No. 68 the prior fiscal year. With the new reporting change, the City is allocated its proportionate share of the California Public Employees' Retirement System's net pension assets, deferred outflows of resources, deferred inflows of resources, and pension expense. Decisions regarding the allocations are made by the administration of the pension plan, not by the City of Riverbank's management.

General Fund Budgetary Highlights

For the City's General Fund, actual ending revenues of \$7,943,634 were mainly comprised of Sales Tax, Property Taxes, Other Taxes & Franchise Fees and Service Charges. Net Revenues received were \$171,434 over budget. This was due to a variety of reasons, including the following:

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

- Sales Tax was over budget by \$441,350 due to the unanticipated increase in sales from new stores opening in the Crossroads Shopping Center.

The General Fund's actual ending expenditures of \$8,482,476 were \$584,714 under the final budget of \$9,067,190.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2017, the City's Governmental Funds had \$55,958,879 invested in capital assets and the Business-type activities had \$24,737,469, net of accumulated depreciation. This total of \$80,696,348 is invested in a broad range of capital assets including land, construction in progress, building, equipment and infrastructure (i.e. streets, sidewalks, storm drain, etc.).

**City of Riverbank
Capital Assets, Net of Accumulated Depreciation
June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
Land	\$3,957,541	\$2,181,195	\$6,138,736
Land Improvements	11,943,603	\$0	\$11,943,603
Construction in Progress	\$479,795	\$7,419,116	\$7,898,911
Building and Improvements	\$3,505,262	\$10,305,452	\$13,810,714
Equipment and Vehicles	\$1,434,440	\$4,831,706	\$6,266,146
Infrastructure	\$34,638,238	\$0	\$34,638,238
Total	<u>\$55,958,879</u>	<u>\$24,737,469</u>	<u>\$80,696,348</u>

Major capital asset additions during Fiscal Year 2016-2017 include:

<i>2016 Slurry Seal Project</i>	<i>\$449,642.48</i>
<i>LRA Electrical Upgrade</i>	<i>\$356,102.40</i>
<i>Morrill Rd. Overlay</i>	<i>\$317,297.63</i>
<i>ADA Sidewalk Improvements – Comm. Center</i>	<i>\$42,410.00</i>
<i>Pool Heater</i>	<i>\$32,410.57</i>
<i>Vehicle Purchase</i>	<i>\$28,889.78</i>
<i>Crossroads Landscape Improvement Project</i>	<i>\$27,300.00</i>
<i>LRA Weight Scale</i>	<i>\$23,219.35</i>

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

LONG TERM DEBT

At year-end, the City's governmental activities had \$204,732 in compensated absences. Compensated absences consist of vacation time and compensatory time off that has been earned by employees but has not yet been taken. Compensated absences are due and payable to an employee upon separation if any balance exists.

Business-type activities, at year-end, had \$8,332,453 in outstanding long-term debt. This long-term debt is comprised of Compensated Absences, Sewer Revenue Bonds, the State Revolving Fund Loan from the State of California for improvements to the Waste Water Treatment Plant, and the Master Lease Agreement with Wells Fargo to fund a city-wide water meter upgrade project. Total debt was reduced during the year by the amount of the current debt principal payments.

**City of Riverbank
Long-Term Debt
June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
Loans Payable-Refinance	\$0	\$887,165	\$887,165
Loans Payable – WWTP	\$0	\$3,446,641	\$3,446,641
SRF Loan – Sewer	\$0	\$303,500	\$303,511
Water – Lease Purchase	\$0	\$3,604,451	\$3,604,451
Compensated Absences	\$204,732	\$90,685	\$295,417
Total	\$204,732	\$8,332,453	\$8,537,185

The City's long-term liabilities, except for compensated absences, relate to the acquisition and construction/remodel of capital assets. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET

Due to the economic uncertainty surrounding the State of California's financial condition, the City's management has taken a position of conservative revenue projection while maintaining existing departmental spending limits.

In preparing the budget for the 2017-2018 fiscal year, City Management looked at the following factors:

REVENUE

- The Stanislaus County Assessor's Office continued to reverse the Prop 8 decreases from prior fiscal years, which increased values of many of the homes in Riverbank. The Certified

**CITY OF RIVERBANK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Assessed Values are the basis on which Property Taxes are calculated. Therefore an increase in revenue is anticipated for the following Property Tax related revenues: Property Tax Current Secured & Unsecured, Property Tax in Lieu of VLF. Staff is projecting a conservative 2% base increase to property tax related revenues.

- An increase of 5% is expected in Sales Tax Revenues as the economy continues to recover and consumer confidence has begun to increase.
- Overall, General Fund revenues are anticipated to increase by 2.7% during the 2017-18 fiscal year in comparison to the 2016-17 fiscal year budget due to increases in revenue sources such as COPS/SLESF State Allocation, Public Works Fees, and Vehicle Code Fines.

EXPENDITURES

- The City has filled the vacant City Manager's position and Accounting Manager positions therefore the Fiscal Year 2017-18 budget includes salary and all related payroll expenditures for both positions.
- The City negotiated a Settlement Agreement with Barham Construction related to litigation ensued by Barham against the City. This Settlement Agreement establishes a repayment schedule of fees owed to Barham. Fiscal Year 2017-18 is the first year of repayment.
- Based on negotiated labor contracts, the City will pursue the preparation of a Classification and Compensation study with the assistance of an outside consultant.

Total operational and capital budgeted revenues and expenses for all funds for the 2017-2018 Fiscal Year are \$18,572,100 and \$20,321,100 respectively, excluding Inter-fund Transfers In and Out. Structural deficits (where expenditures exceed revenues) were anticipated in the following funds: General Fund, Community Center Fund, Vehicle Tow Fund, Weed Abatement, Teen Center Fund, System Development Streets/PW Fund, System Development Police/Gen. Government, System Development Imaging Fund, HCD CDBG Fund, HCD HOME Fund, LMI Housing Asset Fund, Sewer Debt Service Fund, and the Water Fund. The City Council has authorized for the deficits to be paid via ending reserve balances from the 2015-16 fiscal year. Several of these allocations from reserve funds are due to the fact that funds must be spent during a certain time frame.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Riverbank's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Assistant City Manager/Admin Services Director, City of Riverbank, 6617 Third Street, Riverbank, California 95367.

CITY OF RIVERBANK
STATEMENTS OF NET POSITION
JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016

	Primary Government		Totals	
	Governmental Activities	Proprietary Activities	2017	2016
ASSETS				
Cash And Investments	15,287,954	7,220,719	22,508,673	28,579,289
Cash With Fiscal Agent	0	0	0	0
Accounts Receivable	953,323	9,184,366	10,137,689	4,933,989
Note Receivable	0	24,302	24,302	30,000
Prepaid Expenses	326,968	6,096	333,064	6,096
Internal Balances	608,543	(608,543)	0	0
Loans Receivable	14,291,761	0	14,291,761	14,361,984
Capital Assets (Net Of Accumulated Depreciation):				
Land	3,957,541	2,181,195	6,138,736	6,138,736
Land Improvements	11,943,603	0	11,943,603	12,359,425
Construction In Progress	479,795	7,419,116	7,898,911	6,371,662
Buildings And Improvements	3,505,262	10,305,450	13,810,712	13,914,409
Equipment And Vehicles	1,434,439	4,831,705	6,266,144	6,619,578
Infrastructure	34,638,239	0	34,638,239	35,604,564
Unamortized Bond Issue Costs	0	143,400	143,400	155,350
Total Assets	87,427,428	40,707,807	128,135,235	129,075,082
DEFERRED OUTFLOWS OF RESOURCES				
Current Pension Plan Contribution	886,934	282,565	1,169,499	607,573
LIABILITIES				
Accounts Payable And Other				
Current Liabilities	2,203,095	2,563,772	4,766,867	3,174,829
Compensated Absences	204,732	90,684	295,416	305,322
Net Pension Liability	4,045,830	1,388,491	5,434,321	4,099,148
Long-Term Liabilities:				
Due Within One Year	0	864,893	864,893	842,372
Due In More Than One Year	0	7,376,875	7,376,875	8,241,767
Total Liabilities	6,453,657	12,284,715	18,738,372	16,663,438
DEFERRED INFLOWS OF RESOURCES				
Deferral Of Pension Expense	403,499	170,475	573,974	925,284
NET POSITION				
Invested In Capital Assets				
Net Of Related Debt	55,958,879	16,495,699	72,454,578	71,924,235
Restricted For				
Capital Projects	7,400,192	0	7,400,192	7,527,607
Community Development Projects	14,195,827	0	14,195,827	14,205,687
Other Purposes	933,884	0	933,884	1,903,520
Unrestricted	2,968,424	12,039,483	15,007,907	16,532,884
Total Net Postion	81,457,206	28,535,182	109,992,388	112,093,933

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016

Functions/Programs	Expenses
Primary Government:	
Governmental Activities:	
General Government	2,540,053
Public Safety	3,812,432
Public Works	5,335,465
Community Development	1,244,580
Culture And Leisure	<u>592,026</u>
Total Governmental Activities	<u>13,524,556</u>
Business-Type Activities	
Water Services	1,686,963
Sewer Services	1,621,399
Community Center	146,600
Local Redevelopment Authority	<u>17,490,127</u>
Total Business-Type Activities	<u>20,945,089</u>
Total Primary Government	<u><u>34,469,645</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Program Revenues			Net (Expense) Revenue And Changes In Net Assets				
Fines, Fees And Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Totals		
			Governmental Activities	Proprietary Activities	2017	2016	
626,947	62,178	0	(1,850,928)	0	(1,850,928)	(1,578,558)	
290,060	129,324	0	(3,393,048)	0	(3,393,048)	(3,302,523)	
554,933	0	550,152	(4,230,380)	0	(4,230,380)	(2,970,488)	
368,802	40,244	0	(835,534)	0	(835,534)	(381,907)	
119,203	0	0	(472,823)	0	(472,823)	21,201	
<u>1,959,945</u>	<u>231,746</u>	<u>550,152</u>	<u>(10,782,713)</u>	<u>0</u>	<u>(10,782,713)</u>	<u>(8,212,275)</u>	
2,135,047	0	0	0	448,084	448,084	512,223	
3,350,763	0	0	0	1,729,364	1,729,364	998,579	
155,706	0	0	0	9,106	9,106	477	
16,459,700	0	0	0	(1,030,427)	(1,030,427)	6,613,759	
22,101,216	0	0	0	1,156,127	1,156,127	8,125,038	
<u>24,061,161</u>	<u>231,746</u>	<u>550,152</u>	<u>(10,782,713)</u>	<u>1,156,127</u>	<u>(9,626,586)</u>	<u>(87,237)</u>	
General Revenues:							
Taxes:							
Property Tax			2,994,412	0	2,994,412	2,913,877	
Sales Tax			3,244,950	0	3,244,950	3,061,904	
Motor Vehicle Tax			10,713	0	10,713	9,476	
Franchise Tax			595,547	0	595,547	599,343	
Other Taxes			595,805	0	595,805	603,696	
Investment Earnings			56,634	26,980	83,614	272,444	
(Loss) On Disposal of Assets			0	0	0	0	
Transfers			<u>1,103,606</u>	<u>(1,103,606)</u>	<u>(0)</u>	<u>0</u>	
Total General Revenues And Transfers			<u>8,601,667</u>	<u>(1,076,626)</u>	<u>7,525,041</u>	<u>7,460,740</u>	
Change In Net Position			(2,181,046)	79,501	(2,101,545)	7,373,503	
Net Position - Beginning			83,628,252	28,455,681	112,083,933	104,720,432	
Prior Period Adjustment - GASB 68			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Net Position - Beginning, restated			<u>83,638,252</u>	<u>28,455,681</u>	<u>112,083,933</u>	<u>104,720,432</u>	
Net Position - Ending			<u>81,457,206</u>	<u>28,535,182</u>	<u>109,982,388</u>	<u>112,093,935</u>	
			81,457,206	28,535,182			
			-	-			

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	General	CDBG	System Development
Assets			
Cash And Investments	6,897,471	323,451	5,009,334
Accounts Receivable	946,476	442	2,742
Loans Receivable	190,000	10,901,761	0
Prepaid Expenses	299,482	0	0
Unamortized Bond Issue Costs	0	0	0
Due From Other Funds	0	0	608,543
Total Assets	<u>8,333,429</u>	<u>11,225,654</u>	<u>5,620,619</u>
Liabilities			
Accounts Payable	767,968	386	11,213
Compensated Absences	176,274	13,217	0
Bonds Payable	0	0	0
Loan Payable	0	0	0
Other Liabilities	1,163,438	5,220	0
Due To Other Funds	0	0	0
Total Liabilities	<u>2,107,680</u>	<u>18,823</u>	<u>11,213</u>
Fund Balances			
Nonspendable	0	0	608,543
Restricted	0	11,206,831	5,000,863
Committed	0	0	0
Assigned	0	0	0
Unassigned	<u>6,225,749</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>6,225,749</u>	<u>11,206,831</u>	<u>5,609,406</u>
Total Liabilities And Fund Balances	<u>8,333,429</u>	<u>11,225,654</u>	<u>5,620,619</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Successor RDA LMI Housing	Other Funds	Total Governmental Funds	
		2017	2016
93,953	2,963,745	15,287,954	14,782,984
113	3,550	953,323	1,522,745
3,200,000	0	14,291,761	14,361,984
0	27,486	326,968	0
0	0	0	0
0	0	608,543	616,828
<u>3,294,066</u>	<u>2,994,781</u>	<u>31,468,549</u>	<u>31,284,541</u>
0	230,199	1,009,766	684,430
0	15,241	204,732	214,382
0	0	0	0
0	0	0	0
0	24,671	1,193,329	874,162
0	0	0	0
<u>0</u>	<u>270,111</u>	<u>2,407,827</u>	<u>1,772,974</u>
0	0	608,543	616,828
3,294,066	286,264	19,788,024	20,323,820
0	0	0	0
0	2,442,418	2,442,418	3,089,923
0	(4,012)	6,221,737	5,480,996
<u>3,294,066</u>	<u>2,724,670</u>	<u>29,060,722</u>	<u>29,511,567</u>
<u>3,294,066</u>	<u>2,994,781</u>	<u>31,468,549</u>	<u>31,284,541</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances - governmental funds	29,060,722
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	3,957,541	
Land Improvements net of \$3,747,156 accumulated depreciation	11,943,603	
Construction in progress	479,795	
Buildings and Improvements, net of \$1,978,257 accumulated depreciation	3,505,262	
Equipment and Vehicles, net of \$4,378,421 accumulated depreciation	1,434,439	
Infrastructure net of \$41,746,953 accumulated depreciation	<u>34,638,239</u>	
Total capital assets		<u>55,958,879</u>

Deferred Outflow of Resources	886,934
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Long-term liabilities applicable to the City's governmental activities are due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Net Pension Liability	(4,045,830)	
Deferred Inflows of Resources	(<u>403,499</u>)	
Total long-term liabilities		(<u>4,449,329</u>)

Total net position - governmental activities	<u><u>81,457,206</u></u>
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SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016

	<u>General</u>	<u>CDBG</u>	<u>System Development</u>
Revenues			
Property Tax	2,994,412	0	0
Sales Tax	3,244,950	0	0
Other Tax And Franchises	746,148	0	0
Licenses And Permits	200,957	0	0
Fines And Forfeitures	141,668	0	0
Investment Earnings	25,006	3,396	17,108
Intergovernmental	232,468	40,244	539,463
Impact Fees	0	0	40,375
Service Charges And Miscellaneous	358,025	0	0
Total Revenues	<u>7,943,634</u>	<u>43,640</u>	<u>596,946</u>
Expenditures			
Current			
General Government	1,829,713	0	0
Public Safety	3,681,649	0	0
Public Works	1,708,430	0	150,000
Community Development	640,625	139,226	0
Culture And Leisure	450,178	0	0
Capital Outlay	171,881	0	444,008
Total Expenditures	<u>8,482,476</u>	<u>139,226</u>	<u>594,008</u>
Excess (Deficiency) Of Revenues Over Expenditures	(<u>538,842</u>)	(<u>95,586</u>)	<u>2,938</u>
Other Financing Sources (Uses)			
Operating Transfers In	1,795,170	0	0
Operating Transfers Out	(<u>514,900</u>)	<u>0</u>	(<u>15,259</u>)
Total Other Financing Sources (Uses)	<u>1,280,270</u>	<u>0</u>	(<u>15,259</u>)
Net Change In Fund Balances	741,428	(95,586)	(12,321)
Fund Balance - Beginning	<u>5,484,320</u>	<u>11,302,417</u>	<u>5,621,727</u>
Fund Balance- Ending	<u>6,225,748</u>	<u>11,206,831</u>	<u>5,609,406</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Successor RDA LMI Housing Fund	Other Funds	Total Governmental Funds	
		2017	2016
0	0	2,994,412	2,913,877
0	0	3,244,950	3,061,904
0	0	746,148	765,877
0	0	200,957	412,304
0	0	141,668	126,783
363	10,761	56,634	227,451
0	668,305	1,480,480	1,912,235
0	54,781	95,156	1,302,340
0	921,474	1,279,499	1,553,892
<u>363</u>	<u>1,655,321</u>	<u>10,239,904</u>	<u>12,276,663</u>
0	619,188	2,448,901	2,425,374
0	104,831	3,786,480	3,949,124
0	774,939	2,633,369	2,695,255
0	427,517	1,207,368	1,251,314
0	108,229	558,407	516,022
0	543,944	1,159,833	713,201
<u>0</u>	<u>2,578,648</u>	<u>11,794,358</u>	<u>11,550,290</u>
<u>363</u>	<u>(923,327)</u>	<u>(1,554,454)</u>	<u>726,373</u>
0	257,593	2,052,763	2,344,014
<u>0</u>	<u>(418,998)</u>	<u>(949,157)</u>	<u>(1,329,219)</u>
<u>0</u>	<u>(161,405)</u>	<u>1,103,606</u>	<u>1,014,795</u>
363	(1,084,732)	(450,848)	1,741,168
<u>3,293,703</u>	<u>3,809,402</u>	<u>29,511,567</u>	<u>27,770,399</u>
<u>3,294,066</u>	<u>2,724,670</u>	<u>29,060,719</u>	<u>29,511,567</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds (450,848)

The changes in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,570,908) exceeded capital outlays (\$1,159,833) in the current period. (1,411,075)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and contributions) is to increase net assets. 0

The net change in pension expense either contributed to pension plan in current fiscal year not included on statement of activities; or expenses reported in statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (319,123)

Changes in net position of governmental activities (2,181,046)

**CITY OF RIVERBANK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2016 Actual
	Original	Final	Actual		
REVENUES					
Property Tax	3,080,100	3,150,100	2,994,412	(155,688)	2,902,864
Sales Tax	2,803,600	2,803,600	3,244,950	441,350	3,061,904
Other Tax And Franchise Fees	677,500	688,200	746,148	57,948	765,877
Licenses And Permits	246,900	246,900	200,957	(45,943)	412,304
Intergovernmental	132,600	192,600	232,468	39,868	164,742
Fines And Forfeitures	109,000	109,000	141,668	32,668	126,783
Investment Earnings	49,000	49,000	25,006	(23,994)	98,683
Service Charges And Miscellaneous	512,400	532,800	358,025	(174,775)	500,477
Total Revenues	<u>7,611,100</u>	<u>7,772,200</u>	<u>7,943,634</u>	<u>171,434</u>	<u>8,033,634</u>
EXPENDITURES					
General Government	2,122,200	1,848,550	1,829,713	(18,837)	1,985,025
Public Safety	3,933,300	3,913,300	3,681,649	(231,651)	3,842,435
Public Works	1,993,000	1,980,340	1,708,430	(271,910)	1,826,352
Community Development	549,900	733,300	640,625	(92,675)	687,907
Recreation And Leisure	449,500	449,500	450,178	678	405,860
Capital Outlay	67,200	142,200	171,881	29,681	115,284
Total Expenditures	<u>9,115,100</u>	<u>9,067,190</u>	<u>8,482,476</u>	<u>(584,714)</u>	<u>8,862,863</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(1,504,000)</u>	<u>(1,294,990)</u>	<u>(538,842)</u>	<u>756,148</u>	<u>(829,229)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	1,862,300	1,790,500	1,795,170	4,670	1,637,248
Transfers Out	(499,000)	(519,900)	(514,900)	5,000	(444,700)
Total Other Financing Sources And (Uses)	<u>1,363,300</u>	<u>1,270,600</u>	<u>1,280,270</u>	<u>9,670</u>	<u>1,192,548</u>
Net Change In Fund Balance	(140,700)	(24,390)	741,428	765,818	363,319
Fund Balance - Beginning	<u>5,484,320</u>	<u>5,484,320</u>	<u>5,484,320</u>	<u>0</u>	<u>5,121,001</u>
Fund Balance - Ending	<u>5,343,620</u>	<u>5,459,930</u>	<u>6,225,748</u>	<u>765,818</u>	<u>5,484,320</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2016 Actual
	Original	Final	Actual		
General Government					
City Council	100,200	98,350	99,390	1,040	104,072
City Manager	243,100	240,700	138,314	(102,386)	229,555
Admin Services	874,500	659,000	699,333	40,333	654,069
Finance And Treasurer	711,600	700,400	632,904	(67,496)	724,464
City Attorney	260,000	217,300	310,066	92,766	345,679
Total General Government	<u>2,189,400</u>	<u>1,915,750</u>	<u>1,880,007</u>	<u>(35,743)</u>	<u>2,057,839</u>
Public Safety					
Police	3,773,300	3,815,300	3,582,386	(232,914)	3,682,485
Animal Control	160,000	160,000	161,441	1,441	159,950
Total Public Safety	<u>3,933,300</u>	<u>3,975,300</u>	<u>3,743,827</u>	<u>(231,473)</u>	<u>3,842,435</u>
Public Works					
Building Maintenance	277,500	252,000	164,758	(87,242)	252,330
Development Services	1,000,400	977,650	936,836	(40,814)	971,353
Street Maintenance	26,600	36,300	28,885	(7,415)	33,066
Parks Maintenance	688,500	727,390	637,360	(90,030)	701,706
Total Public Works	<u>1,993,000</u>	<u>1,993,340</u>	<u>1,767,839</u>	<u>(225,501)</u>	<u>1,958,455</u>
Community Development					
Planning	371,000	421,000	374,771	(46,229)	408,873
Building Department	168,900	161,400	255,854	94,454	162,697
Economic Development	10,000	150,900	10,000	(140,900)	26,704
Engineering	0	0	0	0	0
Total Community Development	<u>549,900</u>	<u>733,300</u>	<u>640,625</u>	<u>(92,675)</u>	<u>598,274</u>
Recreation And Leisure					
Recreation	449,500	449,500	450,178	678	405,860
Total Culture And Leisure	<u>449,500</u>	<u>449,500</u>	<u>450,178</u>	<u>678</u>	<u>405,860</u>
Total General Fund	<u>9,115,100</u>	<u>9,067,190</u>	<u>8,482,476</u>	<u>(584,714)</u>	<u>8,862,863</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
CDBG SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2016 Actual
	Original	Final	Actual		
REVENUES					
Interest Income	2,900	2,900	3,396	496	14,261
Intergovernmental	110,600	110,600	40,244	(70,356)	470,408
Miscellaneous	31,200	31,200	0	(31,200)	0
Total Revenues	<u>144,700</u>	<u>144,700</u>	<u>43,640</u>	<u>(101,060)</u>	<u>484,669</u>
EXPENDITURES					
Salaries And Benefits	150,600	150,600	129,434	(21,166)	115,862
Supplies And Services	320,400	320,400	9,792	(310,608)	2,596
Bad Debt	0	0	0	0	100,000
Capital Outlays	0	0	0	0	0
Total Expenditures	<u>471,000</u>	<u>471,000</u>	<u>139,226</u>	<u>(331,774)</u>	<u>218,458</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(326,300)</u>	<u>(326,300)</u>	<u>(95,586)</u>	<u>230,714</u>	<u>266,211</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	0	0	158,670
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(158,670)</u>
Total Other Financing Sources And (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	<u>(326,300)</u>	<u>(326,300)</u>	<u>(95,586)</u>	<u>230,714</u>	<u>266,211</u>
Fund Balance - Beginning	<u>11,302,417</u>	<u>11,302,417</u>	<u>11,302,417</u>	<u>0</u>	<u>11,036,206</u>
Fund Balance - Ending	<u>10,976,117</u>	<u>10,976,117</u>	<u>11,206,831</u>	<u>230,714</u>	<u>11,302,417</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
SYSTEM DEVELOPMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Over (Under)	2016 Actual
	Original	Final	Actual		
REVENUES					
Investment Earnings	40,500	40,500	17,108	(23,392)	72,281
Intergovernmental	0	0	539,463	539,463	576,108
Impact Fees	216,100	216,100	40,375	(175,725)	1,257,996
Service Charges And Miscellaneous	0	0	0	0	0
Total Revenues	<u>256,600</u>	<u>256,600</u>	<u>596,946</u>	<u>340,346</u>	<u>1,906,385</u>
EXPENDITURES					
Salaries And Benefits	0	0	0	0	0
Supplies And Services	3,000	3,000	150,000	147,000	48,009
Capital Outlays	<u>678,000</u>	<u>678,000</u>	<u>444,008</u>	<u>(233,992)</u>	<u>531,325</u>
Total Expenditures	<u>681,000</u>	<u>681,000</u>	<u>594,008</u>	<u>(86,992)</u>	<u>579,334</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(424,400)</u>	<u>(424,400)</u>	<u>2,938</u>	<u>427,338</u>	<u>1,327,051</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	0	0	327,357
Transfers Out	<u>(26,400)</u>	<u>(26,400)</u>	<u>(15,259)</u>	<u>11,141</u>	<u>(354,976)</u>
Total Other Financing Sources And (Uses)	<u>(26,400)</u>	<u>(26,400)</u>	<u>(15,259)</u>	<u>11,141</u>	<u>(27,619)</u>
Net Change In Fund Balance	<u>(450,800)</u>	<u>(450,800)</u>	<u>(12,321)</u>	<u>438,479</u>	<u>1,299,432</u>
Fund Balance - Beginning	<u>5,621,727</u>	<u>5,621,727</u>	<u>5,621,727</u>	<u>0</u>	<u>4,322,295</u>
Fund Balance - Ending	<u><u>5,170,927</u></u>	<u><u>5,170,927</u></u>	<u><u>5,609,406</u></u>	<u><u>438,479</u></u>	<u><u>5,621,727</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
SUCCESSOR REDEVELOPMENT AGENCY LMI HOUSING
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)	2016 Actual
	Original	Final	Actual		
REVENUES					
Property Tax	0	0	0	0	11,013
Investment Earnings	200	200	363	163	1,428
Intergovernmental	0	0	0	0	0
Service Charges And Miscellaneous	0	0	0	0	0
Total Revenues	200	200	363	163	12,441
EXPENDITURES					
Salaries And Benefits	0	0	0	0	0
Supplies And Services	0	0	0	0	0
Interest	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) Of Revenues					
Over Expenditures	200	200	363	163	12,441
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources And (Use	0	0	0	0	0
Net Change In Fund Balance	200	200	363	163	12,441
Fund Balance - Beginning	3,293,703	3,293,703	3,293,703	0	3,281,262
Fund Balance - Ending	3,293,903	3,293,903	3,294,066	163	3,293,703

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Business-Type Activities-Enterprise Funds					
	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals 2017	2016
Assets						
Cash And Investments	3,286,161	2,926,809	35,057	972,692	7,220,719	13,796,305
Cash With Fiscal Agent	0	0	0	0	0	0
Accounts Receivable	628,382	1,360,550	0	7,195,434	9,184,366	3,411,244
Notes Receivable	0	0	0	24,302	24,302	30,000
Prepays	3,048	3,048	0	0	6,096	6,096
Fixed Assets	15,762,539	11,987,551	754,642	1,120,221	29,624,953	29,111,757
Accumulated Depreciation	(5,975,117)	(5,685,212)	(472,732)	(173,541)	(12,306,602)	(11,500,784)
Construction In Progress	3,943,450	3,318,176	0	157,490	7,419,116	6,027,447
Unamortized Bond Issue Costs	143,400	0	0	0	143,400	155,350
Total Assets	<u>17,791,863</u>	<u>13,910,922</u>	<u>316,967</u>	<u>9,296,598</u>	<u>41,316,350</u>	<u>41,037,415</u>
DEFERRED OUTFLOWS OF RESOURCES						
Current Pension Plan Contributor	<u>91,836</u>	<u>117,051</u>	<u>3,819</u>	<u>69,859</u>	<u>282,565</u>	<u>145,639</u>
Liabilities						
Accounts Payable	73,433	(4,593)	7,724	2,239,648	2,316,212	1,219,102
Customer Deposits	0	142,654	8,270	96,636	247,560	397,135
Compensated Absences	21,503	42,321	0	26,860	90,684	90,940
Due to Other Funds	608,543	0	0	0	608,543	616,828
Net Pension Liability	453,433	512,092	4,450	418,516	1,388,491	1,063,149
Loan Payable	303,511	3,604,451	0	0	3,907,962	7,915,554
Bond Payable	<u>4,333,806</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,333,806</u>	<u>1,168,585</u>
Total Liabilities	<u>5,794,229</u>	<u>4,296,925</u>	<u>20,444</u>	<u>2,781,660</u>	<u>12,893,258</u>	<u>12,471,293</u>
DEFERRED INFLOWS OF RESOURCES						
Deferral Of Pension Expense	<u>58,076</u>	<u>42,871</u>	<u>(3,351)</u>	<u>72,879</u>	<u>170,475</u>	<u>256,080</u>
Net Position						
Invested In Capital Assets, Net Of Related Debt	9,093,555	6,016,064	281,910	1,104,170	16,495,699	14,554,281
Restricted For Debt Service	0	0	0	0	0	0
Unrestricted	<u>2,937,839</u>	<u>3,672,113</u>	<u>21,783</u>	<u>5,407,748</u>	<u>12,039,483</u>	<u>13,901,400</u>
Total Net Position	<u>12,031,394</u>	<u>9,688,177</u>	<u>303,693</u>	<u>6,511,918</u>	<u>28,535,182</u>	<u>28,455,681</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Business-Type Activities-Enterprise Funds					
	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals	
					2017	2016
Operating Revenues						
Intergovernmental	0	0	0	14,955,851	14,955,851	8,868,988
Service Charges	3,330,005	2,102,011	154,306	1,481,462	7,067,784	6,412,829
Miscellaneous Revenues	4,624	12,261	1,400	22,387	40,672	91,702
Total Operating Revenues	<u>3,334,629</u>	<u>2,114,272</u>	<u>155,706</u>	<u>16,459,700</u>	<u>22,064,307</u>	<u>15,373,519</u>
Operating Expenses						
Employee Services	403,277	619,350	52,946	326,877	1,402,450	1,366,886
Supplies And Services	618,331	644,976	92,312	17,106,918	18,462,537	5,517,597
Depreciation	420,612	327,532	1,342	56,332	805,818	819,269
Total Operating Expenses	<u>1,442,220</u>	<u>1,591,858</u>	<u>146,600</u>	<u>17,490,127</u>	<u>20,670,805</u>	<u>7,703,752</u>
Operating Income (Loss)	<u>1,892,409</u>	<u>522,414</u>	<u>9,106</u>	<u>(1,030,427)</u>	<u>1,393,502</u>	<u>7,669,767</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	13,980	13,000	0	0	26,980	44,993
Connection Fees	4,950	5,225	0	0	10,175	153,835
Development Fees	11,184	15,550	0	0	26,734	540,974
Gain (Loss) on Fixed Assets	0	0	0	0	0	0
Interest Expense	(167,229)	(95,105)	0	0	(262,334)	(227,588)
Amortization Of Bond Issue Costs	(11,950)	0	0	0	(11,950)	(11,950)
Total Nonoperating Revenues (Expenses)	<u>(149,065)</u>	<u>(61,330)</u>	<u>0</u>	<u>0</u>	<u>(210,395)</u>	<u>500,264</u>
Income Before Transfers And Contributed Capital	<u>1,743,344</u>	<u>461,084</u>	<u>9,106</u>	<u>(1,030,427)</u>	<u>1,183,107</u>	<u>8,170,031</u>
Contributed Capital	0	0	0	0	0	0
Operating Transfer In	699,398	3,105,710	15,900	0	3,821,008	4,643,122
Operating Transfer Out	(1,230,423)	(3,694,191)	0	0	(4,924,614)	(5,657,917)
Total Other Financing Sources (Uses)	<u>(531,025)</u>	<u>(588,481)</u>	<u>15,900</u>	<u>0</u>	<u>(1,103,606)</u>	<u>(1,014,795)</u>
Change In Net Position	1,212,319	(127,397)	25,006	(1,030,427)	79,501	7,155,236
Total Net Position - Beginning	10,819,075	9,815,574	278,687	7,542,345	28,455,681	21,300,445
Prior Period Adjustment - GASB 68	0	0	0	0	0	0
Adjusted Net Position - Beginning	<u>10,819,075</u>	<u>9,815,574</u>	<u>278,687</u>	<u>7,542,345</u>	<u>28,455,681</u>	<u>21,300,445</u>
Total Net Position - Ending	<u>12,031,394</u>	<u>9,688,177</u>	<u>303,693</u>	<u>6,511,918</u>	<u>28,535,182</u>	<u>28,455,681</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF RIVERBANK
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Business-Type Activities-Enterprise Funds					
	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals 2017	Totals 2016
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts From Customers And Users	2,929,232	1,808,195	155,907	9,463,948	14,357,282	15,980,654
Receipts From Interfund Services Provided	0	0	0	0	0	0
Payments To Suppliers	(597,611)	(697,434)	(94,644)	(15,965,036)	(17,354,725)	(4,760,659)
Payments To Employees	(378,389)	(569,937)	(58,400)	(298,874)	(1,305,600)	(1,433,700)
Payments For Interfund Services Used	(8,285)	0	0	0	(8,285)	(72,003)
Net Cash Provided By Operating Activities	<u>1,944,947</u>	<u>540,824</u>	<u>2,863</u>	<u>(6,799,962)</u>	<u>(4,311,328)</u>	<u>9,714,292</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer In	699,398	3,105,710	15,900	0	3,821,008	4,643,122
Transfer Out	(1,230,423)	(3,694,191)	0	0	(4,924,614)	(5,657,917)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(531,025)</u>	<u>(588,481)</u>	<u>15,900</u>	<u>0</u>	<u>(1,103,606)</u>	<u>(1,014,795)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Connection Fees	4,950	5,225	0	0	10,175	153,835
Development Fees	11,184	15,550	0	0	26,734	540,974
Purchase Of Capital Assets	(51,649)	(1,281,570)	0	(571,646)	(1,904,865)	(2,612,033)
Funds Provides On New Lease	0	1,785,028	0	0	1,785,028	1,447,967
Funding Costs On New Loan	0	0	0	0	0	0
Loss on Disposal Of Capital Assets	0	0	0	0	0	0
Principal Paid On Capital Debt	(540,862)	(301,508)	0	0	(842,370)	(673,832)
Interest Paid On Capital Debt	(167,229)	(95,105)	0	0	(262,334)	(227,588)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(743,606)</u>	<u>127,620</u>	<u>0</u>	<u>(571,646)</u>	<u>(1,187,632)</u>	<u>(1,370,677)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	<u>13,980</u>	<u>13,000</u>	<u>0</u>	<u>0</u>	<u>26,980</u>	<u>44,993</u>
Net Cash Provided By Investing Activities	<u>13,980</u>	<u>13,000</u>	<u>0</u>	<u>0</u>	<u>26,980</u>	<u>44,993</u>
Net Increase In Cash And Cash Equivalents	684,296	92,963	18,763	(7,371,608)	(6,575,586)	7,373,813
Cash And Equivalents, July 1	<u>2,601,865</u>	<u>2,833,846</u>	<u>16,294</u>	<u>8,344,300</u>	<u>13,796,305</u>	<u>6,422,492</u>
Cash And Equivalents, June 30	<u>3,286,161</u>	<u>2,926,809</u>	<u>35,057</u>	<u>972,692</u>	<u>7,220,719</u>	<u>13,796,305</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities	Sewer Fund	Water Fund	Community Center Fund	Local Redevelop. Authority	Totals	
					2017	2016
Operating Income	1,892,409	522,414	9,106	(1,030,427)	1,393,502	7,669,767
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities						
Depreciation Expense	420,612	327,532	1,342	56,332	805,818	819,269
(Increase) Decrease In						
Deferred Outflows of Resources	(38,428)	(59,848)	(338)	(38,312)	(136,926)	(46,439)
Accounts Receivable	(405,397)	(322,046)	201	(6,830,910)	(7,558,152)	600,943
Prepays	0	0	0	5,698	5,698	(30,000)
Due From Other Funds	0	0	0	0	0	0
Increase (Decrease) In						
Accounts Payable	20,721	(52,458)	(7,338)	1,136,184	1,097,109	790,245
Compensated Absences	(3,966)	4,475	0	(765)	(256)	5,240
Deferred Inflows of Resources	(24,025)	(37,417)	(211)	(23,952)	(85,605)	(53,402)
Net Pension Liability	91,306	142,203	801	91,032	325,342	21,637
Customer Deposits	0	15,969	(700)	(164,842)	(149,573)	9,035
Due To Other Funds	(8,285)	0	0	0	(8,285)	(72,003)
Net Cash Provided (Used) By Operating Activiti	<u>1,944,947</u>	<u>540,824</u>	<u>2,863</u>	<u>(6,799,962)</u>	<u>(4,311,328)</u>	<u>9,714,292</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2016

	County Impact Fee Fund	Assessment District 1991 - 1 Fund	Assessment District 1991 - 3 Fund	RDA	Totals (Memorandum Only)	
					2017	2016
Assets						
Cash And Investments	28,819	214,302	156,818	689,190	1,089,129	1,648,271
Accounts Receivable	14	0	31	0	45	26
Fixed Assets		0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0
Unamortized Bond Issue Costs	0	0	0	103,128	103,128	108,285
Due From Other Funds	0	0	0	0	0	0
Total Assets	<u>28,833</u>	<u>214,302</u>	<u>156,849</u>	<u>792,318</u>	<u>1,192,302</u>	<u>1,756,582</u>
Liabilities And Fund Balances						
Liabilities						
Due to Bond Paying Agent	0	0	0	0	0	0
Due To Other Government	<u>28,833</u>	<u>214,302</u>	<u>156,849</u>	<u>792,318</u>	<u>1,192,302</u>	<u>14,671,441</u>
Total Liabilities	<u>28,833</u>	<u>214,302</u>	<u>156,849</u>	<u>792,318</u>	<u>1,192,302</u>	<u>14,671,441</u>
Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(12,914,859)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Riverbank, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management and Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting for all of the City’s activities, except for infrastructure (roads, streets, bridges, etc.)
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The more significant of the City’s accounting policies are described below:

A. Financial Reporting Entity

The accompanying basic financial statements present the financial activity of the City of Riverbank (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Discretely presented component units represent other legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship to the primary government are such that exclusion would cause the City’s reporting entity to be misleading or incomplete. The City’s component units are blended; there are no discretely presented component units in the Financial Reporting Entity.

City of Riverbank

The City (primary government) was incorporated in 1922 under the general laws of the State of California. The City provides the full range of municipal services as contemplated by statute. Services provided include sewer, water, public safety (police), street construction and maintenance, culture-recreation, public improvements, planning and zoning, and general administrative and support services. The City operates under a Council-Manager form of government. The City Council consists of five members elected at large for overlapping four year terms. The City Council appoints a City Administrator and City Attorney.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

City of Riverbank – continued

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of one blended component unit: the Redevelopment Agency of the City of Riverbank through January 31, 2012. On February 1, 2012 all Redevelopment Agencies (RDA) statewide were dissolved. The City elected to be the Successor Agency for the Low/Moderate Income Housing Fund. The general RDA Fund was transferred to the Riverbank Local Designated Authority, a separate entity created by the State when the City did not elect to be the Successor Agency for that fund. The Successor Agency Fund is now reported as a special revenue on the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of 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 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Measurement Focus, Basis of Accounting and Basis of Presentation – continued

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.) net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City. The City reports the following major governmental funds:

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

CDBG Fund - To account for federal grants and other monies received and disbursed under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to purchase their first home and rehabilitate or revitalize their homes.

Systems Development Fund - To account for development impact fees collected. These fees are used for infrastructure and capital expenditure resulting from new developments.

Successor RDA LMI Housing Fund – This fund was created when the City elected to assume the housing function previously performed by the Redevelopment Agency. The non-cash assets and encumbered cash of the Redevelopment LMI Housing Fund were transferred to this Fund.

The city reports the following major proprietary funds.

The **Water Fund** accounts for the activities of the City's water service.

The **Sewer Fund** accounts for the activities of the City's sewer service.

The **Community Center Fund** accounts for the activities of the City's Community Center service.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Measurement Focus, Basis of Accounting and Basis of Presentation – continued

The **Local Redevelopment Authority Fund** accounts for the activities of the City's Ammunition Factory services.

Additionally, the City reports the following fund types:

The **County Impact Fee Agency Fund**, accounts for impact fees which are collected on behalf of Stanislaus County.

The **Assessment District 1991-1 Agency Fund**, accounts for the collection of assessments and payment of debt service on behalf of the District.

The **Assessment District Agency 1991-3 Fund**, accounts for the collection of assessments and payment of debt service on behalf of the District.

The **Redevelopment Agency Fund**, accounts for the collection of property tax revenues used for the administration of the agency and development projects within the designated redevelopment area.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers and applicants, for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. 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 goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, 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, then unrestricted resources, as they are needed.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

D. Assets, Liabilities and Equity

1. Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types of investments. Authorized investments include:

- Securities of the U.S. government or its agencies
- Certificates of Deposit (or time deposits) placed with commercial banks and/or savings and loan associations
- Bankers Acceptances
- State Treasurer's Local Agency Investment Fund (LAIF)
- Repurchase Agreements
- Passbook savings account demand deposits
- Mutual Funds
- High Grade Commercial Paper (A-1 and P-1 Rated)

Investments for the City are reported at fair value. LAIF operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows, the city has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool and restricted, non-pooled investment with initial maturities of three months or less.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. Receivables and Payables (continued)

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.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

3. Property Taxes

Property taxes are levied on the first day of March by the county assessor, and are payable to the county tax collector in two installments. The first installment is due November 1st, and is delinquent on December 10th, the second installment is due February 1st and is delinquent on April 10th.

Taxes become a lien on the property on March 1st, and on the date of transfer of title, and the date of new construction. The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states, "The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the counties and apportioned according to law to the districts within the counties."

The City has elected under state law (TEETER) to receive all of the annual property assessments in three installments as follows:

December	55%
April	40%
June	<u>5%</u>
	<u>100%</u>

4. Prepaid Items

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

5. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 for property, plant and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlay for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method. Assets are depreciated from 3 to 50 years.

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental and proprietary funds.

8. Pensions

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

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Long-Term Obligations (continued)

whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position and Fund Equity

In the government-wide financial statements, net position are reported in three categories: net position invested in capital assets, net of related debt; restricted net position and unrestricted net position. Restricted net position represent net position restricted by parties outside the City (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net position are temporarily restricted (ultimately expendable assets). All other net position are considered unrestricted.

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications.

- Non-spendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) legally or contractually required to be maintained intact.
- Restricted fund balance includes amounts that are constrained for specific purposes which are externally (outside the City) imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that are constrained for specified purpose that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned fund balance represents limitations imposed by management.
- Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. Net Position and Fund Equity - continued

As of June 30, 2017, the fund balance details by classification are listed below:

	General	CDBG	Successor RDA	System Development	Other Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:				608,543	0	608,543
Restricted:						
Housing		11,206,831	3,294,066			14,500,897
System Development				5,000,863		5,000,863
Transportation					286,264	286,264
Committed To:						
Assigned To:						
Community Development					1,459,377	1,459,377
Riverbank Donations					2,214	2,214
Landscaping					339,755	339,755
Public Safety					61,172	61,172
Public Works					383,294	383,294
Self Insurance					131,855	131,855
Other Purposes					64,751	64,751
Unassigned:	6,225,748				(4,012)	6,221,736
Total Fund Balances	<u>6,225,748</u>	<u>11,206,831</u>	<u>3,294,066</u>	<u>5,609,406</u>	<u>2,724,670</u>	<u>29,060,721</u>

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the general fund, and special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made several supplemental budgetary appropriations throughout the year.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in several departments as follows:

General Fund:

Recreation and Leisure	678
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System Development:

Supplies and Services	159,625
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The General funds over-expenditures were funded through the reserves of the General Fund. The CDBG, System Development fund over-expenditures was funded by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Cash And Investments

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

Cash and investments	22,508,673
Cash and investments held by bond trustee	0
Total cash and investments	<u>22,508,673</u>

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	710
Deposits with financial institutions	17,026,001
Investments in LAIF	<u>5,481,962</u>
Total cash and investments	<u>22,508,673</u>

Investments Authorized by the City's Investment Policy

The City's investment policy authorizes investment in the local government investment pool administered by the State of California (LAIF). The City's investment policy also authorizes cash to be invested in Certificates of Deposits, Money Market Mutual Funds, Bankers Acceptances, Repurchase Agreements, Passbook Savings Demand Deposits, and High Grade Commercial Paper. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

A. Cash And Investments (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 6.49 months.

		<u>Maturity Date</u>
State investment pool	5,481,962	6.49 months average maturity

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

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 California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must 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.

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 investments.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Custodial Credit Risk (continued)

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

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

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City deposits deferred compensation plan assets with the California Public Employees Retirement System (PERS). Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. PERS act as the trustees for the plan assets and the City is considered to have limited fiduciary responsibility for the plan assets. As such, the City does not report the deferred compensation plan assets on its financial statements.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

B. Accounts Receivable

Receivables at June 30, 2017 for the City's individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows.

All receivables are expected to be collected within one year.

	General	CDBG	System Development
Governmental Activities:			
Interest	2,137	442	2,742
Utility Billing	363,282	0	0
Other	581,057	0	0
Total	946,476	442	2,742

	Successor RDA LMI Housing	Nonmajor Governmental	Total
Governmental Activities:			
Interest	113	3,550	8,984
Utility Billing	0	0	363,282
Other	0	0	581,057
Total	113	3,550	953,323

	Water	Sewer	Community Center	Local Redevelop. Authority	Total
Business-Type Activities:					
Utility Billings	311,765	445,922	0	0	757,687
Interest	3,044	1,405	0	0	4,449
Other	1,045,741	181,055	0	7,195,434	8,422,230
Total	1,360,550	628,382	0	7,195,434	9,184,366

C. Notes Receivable

The City is the recipient of Community Development Block Grant and Home Program Funds. The Funds are provided to use for housing and business loans to qualified recipients at various below market interest rates ranging from 0 to 4%. The terms of the loans range between fifteen and thirty years. All loans are secured by deeds of trust. The amount outstanding as of June 30, 2017 is \$10,901,761.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

D. Interfund Receivables and Payables

Interfund receivable/payable balances at June 30, 2017 consist of the following:

- The Sewer Fund borrowed \$608,542 from the Streets/PW System Development Fee Fund in accordance with Resolution 2011-021. The Sewer Fund will reimburse funds from future sewer fees collected.

E. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	3,957,541	0	0	3,957,541
Construction in progress	<u>344,215</u>	<u>194,830</u>	<u>(59,250)</u>	<u>479,795</u>
Total capital assets being depreciated	<u>4,301,756</u>	<u>194,830</u>	<u>(59,250)</u>	<u>4,437,336</u>
Capital assets being depreciated:				
Infrastructure	75,550,461	834,730	0	76,385,191
Land Improvements	15,654,132	36,627	0	15,690,759
Equipment And Vehicles	5,678,054	134,806	0	5,812,860
Building And Improvements	<u>5,465,429</u>	<u>18,090</u>	<u>0</u>	<u>5,483,519</u>
Total capital assets being depreciated	<u>102,348,076</u>	<u>1,024,253</u>	<u>0</u>	<u>103,372,329</u>
Less accumulated depreciation for:				
Infrastructure	(39,945,898)	(1,801,055)	0	(41,746,953)
Land Improvements	(3,294,707)	(452,449)	0	(3,747,156)
Equipment And Vehicles	(4,222,443)	(155,977)	0	(4,378,420)
Building And Improvements	<u>(1,816,829)</u>	<u>(161,428)</u>	<u>0</u>	<u>(1,978,257)</u>
Total accumulated depreciation	<u>(49,279,877)</u>	<u>(2,570,909)</u>	<u>0</u>	<u>(51,850,786)</u>
Net capital assets being depreciated	<u>53,068,199</u>	<u>(1,546,656)</u>	<u>0</u>	<u>51,521,543</u>
Total net capital assets -				
Governmental Activities	<u>57,369,955</u>	<u>(1,351,826)</u>	<u>(59,250)</u>	<u>55,958,879</u>

Depreciation was charged to functions/programs of the primary government as follows:

Government Activities:

Public Works	<u>2,570,909</u>
Total Depreciation expense – Government activities	<u>2,570,909</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

E. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	2,181,195	0	0	2,181,195
Construction in progress	<u>6,027,447</u>	<u>1,391,669</u>	<u>0</u>	<u>7,419,116</u>
Total capital assets not being depreciated	<u>8,208,642</u>	<u>1,391,669</u>	<u>0</u>	<u>9,600,311</u>
Capital assets being depreciated:				
Equipment And Vehicles	13,087,958	124,415	0	13,212,373
Building And Improvements	<u>13,842,604</u>	<u>388,783</u>	<u>0</u>	<u>14,231,387</u>
Total capital assets being depreciated	<u>26,930,562</u>	<u>513,198</u>	<u>0</u>	<u>27,443,760</u>
Less accumulated depreciation for:				
Equipment And Vehicles	(7,923,990)	(456,677)	0	(8,380,667)
Building And Improvements	<u>(3,576,794)</u>	<u>(349,141)</u>	<u>0</u>	<u>(3,925,935)</u>
Total accumulated depreciation	<u>(11,500,784)</u>	<u>(805,818)</u>	<u>0</u>	<u>(12,306,602)</u>
Net capital assets being depreciated	<u>15,429,778</u>	<u>(292,620)</u>	<u>0</u>	<u>15,137,158</u>
Total net capital assets - business-type activities	<u>23,638,420</u>	<u>1,099,049</u>	<u>0</u>	<u>24,737,469</u>
Business- Type Activities:				
Water			327,532	
Sewer			420,612	
Ammo Plant			56,332	
Community Center			<u>1,342</u>	
Total Depreciation expense – Business-Type Activities			<u>805,818</u>	

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

H. Long-Term Debt

Business-Type Activities:

On January 23, 2014 the City of Riverbank received a private placement \$5,742,715 waste water revenue loan from Municipal Finance Corporation. This loan was obtained for two purposes: (1) \$4,031,770 was received in order to provide financing for the acquisition and construction of energy efficient improvements to the City's existing Wastewater System and includes the removal of existing aerators in ponds T-1 and T-2 to be replaced with three new blowers, and all design, hydrology, engineering and related costs, and (2) \$1,710,945 in funds were received in order to fund the redemption prior to maturity of the 2005 Refunding Revenue Bonds, Series A (Wastewater Project) issued on February 3, 2005 in the original principal amount of \$4,475,000 and which had currently outstanding principal in the amount of \$2,075,000. The amount was paid off in September 10, 2014.

Refinancing of Sewer Bond is due in bi-annual installments of \$153,784, interest not more than 2.38% per annum payable on February 1 and August 1 through 2019. Loan proceeds were used to finance the Waste Treatment Construction Project. Loan payable outstanding at June 30, 2017 is \$887,165.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2018	288,158	19,410
2019	295,057	12,511
2020	303,950	3,617
Total	<u>887,165</u>	<u>35,538</u>

2013 Sewer Loan is due in bi-annual installments of \$167,890, interest not more than 2.38% per annum payable on February 1 and August 1 through 2029. Loan proceeds were used to finance the Waste Treatment Construction Project. Loan payable outstanding at June 30, 2017 is \$3,446,641

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

H. Long-Term Debt (continued)

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2018	210,867	124,914
2019	218,698	117,083
2020	226,820	108,961
2021	235,244	100,537
2022	243,980	91,800
2023-2027	1,362,738	316,165
2028-2030	948,293	59,048
Total	<u>3,446,641</u>	<u>918,508</u>

Loan Payable, State of California Water Resources Control Board, is due in annual installments of \$65,563, interest at 2.7% per annum payable on October 25 through 2022. Proceeds from the loans were used for the construction and improvement of capital assets for the waste water treatment plant expansion. Loans payable outstanding at June 30, 2017 is \$303,511.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2018	57,599	7,964
2019	59,111	6,453
2020	60,662	4,902
2021	62,253	3,310
2022	<u>63,886</u>	<u>1,676</u>
Total	<u>303,511</u>	<u>24,305</u>

The City entered into a Master Governmental Lease Purchase agreement with Wells Fargo Banks to update the city's water meters on December 15, 2015. The agreed finance amount of \$4,054,224 is due in 24 semiannual installments of \$193,469.62, interest at 2.23% per annum payable on June and December through 2027. Proceeds from the lease are being used for the replacement of the city's water meters. Lease payable outstanding at June 30, 2017 is \$3,604,451.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

H. Long-Term Debt (continued)

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Loans Payable	
	Principal	Interest
2018	308,269	78,670
2019	315,182	71,757
2020	322,250	64,690
2021	329,476	57,464
2022	336,864	50,075
2023-2027	1,801,075	133,622
2028	191,335	2,133
Total	<u>3,604,451</u>	<u>458,411</u>

The following is a summary of changes in the City's long-term debt and other long-term liabilities during the year ended June 30, 2017.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental-Type Activities:					
Compensated Absences	<u>214,382</u>	<u>0</u>	<u>(9,650)</u>	<u>204,732</u>	<u>20,473</u>
Long-term liabilities of Governmental-Type Activities:	<u>214,382</u>	<u>0</u>	<u>(9,650)</u>	<u>204,732</u>	<u>20,473</u>

The following is a summary of changes in the City's Proprietary Funds long-term debt, including compensated absences, during the year ended June 30, 2017.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Loan Payable	1,168,585	0	(281,420)	887,165	288,158
Loan Payable	3,649,957	0	(203,316)	3,446,641	210,867
Loan Payable	359,637	0	(56,126)	303,511	57,599
Water Meter Lease	3,905,959	0	(301,508)	3,604,451	308,269
Compensated Absences	<u>90,940</u>	<u>0</u>	<u>(255)</u>	<u>90,685</u>	<u>9,068</u>
Long-term liabilities of Business-Type Activities:	<u>9,175,078</u>	<u>0</u>	<u>(842,625)</u>	<u>8,332,453</u>	<u>873,961</u>
Total long-term liabilities	<u>9,389,460</u>	<u>0</u>	<u>(852,275)</u>	<u>8,537,185</u>	<u>894,434</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

H. Long-Term Debt (continued)

The annual debt service requirements for the City's Proprietary Funds to maturity are as follows:

Year Ending June 30	Total		Total
	Principal	Interest	Debt Service
2018	864,893	230,958	1,095,851
2019	888,048	207,804	1,095,852
2020	913,682	182,170	1,095,852
2021	627,073	161,311	788,384
2022-2026	3,139,299	539,763	3,679,062
2027-2029	1,808,773	114,756	1,923,529
Total	8,241,768	1,436,762	9,678,530

I. Evaluation of Subsequent Events

The City has evaluated subsequent events through June 16, 2020, the date which the financial statements were available to be issued.

IV. OTHER INFORMATION

A. Risk Management

The City of Riverbank participates with other public entities in a joint exercise of powers agreement, which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$250,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$10,000 and workers' compensation losses under \$10,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000. The CSJVRMA participates in an excess pool that provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit. The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

A. Risk Management (continued)

The financial position and results of operations for the CSJVRMA, as of June 30, 2016, are presented below:

Total Assets	<u>92,743,162</u>
Total Liabilities	77,308,330
Total Net Assets	<u>15,434,832</u>
Total Liabilities & Net Assets	<u>92,743,162</u>
Total Revenues for Year	40,220,653
Total Expenses for Year	<u>37,742,471</u>
Net Income(Loss) for Year	<u>2,478,182</u>

At the termination of the joint powers agreement and after all claims have been settled, any excess deficit will be divided among the cities in accordance with its governing documents.

B. Commitments and Contingencies

The City of Riverbank is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Employee Retirement Systems and Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous		
	Prior to April 1, 2011	On or After April 1, 2011	On or After January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as of % of eligible compensation	Up to 2%	Up to 2%	Up to 2%
Required employee contribution rates	7.00%	7.00%	6.25%
Required employer contribution rates	13.578%	8.005%	6.25%

	Safety		
	Prior to April 1, 2011	On or After April 1, 2011	On or After January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 55	N/A
Benefit vesting schedule	5 Years	5 Years	N/A
Benefit payments	Monthly for life	Monthly for life	N/A
Retirement age	50	50	N/A
Monthly benefits, as of % of eligible compensation	Up to 2%	Up to 2%	N/A
Required employee contribution rates	6.25%		
Required employer contribution rates	6.25%		

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

In February 2011, the City Council adopted a new tier which became effective in April 2011. Effective January 1, 2013, the Public Employees' Pension Reform Act (PEPRA) implemented new benefit formulas, final compensation period, and new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member as per PEPRA.

Participants are required to contribute 7% (9% for public-safety employees) of their annual covered salary for Tier 1 and Tier 2. The participants that qualify under Tier 3 are required to contribute 6.25% of their annual covered salary. The City makes no required contribution on behalf of the City employees. The contribution requirements of plan members and the City are established and may be amended by PERS. The City is required to contribute at an actuarially determined rate. PERS has determined that because of past funding and investment earnings, current employer contributions are

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

not required for the public-safety employees of the City. The current rates are 13.578% (first-tier) and 8.005% (second-tier) for non-safety employees, of annual covered payroll.

For the year ended June 30, 2015, the contribution recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 243,300	\$ -
Contributions - employee (paid by employer)	-	-
Lump Sum Contributions	231,725	17,664

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

As of June 30, 2016, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 4,701,278
Safety	733,043
Total Net Pension Liability	<u>\$ 5,434,321</u>

The Local Government's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Local Government's proportionate share of the net pension liability for each Plan as of June 30, 2015 and 2016 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2015	0.13062%	0.01252%	0.05972%
Proportion - June 30, 2016	0.13533%	0.01415%	0.06280%
Change - Increase/(Decrease)	0.00471%	0.00164%	0.00308%

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

At June 30, 2017, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,498	\$ 0
Changes in Assumptions	0	154,681
Net Differences Between Projected and Actual		
Investment Earnings	804,027	0
Differences Between Employer's Contributions and		
Proportionate Share of Contributions	0	419,294
Change in Employer's Proportion	110,677	0
Pension Contributions Made Subsequent to Measureme	243,299	0
	<u>\$ 1,169,501</u>	<u>\$ 573,975</u>

\$1,169,501 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2018	\$ (61,560)	\$ (36,669)	\$ (98,229)
2019	(38,190)	(31,483)	(69,673)
2020	313,111	(1,257)	311,854
2021	203,728	4,548	208,276
2022	-	-	-
Thereafter	-	-	-
	<u>\$ 417,089</u>	<u>\$ (64,861)</u>	<u>\$ 352,228</u>

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varied by Entry Age and Services
Payroll Growth	3.0%
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit	Contract COLA up to 2.75% until purchasing power
Increase	Protection allowance floor on power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2001. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

CITY OF RIVERBANK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Employee Retirement Systems and Plans (continued)

<i>Summary</i>	Current Discount		
	Discount Rate -1 %	Rate	Discount Rate +1 %
Misc Plans	4,802,689	3,334,984	2,121,999
Safety Plans	2,543,013	1,702,901	1,013,255
Total	7,345,702	5,037,885	3,135,254

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

Payable to the Pension Plan

At June 30, 2017, the Local Government reported a payable of \$5,434,321 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

CITY OF RIVERBANK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
JUNE 30, 2017

	2016	2015	2014
Proportion of the net pension liability	0.1318%	0.1306%	0.1405%
Proportion share of the net pension liability	\$ 4,701,278	\$ 3,583,450	\$ 3,472,625
Covered - employee payroll	\$ 4,877,064	\$ 3,144,373	\$ 2,982,150
Proportionate share of the net pension liability as percentage of covered-employee payroll	96.40%	113.96%	116.45%
Plan's fiduciary net position	\$ 15,339,838	\$ 15,484,030	\$ 15,376,404
Plan fiduciary net position as a percentage of the total pension liability	76.54%	81.21%	81.58%

Notes to Schedule:

Benefit Changes. In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Change in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

CITY OF RIVERBANK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - SAFETY
JUNE 30, 2017

	2016	2015	2014
Proportion of the net pension liability	0.0023%	0.0125%	0.00979%
Proportion share of the net pension liability	\$ 733,043	\$ 515,698	\$ 367,103
Covered - employee payroll	\$ 0	\$ 0	\$ 0
Proportionate share of the net pension liability as percentage of covered-employee payroll	0.00%	0.00%	0.00%
Plan's fiduciary net position	\$ 2,566,219	\$ 2,627,253	\$ 2,773,359
Plan fiduciary net position as a percentage of the total pension liability	77.78%	83.59%	88.31%

Notes to Schedule:

Benefit Changes. In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Change in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

CITY OF RIVERBANK
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
JUNE 30, 2017

	2016	2015	2014
Contractually required contribution (actuarially determined)	\$ 1,108,137	\$ 409,877	\$ 340,922
Contributions in relation to the actuarially determined contributions	(1,108,137)	(409,877)	(340,922)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0
Covered - employee payroll	\$ 4,877,064	\$ 3,144,373	\$ 2,982,150
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	22.72%	13.04%	11.43%

Notes to Schedule:

Valuation Date:	6/30/2015	6/30/2014	6/30/2013
Methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age		
Amortization method	For details, see June 30, 2012 Funding Valuation Report		
Asset valuation method	Actuarial Value of Assets, See June 30, 2012 Funding Valuation Report		
Inflation	2.75%		
Salary increases	Varies by Entry Age and Service		
Payroll Growth	3.00%		
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation		
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.		
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.		

CITY OF RIVERBANK
SCHEDULE OF CONTRIBUTIONS - SAFETY
JUNE 30, 2017

	2016	2015	2014
Contractually required contribution (actuarially determined)	\$ 0	\$ 0	\$ 241,124
Contributions in relation to the actuarially determined contributions	0	0	(241,124)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0
Covered - employee payroll	\$ 0	\$ 0	\$ 789,451
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	0.00%	0.00%	30.54%

Notes to Schedule:

Valuation Date: 6/30/2015 6/30/2014 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age
Amortization method	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets, See June 30, 2012 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Gas Tax Fund - To account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction and traffic signal design and installation.

Local Transportation Fund - To account for the City's allocation of local transportation revenues for streets, roads, and sidewalk improvements.

Cheese and Wine Fund - To account from the revenues and expenditures of the Cheese and Wine event.

Riverbank Donations Fund - To account for donation revenues for City's improvements.

Asset Forfeiture Fund - To account for monies received from asset seizures in the City's jurisdiction as well as revenues and expenditures from Office of traffic Safety grants awarded for police services

Weed And Rubbish Abatement - To account for weed and rubbish cleanup in the City.

Self-Insurance Reserve -To account for the City's workers compensation and liability insurance.

Lighting And Landscaping Districts - To account for lighting and landscaping fees collected and the related costs to operate the city's various districts.

Neighborhood Improvement Fund – To account for monies received from vehicle abatement fees and code enforcement officer costs.

Public Safety Augmentation Fund - To account for monies received through a special sales tax to be spent to sustain the public safety department.

Off Street Parking Fund - To account for parking in lieu Fee paid by business in lieu of providing additional onsite parking.

Riverfest Fund - To account for monies received from community for helping citizens during the flood in 2006 and for revenues and expenditures of the Beyond Earth Day event.

Park Grant Fund - To account for grant revenues received for park development.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Park Fund - To account for park impact fees collected to mitigate additional city costs due to new construction.

Railroad Crossing Fund - To account for revenues to upgrade the Terminal and Townsend street railroad crossing.

CFD 2016-1 – Homeowner Assessments for Maintenance of Streets, Storm, Parks, Landscaping and lighting.

Facility Improvement Fund - To account for fees collected from facility rentals for future improvements.

Crossroads Development Fund – To account for the fees collected from developers for the Crossroads Specific Plan.

Special Building Projects Fund – To account for the building permit revenues designated by Council for future building inspections.

Storm Drain Fund - To account for storm drain revenues.

**CITY OF RIVERBANK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Special Revenue					
	Gas Tax Fund	Local Trans- portation Fund	Cheese And Wine Fund	Riverbank Donations Fund	Asset Forfeit- ture Fund	Weed And Rubbish Abatement Fund
Assets						
Cash And Investments	100,163	285,543	16,229	2,214	61,523	49,912
Accounts Receivable	418	721	0	0	0	107
Loans Receivable	0	0	0	0	0	0
Prepays	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0
Total Assets	<u>100,581</u>	<u>286,264</u>	<u>16,229</u>	<u>2,214</u>	<u>61,523</u>	<u>50,019</u>
Liabilities And Fund Balances						
Liabilities						
Accounts Payable	17,675	0	0	0	351	0
Compensated Absences	14,846	0	0	0	0	0
Other Liabilities	19,878	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0
Total Liabilities	<u>52,399</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>351</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	0	286,264	0	0	0	0
Committed	0	0	0	0	0	0
Assigned	48,182	0	16,229	2,214	61,172	50,019
Unassigned	0	0	0	0	0	0
Total Fund Balances	<u>48,182</u>	<u>286,264</u>	<u>16,229</u>	<u>2,214</u>	<u>61,172</u>	<u>50,019</u>
Total Liabilities And Fund Balances	<u>100,581</u>	<u>286,264</u>	<u>16,229</u>	<u>2,214</u>	<u>61,523</u>	<u>50,019</u>

Special Revenue

Self-Insurance Reserve Fund	Lighting And Land-scaping Fund	Neighbor-Hood Improvement Fund	Public Safety Aug-mentation Fund	Off-Street Parking Fund	Riverfest Fund	Non-Major Special Revenue Total
146,601	308,642	2,000	0	48,422	3,703	1,024,952
254	758	0	0	100	0	2,358
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>146,855</u>	<u>309,400</u>	<u>2,000</u>	<u>0</u>	<u>48,522</u>	<u>3,703</u>	<u>1,027,310</u>
15,000	19,664	824	0	0	0	53,514
0	0	395	0	0	0	15,241
0	0	4,793	0	0	0	24,671
0	0	0	0	0	0	0
<u>15,000</u>	<u>19,664</u>	<u>6,012</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>93,426</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	286,264
0	0	0	0	0	0	0
131,855	289,736	0 (	0)	48,522	3,703	651,632
0	0	(4,012)	0	0	0	(4,012)
<u>131,855</u>	<u>289,736</u>	<u>(4,012)</u>	<u>(0)</u>	<u>48,522</u>	<u>3,703</u>	<u>933,884</u>
<u>146,855</u>	<u>309,400</u>	<u>2,000</u>	<u>(0)</u>	<u>48,522</u>	<u>3,703</u>	<u>1,027,310</u>

**CITY OF RIVERBANK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

	Capital Projects			
	Facility Improvement Fund	Quimby Fees Fund	Railroad Crossing Fund	Crossroads Devel- opment Fund
Assets				
Cash And Investments	12,480	108,459	399	1,589,631
Accounts Receivable	0	0	0	1,145
Loans Receivable	0	0	0	0
Prepays	0	0	0	0
Due From Other Funds	0	0	0	0
Total Assets	<u>12,480</u>	<u>108,459</u>	<u>399</u>	<u>1,590,776</u>
Liabilities And Fund Balances				
Liabilities				
Accounts Payable	0	0	0	155,174
Compensated Absences	0	0	0	0
Other Liabilities	0	0	0	0
Due To Other Funds	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,174</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	12,480	108,459	399	1,435,602
Unassigned	0	0	0	0
Total Fund Balances	<u>12,480</u>	<u>108,459</u>	<u>399</u>	<u>1,435,602</u>
Total Liabilities And Fund Balances	<u>12,480</u>	<u>108,459</u>	<u>399</u>	<u>1,590,776</u>

Capital Projects

CFD 2016-1 Fund	Special Projects Fund	Storm Drain Fund	Non-Major Capital Projects Total	Totals	
				2017	2016
25,108	1,108	201,608	1,938,793	2,963,745	4,006,223
0	47	0	1,192	3,550	103,448
0	0	0	0	0	0
0	27,486	0	27,486	27,486	
0	0	0	0	0	8,285
<u>25,108</u>	<u>28,641</u>	<u>201,608</u>	<u>1,967,471</u>	<u>2,994,781</u>	<u>4,117,956</u>
5,036	15,750	725	176,685	230,199	71,179
0	0	0	0	15,241	13,492
0	0	0	0	24,671	223,885
0	0	0	0	0	0
<u>5,036</u>	<u>15,750</u>	<u>725</u>	<u>176,685</u>	<u>270,111</u>	<u>308,556</u>
0	-	0	0	0	8,285
0	0	0	0	286,264	714,516
0	0	0	0	0	0
20,072	12,891	200,883	1,790,786	2,442,418	3,084,693
0	0	0	0	(4,012)	1,906
<u>20,072</u>	<u>12,891</u>	<u>200,883</u>	<u>1,790,786</u>	<u>2,724,670</u>	<u>3,809,400</u>
<u>25,108</u>	<u>28,641</u>	<u>201,608</u>	<u>1,967,471</u>	<u>2,994,781</u>	<u>4,117,956</u>

**CITY OF RIVERBANK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

Special Revenue

	Gas Tax Fund	Local Trans- portation Fund	Cheese And Wine Fund	Riverbank Donations Fund	Asset Forfeit- ture Fund
Revenues					
Investment Earnings	1,367	2,323	0	0	0
Intergovernmental	455,917	99,175	0	0	7,265
Other Taxes	0	0	0	0	0
Impact Fees	0	0	0	0	0
Licenses And Permits	0	0	0	0	0
Service Charges And Miscellaneous	2,275	0	119,203	2,579	20,282
Total Revenues	<u>459,559</u>	<u>101,498</u>	<u>119,203</u>	<u>2,579</u>	<u>27,547</u>
Expenditures					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	16,537
Public Works	705,222	20,573	0	0	0
Community Development	0	0	0	1,376	0
Culture And Leisure	0	0	108,204	0	0
Capital Outlay	61,762	424,392	0	0	0
Total Expenditures	<u>766,984</u>	<u>444,965</u>	<u>108,204</u>	<u>1,376</u>	<u>16,537</u>
Excess(Deficiency) Of Revenues Over Expenditures	(307,425)	(343,467)	10,999	1,203	11,010
Other Financing Sources (Uses)					
Operating Transfers In	186,510	0	0	0	0
Operating Transfers Out	(29,643)	(84,785)	0	0	0
Total Other Financing Sources (Uses)	<u>156,867</u>	<u>(84,785)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	(150,558)	(428,252)	10,999	1,203	11,010
Fund Balance - Beginning	<u>198,740</u>	<u>714,516</u>	<u>5,230</u>	<u>1,011</u>	<u>50,162</u>
Fund Balance - Ending	<u><u>48,182</u></u>	<u><u>286,264</u></u>	<u><u>16,229</u></u>	<u><u>2,214</u></u>	<u><u>61,172</u></u>

Special Revenue

Weed And Rubbish Abatement Fund	Self- Insurance Reserve Fund	Lighting And Land- scaping Fund	Neighbor- Hood Improvement Fund	Public Safety Aug- mentation Fund	Off-Street Parking Fund	Riverfest Fund	Non-Major Special Revenue Total
345	824	2,443	0	0	321	0	7,623
0	0	0	15,472	85,296	5,180	0	668,305
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,525	426,432	313,493	2,877	0	0	0	888,666
1,870	427,256	315,936	18,349	85,296	5,501	0	1,564,594
0	619,188	0	0	0	0	0	619,188
0	0	0	88,294	0	0	0	104,831
900	0	0	0	0	0	0	726,695
0	0	421,105	0	0	0	0	422,481
0	0	0	0	0	0	25	108,229
0	15,000	34,780	0	0	0	0	535,934
900	634,188	455,885	88,294	0	0	25	2,517,358
970	(206,932)	(139,949)	(69,945)	85,296	5,501	(25)	(952,764)
0	0	1,826	69,257	0	0	0	257,593
0	0	(64,943)	0	(95,095)	0	0	(274,466)
0	0	(63,117)	69,257	(95,095)	0	0	(16,873)
970	(206,932)	(203,066)	(688)	(9,799)	5,501	(25)	(969,637)
49,049	338,787	492,802	(3,324)	9,799	43,021	3,728	1,903,521
50,019	131,855	289,736	(4,012)	(0)	48,522	3,703	933,884

**CITY OF RIVERBANK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2016**

Capital Projects

	Facility Improvement Fund	Park Fund	Railroad Crossing Fund	CFD 2016-1 Fund
Revenues				
Investment Earnings	0	20	0	0
Intergovernmental	0	0	0	0
Other Taxes	0	0	0	0
Impact Fees	0	0	0	0
Licenses And Permits	0	0	0	0
Service Charges And Miscellaneous	7,700	0	0	25,108
Total Revenues	7,700	20	0	25,108
Expenditures				
General Government	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	0	0	0
Community Development	0	0	0	5,036
Culture And Leisure	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	0	0	0	5,036
Excess(Deficiency) Of Revenues Over Expenditures	7,700	20	0	20,072
Other Financing Sources (Uses)				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balances	7,700	20	0	20,072
Fund Balance - Beginning	4,780	108,439	399	0
Fund Balance - Ending	12,480	108,459	399	20,072

Capital Projects

Crossroads Devel- opment Fund	Special Projects Fund	Storm Drain Fund	Non-Major Capital Projects Total	Totals	
				2017	2016
2,788	319	11	3,138	10,761	40,798
0	0	0	0	668,305	700,977
0	0	0	0	0	0
0	10,904	43,877	54,781	54,781	44,344
0	0	0	0	0	0
0	0	0	32,808	921,474	1,053,415
<u>2,788</u>	<u>11,223</u>	<u>43,888</u>	<u>90,727</u>	<u>1,655,321</u>	<u>1,839,534</u>
0	0	0	0	619,188	440,348
0	0	0	0	104,831	106,689
6	0	48,238	48,244	774,939	820,894
0	0	0	5,036	427,517	344,949
0	0	0	0	108,229	110,162
8,010	0	0	8,010	543,944	66,592
<u>8,016</u>	<u>0</u>	<u>48,238</u>	<u>61,290</u>	<u>2,578,648</u>	<u>1,889,634</u>
(5,228)	11,223	(4,350)	29,437	(923,327)	(50,100)
0	0	0	0	257,593	220,739
0	(117,544)	(26,988)	(144,532)	(418,998)	(370,873)
0	(117,544)	(26,988)	(144,532)	(161,405)	(150,134)
(5,228)	(106,321)	(31,338)	(115,095)	(1,084,732)	(200,234)
<u>1,440,830</u>	<u>119,212</u>	<u>232,221</u>	<u>1,905,881</u>	<u>3,809,402</u>	<u>4,009,635</u>
<u>1,435,602</u>	<u>12,891</u>	<u>200,883</u>	<u>1,790,786</u>	<u>2,724,670</u>	<u>3,809,401</u>

OTHER REPORTS

CITY OF RIVERBANK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

FEDERAL GRANTOR/PASS- THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Transportation			
Passed Through State of California:			
CML-5255(037)	20.507	CML-5255	409,668
STPL-5255(050)	20.507	STPL-5255	<u>0</u>
Total U.S. Department of Transportation			<u>409,668</u>
U.S. Department of Justice			
Local Law Enforcement Block Grant	16.710	N/A	<u>129,324</u>
Total U.S. Department of Justice			<u>129,324</u>
U.S. Department of Defense			
Passed Through Office of Economic Adjustment			
OEA	12.607	CL0610-11-03	<u>381,620</u>
Total U.S. Department of Defense			<u>381,620</u>
U.S. Department of Army			
U.S. Army Engineering And Support Center			
	12.599	N/A	<u>15,681,558</u>
U.S. Department of Housing And Urban Development			
Passed Through State of California:			
	14.228	13-CDBG-8959	<u>115,165</u>
Total Expenditures of Federal Awards			<u><u>16,717,335</u></u>

**CITY OF RIVERBANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

SUMMARY OF AUDITOR'S RESULTS

1. Type of report issued on the financial statements – Unmodified
2. Significant deficiencies in internal control disclosed by the audit of the financial statements and any such conditions that are material weaknesses– None
3. Disclosure of any noncompliance which are material to the financial statements - None
4. Disclosure of any significant deficiencies in internal control over major programs and any such conditions that are material weaknesses – None
5. Type of report issued on compliance for major programs – Unmodified
6. Audit findings relative to the major federal programs – None
7. Major programs are as follows: U.S. Department of Army CFDA number 12.599.
8. Expenses in excess of \$300,000 was used as the threshold to distinguish between Type A and Type B programs
9. The City of Riverbank was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

Findings relating to financial statements which are required to be reported – None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS

Findings relating to major federal award programs which are required to be reported – None

PRIOR YEAR'S FINDINGS - None

**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***

To The City Council
City of Riverbank
State of California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Riverbank, State of California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Riverbank, State of California's basic financial statements and have issued our report thereon dated June 16, 2020

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Riverbank, State of California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Clendenin Bird & Company, PC
CLENDENIN BIRD & COMPANY, PC

Modesto, California
June 16, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To The City Council
City of Riverbank
State of California

Report on Compliance for Each Major Federal Program

We have audited City of Riverbank, State of California's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Riverbank, State of California's major federal programs for the year ended June 30, 2017. City of Riverbank, State of California's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on each of City of Riverbank, State of California's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Riverbank, State of California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Riverbank, State of California's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Riverbank, State of California, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of City of Riverbank, State of California, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit, we considered City of Riverbank, State of California's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Riverbank, State of California's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Clendenin Bird & Company, PC

CLENDENIN, BIRD & COMPANY, PC

Modesto, California

June 16, 2020



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Cathy L. Gatewood, EA

Constance Hillas Bird, CPA (Inactive)
Gerald L. Clendenin, CPA (Inactive)

**REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
BASED ON AN EXAMINATION OF GENERAL-PURPOSE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH THE
CALIFORNIA TRANSPORTATION DEVELOPMENT ACT**

To The City Council
City of Riverbank
State of California

We have audited the general-purpose financial statements of the City of Riverbank, State of California for the year ended June 30, 2017, and have issued our report thereon dated June 16, 2020. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the California Administrative Code Section 6664 of the Transportation Development Act and the allocation instructions of the Stanislaus Area Association of Governments, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the City of Riverbank is responsible for the City's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the City's compliance with laws and regulations, noncompliance with which could have a material effect on the general-purpose financial statements of the City.

In our opinion the City of Riverbank Transportation Development Act funds were accounted for in conformance with the applicable laws, rules and regulations of the Transportation Development Act and the allocation instructions of the Stanislaus Council of Governments.

Clendenin Bird & Company, PC

CLENDENIN BIRD & COMPANY, PC

Modesto, California
June 16, 2020

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 10.1

SECTION 10: PUBLIC HEARING

Meeting Date: April 13, 2021

Subject: Development Agreement Amendment 06-2020 for E&J Distributors, LLC DBA Canna+Rise and Terminal Infusion.

The First Reading by Title Only and Introduction of a Proposed **Ordinance** Approving a Development Agreement Amendment by and between the City Of Riverbank and E & J Distributors LLC. Currently Doing Business as Canna+Rise to Add a Second Cannabis Business a California Limited Liability Corporation Doing Business as Terminal Infusion

From: Sean Scully, City Manager

Submitted by: Donna M. Kenney, Planning and Building Manager

RECOMMENDATION

It is recommended that the City Council conduct the public hearing for the first reading and introduction of the proposed ordinance and consider its approval, which initiates the second reading at the regular City Council meeting of April 27, 2021, or soon thereafter to consider its adoption.

SUMMARY

E&J Distributors LLC ("The Applicant") has a Development Agreement (Attachment 2) and Conditional Use Permit to operate Canna+Rise, a cannabis distribution facility located at 5729 Terminal Avenue. The Applicant proposes to add a second suite with a second business, Terminal Infusion to the current Canna+Rise location. The request is to approve an amendment to add Terminal Infusion to the Canna+Rise development agreement, modify the public benefit section, and begin a new term of the document to accommodate both businesses.

The Planning Commission at their regular meeting of March 16, 2021 with a vote of 5-0, recommended that the City Council approve Development Agreement Amendment 06-2020 with Resolution 2021-006 (Attachment 3). They also approved with a vote of 5-0, Conditional Use Permit 03-2021 with Resolution 2021-007 (Attachment 4) to condition Suite 2, the Terminal Infusion location.

BACKGROUND

Starting in 1996, citizens of the State of California approved Proposition 215, the Compassionate Use Act (“CUA”). The CUA was approved to allow Californians with a serious illness to legally possess, use, and cultivate cannabis for medical use under state law. In addition, in 2003, the legislature of California adopted Senate Bill 420 which entitled the Medical Cannabis program. This program authorized qualified patients and their primary caregivers to cultivate and use cannabis for medical purposes without being subject to criminal prosecution under the state penal code.

On October 9, 2015 Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”). This Act established a statewide regulatory and licensing structure for the cultivation, processing, transporting, testing, and distribution of medical cannabis to qualified patients and their primary caregivers. On November 8, 2016, the citizens of California approved Proposition 64 (Adult Use of Cannabis). In accordance with Proposition 64 recreational use of cannabis is now legal throughout the state, but reserved the right to police commercial cannabis activity to each local jurisdiction.

Lastly, on August 8, 2017 and August 22, 2017, the Riverbank City Council adopted Ordinance No. 2017-007, which provides a regulatory structure for commercial cannabis activities in the City of Riverbank ONLY in the General Commercial (C-2), Commercial – Industrial (CM), Cannery District, Highway Boulevard (HB), Downtown General (DG), Downtown Core (DC), **Light industrial (M-1)**, and Research and Development (R&D) zoning districts. In addition, this ordinance bans all commercial cannabis activities within 600 feet from a school, commercial day care facility, or youth center. As a part of the regulatory structure established by Ordinance No. 2017-007, an applicant seeking to establish a commercial cannabis business must apply for a Development Agreement and a Conditional Use Permit. These entitlements lock-in fees for the applicant, set performance standards with the city, and establish a timeline.

The project area is located along Terminal Avenue, at City Limit and north of county industrial parcels, east of the BNSF railroad tracks, south of industrial businesses and nonconforming residences, and west of a residential subdivision and ranchettes. The project site is a 6,000 square foot building, located on an approximately one (1) acre parcel. The building has an existing covered concrete pad behind a fence on which the Applicant proposes to locate Suite 2, two (2) specially constructed, reinforced steel shipping containers. Canna+Rise currently uses several shipping containers within their building for secure storage.

The project site has an existing general plan land use designation of Industrial/ Business Park (I/BP) and is zoned Light Industrial (M-1). Pursuant to Riverbank Municipal Code Chapter §120, the zoning is appropriate for a proposed cannabis infusion use (Type-N License). A Type-N license allows the infusion of cannabis extract into edibles and liquids

using a machine similar to a soda fountain. It would not allow Terminal Infusion to conduct extraction from bulk cannabis flower.

ANALYSIS

E&J Distributors LLC is proposing to establish a cannabis infusion business to be located in new a Suite 2 at 5729 Terminal Avenue. The proposed project site is zoned Light Industrial (M-1), and therefore is in conformance with Ordinance No. 2017-007, listed above. The proposed project site is not within 600 feet of any school, commercial day care facility, or youth center and has been operating as a cannabis distribution facility since mid-2019.

Canna+Rise:

The Applicant currently operates Canna+Rise in an existing 6,000 square foot building on an approximately one (1) acre site at 5729 Terminal Avenue. Business is conducted from 8am – 4pm, seven days a week. There is no storefront, no signage, and the public is not permitted on site. The business features a fenced shipping and receiving area, security office, manager and employee offices, and several storage areas, including a mezzanine. According to Chief Ridenour, there have been no neighbor complaints at all at this location – no loitering, no noise, no odor, no parking complaints.

The site features enhanced security to ensure safety in and around the site. A 24-hour security system was installed with security guards on-site during regular business hours. High-definition cameras are located around the exterior of the project site. These cameras are monitored 24-hours a day and cover all of the project site. Interior security features more cameras, automatic locking doors, and interior fencing to restrict access.

Development Agreement 01-2019 – Pursuant to Riverbank Ordinance No. 2017-007 (Riverbank Municipal Code Section §120), the Applicant negotiated with the Riverbank City Council to obtain a Development Agreement for Canna+Rise that includes a three (3) year term and a monthly public benefit payment made quarterly.

Conditional Use Permit 02-2019 – Also pursuant to Riverbank Ordinance No. 2017-007, the Applicant requested and was approved for a Conditional Use Permit to allow for cannabis distribution (wholesale to wholesale) for Canna+Rise.

Terminal Infusion:

E&J seeks an amendment (Attachment 1) to their development agreement with the City for the purpose of operating a cannabis infusion facility with a Type-N License in proposed Suite 2. A Type-N License through the State of California is for “manufacturers that produce edible products or topical products using infusion processes, or other types of cannabis products other than extracts or concentrates, but that do not conduct extractions. A Type-N licensee may also package and label cannabis products on the licensed premises.”

Terminal Infusion proposes to operate the cannabis infusion facility at that certain real property located at 5729 Terminal Avenue, proposed Suite 2 in the City of Riverbank, Assessor's Parcel Number 075-020-016. E&J has an agreement to lease the property and the property owner is aware of and agrees to the project operating on the site. To accommodate the addition of Terminal Infusion, the applicant would like to extend the term of the existing Development Agreement for three (3) years to 2024.

The applicant currently processes bulk cannabis and distributes packaged cannabis products from their Canna+Rise business in Suite 1 at the site. There are no storefront sales permitted at this location. The Terminal Infusion materials will arrive and products will leave at the rear (railroad tracks side) of the facility in secure sprinter vans as is the current practice with Canna+Rise. The public driving by will only see employee vehicles in the parking lot of an existing industrial building that is without business signage. Approval of this project will create three (3) new jobs. The applicant is currently in negotiations with the landlord to increase parking on-site. If negotiations are not successful, additional parking can be provided for employees within the security fence and behind the building.

Development Agreement 06-2020 - Pursuant to Riverbank Ordinance No. 2017-007 (Riverbank Municipal Code Section §120), the Applicant is negotiating with the Riverbank City Council to obtain a Development Agreement amendment (to DA 01-2019) for Terminal Infusion that includes a three (3) year term and a monthly public benefit payment made quarterly.

The proposed amendment to the existing development agreement is summarized below:

- The term of the agreement is three (3) years and applies to both Canna+Rise (Suite 1) and Terminal Infusion (Suite 2). The term within Canna+Rise's previous DA is no longer relevant and the amendment will begin a new 3-year term for both Canna+Rise and terminal infusion with amended/new specifics within the development agreement.
- Terminal Infusion proposes the operation of a cannabis infusion facility (no extraction on site) for drinks and edibles.
- The project would provide E&J Distributors, LLC with substantial private benefits that will place burdens upon City infrastructure, services, and neighborhoods. E&J Distributors, LLC seeks to offset these impacts through a monthly payment classified as a "Public Benefit" amount. The Public Benefit is designed and intended to offset or mitigate any potential impacts of the project on the community.
- E&J Distributors, LLC will pay to the City a Public Benefit of:
 - o Distribution of Third-Party Products - \$8,000 or two and a half percent (2.5%) of gross receipts (per month to be paid quarterly from operations every quarter), whichever is greater, due within 30 days from the end of the quarter;
 - o Distribution of Terminal Infusion Products – No Public Benefit Fee; and

- o Manufacturing (infusion) - \$7,000 or three percent (3%) of gross receipts from operations, whichever is greater, (per month to be paid quarterly from operations every quarter), due within 30 days from the end of the quarter.

As shown above, there is no payment required for the distribution of products manufactured by Terminal Infusion. To do so would, in effect, cause the business to pay twice on the same product. The negotiated public benefit amounts are reflective of market adjustments to cannabis tax at a statewide level as well as recent similar public benefit negotiations for other similar cannabis uses within Riverbank (distribution and manufacturing operations).

In accordance with Government Code section 65864 *et seq*, the City Council must find that the Development Agreement amendment:

- v Is consistent with the objectives, policies, general land uses, and programs specified in the Riverbank General Plan and any applicable specific plan. *The Project has been found to be consistent with the General Plan policies listed below:*
 - § *Policy LAND-4.2: The City will encourage the revitalization of existing commercial areas through flexible development standards, public investment, property assemblage, incentives, streamlined entitlement processes, catalyst projects, public-private partnerships, and other means.*
 - § *Policy ED-7.3: The City will pursue locally-oriented commercial uses that are currently underserved in Riverbank, and expand upon the existing base of local-serving retail and service establishments as population increases create additional market demand.*
- v Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole. *A security plan is in place for Canna+Rise, which will ensure that Terminal Infusion's activities will not be detrimental to the health, safety, and general welfare of residents within the neighborhood and within the City. Security is provided 24 hours per day and seven days per week. Similar to "Ring", security personnel are able to keep the site locked and use their cameras and speakers to address any people outside the building after hours. Additionally, all transfers of products to and from the sprinter vans will occur within secured areas inside the building and under the supervision of guards.*
- v Will not adversely affect the orderly development of property or the preservation of property values. *Since Terminal Infusion is creating a suite within existing building space in an existing neighborhood of industrial structures, the project is not anticipated to adversely affect the orderly development of the property or the preservation of property values.*

- v Is consistent with the provisions of Government Code sections 65864 through 65869.5. *The project is consistent with the provisions of Government Code sections 65864 through 65869.5 in that a Development Agreement will provide assurance to the applicant that upon approval of the project, the applicant may proceed with the project under existing codes and policies and that the project is not located in an area with a local coastal program.*

- v Contains a legal description of the property. *The Canna+Rise Development Agreement contains Exhibit A, a legal description of the property.*

Conditional Use Permit 03-2020 – A Conditional Use Permit must be obtained pursuant to the Development Agreement. Resolution No. 2021-007 contains conditions with which the Terminal Infusion site (Exhibit A to Attachment 4) must comply. Besides compliance with all regulations and code requirements of both the City and the State, conditions include the hours of construction for proposed Suite 2, exterior lighting conditions, and a hold harmless section. No advertising signage is requested by the applicants or expected by the City.

STRATEGIC GOALS

The City of Riverbank Strategic Planning Session is a plan and set of goals that Riverbank will work towards for the next three (3) years. The completion of development agreements for cannabis activities is a specific objective. It is consistent with the established General Plan goal to Achieve and Maintain Financial Stability and Sustainability as part of the City's Vision "To be recognized as a premier community where individuals, families and businesses thrive in a safe and beautiful environment."

PLANNING COMMISSION

On March 16, 2021, the Planning Commission held a duly noticed public hearing by Zoom to consider the proposed Project. Five (5) Planning Commissioners and one (1) Alternate Commissioner were present at this meeting, including Chair Stewart, Commissioner Link, Commissioner Fenrich, Commissioner Basso, and Alternate Commissioner Reuben. The Planning Commission with a vote of 5-0, recommended that the City Council approve Development Agreement Amendment 06-2020. They also approved with a vote of 5-0, Conditional Use Permit 03-2021 to condition Suite 2, the Terminal Infusion location.

ENVIRONMENTAL DETERMINATION

This Development Agreement and Conditional Use Permit were reviewed pursuant to the California Environmental Quality Act (CEQA). Per Section 15061 (b-3), the proposed project is not subject to CEQA as CEQA only applies to projects which have the potential for causing a significant effect on the environment.

FISCAL IMPACT

The project would provide E&J Distributors, LLC with substantial private benefits that will place burdens upon City infrastructure, services, and neighborhoods. E&J Distributors, LLC seeks to offset these impacts through a monthly payment classified as a “Public Benefit” amount. The Public Benefit is designed and intended to offset or mitigate any potential impacts of the project on the community. The previous agreement currently in place for the current distribution only business remits approximately \$15,000 monthly (as a base minimum) or 5% of gross receipts whatever is greater. The updated agreement reduces the minimum and percentage payment on distribution but adds in a separate manufacturing minimum (or percentage whichever is greater). The net difference is neutral between the two uses but the potential upside for manufacturing revenues is much greater than the current distribution only business. Based on projections from the operator relating the manufacturing revenues, it is anticipated the City could receive more than twice the current public benefit fees from the distribution only business. If the operation is more highly successful the business has the potential to generate public benefit payments excess of \$300,000-\$500,000 (dependent largely on manufacturing volume) per year. At base minimum public benefit payments, the business would generate approximately \$180,000 per year.

STRATEGIC GOALS

The City of Riverbank Strategic Planning Session is a plan and set of goals that Riverbank will work towards for the next three (3) years. The completion of development agreements for cannabis activities is a specific objective. It is consistent with the established General Plan goal to Achieve and Maintain Financial Stability and Sustainability as part of the City’s Vision “To be recognized as a premier community where individuals, families and businesses thrive in a safe and beautiful environment.”

PUBLIC NOTICE

On March 31, 2021, pursuant to Government Code sections 65867, 65090, and 65091, the City mailed notice of the hearing to properties within 300 feet of the project location. On March 31, 2021, the City published notice of the hearing in the Riverbank News and posted notice at City Hall North and at the Riverbank Community Center.

RECOMMENDATION

The Planning Commission recommends approval of the Development Agreement amendment based upon the following findings:

1. The proposed project is consistent with the Riverbank Municipal Code.
2. The proposed project is exempt from CEQA as CEQA only applies to projects that have the potential to harm the environment, and,
3. The proposed project is consistent with the 2005-2025 General Plan.

ATTACHMENTS

1. Draft Ordinance 2021-XXX to adopt the Development Agreement Amendment
2. Copy of Development Agreement 01-2019 (Canna+Rise, Exhibits A-G excluded)
3. Planning Commission Resolution 2021-006 (DA recommendation)
4. Planning Commission Resolution 2021-007 (CUP approval)
Exhibit A – Site Map and Floor Plan

CITY OF RIVERBANK

ORDINANCE NO. 2021-XXX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT AMENDMENT BY
AND BETWEEN THE CITY OF RIVERBANK AND E & J DISTRIBUTORS LLC.
(CURRENTLY DOING BUSINESS AS CANNA+RISE TO ADD A SECOND
CANNABIS BUSINESS A CALIFORNIA LIMITED LIABILITY CORPORATION DOING
BUSINESS AS TERMINAL INFUSION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.*, which authorizes the City of Riverbank ("City") and an individual with an interest in real property to enter a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Resolution No. 99-39 authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Resolution No. 99-39 requires a written application with specified data to be submitted to the City for consideration of any development agreement; and

WHEREAS, E & J Distributors LLC., a California limited liability corporation doing business as Terminal Infusion (“Terminal Infusion”) submitted an application to the City for consideration of a development agreement amendment to operate a cannabis infusion facility (the “Project”); and

WHEREAS, Terminal Infusion proposes to improve, develop, and use real property for the Project, in strict accordance with applicable state and local law, including, but not limited to, the Riverbank Municipal Code; and

WHEREAS, Terminal Infusion has a lease agreement to occupy that certain real property located at 5729 Terminal Avenue proposed Suite 2 in the City of Riverbank, Assessor’s Parcel Number 075-020-016 on which Terminal Infusion intends to develop the Project; and

WHEREAS, City and Terminal Infusion seek to enter a development agreement for the Project (the “Development Agreement”) pursuant to Government Code section 65864 *et seq.* and all applicable local and state laws; and

WHEREAS, environmental impacts for the Project have been reviewed and assessed by the City pursuant to the California Environmental Quality Act (“CEQA”) (Public Resources Code section 21000 *et seq.*; California Code of Regulations Title 14, section 15000 *et seq.*), and the City determined the Project site is categorically exempt from CEQA pursuant to Section 15301 of Title 14 of the California Code of Regulations applicable to existing facilities involving no expansion of the facility; and

WHEREAS, the Planning Commission held a duly noticed public hearing on March 16, 2021, to consider the Development Agreement amendment and by a vote of 5-0 recommended approval of the Development Agreement Amendment 06-2020 to the Council, and voted 5-0 to approve the Conditional Use Permit 03-2020, 5729 Terminal Avenue, Suite 2 (APN: 075-020-016); and

WHEREAS, on April 13, 2021, and on _____ the City Council held a duly noticed public hearings to consider the this ordinance for the Development Agreement amendment; and

WHEREAS, the existing Canna+Rise Development Agreement adopted by Ordinance 2019-005, effective 06/28/2019, was approved with a five-year term ending 06/28/2024; and

WHEREAS, the amendments to the existing development agreement is summarized as follows:

- The term of the agreement is for three (3) years and applies to both Canna+Rise (Suite 1) and Terminal Infusion (Suite 2). The term within Canna+Rise's previous DA is no longer relevant and the amendment will begin a new 3-year term for both Canna+Rise and terminal infusion with amended/new specifics within the development agreement.
- Terminal Infusion proposes the operation of a cannabis infusion facility (no extraction on site) for soft drinks and edibles.
- Terminal Infusion will pay to the City a Public Benefit of:
 - Distribution of Third-Party Products - \$8,000 or two and a half percent (2.5%) of gross receipts (per month to be paid quarterly from operations every quarter), whichever is greater, due within 30 days from the end of the quarter;
 - Distribution of Terminal Infusion Products – No Public Benefit Fee; and
 - Manufacturing (infusion) - \$7,000 or three percent (3%) of gross receipts from operations, whichever is higher, (per month to be paid quarterly from operations every quarter), whichever is greater, due within 30 days from the end of the quarter.

WHEREAS, the City Council of the City, based on its independent review and analysis of staff's recommendations, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and public hearing, and based on its independent judgment, that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City of Riverbank General Plan and all other applicable standards and ordinances of the City of Riverbank.
2. In accordance with Government Code Section 65864 *et seq*, the City Council finds that the Development Agreement:
 - a. Is consistent with the objectives, policies, general land uses, and programs specified in the Riverbank General Plan and any applicable specific plan; and
 - b. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and

- c. Will not adversely affect the orderly development of property or the preservation of property values; and
- d. Is consistent with the provisions of Government Code sections 65864 through 65869.5; and
- e. Contains a legal description of the property.

NOW, THEREFORE, THE CITY OF RIVERBANK CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council of the City of Riverbank approves a Development Agreement amendment by and between E & J Distributors LLC., a California limited liability corporation doing business as Terminal Infusion, and the City of Riverbank for the development of the Project, and will be executed by the Mayor upon any final technical revisions as required and approved by the City Attorney.

SECTION 2. The City shall review the Development Agreement for compliance with its terms and conditions not less than once every twelve (12) months from the effective date of the Development Agreement; or as otherwise required pursuant to the terms of the Development Agreement.

SECTION 3. Notice of the public hearing on the proposed Development Agreement amendment was published in the Riverbank News, a newspaper of general circulation on March 31, 2021, and a notice of the public hearing on the proposed Development Agreement amendment were mailed on March 31, 2021, to all interested parties and property owners within 300 feet of the property, according to the most recent Assessor's roll.

SECTION 4. Environmental impacts for the Project have been reviewed and assessed by the City pursuant to CEQA (Public Resources Code section 21000 *et seq.*; California Code of Regulations Title 14, section 15000 *et seq.*). The Project site is categorically exempt from CEQA pursuant to Section 15301 of Title 14 of the California Code of Regulations applicable to existing facilities involving no expansion of the facility.

SECTION 5. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, phrase or portion of this chapter, or any part thereof is for any reason held to be unconstitutional, by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause

or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

SECTION 6: This Ordinance shall become effective thirty (30) days from and after its final passage (____), provided it is published pursuant to GC § 36933 in a newspaper of general circulation within fifteen (15) days after its adoption.

The foregoing ordinance was given its first reading by title only and introduced at a regular meeting of the City Council of the City of Riverbank on 04/13/2021. Said ordinance was given a second reading by title only and adopted.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Riverbank at a regular meeting on the ____ day of, ____ 2021; motioned by Councilmember _____, seconded by Councilmember _____; moved said ordinance by a City Council _____ vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

APPROVED AS TO FORM:

Tom P. Hallinan, City Attorney

REC'T # 0004288155

June 26, 2019 08:02:57

Stanislaus, County Recorder
Donna Linder Co Recorder Office

Official #19-0041489-00

RECD BY
Free Issue

Total fee \$0.00
Amount Tendered... \$0.00

Change \$0.00
RAB/R2/1/46



Stanislaus, County Recorder
Donna Linder Co Recorder Office

DOC- 2019-0041489-00

Wednesday, JUN 26, 2019 08:02:57

Ttl Pd \$0.00 Rcpt # 0004288155
RAB/R2/1-46

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this 14th day of May, 2019, by and between the **CITY OF RIVERBANK**, a California municipal corporation ("City") and **E & J DISTRIBUTORS LLC.**, a California limited liability company doing business as **CANNA+RISE** ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

- A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.
- B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older, and to tax the growth and retail sale of cannabis for nonmedical use.
- C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

46P

- D. Developer proposes to improve, develop, and use real property to operate a Cannabis distribution business, in strict accordance with California Cannabis Laws, and the Municipal Code of the City of Riverbank, as each may be amended from time to time (the "Project").
- E. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.* (the "Development Agreement Statute"), which authorizes City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.
- F. Consistent with the requirements of the Development Agreement Statute, City has adopted Resolution No. 99-39 ("City Development Agreement Resolution") authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City.
- G. The City Development Agreement Resolution requires a written application with specified data to be submitted to the City for consideration of any development agreement.
- H. Developer submitted an application to the City for consideration of a development agreement for the Project.
- I. Developer leases that certain real property located at 5729 Terminal Avenue in the City of Riverbank, County of Stanislaus, State of California, Assessor's Parcel Number 075-020-016, of which Developer intends to improve approximately six thousand (6,000) square feet of space (the "Site"), more particularly described in the legal description attached hereto as **Exhibit A** and the Site Map attached hereto as **Exhibit B**.
- J. Government Code section 65865 requires that an applicant for a development agreement hold a legal or equitable interest in the real property that is the subject of the development agreement.
- K. Developer has leased the Site for the purpose of operating the Project. A copy of the lease is attached hereto as **Exhibit C**, within satisfaction of the requirement of Riverbank Municipal Code Chapter 120. The legal owner of the Site is aware of, and agrees to, the operation of the Project upon the Site.
- L. On November 20, 2017, the Riverbank Planning Commission ("Planning Commission") adopted Resolution No. 2017-025 recommending the Riverbank City Council ("City Council") adopt an ordinance establishing zoning limitations and requirements for all cannabis businesses.

- M. On December 12, 2017, the City Council adopted Ordinance No. 2017-007 to revise Riverbank Municipal Code 120 to establish a Cannabis Business Pilot Program to regulate all cannabis businesses within the City.
- N. Government Code section 65867.5 and the City Development Agreement Resolution requires the Planning Commission hold a public hearing to review an application for a development agreement.
- O. On April 16, 2019, the Planning Commission, in a duly noticed and conducted public hearing, considered Developer's application for this Agreement.
- P. On April 16, 2019, the Planning Commission recommended the City Council adopt Ordinance No. 2019-005, which would allow Developer to operate the Project at the Site.
- Q. On May 28, 2019, pursuant to Government Code section 65867.5 and the City Development Agreement Resolution, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 2019-005.
- R. This Agreement is entered into pursuant to the Development Agreement Statute and the City Development Agreement Resolution.
- S. City and Developer desire to enter into this Agreement to (i) facilitate the orderly development of the Site; (ii) create a physical environment that is consistent with and complements City's goals and visions; (iii) protect natural resources from adverse impacts; (iv) improve, upgrade, and create additional community facilities and infrastructure, enhance services, and assist in implementing the goals of the General Plan; and (vi) reduce the economic risk of development of the Site to both City and Developer.
- T. The Parties intend through this Agreement to allow Developer to develop and operate the Project in accordance with the terms of this Agreement.
- U. The City Council has determined that this Agreement is consistent with City's General Plan and have conducted all necessary proceedings in accordance with Riverbank Municipal Code for the approval of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1 GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety, and general welfare and is consistent with City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached to and incorporated into this Agreement:

<u>Designation</u>	<u>Description</u>
Exhibit A	Legal Description
Exhibit B	Site Map
Exhibit C	Site Lease
Exhibit D	Notice of Non-performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

- (a) "Additional Insureds" has the meaning set forth in Section 6.1.
- (b) "Additional Licenses" has the meaning set forth in Section 2.4.
- (c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age or over in California pursuant to the California Cannabis Laws.
- (d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
- (e) "Application" means the cannabis business application for a development agreement required by Riverbank Municipal Code Chapter 120 and Section 4 of the City Development Agreement Resolution.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the Riverbank Municipal Code.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA, the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11628.3, and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by Riverbank Municipal Code chapter 120.

(n) "Cannabis Dispensary" means a business that engages in Commercial Cannabis Activity related to the retail sale of cannabis pursuant to a Type 10 license.

(o) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(p) "City" means the City of Riverbank, a municipal corporation having general police powers.

(q) "City Council" means the City of Riverbank City Council, as described in Riverbank Municipal Code Section 10.05.

(r) "City Development Agreement Resolution" has the meaning set forth in Recital F.

(s) "City Manager" means the City Manager of the City of Riverbank, or his or her designee, as described in Riverbank Municipal Code Section 31.03.

(t) "Charged Party" has the meaning set forth in Section 8.1.

(u) "Charging Party" has the meaning set forth in Section 8.1.

(v) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(w) "Conditional Use Permit" means a conditional use permit issued by City pursuant to the Riverbank Municipal Code.

(x) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(y) "Developer" means E & J Distributors, LLC. doing business as Canna+Rise. Developer also has the meaning set forth in Section 6.1.

(z) "Development Agreement Statute" has the meaning set forth in Recital C.

(aa) "Exhibits" has the meaning set forth in Section 1.3.

(bb) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit;
5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(cc) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(dd) "Major Amendment" means an amendment that shall have a material effect on the terms of the Agreement. Major Amendments shall require approval by the City Council.

(ee) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(ff) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 *et seq.*, as may be amended from time to time.

(gg) "MCRSA" has the meaning set forth in Recital A.

(hh) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(ii) "Minor Amendment" means a clerical amendment to the Agreement that shall not materially affect the terms of the Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 2.4.

(jj) "Mortgage" has the meaning set forth in Article 7.

(kk) "Non-Performance Penalty" has the meaning set forth in Section 4.3.

(ll) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.3.

(mm) "Notice of Termination" has the meaning set forth in Section 9.1.

(nn) "Planning Commission" means the City of Riverbank Planning Commission as established by Riverbank Municipal Code section 32.35.

(oo) "Processing Costs" has the meaning set forth in Section 1.11.

(pp) "Project" has the meaning set forth in Recital D.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "Site" has the meaning set forth in Recital G.

(uu) "State Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a state cannabis license, or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(vv) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authorities pursuant to the California Cannabis Laws.

(ww) "State Taxing Authority" has the meaning set forth in Section 4.2.

(xx) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(yy) "Term" has the meaning set forth in Section 1.7.

(zz) "Type 11 license" or "Distribution" means a state license issued by the Bureau pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products (in this case, wholesale to wholesale).

Section 1.5. Project is a Private Undertaking. The Parties agree that the Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or the Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The "Term" of this Agreement is five (5) years from the Effective Date, unless terminated or extended earlier, as set forth in this Agreement.

(a) **Government Tolling or Termination.** City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply, if City is required, directed, or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying

any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer's Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Agreement, (c) Conditional Use Permit, and (d) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. Developer has deposited Ten Thousand Dollars (\$10,000) with City to pay for the Application, all actual fees and expenses incurred by City that are related to the preparation and processing of this Agreement, including recording fees, publishing fees, staff time, consultant and attorney fees and costs (collectively, "Processing Costs"), and the first installment of the Public Benefit. The Processing Costs are refundable solely to the extent of non-expended Processing Costs. Developer shall be entitled to a refund of available Processing Costs only after City determines all financial obligations associated with the Project have been received and paid by City.

(a) Apportionment of Processing Costs. If the amount deposited for purposes of Processing Costs is insufficient to cover all Processing Costs, Developer shall deposit with City such additional funds necessary to pay for all Processing Costs within thirty (30) calendar days. The failure to timely pay any such additional amounts requested by City shall be considered a material default of this Agreement and City may terminate this Agreement.

(b) Accounting. Developer may request, and City shall issue within a reasonable time, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2 DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 11	Distributor
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Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within six (6) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity on the Site. Developer shall also, within thirty (30) calendar days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of any license. If the Authorized License is not granted by the State of California, Developer shall immediately cease operations. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses").

Section 2.5. Conditional Use Permit. Prior to commencing operation of any Commercial Cannabis Activity on the Site, Developer shall obtain a Conditional Use Permit and any applicable Subsequent City Approvals. Developer shall be required to comply with all provisions of the Riverbank Municipal Code and any City rules and administrative guidelines associated with implementation of the Cannabis Business Pilot

Program. Nothing in this Agreement shall be construed as limiting the ability of City to amend the Riverbank Municipal Code or issue rules or administrative guidelines associated with implementation of the Cannabis Business Pilot Program or Developer's obligation to strictly comply with the same.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this section as part of the Cannabis Business Pilot Program. Developer shall comply with any and all administrative guidelines adopted by City that govern or pertain to the Project.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the Riverbank Municipal Code is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such Riverbank Municipal Code changes shall not be applied to the Site or Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the Riverbank Municipal Code. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the Riverbank Municipal Code, or mandate the adoption or amendment of local regulations, or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Pilot Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the Riverbank Municipal Code or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the development contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency, to select that option for addressing the situation which, in City's discretion, minimizes, so far as reasonably possible, the impact on development and use of the Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

ARTICLE 3

ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the Riverbank Municipal Code, and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without complying with, all of the requirements in this Agreement, the Riverbank Municipal Code, and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement, and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4

PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking, and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to

offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City as follows:

Effective Date	No Public Benefit Due.
First (1 st) Business Day of 1 st Month of the Second Quarter Following Issuance of the Conditional Use Permit.	\$6,000 or 4% of Gross Receipts per month, paid quarterly, whichever is greater (" <u>Tier 1 Amount</u> ").
First (1 st) Business Day of 1 st Month of the Quarter for months Thirteen (13) through Twenty-four (24) Following Issuance of the Conditional Use Permit.	\$10,000 or 5% of Gross Receipts per month, paid quarterly, whichever is greater (" <u>Tier 2 Amount</u> ").
1 st Business Day of the 1 st Month of the Quarter for Month Twenty-five (25) Following Issuance of the Conditional Use Permit Through the End of the Term.	\$15,000 or 5% of Gross Receipts per month, paid quarterly, whichever is greater (" <u>Tier 3 Amount</u> ").

(b) Collectively, these amounts shall be known as the "Public Benefit Amount".

(c) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a state cannabis licensing agency within forty-five (45) calendar days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly

compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fail to make any payment when due as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of one percent (1%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) calendar days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) calendar days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from City Tax. Notwithstanding Section 4.2, for the Term of this Agreement, Developer shall be exempt from any City tax, including a business license tax, on commercial cannabis businesses. Notwithstanding the foregoing, Developer and the Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, or County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement). In the event the Public Benefit Amount is invalidated for any reason, Developer shall be subject to any applicable tax on commercial cannabis businesses from the start date of such invalidation through the remaining Term of this Agreement.

ARTICLE 5 PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount to pay for the impact on and maintenance or improvement of City neighborhoods and the existing level of service of City infrastructure and services to accommodate for the Project.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing work on the Project, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) **General Liability Insurance.** Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars (\$2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) for each accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Project, and in the case any of the work is subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Project is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) for each accident shall be maintained.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire, or be materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) calendar days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Project, this Agreement, any applicable Conditional Use Permit, or Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E**.

Section 6.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Project, or any portion thereof, and a waiver of Developer's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waive all claims for damages against City for breach of this Agreement. Developer further acknowledge that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waive all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledge

that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waive all claims for damages against City in this regard.

ARTICLE 7 MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing.

ARTICLE 8 DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) calendar days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice, or if the breach cannot reasonably be cured within ten (10) calendar days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867, and 65868 within thirty (30) calendar days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) calendar days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure or if the breach cannot reasonably be cured within the period or the defaulting party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City nor will any permit be issued to Developer until the default is cured, or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Project's performance, at least seven (7) calendar days prior to such periodic review. Developer shall be entitled to appeal a determination of City or City Manager to the City Council. Any appeal must be filed within ten (10) calendar days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificates.

(a) City shall, with at least twenty (20) calendar days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full

force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site or the Project subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Project, and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to section 9.1(c) of this Agreement.

Section 8.6. Enforced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to Riverbank Municipal Chapter 99.

ARTICLE 9 TERMINATION

Section 9.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or

some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

ARTICLE 10 OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of Site, or Project, subject to or a part of this Agreement, to any person, firm, corporation, or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code Section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Project, as appropriate, runs with the Site, and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by

continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agree that Developer may not seek, and shall forever waive any right to, monetary damages against City, but excluding therefrom the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related in whole or in part to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing party or parties in such litigation. Developer shall pay all litigation fees to City, within thirty (30) days of receiving a written request and accounting of such fees and expenses, from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who after the Effective Date and recording of this Agreement owns or acquires any right, title, or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site, and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement.

In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Change in State Regulations. In no event shall Developer operate the Project in violation of the Agreement, or State Cannabis Regulations, as many be amended from time to time.

Section 10.11. Standard Terms and Conditions.

(a) **Venue.** Venue for all legal proceedings shall be in the Superior Court of California in and for the County of Stanislaus.

(b) **Waiver.** A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) **Completeness of Instrument.** This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) **Supersedes Prior Agreement.** It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site and the Project.

(e) **Captions.** The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) **Number and Gender.** In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) **Mandatory and Permissive.** "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

(n) Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

[SIGNATURES ON FOLLOWING PAGE]

DEVELOPMENT AGREEMENT
CITY OF RIVERBANK & E & J DISTRIBUTORS LLC, DBA CANNA+RISE
Page 26 of 28

Exhibit A

LEGAL DESCRIPTION

5729 Terminal Ave., Riverbank

Parcel 2 as per the Official Map filed October 20, 1989, in Book 42 of Parcel Maps.

APN: 075-020-016

Exhibit B

Site Plan

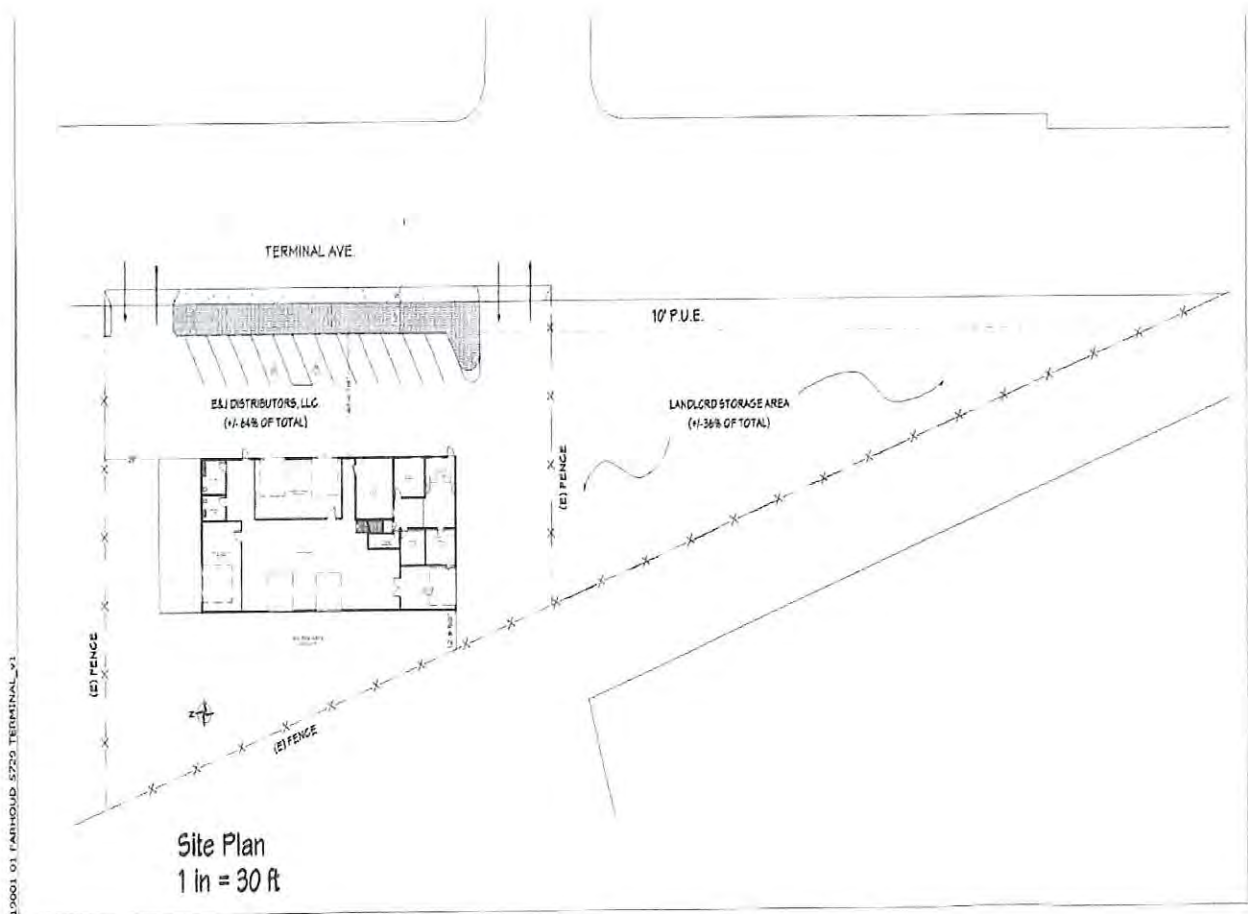


EXHIBIT C

COMMERCIAL LEASE AGREEMENT

THE PARTIES. This Lease Agreement agreed on March 15th 2019 is between:

The **Lessor** is 2 individual(s) known as Robert Barnett and Sherry Barnett with a mailing address of 2812 Esta Ave, Modesto, California, 95355, hereinafter referred to as the "Lessor".

AND

The **Lessee** is a business entity known as E&J Distributors, LLC dba Canna-Rise Distribution with a mailing address of the Property's Address, hereinafter referred to as the "Lessee".

The Lessor and Lessee hereby agree as follows:

DESCRIPTION OF LEASED PREMISES. The Lessor agrees to lease to the Lessee the following described 6000 square feet (SF) of warehouse space located at 5729 Terminal Ave, Riverbank, California, 95367.

Additional Description: Lease includes 6,000 square ft. building and immediate surrounding fenced yard only.

Hereinafter referred to as the "Premises".

USE OF LEASED PREMISES. The Lessor is leasing the Premises to the Lessee and the Lessee is hereby agreeing to lease the Premises for Storage, Repackaging and Distribution Of Legal Food And Medical Products As Allowed By Conditional Use Permit Issued By City Of Riverbank, California .

Any change in use or purpose of the Premises other than as described above shall be upon prior written consent of Lessor only otherwise the Lessee will be considered in default of this Lease Agreement.

EXCLUSIVE USE. The Lessee shall not hold exclusive rights on the Premises. The Lessor shall hold the rights to lease other areas of the Property to any same or like use as the Lessee.

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 20__

PARTIES: CITY OF RIVERBANK, a California municipal corporation
6707 3rd Street
Riverbank, California 95367

E & J DISTRIBUTORS LLC DBA CANNA+RISE, a California
limited liability corporation

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Riverbank, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California on _____, 2019, City recorded a development agreement between the City and E & J Distributors LLC. DBA Canna+Rise ("Developer"), dated May 14, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary.
- B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each quarter following the second quarter during the term of the Development Agreement.
- C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.
- D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of one percent (1%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals \$ _____. The Penalty owed by Developer equals \$ _____ ("Penalty Amount").
- E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

- F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then in addition to the Penalty Amount specified in subdivision (E), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (F). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals \$_____.
- G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF RIVERBANK,
a California municipal corporation

By: _____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ____ day of _____ 2019, ("Effective Date") by and between the City of Riverbank, a California municipal corporation ("City") and E & J Distributors LLC, DBA Canna+Rise ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. Riverbank Municipal Code ("R.M.C.") chapter 120 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

F. Applicant intends to improve, develop, and use real property to operate a cannabis dispensary business within the City (the “Project”) in strict compliance with MAUCRSA and R.M.C. chapter 120. Applicant must obtain certain land use entitlements including a Development Agreement and a conditional use permit (“Land Use Entitlements”) prior to initiating the Project.

G. Applicant has an agreement to purchase that certain real property located in the City of Riverbank, identified as Stanislaus County Assessor’s Parcel Number 075-020-016 (the “Property”), shown on **Exhibit A** attached hereto (“Property Description”).

H. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

I. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City’s processing of the Project.

J. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant’s Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, “City’s Agents”) from any and all liability arising out of a claim, action, or proceeding against the City, or City’s Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City’s Agents. Applicant’s duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City’s Agents.

Applicant’s obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public

Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to the City within thirty (30) days of written notification from the City ("Cost Deposit"), to cover the estimated fees and costs associated with the City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of Development of the real property upon which the Project is located (or any interest

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold harmless City. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, the City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

If to City: City of Riverbank
6707 3rd Street
Riverbank, California 95367
Attention: City Clerk

EXHIBIT E to DEVELOPMENT AGREEMENT
CITY OF RIVERBANK & E & J DISTRIBUTORS LLC. DBA CANNA+RISE
Page 4 of 8

and

Churchwell White, LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.
doug@churchwellwhite.com

If to Applicant:

E & J Distributors LLC, DBA Canna+Rise
4236 Geer Road
Hughson, CA 95326
Attention: Julian Farhoud

and

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the

power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement._

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement._

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of California, in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition._

Section 19. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

E & J Distributors LLC. DBA Canna+Rise, a
California limited liability corporation

By: _____

Name: _____

Its: _____

Date: _____

CITY

City of Riverbank, a California municipal
corporation

By: _____
City Manager

Date: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit F

Notice of Termination

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Riverbank
6707 3rd Street
Riverbank, CA 95367
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 20__

PARTIES: CITY OF RIVERBANK, a California municipal corporation
6707 3rd Street
Riverbank, California 95367

E & J DISTRIBUTORS LLC., DBA CANNA+RISE, a California limited liability
corporation

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Riverbank, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California on _____, 2019, City recorded a development agreement between the City and E & J Distributors LLC., DBA Canna+Rise ("Developer"), dated _____, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis distribution facility.
- B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires five (5) years from _____, 2019, on _____, 2024.

- C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ (day) of ____ (month), 20__, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF RIVERBANK,
a California municipal corporation

By: _____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Riverbank
6707 3rd Street
Riverbank, CA 95367
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20__, by and between E & J Distributors LLC., DBA Canna+Rise ("Developer") and _____ ("Assignee"). Developer may be referred to herein as ("Assignor").

RECITALS

A. On _____, 2019, Assignor and the City of Riverbank (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Riverbank, a California municipal corporation and E & J Distributors LLC., DBA Canna+Rise relating to the improvement, development, and use of real property to operate a cannabis distribution facility (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 075-020-016 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Riverbank (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to City Manager a written request for consent to assignment. City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements Section 10.1 of the Development Agreement for an Assignment and Assumption Agreement, and is executed with the consent of City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.
2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.
3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the “Developer” under the Development Agreement.
4. This Agreement shall take effect and be binding only upon City Manager’s consent to and approval of the Agreement.
5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and the City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that the City is not party to such other agreements.
6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the following page]

ASSIGNOR / DEVELOPER:

E & J Distributors LLC., DBA Canna+Rise, a
California limited liability company

Its: _____

ASSIGNEE

_____, a
California _____

By: _____

AGREED TO AND ACCEPTED:

CITY OF RIVERBANK
a California municipal corporation

City Manager

**CITY OF RIVERBANK
RESOLUTION NO. 2021-006**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF RIVERBANK,
RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE
APPROVING A DEVELOPMENT AGREEMENT AMENDMENT BY AND BETWEEN
THE CITY OF RIVERBANK AND E & J DISTRIBUTORS LLC., A CALIFORNIA
LIMITED LIABILITY CORPORATION DOING BUSINESS AS TERMINAL INFUSION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.*, which authorizes the City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Resolution No. 99-39 authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Resolution No. 99-39 requires a written application with specified data to be submitted to the City for consideration of any development agreement; and

WHEREAS, E & J Distributors LLC., a California limited liability company doing business as Terminal Infusion (collectively "Terminal Infusion") submitted an application to the City for consideration of a development agreement amendment to operate a cannabis infusion facility, Type N License (the "Project"); and

WHEREAS, Terminal Infusion proposes to improve, develop, and use real property for the Project, in strict accordance with applicable state and local law, including, but not limited to, the Riverbank Municipal Code; and

WHEREAS, Terminal Infusion has a lease agreement to occupy that certain real property located at 5729 Terminal Avenue Suite 2 in the City of Riverbank, Assessor's Parcel Number 075-020-016 on which Terminal Infusion intends to develop the Project; and

WHEREAS, City and Terminal Infusion seek a development agreement amendment for the Project (the "Development Agreement") pursuant to Government Code section 65864 *et seq.* and all applicable local and state laws; and

WHEREAS, the Planning Commission held a duly noticed public hearing on March 16, 2021, to consider the Development Agreement amendment and make recommendations to the City Council; and

WHEREAS, environmental impacts for the Project have been reviewed and assessed by the City pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code section 21000 *et seq.*; California Code of Regulations Title 14, section 15000 *et seq.*), and the City determined the Project site is categorically exempt from CEQA pursuant to Section 15301 of Title 14 of the California Code of Regulations applicable to existing facilities involving no expansion of the facility; and

WHEREAS, the Planning Commission finds that an ordinance approving the Development Agreement amendment will allow the City to adequately regulate and address all impacts of the Project in the City in accordance with state law; and

WHEREAS, the Planning Commission finds that the ordinance is in the best interest of the health, welfare, and safety of the public.

NOW, THEREFORE, BE IT RESOLVED THAT THE PLANNING COMMISSION OF THE CITY OF RIVERBANK HEREBY RECOMMENDS CITY COUNCIL APPROVAL OF ORDINANCE NO. 2021-XXX, APPROVING THE DEVELOPMENT AGREEMENT AMENDMENT BETWEEN THE CITY OF RIVERBANK AND E&J DISTRIBUTORS, LLC., A CALIFORNIA LIMITED LIABILITY COMPANY DOING BUSINESS AS TERMINAL INFUSION, ATTACHED HERETO AS EXHIBIT "A" AND INCORPORATED HEREIN BY THIS REFERENCE.

PASSED AND ADOPTED by the Planning Commission of the City of Riverbank at a regular meeting held on the 16th day of March, 2021; motioned by Commissioner

Dinan, seconded by Commissioner Basso, and upon roll call was carried by the following Planning Commission vote of 5-0:

AYES: Commissioners: Dinan, Basso, Fenrich, Link and Stewart

NAYS: None

ABSENT: None

ABSTAIN: None

Attest:


Donna M. Kenney
Secretary to the Planning Commission

Approved:

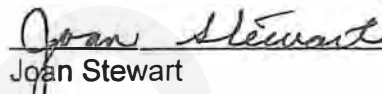

Joan Stewart
Planning Commission Chair

Exhibit A – Ordinance No. 2021-XXX

**City of Riverbank
Planning Commission
Resolution No. 2021-007**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF RIVERBANK
APPROVING THE REQUEST OF E & J DISTRIBUTORS LLC., FOR A
CONDITIONAL USE PERMIT TO OPERATE A CANNABIS INFUSION FACILITY
WITHIN THE LIGHT INDUSTRIAL (M-1) ZONING DISTRICT LOCATED AT
5729 TERMINAL AVENUE, SUITE 2, APN: 075-020-016**

WHEREAS, the Community Development Department of the City of Riverbank has heretofore held a duly noticed public hearing, as required by law, on the requested Use Permit, in accordance with the Riverbank Municipal Code, Section 153.360-153.374; and

WHEREAS, the project proponent is E & J Distributors, LLC.; and

WHEREAS, the applicant is requesting to operate a cannabis infusion facility (Type N License) within the Light Industrial (M-1) zoning district; and

WHEREAS, the property has a general plan designation of Industrial / Business Park (I/BP); and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, the proposed Use Permit is consistent with all applicable general and specific plans; and

WHEREAS, the proposed Use Permit with conditions of approval is in conformity with both the intent and provisions of the Zoning Ordinance, RMC 153.216 of the City of Riverbank Code of Ordinances; and

WHEREAS, the project was found to be categorically exempt according to the California Environmental Quality Act, Section 15301 of Title 14 of the California Code of Regulations applicable to existing facilities involving no expansion of the facility that will not have a significant effect on the environment; and

WHEREAS, the request of E & J Distributors LLC. for the Conditional Use Permit is hereby granted and approved, subject to the following conditions:

- 1) This approval is dependent upon and limited to the proposals and plans contained, supporting documents submitted, presentations made to staff, Planning Commission and/or City Council as affirmed to by the applicant. Any variation from these plans, proposals, supporting documents or presentations is subject to review and approval by staff prior to implementation.

- 2) The applicant shall secure and comply with all applicable state and local licenses, permits, authorizations, conditions, agreements, and orders prior to or during construction and operation, as appropriate.
- 3) The applicant shall comply with all regulations and code requirements of the Community Development Director, City Engineer, Building Official, Stanislaus Consolidated Fire Protection District, the Police Chief, State of California, and any other agencies requiring review of the project. If required, these agencies shall be supplied copies of the final maps, site plans, public improvement plans, grading plans and building plans.
- 4) This use permit is for the infusion of cannabis products (drinks and edibles) only. Retail sales (storefront) are expressly prohibited.
- 5) All conditions of approval for this project shall be written by the project developer on all building permit plan check sets submitted for review and approval. These conditions of approval shall be on, at all times, all construction plans kept on the project site. It is the responsibility of the building developer to ensure that the project contractor is aware of, and abides by, all conditions of approval. Prior approval from the Community Development Director must be received before any changes are constituted in site design, building design, building colors or materials, etc.
- 6) Site plan shall be in substantial conformance to the existing site plan as submitted. Any proposed changes to the exterior of the building or site shall be reviewed by the Community Development Director, who will determine if Architecture and Site Plan Review is required. If required, plans shall be prepared, wet signed and sealed by a civil engineer, land surveyor, or architect registered in the State of California and licensed to prepare site and/or building plans.
- 7) Should the project be found, at any time, not to be in compliance with any of the Conditions of Approval, if the site receives numerous Health and/or Safety violations, or should the applicant construct or operate this development in any way other than specified in the Application or Supporting Documents or presentations to staff, Planning Commission or City Council, as modified by the Conditions of this Approval, then the terms of this Approval shall be considered to be violated.
- 8) Work done by a contractor pursuant to this approval shall not begin before the contractor has been shown by the applicant a copy of this signed resolution and an approved building permit.

- 9) The hours of construction, including equipment warm-up, shall be limited to 7:00 a.m. to 6:30 p.m. on weekdays and 8:00 a.m. to 5:00 p.m. on weekends and legal holidays.
- 10) All new construction, including tenant improvements, requires building permits in accordance with all applicable building and fire codes.
- 11) The applicant shall defend, indemnify and hold harmless the City of Riverbank, its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul this approval, or any aspect of the City's consideration of applicant's project. The applicant recognizes and agrees that applicant's voluntary commitment to meet the obligations described in this condition is an integral factor in the City's approval of this project. The intent of this condition is to require the applicant to bear the cost of any and all litigation instituted to overturn or in any way modify the City's approval of this project. Such costs include without limitation, any award of attorney's fees and costs to a prevailing plaintiff or petitioner.
- 12) This approval may be recalled to the Planning Commission for review at any time due to complaints regarding lack of compliance with conditions of approval, traffic congestion, noise generation, or other adverse operating characteristics. At such time, the Commission may revoke the approval or add/modify conditions approval.
- 13) All new exterior light fixtures shall be shown on plans subject to staff review and approval. All lights attached to buildings shall provide a soft "wash" of light against the wall. All building and parking or yard lights shall conform to City Standards and shall compliment the site and building architecture.
- 14) The Project and Project applicant shall strictly comply with all administrative guidelines promulgated by the City for the operation of a cannabis infusion facility, specifically including any administrative guidelines later adopted by the City, or as may be changed from time to time.

NOW THEREFORE, BE IT RESOLVED by the City of Riverbank Planning Commission that the requested Conditional Use Permit is approved subject to those conditions established by Resolution No. 2021-007 and attached Exhibit A - Site Plan.

Passed and adopted by the Planning Commission of the City of Riverbank at a regular meeting held on the 16th of March, 2021, motioned by Commissioner Fenrich, seconded by Commissioner Dinan, and upon roll call was carried by the following vote 5 - 0:

Riverbank Planning Commission
Resolution No. 2021-007
Meeting of March 16, 2021
Page 3 of 4

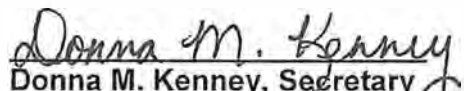
AYES: Commissioners: Dinan, Basso, Fenrich, Link and Stewart

NOES: None

ABSENT: None

ABSTAIN: None

Attest:


Donna M. Kenney, Secretary
Planning and Building Manager

Approved:

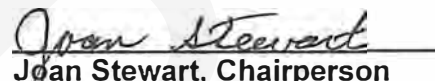

Joan Stewart, Chairperson
Planning Commission

Exhibit A – Site Plan

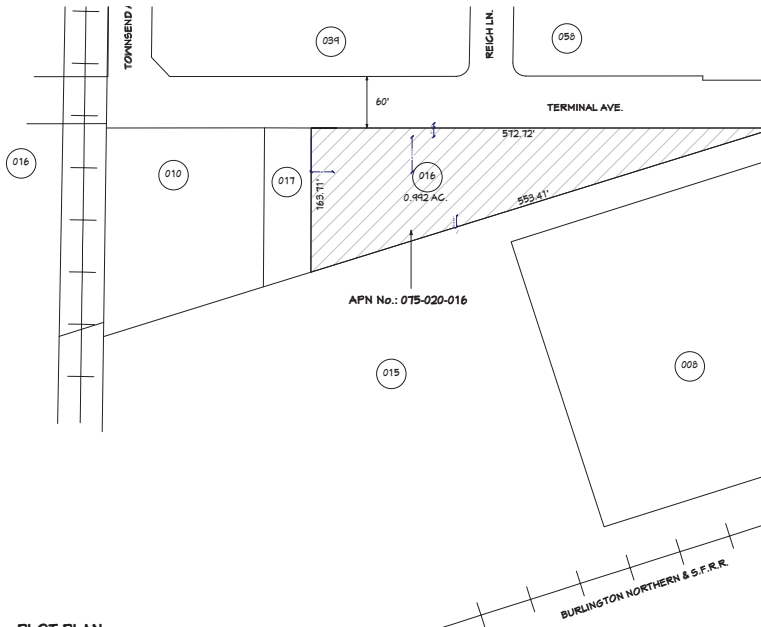
PROPOSED DISTRIBUTION CENTER FOR:
E&J DISTRIBUTORS, LLC.
5729 TERMINAL AVE., RIVERBANK, CA. 95367



VICINITY MAP



GOOGLE EARTH AERIAL
N.T.S.



PLOT PLAN

1" = 100'

PROJECT CODE DATA:

SCOPE OF WORK: INSTALL 2 SHIPPING CONTAINERS UNDER AN EXISTING ROOF ONLY METAL BUILDING STRUCTURE. NO CHANGE IN FLOOR AREA.

1. ASSESSOR'S PARCEL NUMBER: N/A
2. PROJECT ADDRESS: 5729 TERMINAL AVE., RIVERBANK, CA 95367
3. UNIT/SUBJECT: N/A
4. PROJECT JURISDICTION: CITY OF RIVERBANK
5. TYPE OF CONSTRUCTION: I/A
6. OCCUPANCY: F-1 (20_ CIRC SECTION 308.2)
7. FIRE SPRINKLERS: NO EXISTING TO BE MODIFIED
8. CONTAINER MODULE: 40'x6' 20'x2'
9. NUMBER OF CONTAINERS: 2
10. FOUNDATION: REINFORCED CONCRETE PIERS @ ALL 4 CORNERS
11. BUILDING AREA: 480 SF
12. OCCUPANT LOAD: ___ OCCUPANTS (20_ CIRC TABLE 1008.2.1)
13. EXITS REQUIRED / PROVIDED: ___ (20_ CIRC TABLE 1008.3.1)

LANDLORD NOTES:

1. ALL EXISTING ITEMS TO REMAIN ARE SUBJECT TO LANDLORD'S APPROVAL. ITEMS TO REMAIN ARE TO BE IN LIKE NEW CONDITION. LANDLORD MAY REQUIRE REPAIR OR REPLACEMENT AT TENANT'S EXPENSE.
2. FIELD VERIFICATION IS REQUIRED BY TENANT PRIOR TO CONSTRUCTION. IT IS THE TENANT'S RESPONSIBILITY TO FIELD VERIFY ALL DIMENSIONS AND CONDITIONS OF THE SPACE.
3. TENANT'S CONTRACTOR MUST REPAIR ANY/ALL LANDLORD PROPERTY DAMAGE DURING TI WORK AND COMPLETE LANDLORDS PUNCHLIST AS DIRECTED BY LANDLORDS REPRESENTATIVE.
4. PATCH / REPAIR AND RE-PAINT BOTH NEUTRAL PIERES AND BULCHES AT CLOSE OF CONSTRUCTION TO LIKE NEW CONDITION. COORDINATE PAINT SPEC WITH MALL MANAGER.
5. SEPARATE SIGN DRAWINGS TO BE SUBMITTED.

PROJECT TEAM:

BUILDING OWNER:

BUILDING TENANT:

E & J DISTRIBUTORS, LLC.
5729 TERMINAL AVE. PH. (209) 228-0251
ARCHITECT/ENGINEER:

DESIGN / BUILDER:

CELADON DEVELOPMENT & CONSTRUCTION SERVICES (F15854), DON DEGRAFF
1570 E F ST., A300, OAKDALE, CA 95361, PH. (209) 240-3150
FIRE PROTECTED STRUCTURE:
FALCON STRUCTURES,
1711 GILBERT ROAD, MANOR, TX 78653, PH. (512) 704-0111

FIRE PREVENTION NOTES:

1. PROVIDE APPROVED STREET ADDRESS/ROUTE NUMBERS TO BE POSITIONED TO BE PLAINLY VISIBLE AND LEGIBLE FROM THE STREET. NUMBERS SHALL BE A MIN. OF 8" HIGH WITH A 3/4" STROKE AND SHALL CONTRAST WITH THEIR BACKGROUND.
2. PORTABLE FIRE EXTINGUISHERS SHALL BE PROVIDED SO THAT THE MAXIMUM TRAVEL DISTANCE TO ONE DOES NOT EXCEED 75 FEET. FIRE EXTINGUISHERS SHALL BE PLACED INSIDE RECESSED FIRE EXTINGUISHER CABINETS AND MULTI-DIRECTIONAL SIGNS ARE TO BE POSTED AT A HEIGHT OF 4'-6" ABOVE THEIR LOCATION.
3. FOR ALL PROJECTS REQUIRING A PERMITS, FIRE PREVENTION, A MINIMUM OF (3) SETS OF SHOP DRAWINGS AND MATERIAL DATA SHEETS SHALL BE SUBMITTED TO THE FIRE PREVENTION DEPARTMENT FOR APPROVAL.
4. AT THE TIME OF FINAL INSPECTION THE PROPERTY OWNER/OPERATOR SHALL PROVIDE THE FIRE DEPARTMENT WITH ACCESS KEYS FOR INSTALLATION INTO THE BUILDING (KNOX BOX PER CFC 509). IF THE BUILDING IS NOT EQUIPPED WITH A KNOX BOX, PLEASE CONTACT THE FIRE DEPARTMENT.
5. COMBUSTIBLE DEBRIS SHALL NOT BE ACCUMULATED WITHIN BUILDINGS. COMBUSTIBLE DEBRIS, RUBBISH AND MISCELLANEOUS MATERIAL SHALL BE REMOVED FROM BUILDINGS AT THE END OF EACH SHIFT OF WORK (PER CFC 440.43).
6. CONTACT THE FIRE AUTHORITY AT LEAST 72 HOURS PRIOR TO DESIRED INSPECTION TO SCHEDULE AN APPOINTMENT TO AVOID A RE-INSPECTION FEE. PROVIDE 24 HOURS NOTICE IF THE SCHEDULED INSPECTION NEEDS TO BE CANCELLED.

FIRE SPRINKLER NOTES WHEN REQUIRED:

AN APPROVED AUTOMATIC FIRE SPRINKLER SYSTEM IS TO BE INSTALLED ON THIS PROJECT. THE SYSTEM SHALL COMPLY WITH NFPA FANPHLET #13 AND UBC CHAPTER 6.

1. FIRE SPRINKLER SYSTEM PLANS AND SPECIFICATIONS WILL BE SUBMITTED SEPARATELY TO THE FIRE DEPARTMENT FOR APPROVAL PRIOR TO STARTING WORK ON THE PROJECT. SYSTEM DESIGN AND INSTALLATION SHALL BE IN ACCORDANCE WITH NFPA FANPHLET #13 AND FIRE PREVENTION DEPARTMENT REQUIREMENTS.
2. THE CONTRACTOR SHALL COORDINATE THE POINT OF CONNECTION WITH THE CIVIL DRAWINGS.
3. ALL VALVES CONTROLLING SPRINKLER SYSTEM WATER SUPPLY AND FLOW SHALL BE ELECTRICALLY MONITORED AND THE SIGNAL SHALL BE AUTOMATICALLY TRANSMITTED TO A UL LISTED STATION (WHEN NUMBER OF SPRINKLER HEADS EXCEEDS 20) IFC 905.3.4.
4. PROVIDE AN INTERIOR BELL ACTIVATED BY FIRE SPRINKLER WATER FLOW AND A MANUAL PULL STATION IN A NON-ALLEY OCCUPIED AREA.
5. A KNOX BRAND NEW SHOWN SHALL BE INSTALLED ON THE PREMISES TO FACILITATE EMERGENCY ACCESS TO THE BUILDING.
6. HVAC SHOCK DETECTORS (WHEN REQUIRED) SHALL BE TESTED IN THE PRESENCE OF THE FIRE DEPARTMENT.
7. ALL METAL SURFACES SHALL BE PAINTED TO MATCH ADJACENT WALLS.
8. GARAGE ESCUTCHEONS SHALL BE PROVIDED AT INTERIOR.
9. NO SPRINKLER HEADS SHALL APPEAR IN INTERIOR SOFFITS.
10. LOCATIONS OF FIRE EXTINGUISHERS (PER FIRE PREVENTION NOTES) TO BE APPROVED BY THE FIRE PROTECTION DEPARTMENT.
11. WHERE REQUIRED, A UL FIRE ALARM CERTIFICATE SHALL BE OBTAINED AND SHALL BE MAINTAINED THROUGHOUT THE LIFE OF THE ALARM SYSTEM.

DEFERRED APPROVALS WHEN REQUIRED:

THE FOLLOWING ITEM SHALL BE CLASSIFIED AS A DEFERRED SUBMITTAL:

- FIRE SPRINKLER SYSTEM MODIFICATIONS
- (E) ELEVATOR COMPLIANCE & CERTIFICATIONS (BY LANDLORD)

DEFERRED SUBMITTAL NOTES:

1. DEFERRED ITEMS SHALL BE SUBMITTED TO THE DESIGN PROFESSIONAL IN RESPONSIBLE CHARGE WHO SHALL REVIEW THEM AND FORWARD THEM TO THE BUILDING OFFICIAL WITH A NOTATION INDICATING THAT THE DEFERRED SUBMITTAL DOCUMENTS HAVE BEEN REVIEWED AND FOUND TO BE IN GENERAL CONFORMANCE TO THE DESIGN OF THE BUILDING WITHOUT ANY CORRECTIONS.
2. THE DEFERRED SUBMITTAL ITEM SHALL NOT BE INSTALLED UNTIL THE BUILDING OFFICIAL HAS APPROVED THEIR DESIGN AND SUBMITTAL DOCUMENTS.

GENERAL NOTES:

ALL CONSTRUCTION SHALL CONFORM TO CURRENT STATE AND LOCAL CODES:

- 2019 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1 TITLE 24 C.C.R.
- 2019 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
- 2019 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R.
- 2019 CALIFORNIA MECHANICAL CODE (CMC), PART 4, TITLE 24 C.C.R.
- 2019 CALIFORNIA PLUMBING CODE (CPC), PART 5, TITLE 24 C.C.R.
- 2019 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
- 2019 CALIFORNIA FIRE CODE, PART 7, TITLE 24 C.C.R.
- 2019 CALIFORNIA GREEN BUILDING CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.
- 2019 CALIFORNIA REFERENCED STANDARDS, PART 12, TITLE 24 C.C.R. TITLE 14 C.C.R. PUBLIC SAFETY, STATE FIRE MARSHAL REGULATIONS.
- CURRENT EDITION OF THE AMERICANS WITH DISABILITIES ACT ACCESSIBILITY GUIDELINES AND THE CURRENT DEPARTMENT OF JUSTICE REGULATIONS

1. CONTRACTOR SHALL VERIFY EXACT CONDITIONS AND DIMENSIONS IN THE FIELD.
2. CONTRACTOR SHALL NOT SCALE THESE DRAWINGS FOR CONSTRUCTION PURPOSES. IN THE EVENT OF OMISSION OF NECESSARY DIMENSIONS, CONTRACTOR SHALL NOTIFY THE ARCHITECT.
3. ALL FRAMING DIMENSIONS ON PLAN, UNLESS NOTED OTHERWISE, ARE TO THE FACE OF STUD FRAMING AND TO THE FACE OF THE EXTERIOR EDGE OF THE BUILDING SLAB.
4. ADEQUATELY PROTECT ALL PERSONNEL AND THE PUBLIC FROM HARM AND ACCIDENTS DURING WORK OF THIS PROJECT, BY THE ERECTION OF PROPER BARRICADES, SIGNS AND LIGHTING AS MAY BE NECESSARY.
5. ADEQUATELY PROTECT FROM DAMAGE TO EXISTING BUILDINGS AND SURFACES ADJACENT TO WORK OF THIS PROJECT.
6. NO ENCLOSURE, SHIELD, OR PROTECTIVE COVERING SHALL INTERFERE WITH USE OF FIRE LANES OR PUBLIC EGRESS AT ANY TIME.
7. ALL RUBBISH AND DEBRIS SHALL BE HAULED AWAY FROM THE SITE PROMPTLY AND LEGALLY DISPOSED OF BY THE CONTRACTOR.
8. EXCESSIVELY NOISY OR DISRUPTIVE FUNCTIONS SHALL BE PERFORMED AT THE TIME OF MINIMUM INTERRUPTION TO NORMAL BUSINESS OPERATION.
9. CONTRACTOR SHALL AT ALL TIMES KEEP THE PREMISES FREE FROM ACCUMULATIONS OF WASTE OR RUBBISH CAUSED BY HIS EMPLOYEES OR WORK, OR THE EMPLOYEES OR WORK OF THE SUBCONTRACTOR AND AT THE COMPLETION OF THE WORK SHALL REMOVE ALL DEBRIS FROM AND ABOUT THE PROJECT AREA AND SHALL LEAVE THE AREA IN A "BROOM CLEAN" MANNER.
10. NO MATERIAL OR EQUIPMENT SHALL BE LEFT ON THE PROJECT SITE OVERNIGHT UNSECURED.
11. CONTRACTOR SHALL BE RESPONSIBLE FOR DAMAGE TO EXISTING CONCRETE PAVES, LANDSCAPING, IRRIGATION SYSTEMS, ETC., WHICH MAY BE DAMAGED BY WORK OF THIS PROJECT.
12. CHANGES IN THE APPROVED PLANS AND SPECIFICATIONS SHALL BE MADE BY CHANGE ORDER SIGNED BY THE OWNER AND ARCHITECT.
13. TESTS OF MATERIALS SHALL BE CONDUCTED BY A TESTING LAB SELECTED BY THE OWNER WITH THE APPROVAL OF THE ARCHITECT. THE OWNER SHALL PAY THE COSTS OF ALL TESTS.
14. VERIFY SIZE, LOCATION, AND CHARACTERISTICS OF ALL WORK AND EQUIPMENT TO BE FURNISHED BY OWNER OR OTHERS WITH MANUFACTURER OR SUPPLIER BEFORE ANY CONSTRUCTION PERTAINING TO SAME IS BEGUN.
15. COORDINATE ROUGHING AND STUD WALL FRAMING LOCATIONS TO PROVIDE CLEARANCE FROM THE CENTERLINE OF EACH WATER CLOSET BOWLE TO THE ADJACENT SIDE WALL FINISH SURFACE AND A MINIMUM OF 18" FROM THE CENTERLINE OF WALL MOUNTED SINK TO THE ADJACENT SIDE WALL FINISH SURFACES, UNLESS NOTED OTHERWISE.
16. INSTALL BLOCKING BEHIND, BUT NOT LIMITED TO, CURBICLE CURTAIN TRACKS, T.V. BRACKETS, HANDRAILS, CORNER GUARDS, TOILET ACCESSORIES, GRAB BARS, OVERHEAD CABINETRY, PRINTING COPIERS, MILLWORK KNEE BRACES, SHELVING, AND ALL MISCELLANEOUS INTERIOR WALL HUNG EQUIPMENT BLOCKING FOR HANDRAILS, GRAB BARS AND VANITIES SHALL BE ADEQUATE TO SUPPORT A MINIMUM OF 250 LBS OF BOTH VERTICAL AND D OR HORIZONTAL LOADING FOR A MINIMUM OF 15 MINUTES.
17. ERRORS AND OMISSIONS IN ROOM FINISH SCHEDULE AND DOOR SCHEDULE DO NOT RELIEVE THE CONTRACTOR FROM WORK SHOWN ON DRAWINGS OR DESCRIBED IN THE SPECIFICATIONS.
18. THESE PLANS AND RELATED DOCUMENTS MUST BE AVAILABLE AT THE JOB SITE DURING ANY INSPECTION ACTIVITY.
19. STREET ADDRESS AND NUMBER SHALL BE POSTED PRIOR TO THE FIRST INSPECTION AND INSTALLED PER ADOPTED FIRE PROTECTION DEPARTMENT STANDARDS.
20. DISABLED ACCESSIBLE PARKING SIGNAGE SHALL BE PROVIDED AT ALL ENTRANCES TO THE PARKING LOT, AT ALL ACCESSIBLE PARKING STALLS, AT ALL PRIMARY ENTRANCES TO THE BUILDING SITE, AT ACCESSIBLE FITTING ROOMS, AND AT ACCESSIBLE RESTROOMS.
21. THE PATH OF TRAVEL FROM THE ACCESSIBLE PARKING TO THE ENTRANCE AND TO THE RESTROOMS SHALL CONFORM TO A.D.A. AND TITLE 24 ACCESS STANDARDS, INCLUDING DOOR HARDWARE, THRESHOLDS, KICK PLATES, AND SIGNAGE.
22. THIS PERMIT DOES NOT AFFRME ANY EXTERIOR SIGNAGE. A SEPARATE PERMIT IS REQUIRED FOR ALL SIGNS.

SHEET INDEX:

- G-1 GENERAL INFO
- G-1 SITE PLAN
- A-1 FLOOR PLAN, PRE-FAB CONTAINERS
- A-2 EXTERIOR ELEVATIONS
- A-3 MODULAR CONTAINER

CELADON
Development & Constr. Services
*RELATIONSHIPS *INTEGRITY *EXCELLENCE
1570 E F Street, A300, Oakdale, CA. 95361
Direct: 209-840-3150
Email: dd.celadon@gmail.com

PROJECT:

E&J DISTRIBUTORS, LLC.

5729 TERMINAL AVE., RIVERBANK, CA. 95367

MANUFACTURING (TYPE N)

CONSULTANT(S):

The Don DeGraff expressly reserves its common law copyright and others applicable property rights in these plans. These plans are not to be reproduced, changed, or copied in any form or manner whatsoever, nor are they to be assigned to a third party without first obtaining the written permission and consent of the Designer. In the event of unauthorized reuse of these plans by a third party, the third party shall hold the Designer harmless, and shall bear the cost of the Designer's legal fees, associated with defending and enforcing these rights.

PROJECT DEVELOPMENT

DATE	ISSUED FOR
02-03-21	CONCEPT REVIEW #2

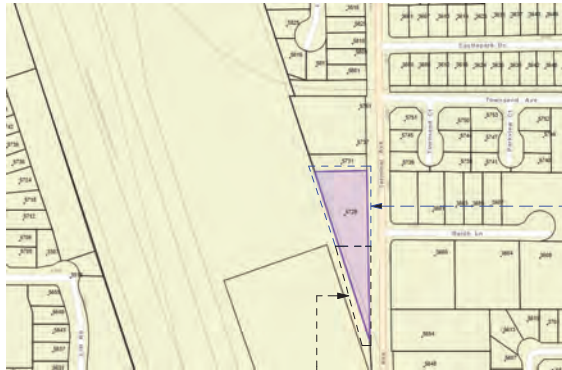
REVISIONS

NO.	DATE	DESCRIPTION
1		

SHEET DESCRIPTION

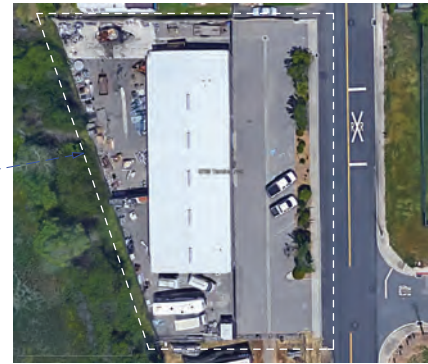
GENERAL INFO

DESIGNER:	DON DEGRAFF	SHEET NO.
PROJECT NO:		G-1
PRINT DATE:	2/3/2021	
SCALE:	SEE DRAWING	

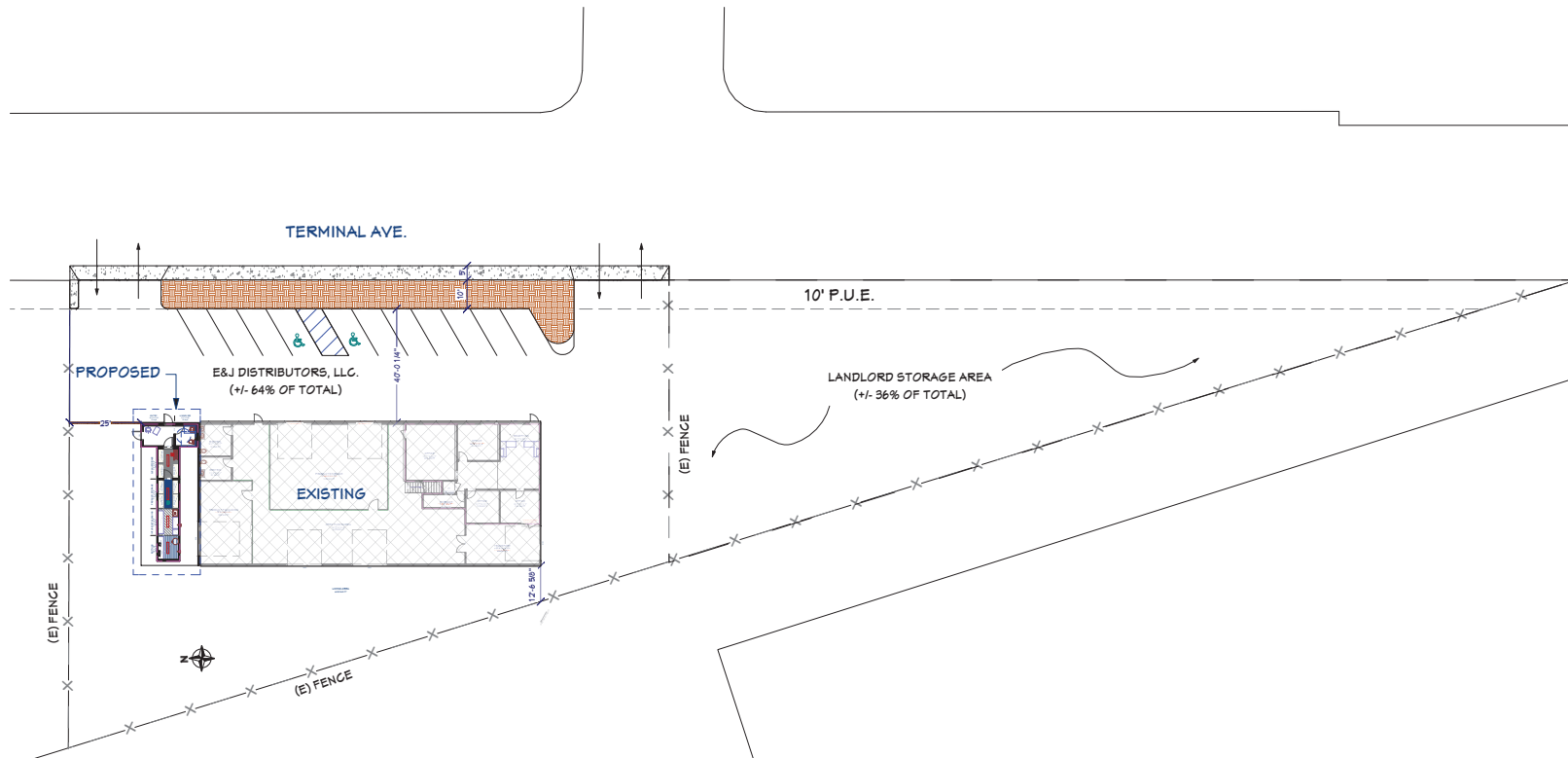


VICINITY MAP
N.T.S.

LANDLORD STORAGE AREA
(NOT IN SCOPE OF WORK)



**PORTION OF LOT USED BY
E&J DISTRIBUTORS**
LOT USAGE: +/- 64% OF TOTAL



Site Plan
1 in = 30 ft

PROJECT:
E&J DISTRIBUTORS, LLC.
5729 TERMINAL AVE., RIVERBANK, CA. 95367
MANUFACTURING (TYPE N)

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PROJECT DEVELOPMENT

DATE	ISSUED FOR
02-03-21	CONCEPT REVIEW #2

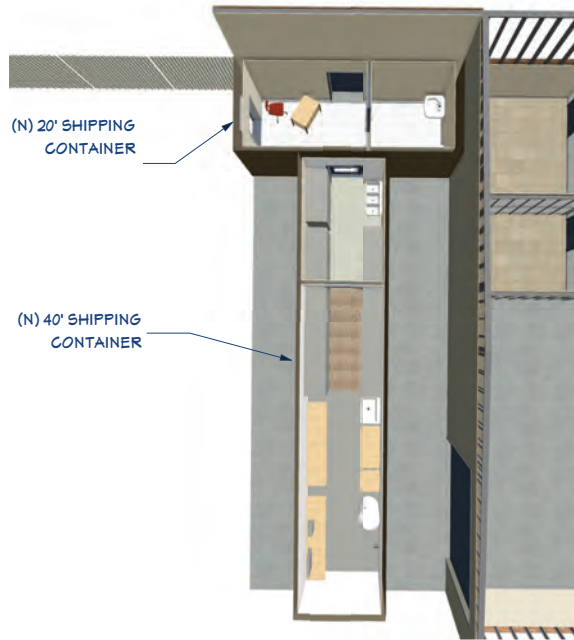
REVISIONS

NO.	DATE	DESCRIPTION
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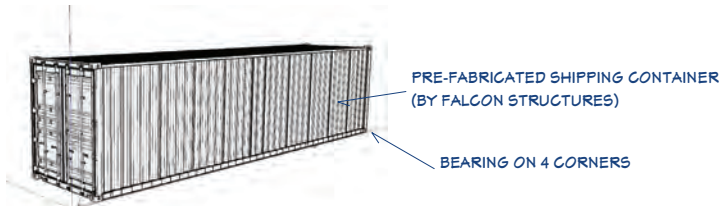
SHEET DESCRIPTION

Site Plan

DESIGNER: DON DEGRAFF	SHEET NO. C-1
PROJECT NO:	
PRINT DATE: 2/3/2021	
SCALE: SEE DRAWING	

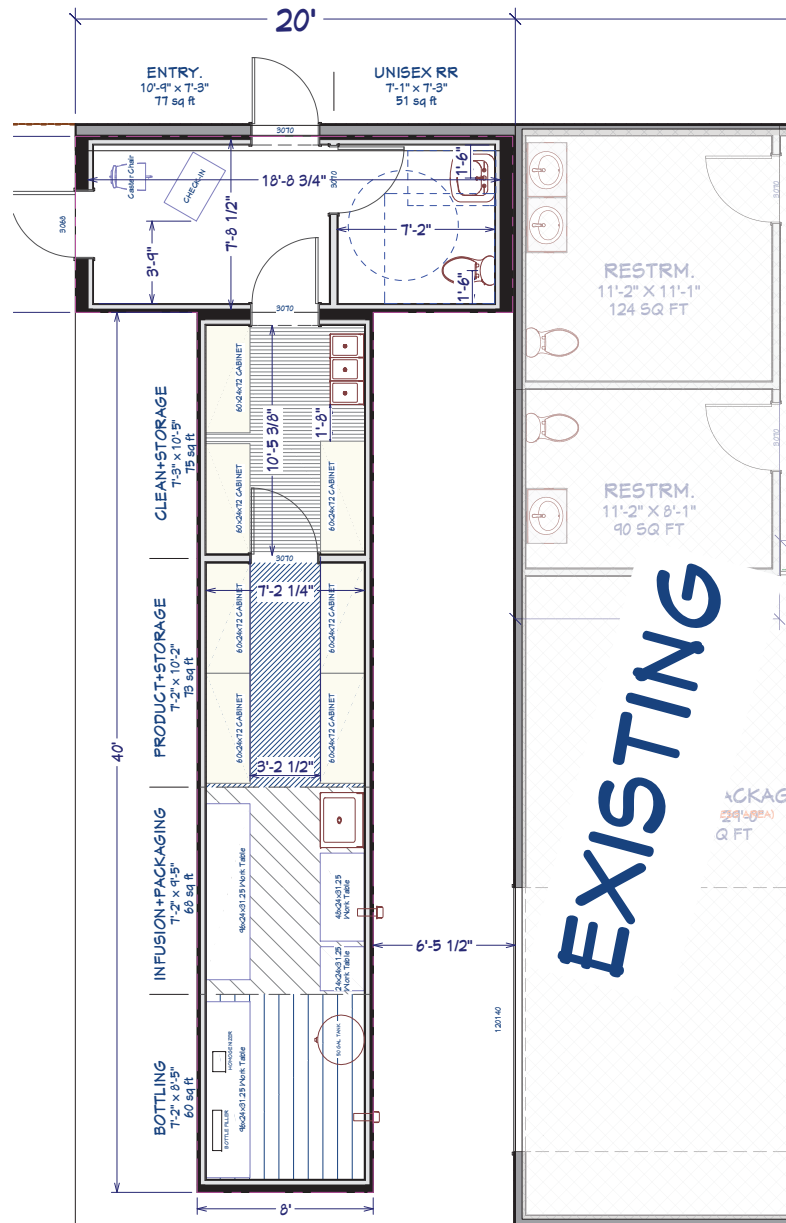


PERSPECTIVE-TOP



STD. DIMENSIONS

- (1) 20'L x 8'W x 8'-6"HT
 (1) 40'L x 8'W x 8'-6"HT
 (OPTIONAL: HIGH CUBE HT. 9'-6"HT)

FLOOR PLAN
1/4 in = 1 ft

PROJECT:

E&J DISTRIBUTORS, LLC.

5729 TERMINAL AVE., RIVERBANK, CA. 95367

MANUFACTURING (TYPE N)

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PROJECT DEVELOPMENT

DATE	ISSUED FOR
02-03-21	CONCEPT REVIEW #2

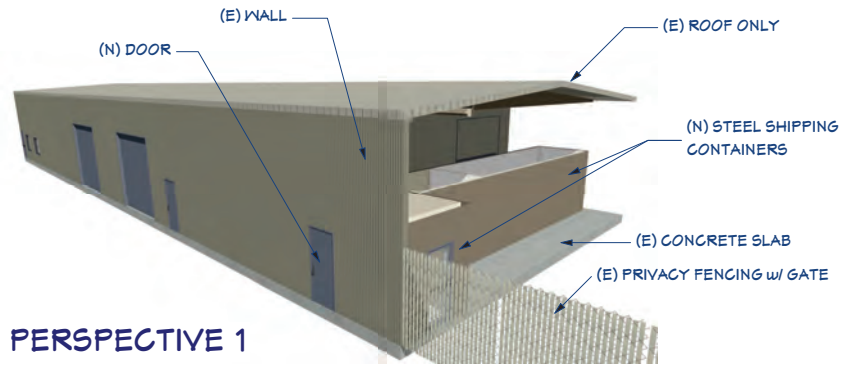
REVISIONS

NO.	DATE	DESCRIPTION
1		

SHEET DESCRIPTION

Floor Plan- Pre-Fab Containers

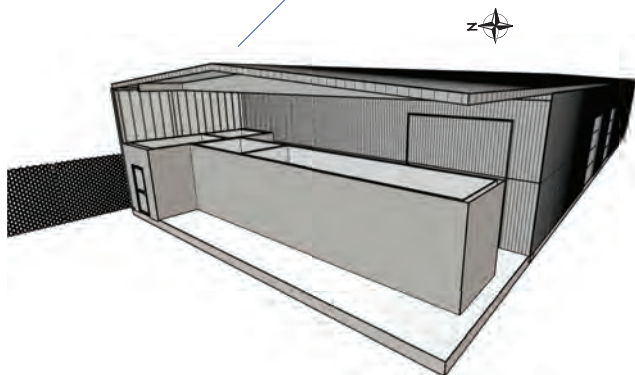
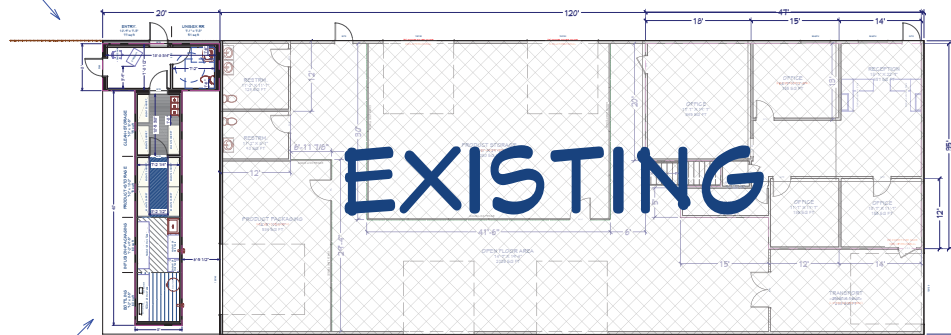
DESIGNER: DON DEGRAFF	SHEET NO. A-1
PROJECT NO:	
PRINT DATE: 2/3/2021	
SCALE: SEE DRAWING	



PERSPECTIVE 1



PERSPECTIVE 2



PERSPECTIVE 3

PROJECT:
E&J DISTRIBUTORS, LLC.
5729 TERMINAL AVE., RIVERBANK, CA. 95367

CONSULTANT(s):

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PROJECT DEVELOPMENT

DATE	ISSUED FOR

REVISIONS

NO.	DATE	DESCRIPTION
1		

SHEET DESCRIPTION

Exterior Elevations

DESIGNER: DON DEGRAFF	SHEET NO. A-2
PROJECT NO:	
PRINT DATE: 2/3/2021	
SCALE: SEE DRAWING	

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 11.1

SECTION 11: NEW BUSINESS

Meeting Date: April 13, 2021

Subject/ Title: **Final Map 01-2021 Crossroads Unit 1 – APN: 074-011-009.** The project consists of a Final Map to subdivide approximately 15.54 acres into ninety-one (91) buildable residential lots (overall density of 5.86 du/acre), associated street, sewer, water, and storm drainage improvements.

A **Resolution** Approving Final Map 01-2021 for DMG Development, LP for Crossroads West Unit 1 (APN 074-011-009)

From: Sean Scully, City Manager

Submitted by: Donna M. Kenney, Planning and Building Manager

RECOMMENDATION

Approve the Final Map (“FM”) for Crossroads Unit 1 based on the required finding that the map is in conformity with the provisions of subdivision law and city code.

BACKGROUND:

On March 19, 2019 the City Council approved the Crossroads West Specific Plan and Environmental Impact Report (EIR) for the Browman, Machado, and Harrigfeld parties. Subsequently on October 1, 2019, the Planning Commission approved a Large Lot Tentative Map (Attachment 2), Small Lot Tentative Map (Attachment 3), and a Preliminary Development Plan (Attachment 4) for the Machado party. The Planning Commission also recommended to the City Council that they approve a Development Agreement with the Machado and Harrigfeld parties. On October 22, 2019 the City Council approved the Development Agreement with the above maps and plan.

More recently, the Machado Party requested and received approval for Parcel Map 01-2020 (Attachment 5) for the site to create two development projects on one tentative map. Unit 1, under contract by DMG Development, LP and partnered with the Machado party, is at the northwest corner of Westgate Drive (formerly Crawford Road) and Oakdale Road. Finally, on March 23, 2021 the City Council approved a Subdivision Improvement

Agreement (SIA) for the Unit 1 project. The developer has begun grading and working on the on-site improvements and a ribbon-cutting ceremony was held on March 26, 2021.

Pursuant to Riverbank Municipal Code Section §152.074 (C)(2), the City Council shall, at the meeting at which it receives the map or at its next regular meeting after the meeting at which it receives the map, approve the map if it is determined to be in conformity with the provisions of law and of this chapter. The Council shall disprove the map if it is determined not to be in conformity with the provisions of law and of this chapter and shall advise the subdivider of its disapproval, and the reason or reasons thereof.

The City Engineer and Planning and Building Manager have reviewed the final map and have determined that the plans are in substantial compliance with city standards and with the conditions placed upon the tentative maps, the parcel map, and the mitigation measures in the EIR. An agricultural mitigation fee will be placed on each building permit. Staff is aware of a transaction and is anticipating a receipt for the purchase of Swainson's Hawk credits with the land bank. Fees have been paid and an application to annex into CFD 2016-01 is being processed by staff.

FISCAL IMPACT:

Short term is revenue neutral; fees are paid for inspections, processing fees, and System Development Fees. Long term impact is normally negative as service costs to new residential subdivisions are not typically fully recovered. Future payments into CFD 2016-01 will greatly assist in covering those service costs.

ATTACHMENTS:

1. Resolution No. 2021-XXX
Exhibit A - Final Map
2. Machado Large Lot map
3. Machado Small Lot Map
4. Machado Preliminary Development Plan
5. Machado Parcel Map

CITY OF RIVERBANK

RESOLUTION NO. 2021-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, APPROVING FINAL MAP 01-2021 FOR DMG DEVELOPMENT, LP
FOR CROSSROADS WEST UNIT 1 (APN 074-011-009)**

WHEREAS, on March 19, 2019 the City Council approved the Crossroads West Specific Plan and Environmental Impact Report (EIR) for the Browman, Machado, and Harrigfeld parties; and

WHEREAS, subsequently on October 1, 2019, the Planning Commission approved a Large Lot Tentative Map (Exhibit A), Small Lot Tentative Map (Exhibit B), and a Preliminary Development Plan (Exhibit C) for the Machado party; and

WHEREAS, as recommended by the Planning Commission on October 22, 2019, the City Council approved a Development Agreement with the above maps and plan; and

WHEREAS, the Machado Party requested and received approval for Parcel Map 01-2020 (Exhibit D) for the site to create two development projects on one tentative map; and

WHEREAS, Unit 1, under contract by DMG Development, LP and partnered with the Machado party, is at the northwest corner of Westgate Drive (formerly Crawford Road) and Oakdale Road; and

WHEREAS, on March 23, 2021 the City Council approved a Subdivision Improvement Agreement (SIA) for the Unit 1 project; and

WHEREAS, DMG Development, LP is the developer for Crossroads West Unit 1 PM No. 01-2020 (15.54 acres and 91 Single Family Residential Lots); and

WHEREAS, the Subdivider shall pay all fees due the City of Riverbank as required by City Ordinances and Policies, including those that have been deferred; and

WHEREAS, the Subdivider recognizes that the City of Riverbank may withhold future building permits should adopted Mitigation Measures not be implemented in a timely manner.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby authorizes the City Engineer to record Final Map 01-2021 hereto as **Exhibit E** for Crossroads West Unit 1, for DMG Development, LP, PM 01-2020 (15.54

acres and 91 single family residential lots) upon determination that the map is in conformity with the provisions of State law and City code and upon confirmation that the previously approved subdivision improvement agreement has been executed by all necessary parties.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the ____ day of _____, 2016; motioned by Councilmember ____, seconded by Councilmember ____, and upon roll call was carried by the following City Council vote of 5-0:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: Exhibit A – Large Lot Tentative Map
Exhibit B – A Small Lot Tentative Map
Exhibit C – Preliminary Development Plan for the Machado party
Exhibit D – Approved Parcel Map 01-2020
Exhibit E – Final Map 01-2021

CROSSROADS WEST UNIT 1

BEING A SUBDIVISION OF PARCEL 1 AS SHOWN ON THE PARCEL MAP
RECORDED IN BOOK 58, AT PAGE 26, STANISLAUS COUNTY RECORDS,
AND LYING WITHIN THE NORTHEAST 1/4 OF SECTION 34 TOWNSHIP 2
SOUTH, RANGE 9 EAST, M.D.M., CITY OF RIVERBANK, STANISLAUS
COUNTY, CALIFORNIA

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON
A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION
MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF DMG DEVELOPMENT, L.P. A
CALIFORNIA DOMESTIC LIMITED PARTNERSHIP, IN OCTOBER OF 2019. I HEREBY
STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE
POSITIONS INDICATED, OR THAT THEY WILL BE SET ON OR BEFORE DECEMBER
2022, AND THAT THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO
BE RETRACED, AND THAT THIS SUBDIVISION MAP SUBSTANTIALLY CONFORMS TO
THE CONDITIONALLY APPROVED TENTATIVE MAP AND THAT THE SURVEY IS TRUE
AND COMPLETE AS SHOWN.



JAMES N. LANDRUM LS 5837

DATE

CITY SURVEYOR'S CERTIFICATE

THIS IS TO STATE THAT I HAVE EXAMINED THE ACCOMPANYING FINAL MAP, THAT
THE SUBDIVISION IS SHOWN SUBSTANTIALLY THE SAME AS IT APPEARED ON THE
TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF, THAT ALL
PROVISIONS OF THE SUBDIVISION MAP ACT AND THE MUNICIPAL CODE
APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN
COMPLIED WITH, AND THE MAP IS TECHNICALLY CORRECT.

WILLIAM F. KULL, CITY SURVEYOR
P.L.S. 5792

DATE

TAX COLLECTOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THERE ARE NO LIENS AGAINST THE PROPERTY OR ANY
PART THEREOF FOR ANY UNPAID STATE, COUNTY, SCHOOL, MUNICIPAL OR LOCAL
TAXES, OR SPECIAL ASSESSMENTS, EXCEPT SPECIAL ASSESSMENTS OR TAXES
NOT YET PAYABLE AGAINST THE LAND SHOWN ON THIS MAP.

AS TO STATE, COUNTY, SCHOOL, OR MUNICIPAL TAXES:

DONNA RILEY
STANISLAUS COUNTY TAX COLLECTOR

BY DEPUTY

DATE

PRINT NAME:

PLANNING COMMISSION CERTIFICATE

THIS IS TO CERTIFY THAT THIS SUBDIVISION MAP SUBSTANTIALLY
SUBSEQUENTLY CONFORMS TO THE TENTATIVE MAP RECOMMENDED BY THE
PLANNING COMMISSION AT A DULY AUTHORIZED MEETING HELD ON OCTOBER 1,
2019 AND APPROVED BY THE CITY COUNCIL AT A DULY AUTHORIZED MEETING
HELD ON THE 22ND DAY OF OCTOBER, 2019.

DONNA KENNEY
SECRETARY OF PLANNING COMMISSION

DATE

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____ 2021 AT _____ M IN

BOOK _____ OF SUBDIVISION MAPS, AT PAGES _____ AT THE REQUEST OF THE
COUNTY SURVEYOR.

DONNA LINDER
COUNTY CLERK-RECORDER

DOCUMENT No. _____

FEE _____

BY DEPUTY

SHEET 1 OF 4

OWNER'S STATEMENT

THE UNDERSIGNED, HEREBY STATE THAT WE ARE THE OWNERS OF, OR HAVE
SOME RIGHT, TITLE, OR HAVE SOME INTEREST OF RECORD IN THE LAND SHOWN
ON THIS MAP, AND WE CONSENT TO THE MAKING AND THE FILING OF THIS MAP
IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA

WE OFFER FOR DEDICATION TO THE PUBLIC FOR PUBLIC USE ALL STREETS,
AVENUES, ROADS, EASEMENTS, AND OTHER PUBLIC PLACES AND DEDICATIONS ALL
AS SHOWN ON THIS SUBDIVISION MAP.

DMG DEVELOPMENT, L.P.
A CALIFORNIA DOMESTIC LIMITED PARTNERSHIP

OWNER: _____ DATE: _____

U.S. BANK NATIONAL ASSOCIATION, D/B/A
HOUSING CAPITAL COMPANY

BY: _____ NAME: _____

IT'S: _____

NOTARY STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE
IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS
ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA } S.S.
COUNTY OF _____ }

ON _____, 2021, BEFORE ME _____,
A NOTARY PUBLIC PERSONALLY APPEARED _____,
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S)
WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED
TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED
CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE
PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA
THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND,

SIGNATURE: _____ NOTARY PUBLIC IN AND FOR
SAID COUNTY AND STATE _____ PRINTED NAME _____

PRINCIPAL COUNTY OF BUSINESS: _____

MY COMMISSION EXPIRES: _____

COMMISSION NUMBER OF NOTARY: _____

ACCEPTANCE OF DEDICATIONS

THIS IS TO CERTIFY THAT THE RIGHT OF WAY DEDICATIONS, PUBLIC STREETS,
AND PUBLIC UTILITY EASEMENTS AS SHOWN WITHIN THE BOUNDARY OF THE
LAND BEING DIVIDED ARE HEREBY ACCEPTED BY THE CITY OF RIVERBANK ON
BEHALF OF THE PUBLIC FOR PUBLIC USE. SAID ACCEPTANCE IS MADE UNDER
AUTHORITY OF THE CITY OF RIVERBANK, RESOLUTION NO. 98-97 ADOPTED
AUGUST 24, 1998.

ANNABELLE H. AGUILAR, CITY CLERK

DATE

MARCH 2021

MVE, INC.
1117 "L" STREET
MODESTO, CALIFORNIA 95354
(209) 526-4214

NOTARY STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE
IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS
ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA } S.S.
COUNTY OF _____ }

ON _____, 2021, BEFORE ME _____,
A NOTARY PUBLIC PERSONALLY APPEARED _____,
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S)
WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED
TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED
CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE
PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA
THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND,

SIGNATURE: _____ NOTARY PUBLIC IN AND FOR
SAID COUNTY AND STATE _____ PRINTED NAME _____

PRINCIPAL COUNTY OF BUSINESS: _____

MY COMMISSION EXPIRES: _____

COMMISSION NUMBER OF NOTARY: _____

CLERK OF THE BOARD OF SUPERVISOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THE OWNER(S) OF THE PROPERTY SHOWN ON THE
ACCOMPANYING MAP HAVE FILED WITH THE BOARD OF SUPERVISORS:

(CHECK ONE)

☐ A BOND OR DEPOSIT APPROVED BY SAID BOARD TO SECURE THE PAYMENT
OF TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH ARE
AT THE TIME OF FILING THIS MAP, A LIEN AGAINST SAID PROPERTY OR ANY
PART THEREOF.

☐ A RECEIPTED TAX BILL OR BILLS OR SUCH OTHER EVIDENCE AS MAY BE
REQUIRED BY SAID BOARD SHOWING FULL PAYMENT OF ALL APPLICABLE
TAXES.

ELIZABETH A. KINK
CLERK OF THE BOARD OF SUPERVISORS
STANISLAUS COUNTY

DATE

BY DEPUTY

DATE

PRINT NAME:

MORRILL ROAD

N89°23'12"W 2648.84' (E)
SECTION LINE
N89°23'12"W 2648.85' (M)(G)

37x15" BRASS PLATE IN CONCRETE
ACCEPTED AS NORTH QUARTER CORNER
SECTION 34 T2S, R9E (E)(G)

OAKVIEW TRACT
VOL 8 PAGE 8
POR. LOT 2

OAKVIEW TRACT
VOL 8 PAGE 8
POR. LOT 1

UNSURVEYED
REMAINDER
88-PM-28

N00°25'58"W 2643.61' (E)
N00°25'58"W 2643.40' (M)(G)
1/4 SECTION LINE

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

(M)(G) 500°19'11"E
100.13'

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

(M)(G) 500°34'21"W 48.00'

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

UNSURVEYED
REMAINDER
88-PM-28

OAKVIEW TRACT
VOL 8 PAGE 8
POR. LOT 7

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

(M)(G) 500°34'21"W 48.00'

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

(M)(G) 589°25'39"E 14.75'

3/4" IRON PIPE W/ PLUG
L.S. 5837 (G)

(G) N89°25'08"W 16.31'

N00°34'45"E 25.00'

3/4" IRON PIPE NO TAG ACCEPTED
AS INTERIOR QUARTER CORNER
SECTION 34 T2S, R9E (B)(C)(F)(G).
SET PLUG STAMPED LS 5837

HIGH
DOC#2019R0020013

1/4 SECTION LINE

WESTGATE DRIVE

1633.19' (G)
SECTION LINE
1908.82' (G)

1633.19' (G)

1633.19' (G)

1633.19' (G)

1633.19' (G)

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1633.19' (G)

1633.19' (G)

CROSSROADS WEST UNIT 1

BEING A SUBDIVISION OF PARCEL 1 AS SHOWN ON THE PARCEL MAP
RECORDED IN BOOK 98, AT PAGE 26, STANISLAUS COUNTY RECORDS,
AND LYING WITHIN THE NORTHEAST 1/4 OF SECTION 34 TOWNSHIP 2
SOUTH, RANGE 9 EAST, M.D.M., CITY OF RIVERBANK, STANISLAUS
COUNTY, CALIFORNIA

MARCH 2021

MVE, INC.
1117 "L" STREET
MODESTO, CALIFORNIA 95354
(209) 526-4214

0 100 200 300
SCALE: 1"=100'

LEGEND

- FOUND MONUMENT AS NOTED
- SET 3/4" IRON PIPE W/ PLUG L.S. 5837 IN MONUMENT
- ⊙ WELL PER CITY OF RIVERBANK STANDARDS
- ⊙ SET 1/2" IRON PIPE W/ PLUG L.S. 5837
- ⊙ LOT CORNERS UNLESS OTHERWISE NOTED
- ⊙ SET 3/4" IRON PIPE W/ PLUG L.S. 5837
- ⊙ CALCULATED POINT - NOTHING FOUND OR SET
- ⊙ STANISLAUS COUNTY RECORDS
- ⊙ SEE SURVEY REFERENCES
- ⊙ MEASURED BY THIS SURVEY
- ⊙ UNLESS OTHERWISE NOTED
- ⊙ PUBLIC UTILITY EASEMENT
- ⊙ RADIAL
- ⊙ WITNESS CORNER
- ⊙ LOT LINE
- ⊙ CENTERLINE
- ⊙ SECTION/TRACTIIONAL SECTION LINE
- ⊙ RIGHT OF WAY
- ⊙ PHASE ONE BOUNDARY

BASIS OF BEARINGS

THE BEARING OF NORTH 00°18'55" WEST BETWEEN MONUMENTS
FOUND ALONG THE CENTERLINE OF OAKDALE ROAD AT THE
NORTHEAST CORNER OF SECTION 34 AND EAST QUARTER CORNER
OF SECTION 34, AS SHOWN ON RECORD OF SURVEY 33-70,
BEING THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION
34, 2/9.

GENERAL NOTES:

1. ALL BEARINGS AND DISTANCES ARE MEASURED UNLESS OTHERWISE NOTED.
2. THE TOTAL AREA SUBDIVIDED BY THIS MAP = 16.12 ACRES, CONTAINING 91 RESIDENTIAL LOTS, RIGHT OF WAY DEDICATIONS ALONG OAKDALE ROAD, WESTGATE DRIVE, ALISO LANE, STARWOOD DRIVE, TREEHOUSE LANE, BURBIAE WAY, HARWOOD LANE, FIG TREE WAY, AND SATINLEAF DRIVE, BEING DEDICATED TO THE CITY OF RIVERBANK BY THIS MAP.
3. LOT CORNERS:
SET 1/2" IRON PIPE W/ PLUG L.S. 5837 @ LOT CORNERS UNLESS OTHERWISE NOTED
4. WESTGATE DRIVE WAS PREVIOUSLY NAMED CRAWFORD ROAD.

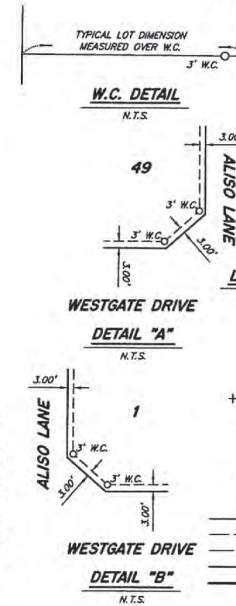
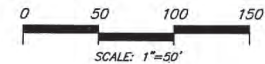
SURVEY REFERENCES

- (A) PARCEL MAP 55-78
- (B) PARCEL MAP 16-104
- (C) SUBDIVISION MAP 18-39
- (D) OAKVIEW TRACT 8-8
- (E) RECORD OF SURVEY 33-70
- (F) RECORD OF SURVEY 33-86
- (G) PARCEL MAP 58-26
- (H) DOC# 2003-011386
- (I) DOC# 2004-0048524

SHEET 2 OF 4

1
A SUBDIVISION OF PARCEL 1 AS SHOWN ON THE PARCEL MAP
RECORDED IN BOOK 58, AT PAGE 26, STANISLAUS COUNTY RECORDS,
LYING WITHIN THE NORTHEAST 1/4 OF SECTION 34 TOWNSHIP 2
N, RANGE 9 EAST, M.D.M., CITY OF RIVERBANK, STANISLAUS
COUNTY, CALIFORNIA

MVE, INC.
1117 "L" STREET
MODESTO, CALIFORNIA 95354
(209) 526-4214



● FOUND MONUMENT AS NOTED
● SET 3/4" IRON PIPE W/PLUG L.S. 5837 IN MONUMENT
-1 WELL PER CITY OF RIVERBANK STANDARDS
○ SET 1/2" IRON PIPE W/PLUG L.S. 5837 @
○ LOT CORNERS UNLESS OTHERWISE NOTED
+ SET 3/4" IRON PIPE W/PLUG L.S. 5837
+ CALCULATED POINT - NOTHING FOUND OR SET
S.C.R. STANISLAUS COUNTY RECORDS
(R1) SEE SURVEY REFERENCES
(M) MEASURED BY THIS SURVEY
P.U.E. UNLESS OTHERWISE NOTED
(R) PUBLIC UTILITY EASEMENT
W.C. RADIAL
WITNESS CORNER
____ LOT LINE
____ CENTERLINE
____ SECTION/FRACTIONAL SECTION LINE
____ RIGHT OF WAY
____ PHASE ONE BOUNDARY

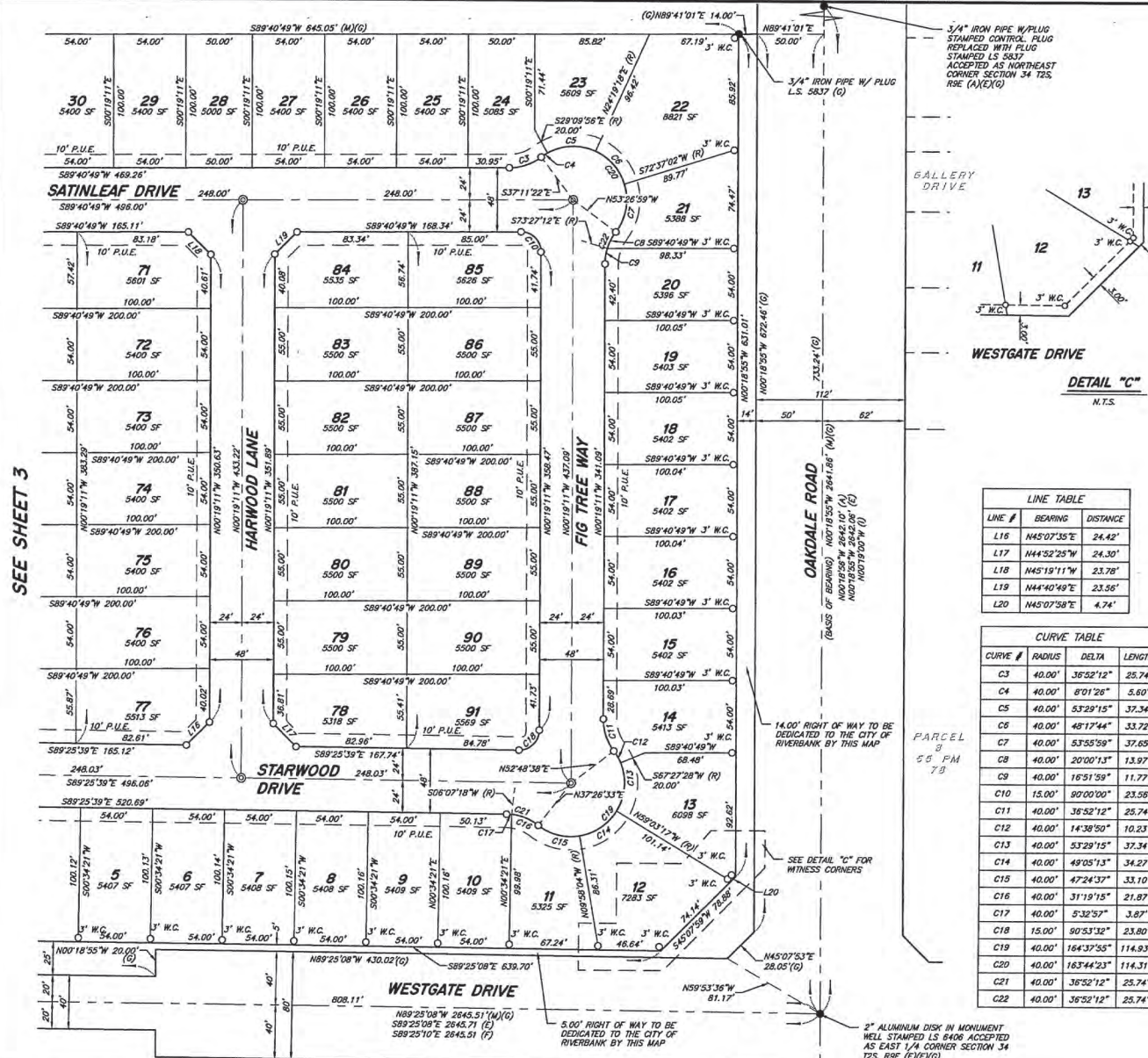
THE BEARING OF NORTH 00°18'55" WEST BETWEEN MONUMENTS FOUND ALONG THE CENTERLINE OF OAKDALE ROAD AT THE NORTHEAST CORNER OF SECTION 34 AND EAST QUARTER CORNER OF SECTION 34, AS SHOWN ON RECORD OF SURVEY 33-70, BEING THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 34/2/9.

1. ALL BEARINGS AND DISTANCES ARE MEASURED UNLESS OTHERWISE NOTED.
2. THE TOTAL AREA SUBDIVIDED BY THIS MAP = 16.12 ACRES, CONTAINING 91 RESIDENTIAL LOTS, RIGHT OF WAY DESIGNATIONS ARE: CRAWFORD ROAD, WESTGATE DRIVE, ALSO A 10' WIDE STARWOLD DRIVE, WASTEGATE DRIVE, CRAWFORD WAY, HARWOOD LAWN, FIG TREE WAY, AND SATINLEAF DRIVE, BEING DEDICATED TO THE CITY OF RIVERBANK BY THIS MAP.
3. LOT CORNERS:
SE 1/4 12" IRON PIPE W/PLUG L.S. 5837 @ LOT CORNERS UNLESS OTHERWISE NOTED.
4. WESTGATE DRIVE WAS PREVIOUSLY NAMED CRAWFORD ROAD.

(A) PARCEL MAP 55-78
(B) PARCEL MAP 16-104
(C) SUBDIVISION MAP 18-39
(D) OAKVIEW TRACT 6-8
(E) RECORD OF SURVEY 33-70
(F) RECORD OF SURVEY 33-86
(G) PARCEL MAP 58-26
(H) DOC# 2003-011386
(I) DOC# 2004-0048524

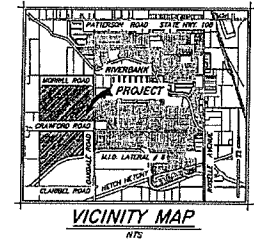
LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N45°00'58"E	27.18
L2	S44°52'25"E	22.34
L3	S44°52'25"E	30.78
L4	S45°07'35"W	30.88
L5	N45°07'35"E	24.42
L6	S44°52'25"E	24.30
L7	N45°07'35"E	24.42
L8	S44°52'25"E	24.95
L9	N43°51'31"W	25.50
L10	S45°08'29"W	24.33
L11	N45°08'29"E	24.35
L12	N43°51'31"W	25.47
L13	N43°51'31"W	23.76
L14	S44°40'49"W	25.56
L15	S89°40'49"W	21.26

CURVE #	RADIUS	DELTA	LENGTH
C1	270.00'	2°55'19"	13.77
C2	246.00'	2°55'19"	12.55



CROSSROADS WEST MACHADO FAMILY PROPERTY TENTATIVE SUBDIVISION MAP RIVERBANK, CALIFORNIA

BEING A PORTION OF SOUTH 1/2 OF SECTION 27,
TOWNSHIP 5 SOUTH, RANGE 10 EAST, MOUNT Diablo MERIDIAN
COUNTY OF STANISLAUS, STATE OF CALIFORNIA



WRITTEN STATEMENTS

1. ALL EXISTING STRUCTURES ARE TO BE REMOVED IN CONFORMANCE WITH APPLICABLE PROJECT. SOME EXISTING HOUSES, POLES, AND WELLS THERE WILL BE REMOVED OR ABANDONED FOR THE CITY OF RIVERBANK AND NEIGHBORING JURISDICTIONS.
2. ALL EXISTING TREES ARE TO BE REMOVED IN CONFORMANCE WITH APPLICABLE PROJECT. REMOVAL OF TREES SHALL BE SUBMITTED WITHIN 90 DAYS OF THE DATE OF THE CITY OF RIVERBANK AND NEIGHBORING JURISDICTIONS. REMOVAL OF TREES SHALL BE IN ACCORDANCE WITH THE CITY OF RIVERBANK AND NEIGHBORING JURISDICTIONS.
3. FOR PURPOSES OF CLARITY, RIGHT-OF-WAY ADJUSTMENTS SHOWN ON THIS SHEET.
4. EXISTING EASEMENTS AND EASEMENTS TO BE RELOCATED REMOVED OR ABANDONED IN ACCORDANCE WITH ALL REQUIREMENTS.

PROJECT INFORMATION

- A. REGULATORY AGENCY: CITY OF RIVERBANK
1001 THIRD STREET
RIVERBANK, CA 95271
916-824-1700
- B. APPLICANTS: MACHADO, PATRICIA, ALEXANDER, MACHADO, AND MACHADO FAMILIES
- C. ENGINEER: JMC INC.
1117 L STREET
MCKINLEY, CA 95354
- D. EXISTING ZONE: AGRICULTURE
- E. TOTAL PROJECT AREA: 2429 ACRES
- F. APPLICANT: 074-011-004-008 AND 074-011-008
- G. TOTAL LOT: 24
- H. CONTIGUOUS: 1 FOOT INTERVALS

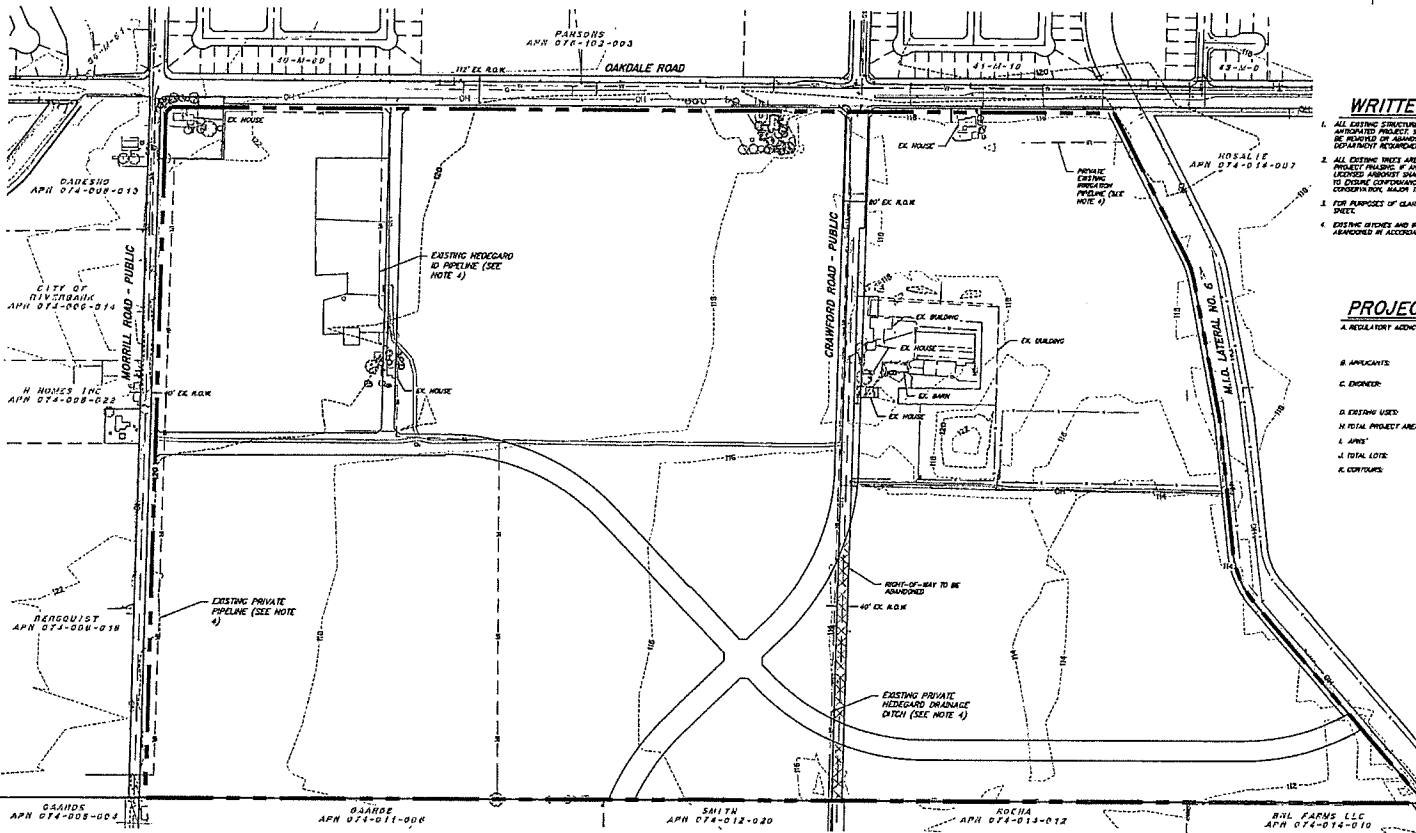
CITY OF RIVERBANK

JUN 04 2019

DEVELOPMENT SERVICE

LEGEND

- EXISTING CONTOURS (MACHADO)
- EXISTING CONTOURS (MACHADO)
- EXISTING EASEMENTS
- EXISTING FENCE LINE
- EXISTING WATER LINE
- EXISTING SEWER LINE
- EXISTING OVERHEAD LINE
- EXISTING GAS LINE
- EXISTING BARRIED WIRE FENCE
- EXISTING JUMP POLE
- EXISTING FIRE HYDRANT
- EXISTING TREE
- EXISTING STRUCTURE (AS NOTED)
- PROPOSED RIGHT-OF-WAY ADJUSTMENT
- PROJECT BOUNDARY LINE
- AC
- APN
- ASSessor's PARCEL NUMBER



EXISTING CONDITION
SCALE=1"=200'

REVISIONS				
Drawn By	RAM	NO.	DATE	ISSUED FOR
Issue Date:	06/04/19			
Job No.:	06238			
Checked:	ST/DAM			
Design By:	RAM			

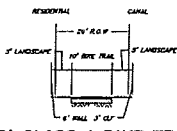
MVE
MVE Inc.
1117 L Street, Modesto, CA 95354 | 866.626.4214 | www.mve.net
Northern California | Southern California | Nevada

**CROSSROADS WEST
MACHADO FAMILY PROPERTY
TENTATIVE SUBDIVISION MAP**
BEING A PORTION OF SOUTH 1/2 OF SECTION 27,
TOWNSHIP 5 SOUTH, RANGE 10 EAST, MOUNT Diablo MERIDIAN
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

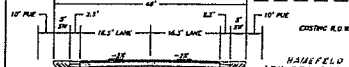
DWG: TM1
SHEET 1
RIVERBANK CALIFORNIA OF 2

LEGEND

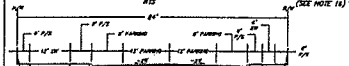
- RS --- EXISTING CONTOUR (HATCH)
- 1N --- EXISTING CONTOUR (HATCH)
- --- EXISTING EASEMENTS
- --- EXISTING PARCEL LINES
- --- EXISTING WATER LINE
- --- EXISTING FURNACE LINE
- --- EXISTING SEWER LINE
- --- EXISTING OVERHEAD LINE
- --- EXISTING GAS LINE
- --- PROPOSED EASEMENTS
- --- PROPOSED LOT LINES
- --- PROJECT BOUNDARY LINE
- --- PROPOSED UTILITY & ACCESS EASEMENT
- --- POTENTIAL MIDDLE SCHOOL SITE
- --- ADJACENT
- --- ADJACENT PARCEL NUMBER
- --- LOW-DENSITY RESIDENTIAL
- --- MEDIUM-DENSITY RESIDENTIAL
- --- HIGH-DENSITY RESIDENTIAL
- --- MIXED USE



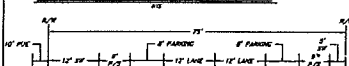
20' CLASS 1 BIKE TRAIL



FUTURE 48' LOCAL STREET



FUTURE 84' MACHADO PARKWAY



FUTURE 75' MACHADO PARKWAY



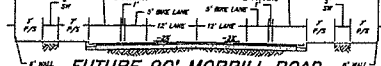
FUTURE 126' OAKDALE ROAD

PROPOSED CONDITION

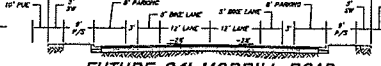
SCALE: 1"=200'



FUTURE 90' CRAWFORD ROAD



FUTURE 90' MORRILL ROAD

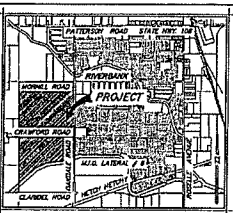


FUTURE 84' MORRILL ROAD

Drawn By	RAM	NO.	DATE	ISSUED FOR	BY
Issue Date:	06/04/19				
Job No.:	06239				
Checked:	ST/RAH				
Design By:	RAM				

MVE
MVE Inc.
1117 L Street, Modesto, CA 95354 | 866.526.4214 | www.mve.net
Northern California | Southern California | Nevada

CROSSROADS WEST
MACHADO FAMILY PROPERTY
TENTATIVE SUBDIVISION MAP
BOTH A PORTION OF SOUTH 1/2 OF SECTION 31,
TOWNSHIP 5 SOUTH, RANGE 10 EAST, COUNTY OF CALIFORNIA
COUNTY OF STANISLAUS, STATE OF CALIFORNIA



VICINITY MAP

WRITTEN STATEMENTS

- THIS TENTATIVE MAP CONTAINS 22 LOTS AND IS PLANNED FOR FUTURE DEVELOPMENT. NO DEVELOPMENT IS PROPOSED WITH THIS MAP AND SUBSEQUENT FUTURE DEVELOPMENT WILL BE REQUIRED.
- A 20' CLASS 1 BIKE TRAIL ON THE NORTH SIDE OF MACHADO PARKWAY IS TO BE DEDICATED TO THE CITY OF RIVERBANK.
- EXISTING EASEMENTS:
- THE PROPOSED LAY OUT OF ALL THE LOTS IS BASED ON THE MAP AND ARE CONSISTENT WITH THE CROSSROADS WEST SPECIFIC PLAN.
- UTILITIES:
WATER SYSTEM - CITY OF RIVERBANK
SEWER SYSTEM - CITY OF RIVERBANK
ELECTRIC - PG&E
TELEPHONE - SBC
GAS - SBC
SCHOOL DISTRICT - RIVERBANK SCHOOL DISTRICT - GRADES K-8 AND RIVERBANK HIGH SCHOOL DISTRICT - GRADES 9-12.
- METHODS AND TECHNIQUES OF EROSION CONTROL, RETENTION, AND IMPROVEMENTS ARE PLANNED WITH THE MAP. EROSION CONTROL EROSION CONTROL METHODS ARE PROPOSED AT THE TIME.
- ALL REPORTS AND STUDIES COMPLETED FOR THE ENTIRE SPECIFIC PLAN ARE INCLUDED WITHIN THE DRAFT ENVIRONMENTAL IMPACT REPORT FROM THE ENVIRONMENTAL IMPACT REPORT.
- THERE ARE NO PROPOSED AREAS TO BE OWNED BY THE CITY.
- NO LANDSCAPING OR SOUND WALLS ARE PROPOSED AT THIS TIME.
- THERE IS NO PLANNED IMPROVEMENT OR IMPROVEMENT FOR THE PURPOSE OF IMPROVING THE MAINTENANCE OF IMPROVEMENT.
- NO OFF-ROAD IMPROVEMENTS ARE PROPOSED AT THIS TIME.
- NO IMPROVEMENTS ARE MADE FOR SOLAR ACCESS AT THIS TIME.
- THE SUBDIVISION MAP PROVIDES THE RIGHT TO FILE A MAP. SUBDIVISION MAPS ARE SET FOR BY THE SUBDIVISION MAP ACT, ARTICLE 4, SECTION 65461.
- PROPOSED STREET LIGHTS ARE SHOWN FOR INFORMATION. PROPOSED ACCESS AND UTILITY EASEMENTS ARE PROVIDED CONSIDERATION WITH THE CITY AND THE PROPOSED CROSS-SECTION.
- TWO POSSIBLE SCHOOL SITE LOCATIONS ARE IDENTIFIED WITHIN THE CROSSROADS WEST SPECIFIC PLAN TO BE LOCATED WITHIN THE GENERAL PLAN AREA.
- EXISTING OVERHEAD UTILITY LINES TO BE RELOCATED AND/OR UNDERGROUND FOR ACCESS AND UTILITY RELOCATION.
- LOTS 1 AND 2 ARE BEING CONSIDERED FOR A POTENTIAL MIDDLE SCHOOL SITE.
- 12' PUBLIC UTILITY EASEMENT (PUE) WILL BE PROVIDED IN ALL LOCATIONS WHERE A WALL CONDITION DOES NOT EXIST. WHERE THE WALL CONDITION OCCURS, PROPOSED UTILITY LINES WILL BE INSTALLED WITHIN THE PUBLIC RIGHT-OF-WAY.

CITY OF RIVERBANK

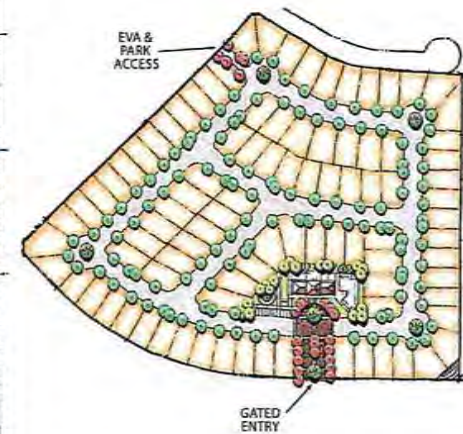
JUN 04 2019

DEVELOPMENT SERVICES

DWG
TM2
SHEET
2
OF 2

LEGEND

- Class I Bike Trail
- Proposed Bus Turnout
- Existing Overhead Lines



Site Summary

Total Acreage: 55 acres
 Density: 5 lots/acre
 Total Lots: 351
 Lot Size: 50'x100'
 Corner Lot: 55'x100'
 Interior Road Width: 48'

Note: Utility Connection
 Points to be at Machado
 Parkway and Crawford
 Road as applicable

Alternative Gated Community

Site Area	±17 acres
5,500 SF lots	50
5,000 SF lots	43
Total lots	93
Density	5.5 D.U./Ac
Community Center	±35,000 SF

CITY OF RIVERBANK

JUN 4 2019

DEVELOPMENT SERVICES



6.03.2019

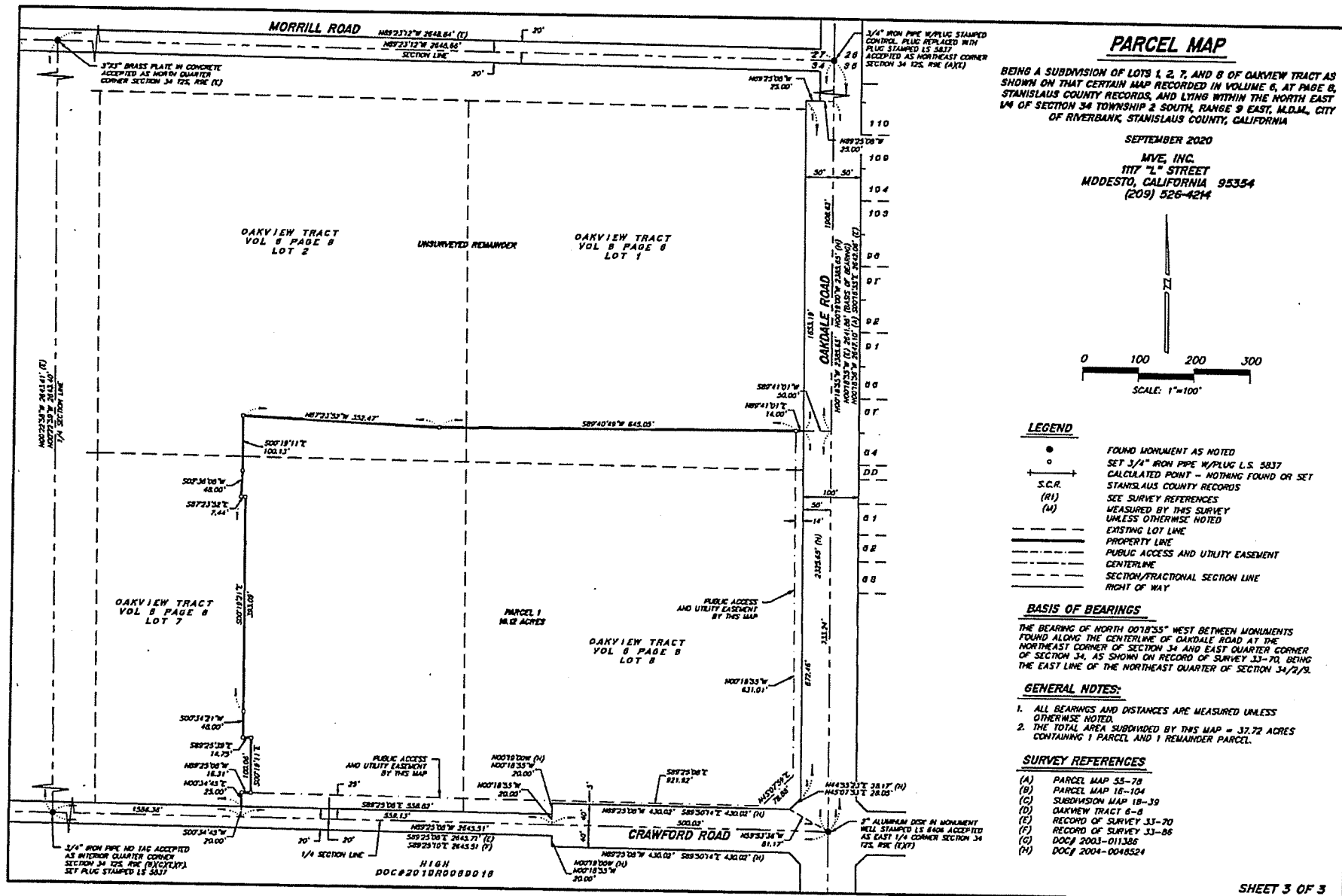


18711 Shaw
 Riverside, CA 92504
 951.504.4204
 www.mveinc.com

PRELIMINARY DEVELOPMENT PLAN FOR LDR 3 (MACHADO FAMILY) Riverbank, California

CROSSROADS WEST
 DEVELOPER GROUP

Project Management • Civil/Structural Engineering • Urban Design • Land Planning • Entitlements • Right-of-Way/Permitting • Surveying • Construction Staking • Graphics
 Providing services in California and Nevada



RIVERBANK CITY COUNCIL AGENDA ITEM NO. 11.2

SECTION 11: NEW BUSINESS

Meeting Date: April 13, 2021

Subject: A **Resolution** Amending the \$600,000 Budgetary Authority Resolution No. 2020-085 for an Additional \$206,000 Gap Funding for the Roselle and Westgate (formerly Crawford Rd) Sewer Collection Capacity Upgrade Project (Crossroads West Specific Plan)

From: Sean Scully, City Manager

RECOMMENDATION

It is recommended that the City Council consider approving the proposed resolution authorizing an amendment to the previously approved budgetary authority in an amount not to exceed \$206,000 in sewer connection fees to supplement the previously approved \$600,000 system development fees for the updated construction gap funding to complete the Roselle/Westgate sewer collection upgrade project.

SUMMARY

In early 2019 the City Council approved the annexation of the Crossroads West Specific Plan area (380 acres), which also included a Development Agreement for the commercial portion of the project. In August of 2019 the City Council approved Development Agreements and preliminary maps for the residential portions of Crossroads West. Since that time developers have been working to coordinate the kick-off of the first phases of the project. A large portion of the coordination includes working with the City to make sure that all backbone infrastructure needed for this development is moving forward so that services (water and sewer primarily) are available when residential and commercial construction begins.

In late August of 2020 the City Council authorized use of System Development Fees in the amount of \$90,000 to initiate the engineering design for the sewer system upgrades necessary to accommodate Crossroads West growth. Staff contracted with Mid Valley Engineering to complete the engineering and construction drawings for the project. In December of 2020 the Council adopted Resolution No. 2020-085 authorizing gap funding of approximately \$600,000 in System Development Fees for what (at the time) was the assumed shortfall in the project budget between the developer's upfront contribution (\$1.57M) and the anticipated cost for construction (\$2.1M). Once design was complete the project was bid out by the builder (FCB Homes) to three reputable construction firms.

Bids received back ranged from \$2.376M - \$2.975M. While the increase in cost from original estimate was much higher than anticipated by project engineers, developers, and staff, the cost difference is reflective of market rate increases due to a very busy construction industry regionally and locally. Prior to completion of the design staff reviewed design specifications to see what cost saving measures could be incorporated into the design while still maintaining the integrity of the system upgrade.

The initial concept after the design was completed was to hand the project off to the developer who would contract for the construction and fund the improvement. The funding for the project is reimbursable under the system development fee program. Due to the construction cost increase, the developer had budgeted to front the initial \$1.57 million for the sewer improvement. Now that the actual bids have been submitted and the low bidder has been selected by the developer the full funding gap is clear. The Developer has requested that the City Council consider amending the authorizing gap funding for the project from the currently approved amount of \$600,000 to a total of \$806,000 (an increase of \$206,000 from the original Council approval).

As was mentioned during the initial gap funding consideration by Council, the primary benefits to the City authorizing the gap funding of the construction phase of the project, and taking the lead on the design, is to keep the project on schedule which will ensure the improvement is constructed in advance of development commencing within Crossroads West. As Council is aware, site preparation work has already commenced for the first residential phase of Crossroads West with additional phases already in review.

The project is included in the Capital Improvement Plan and System Development Fee program for the City of Riverbank. While the City would bear the gap funding cost, the City will be repaid through the payment of system development fees and sewer connection fees by builders during Crossroads West construction. The alternative to this scenario would be to have the builder fund the entirety of the construction not already gap funded (an additional \$206,000) and reimburse/provide system development fee credits when homes are built. As stated previously the primary value for the City advancing funding of this project is to prepare for and encourage development within the Crossroads West Specific Plan area.

If approved the City Manager and City Attorney would amend the draft cooperation agreement to ensure the developer minimally pre funds \$1.57M and the City provides funding for the remaining project budget up to the bid total for a total City contribution of \$806,000 (\$600,000 previously approved plus the amended request of \$206,000). Staff would recommend that the developer still take the lead on contracting and managing the construction (as is the plan currently).

As an offer of good faith, if the City agrees to amend the gap funding, the landowners have preliminarily offered to cover the cost of any cost overruns or change orders up to \$100,000 over the current project budget.

FINANCIAL IMPACT

An amount not to exceed \$806,000. \$600,000 in System Development Fees from the Fund 207 - Waste Water Fund (previously approved) and \$206,000 from the Sewer Connection Fee Fund 158 (approximate balance of \$400,000). The actual effect to both funds is generally neutral to the fund because the fees will be recovered as Crossroads West construction begins and projects begin to pay the SDF fees and sewer connection charges. In the opinion of the Public Works Director the most important project within the SDF sewer collection program is the Roselle/Westgate upgrade project because that segment of sewer collection pipe currently serves a very large section of the west side of town (all of current Crossroads and most of the subdivisions located off of Roselle). The project is additionally important from a sewer connection perspective because the sewer connection fee is a flexible fee designed to address capacity and connection issues within the total sewer system. The current design has been and will continue to be (until this project complete) a significant deficiency in the system because of the bottleneck that exists within the collection system in this area.

ATTACHMENTS

1. Resolution 2020-XXXX

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, AMENDING THE \$600,000 BUDGET AUTHORITY RESOLUTION NO. 2020-085 FOR AN ADDITIONAL \$206,000 GAP FUNDING FOR THE ROSELLE AND WESTGATE (FORMERLY CRAWFORD ROAD) SEWER COLLECTION CAPACITY UPGRADE PROJECT (CROSSROADS WEST SPECIFIC PLAN)

WHEREAS, the City Council approved the Crossroads West project in 2019 annexing approximately 380 acres of commercial and residential land into City limits; and

WHEREAS, significant infrastructure improvements are needed in order to serve the newly annexed area for future growth; and

WHEREAS, the key initial infrastructure improvements relate to the sewer collection system; and

WHEREAS, sufficient capacity does not currently exist in the sewer collection system along Crawford and Roselle and

WHEREAS, in order to facilitate development of Crossroads West ensuring that the project moves to construction with adequate funding is imperative; and

WHEREAS, the project is identified within the System Development Fee program; and

WHEREAS, the project is a critical infrastructure improvement to the sewer system whether or not future development adds burden to the current sewer collection system; and

WHEREAS, initial estimates for the project construction based on project design was approximately \$2.1 million, when actual bids were received from licensed contractors the low bid totaled approximately \$2.376 million; and

WHEREAS, when the initial gap funding was approved it was based on the general estimates from project engineers, when actual bids were received from licensed contractors the low bid represented approximately \$206,000 in excess of estimated project totals; and

WHEREAS, staff would recommend that the additional \$206,000 in gap funding be allocated from the sewer connection fee account; and

WHEREAS, the developer has requested the City Council consider authorizing funding to cover the difference in initial gap funding and current construction bid; and

WHEREAS, the developer/builder will be responsible for contracting and managing the construction of the improvement; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby declares the following:

1. The City Council authorizes an amended budgetary authority to Resolution 2020-085 for an additional \$206,000 from sewer connection fees in addition to the previously approved \$600,000 (of system develop fees) to provide gap funding for the sewer collection capacity upgrade on Roselle and Westgate (formerly Crawford Rd) for a total of \$806,000;
2. The City Council directs the City Attorney and City Manager to draft and execute any appropriate agreements with the developer for providing the necessary gap funding to complete the project.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 13th day of April, 2021; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Annabelle Aguilar, CMC
City Clerk

APPROVED:

Richard D. O'Brien
Mayor

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 11.3

SECTION 11: NEW BUSINESS

Meeting Date: April 13, 2021

Subject: Consideration of Partnership for City of Riverbank Banner Program

A **Resolution** Approving the No Cost Riverbank Banner Program and Partnership with CGI Communications and Directing the City Manager to Execute an Agreement to Begin the Process of Designing and Implementing the No Cost Banner Program

From: Sean Scully, City Manager

RECOMMENDATION

It is recommended that the City Council consider approving the no cost Riverbank Banner program and partner with CGI Communications and directing the City Manager to execute the attached agreement (subject to City Attorney review) to begin the process of designing and implementing no cost sponsored banners in key areas within Riverbank.

SUMMARY

Multiple times in the past the City of Riverbank has partnered with CGI Communications, a community-based marketing and advertising firm. CGI has developed video infomercials and video tours of Riverbank showcasing Riverbank's many amazing components through web-based videos that the City has posted on its website. More recently, CGI has approached the City to gauge interest in participating in a banner sign program. CGI has an endorsed partnership with the National League of Cities as well as the US Conference of Mayors and has many banner program partnerships with many Cities throughout the Country.

At no cost to the City CGI will design and manufacture high quality banners that can be affixed to light poles throughout specific areas of town (see attached examples from other communities). The top 75% of the banner can be designed with any type of design the City would like. For example, it could have "*Welcome to Riverbank*" artwork, "*Celebrating 100 years*" artwork, "*Riverbank's Historic Downtown District*" artwork, and any other messaging that they would help add to the aesthetic of the area that the banners are being placed. The artwork can also center around community events, for example "*Home of the Cheese and Wine Festival*" or "*Congratulations to our Graduating Class of 2022*" or "*Enroll in Riverbank Recreation Programs Today!*". Regardless of the message content, CGI will manage the art design, creation and installation of the banners at the

specified locations dictated by the City. Additionally, CGI maintains and replaces the banners in the event they become tattered by the weather or vandalized.

The way that CGI pays for this service is they primarily seek local business, nonprofits, schools, events, and resident sponsors from Riverbank for the signage. The sponsor logo takes up the bottom 25% of the banner (see attached examples). The process allows for the dual benefit of promoting the City of Riverbank as well as local business. In the unlikely event there is no sponsor interest CGI will provide 15 free banners to the City as well as a free banner for outside City Hall, the Police Department and the Fire Department.

The agreement is for a term of 3 years and the artwork/banner design can be replaced each year with new messaging at the City's discretion.

If the City Council is interested in this opportunity, staff will execute the attached agreement and will begin the process of identifying areas of the community as well as proposed design for Council approval at a future meeting.

FINANCIAL IMPACT

No direct impact as this is a no cost program. Some limited staff time will be used to coordinate location and design but overall, the impact is negligible compared to the potential benefit to the community.

ATTACHMENTS

1. Resolution 2021-XXXX
2. Sample Agreement
3. CGI Presentation Materials and Banner Examples

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, APPROVING THE NO COST RIVERBANK BANNER PROGRAM AND PARTNERSHIP WITH CGI COMMUNICATIONS AND DIRECTING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO BEGIN THE PROCESS OF DESIGNING AND IMPLEMENTING THE NO COST BANNER PROGRAM

WHEREAS, the City of Riverbank has been approached by CGI Communications with an opportunity to partner on a no cost banner program within Riverbank; and

WHEREAS, the banner program would provide additional aesthetically pleasing marketing for the City of Riverbank; and

WHEREAS, CGI Communications is endorsed by the National League of Cities and the US Conference of Mayors; and

WHEREAS, this is a no cost program to the City of Riverbank, banners will be paid for through sponsorships; and

WHEREAS, staff will determine appropriate areas of the community for the banners and come up with conceptual designs for Council approval; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby authorizes the no cost banner program partnership with CGI Communications and directs the City manager to execute an agreement (subject to City Attorney review), which will be attached hereto as **Exhibit A**, to begin the process of designing and implementing the no cost banner program within the City of Riverbank.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 13th day of April, 2021; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: (Exhibit A – Agreement pending execution)



2021 Community Banner Program

Name: Norma Torres-Manriquez
Title: Administrative Analyst
Address: 6707 Third St
City, State, Zip: Riverbank, CA 95367
Phone: 209-863-7153
Email: nmanriquez@riverbank.org
Website: www.riverbank.org

This agreement is between CGI Communications, Inc. and the City of Riverbank, and shall remain in effect from the date it is signed by both parties until the completion of the three (3) years of banner display, as described herein.

CGI / Community Showcase Banners shall provide the following:

- A minimum of 15 full-color, custom graphic vinyl banners for all permissible poles
- Business sponsors featured on the bottom 30% of the banner
- Artwork, design and size customized to meet your community's specifications (standard size 30" x 72")
- All brackets, hardware, installation and maintenance
- Quantity of banners determined by number of sponsor participants
- Duration of sponsor participation will be one (1) year with the option to renew each following year of the agreement
- Sponsorship fulfillment including all related aspects of marketing, production, and printing
- The city will assume no cost or liability for the sales and production of the banners for this project

The city shall provide the following:

- Letter of introduction supporting the program on your organization's letterhead
- The right for CGI to use organization's name in connection with the preparation, production and marketing of the program set forth herein only
- Identification of, and access to the preferred pole sites for proper banner placement
- Identification of and access to a minimum of 25 poles for banner placement

We, the undersigned, understand the above information and have full authority to sign this agreement.

Riverbank, CA	CGI Communications, Inc.
	
Title:	Title: Vice President of Marketing and Acquisitions
Date:	Date: February 11, 2021



COMMUNICATIONS

Banner Program

History

Dedicated to serving communities and businesses across the U.S.

30+ years

of community based marketing and advertising experience

3,000+

community partners

50,000+

business clients across the U.S. and Canada

Partnerships

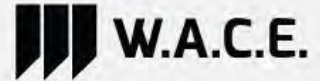
PARTNERED WITH:



PREMIER CORPORATE MEMBER OF:



MEMBER OF:



MUNICIPAL LEAGUE PARTNERS:



Allied Member



Banner Sizes



Keep it local



Acacia
Village



AX Signature
Screen Printing & Embroidery



Holiday Inn
Utica Business Park

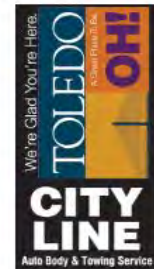
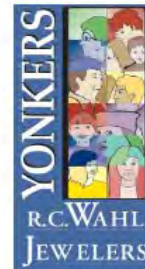
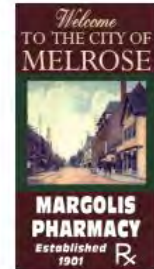


AX Tactical

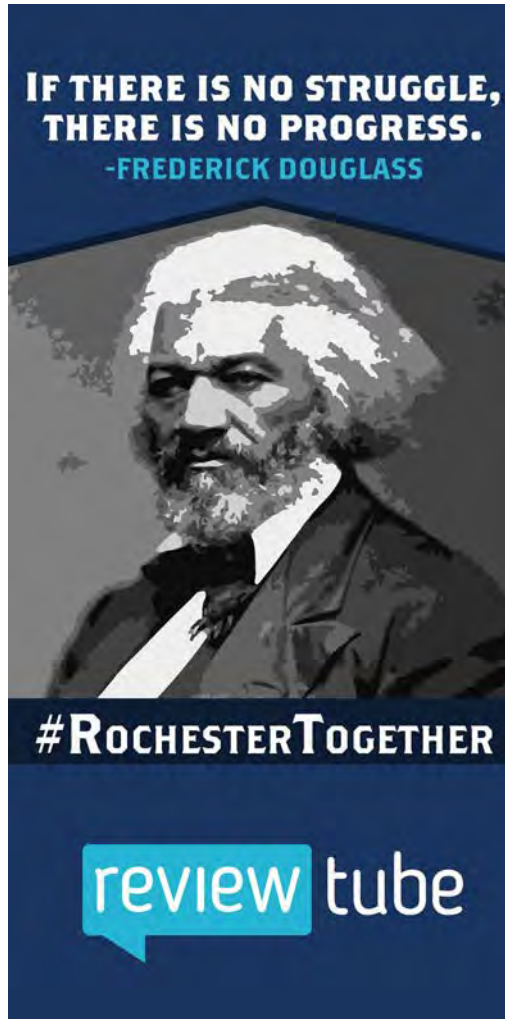
Examples



Examples



Examples



Beautify Downtown



Beautify Downtown



Free Banners



Fire Station



Police Station

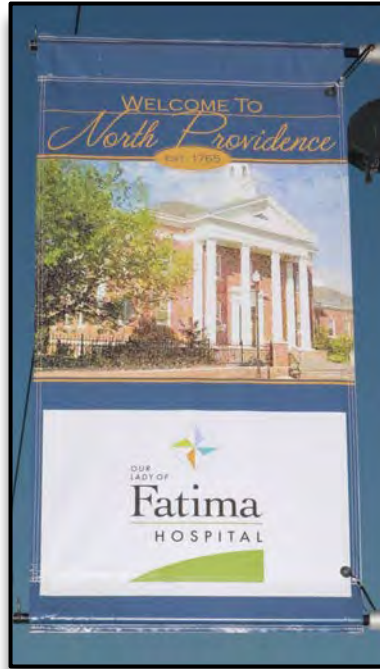
Make it FUN



Updated Design Every Year



2017



2018



2019

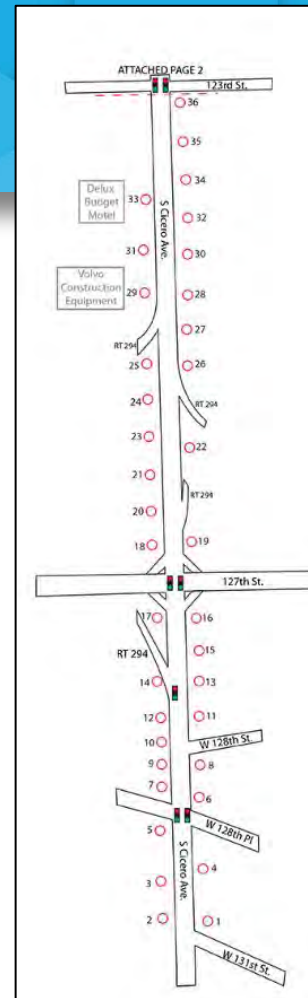
Where the banners go

You will work with CGI to identify the best streets and poles for the banner display.

The most requested locations include but are not limited to:

- Downtown, historic and business districts
- Main Streets
- Key community corridors

Plot Map



Lasting Pride



Letter Example



KRZYSZTOF (KRIS) WASOWICZ
MAYOR/VILLAGE PRESIDENT
kwasowicz@villageofjustice.org

Village of
JUSTICE

Phone 708-458-2520
Fax 708-458-4582
Cell 708-243-8032

7800 South Archer Road, Justice, Illinois 60458
www.villageofjustice.org

April 16, 2015

Dear Justice Business Owner:

As you know, the Village of Justice is dedicated to making our community a great place to live, work, shop and conduct business. We have agreed to participate in a promotional campaign conducted by CGI Communications, Inc., which we believe will help market the community and doing business in the Village of Justice.

The program calls for street banners, designed exclusively for our community, indicating our Village's website address (www.villageofjustice.org) and also showing Justice's economic vitality, and the support of our business community.

A representative of CGI Communications, Inc. will be contacting you to discuss the street banner program. The program is strictly voluntary and although we encourage you to consider supporting this program, you are under no obligation to participate. Please take a look and see what you think. The program can certainly be a win-win for all involved.

Sincerely,

Krzysztof (Kris) Wasowicz
Village President
Village of Justice

Program Summary

- Enhance ordinary street poles with beautiful artwork
- Brighten and invigorate downtown area
- Make a visual impact, creating a buzz around downtown and in business districts
- Reinforce and enhance city brand
- Promote community assets and local events
- Reach thousands of citizens daily
- Drive traffic to community website
- CGI installs and maintains all banners

