



**REGULAR CITY COUNCIL MEETING  
MEETING AGENDA  
WEDNESDAY, FEBRUARY 10, 2016**

**Closed Session Meeting – 6:00PM  
Regular Meeting - 6:30 PM**

**City Hall – Beryl P. Robinson, Jr. Conference Room  
317 Broad Street, Nevada City, CA 95959**

**MISSION STATEMENT**

*The City of Nevada City is dedicated to preserving and enhancing its small town character and historical architecture while providing quality public services for our current and future residents, businesses and visitors.*

**Jennifer Ray, Mayor**

**Robert Bergman, Council Member**

**Evans Phelps, Vice Mayor**

**Terri Andersen, Council Member**

**Duane Strawser, Council Member**

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The City Council welcomes you to its meetings which are scheduled at 6:30 PM on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays of each month. Your interest is encouraged and appreciated. This meeting is recorded on DVD and is televised on local public television Channel 17. Other special accommodations may be requested to the City Clerk 72 hours in advance of the meeting. Please turn off all cell phones or similar devices. Action may be taken on any agenda item. Agenda notices are available at City Hall. Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Hall at 317 Broad Street, Nevada City, CA during normal business hours.

**ANY MEMBER OF THE PUBLIC DESIRING TO ADDRESS THE COUNCIL ON ANY ITEM ON THIS AGENDA:** After receiving recognition from the Mayor, give your name and address, and then your comments or questions. Please direct your remarks to the Councilmembers. In order that all interested parties have an opportunity to speak, please limit your comments to the specific item under discussion. All citizens will be afforded an opportunity to speak, consistent with their Constitutional rights. Time limits shall be at the Mayor's discretion. **IF YOU CHALLENGE** the Council's decision on any matter in court, you will be limited to raising only those issues you or someone else raised at the meeting or Public Hearing described on this agenda, or in written correspondence delivered to the City Council at, or prior to, the meeting or Public Hearing.

**CLOSED SESSION MEETING – 6:00PM**

- 1) Pursuant to Government Code Section 54956.9 the City Attorney is requesting a closed session conference to discuss and confer on the appeal of litigation involving the City in the case of Friends of Spring Street vs. Nevada City, et al, Nevada County Superior Court Case No. CU15-080911

**REGULAR MEETING – 6:30 PM - Call to Order**

**Roll Call:** Andersen, Bergman, Strawser, Vice Mayor Phelps, & Mayor Ray

**PLEDGE OF ALLEGIANCE**

**PROCLAMATION:**

**PRESENTATION:**

**BUSINESS FROM THE FLOOR**

**1. PUBLIC COMMENT**

Under Government Code Section 54954.3, members of the public are entitled to address the City Council concerning any item within the Nevada City Council's subject matter jurisdiction. Comments on items NOT ON THE AGENDA are welcome at this time. Normally, public comments are limited to no more than three minutes each. **Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.**

**2. COUNCIL MEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:**

**3. CONSENT ITEMS:**

All matters listed under the Consent Calendar are to be considered routine by the City Council and will be enacted by one motion in the form listed. There will be no separate discussion of these items unless, before the City Council votes on the motion to adopt, members of the Council, City staff or the public request specific items to be removed from the Consent Calendar for separate discussion and action.

**A. Subject:** Accounts Payable – January 2016

**Recommendation:** Receive and file.

**B. Subject:** Quarterly Sales Tax Report – 3<sup>rd</sup> Quarter 2015

**Recommendation:** Receive and file.

**C. Subject:** Award Contract for new Gas/Water Lines at the Nevada City Sewer Plant

**Recommendation:** Pass Resolution 2016-XX to Award a Contract in the Amount of \$133,767 plus \$15,000 contingencies to CME Services, Grass Valley, CA for New Gas Line and Water Line at the Nevada City Sewer Plant and Authorize Mayor to sign.

**D. Subject:** Award of CABY Contract for the Clear and Grub of the Waterline along Maybert Road within the Washington Water District

**Recommendation:** Pass Resolution 2016-XX to Award a CABY Contract in the Amount of \$12,789 plus 5% contingencies to Robinson, Enterprises, Inc., Nevada City to Clear & Grub Along the Maybert Road Waterline in the Washington District and Authorize Mayor to sign.

**4. APPROVAL OF ACTION MINUTES:**

**A.** City Council Meeting – January 27, 2016

**B.** Special Council Meeting – February 2, 2016

**5. DEPARTMENT REQUESTED ACTION ITEMS AND UPDATE REPORTS:**

- A. Subject:** Presentation of Fiscal Year 2014/15 Financial Audit by the Independent Audit Firm of Smith & Newell – Norman Newell, CPA  
**Recommendation:** Accept and file.

**6. PUBLIC HEARINGS:**

**7. OLD BUSINESS:**

- A. Subject:** An Ordinance of the City Council of Nevada City, California, Adding Chapter 17.70 to the Nevada City Municipal Code Entitled “Formula Businesses Restrictions and Regulations”  
**Recommendation:** Waive reading, read by title only, and adopt Ordinance 2016-XX adding Chapter 17.70 to the Nevada City Municipal Code Restricting and Regulating Formula Businesses.
- B. Subject:** Sugarloaf Mountain Master Plan  
**Recommendation:** Review and adopt the Final Draft of the Sugarloaf Master Plan; Direct staff to file the Notice of Exemption with the Nevada County Clerk’s Office; Authorize the Mayor to sign Resolution 2016-XX
- C. Subject:** Historic District Designated Smoking Area Receptacles and Signage  
**Recommendation:** Review and approve implementation of staff compliance recommendations, no-smoking receptacles and associated signage for the City’s no-smoking ordinance.

**8. NEW BUSINESS:**

- A. Subject:** Sierra Roots Inclement Weather Shelter Request  
**Recommendation:** Provide direction to the City Manager.

**9. CORRESPONDENCE:**

**10. ANNOUNCEMENTS:**

**11. CITY MANAGER’S REPORT:**

**12. ADJOURNMENT**

**Certification of Posting of Agenda**

I, Corey Shaver, Administrative Supervisor for the City of Nevada City, declare that the foregoing agenda for the February 10, 2016 Regular Meeting of the Nevada City City Council was posted February 5, 2016 at the office of the City of Nevada City (City Hall). The agenda is also posted on the City’s website [www.nevadacityca.gov](http://www.nevadacityca.gov).

Signed this February 5, 2016 at Nevada City, California

\_\_\_\_\_, Corey Shaver, Administrative Supervisor

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**CITY OF NEVADA CITY  
City Council  
Long Range Calendar**

February 15, 2016	Presidents’ Day Holiday – City Hall Closed
February 24, 2016	Regular City Council Meeting
March 9, 2016	Regular City Council Meeting
March 23, 2016	Regular City Council Meeting
March 31, 2016	Cesar Chavez Day Holiday – City Hall Closed

NOTE: This list is for planning purposes; items may shift depending on timing and capacity of a meeting.

**NOTICE:** *As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council and to enforce the rules of the Council.*

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	ADV01 (ADVANTAGE: PRINT, MARKETING)	14047	01/04/16	/ /		950.58	UTILITY BILLING-NOV/DEC 2015
01-16	ADV11 (ADVANTAGE GEAR, INC.)	113595	01/12/16	/ /		191.63	D.PAULUS UNIFORM ALLOWANCE FF PANTS
01-16	AIR05 (AIRGAS)	47304450	01/14/16	/ /		45.41	FD OXYGEN OP MAT PAYER#2140217/INV#904730445
01-16	ALH02 (ALHAMBRA & SIERRA SPRINGS)	121715	12/17/15	/ /		99.16	CORP YARD WATER INV#4842014121715
01-16	ALL11 (ALL SEASONS POOLS)	TR-87448	12/28/15	01/27/16	A	129.74	WWTP POOL LOGIC TABS
01-16	ALL24 (ALL TRAFFIC SOLUTIONS)	SIN008147	12/15/15	/ /		4859.00	PD TRAFFIC MONITORS SO-8569/8970/8571
		SIN008148	12/15/15	/ /		3274.90	PD TRAFFIC MONITORS SO-8569/8970/8571
		SIN008149	12/15/15	/ /		3274.95	PD TRAFFIC MONITORS SO-8569/8970/8571
		Vendor's Total	----->			11408.85	
01-16	AMA00 (SYNCB/AMAZON)	DEC/JAN16	01/10/16	/ /		288.06	MISC SUPPLIES DPW/PARKS/PD
		NOV/DEC15	12/10/15	/ /		352.26	MISC SUPPLIES DPW 11/10/15-12/01/15
		Vendor's Total	----->			640.32	
01-16	AME12 (AMERICAN RIVER COLLEGE)	12/31/15	12/31/15	/ /		128.00	FIELD TRAINING OFFICER CLASS - FRANSEN/HOLD
01-16	AME19 (AMERICAN FIDELITY)	B387181	11/13/15	/ /		678.36	STD/LTD 12/1-12/31/16 DEC '15
01-16	AME24 (AMERICAN UNITED LIFE INSURA)	DEC15ER	01/14/16	/ /		181.00	ER LIFE INSURANCE DEC '15
		DEC2015EE	01/14/06	/ /		141.42	EE LIFE INSURANCE DEC '15
		Vendor's Total	----->			322.42	
01-16	AND19 (CHRIS ANDREWS)	CLAIM1215	12/23/15	/ /		726.29	623 BECKMAN LN C.ANDREWS LIABILITY CLAIM SEW
01-16	AND20 (ERIN ANDREWS)	01/16/16	01/19/16	/ /		100.00	CLEANING DEPOSIT REFUND SEAMANS 01/16/16 AND
01-16	AQU01 (AQUA SIERRA CONTROLS INC)	26775	12/30/15	01/29/16	A	2523.20	ANALYZER CALIBRATION
		26778	12/30/15	01/29/16	A	700.90	MAINTENANCE
		Vendor's Total	----->			3224.10	
01-16	ARA01 (ARAMARK)	4228531	12/10/15	/ /		71.69	MATS DEC'15 ACCT#792273592 INV5064228531 DEC
01-16	ARR00 (ARROWHEAD SCIENTIFIC, INC.)	83297	11/06/15	/ /		721.05	EVIDENCE SUPPLIES
01-16	AT&15 (AT&T CALNET 3)	7397508	12/10/15	/ /		953.25	AT&T CALNET3 11/10/15-12/06/15 BAN9391023504
		7532455	01/10/16	/ /		955.11	AT&T CALNET3 12/10/15-1/9/16 BAN#9391023504
		Vendor's Total	----->			1908.36	
01-16	ATO01 (A TO Z SUPPLY)	300089	11/18/15	12/18/15	A	54.94	SINK PARTS PICNIC AREA-PR
		300860	12/07/15	01/06/16	A	243.86	ZION ST. CROSSWALK
		302296	01/20/16	02/19/16	A	83.83	LODGE/RADAR POST ST. SIGNS
		Vendor's Total	----->			382.63	
01-16	B&C01 (B & C TRUE VALUE HOME CTR)	187637	10/14/15	11/13/15	A	30.47	SIDEWALK REPAIR
		187669	10/15/15	11/14/15	A	23.40	MISC MAINTENANCE SUPPLIES
		187734	10/15/15	11/14/15	A	10.89	STREET PLATE STABILITY
		188514	10/21/15	11/20/15	A	8.90	MISC MAINTENANCE SUPPLIES
		194197	11/30/15	12/30/15	A	23.33	NO PARKING SIGNS
		194202	11/30/15	12/30/15	A	43.86	WATER PARK
		194343	12/01/15	12/31/15	A	9.99	POWER BOX LOCKS
		194345C	12/01/15	12/31/15	A	81.73	CORP YARD LIGHT
		194537	12/02/15	01/01/16	A	4.97	MAINTENANCE SUPPLIES
		194559	12/02/15	01/01/16	A	27.70	STREET NO PARKING SIGNS
		194755	12/03/15	01/02/16	A	25.93	PUMP TUBE
		194885	12/04/15	01/03/16	A	62.27	ROBINSON BATHROOM
		195283	12/07/15	01/06/16	A	11.92	ZION STREET CROSSWALK REPAIR
		195481	12/08/15	01/07/16	A	45.72	ZION STREET CROSSWALK REPAIR
		195523	12/09/15	01/08/16	A	13.10	SEAMANS LODGE REPAIR

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	B&C01 (B & C TRUE VALUE HOME CTR)	195692C	12/10/15	01/09/16	A	8.26	SEAMANS LODGE BASE BOARD
		195694	12/10/15	01/09/16	A	79.30	FIREHOUSE STAIR REPAIR
		195748	12/10/15	01/09/16	A	97.76	YARK STOCK
		195868	12/11/15	01/10/16	A	121.49	OPERATIONAL MATERIALS
		196327	12/15/15	01/14/16	A	10.29	STOCK
		197795	12/28/15	01/27/16	A	125.01	EXTENSION CORDS
		198057	12/30/15	01/29/16	A	14.59	PLUG REPAIR
		198207	12/31/15	01/30/16	A	14.66	BITS FOR BOTH PLANTS
		198585	01/04/16	02/03/16	A	68.71	CLEANING SUPPLIES
		198701	01/05/16	02/04/16	A	66.50	OPERATIONAL MATERIALS
		198806	01/06/16	02/05/16	A	11.66	CLEANING SUPPLIES
		199386	01/11/16	02/10/16	A	30.71	VETS FLOORS
		199469	01/22/16	02/21/16	A	59.44	CL2 LINE REPAIR
		199613	01/12/16	02/11/16	A	116.47	BUILDING MAINTENANCE SUPPLIES
		200517	01/19/16	02/18/16	A	124.50	TOOLS
		200536	01/19/16	02/18/16	A	1.45	MISC SHOP SUPPLIES
		200551	01/19/16	02/18/16	A	8.84	SEWER CAMERA REPAIR
		200615	01/19/16	02/18/16	A	61.24	CLEANING MATERIALS
		200659	01/20/16	02/19/16	A	42.80	SEAMANS LODGE REPAIRS
		201241	01/25/16	02/24/16	A	22.68	PARK BENCHES
		201319	01/25/16	02/24/16	A	53.40	N.PINE ST DRAINAGE
		Vendor's Total ----->				1383.96	
01-16	BAN01 (BANNER COMMUNICATIONS)	4588	12/01/15	12/31/15	A	378.44	MOTOROLA BATTERIES
		4597	12/04/15	01/03/16	A	43.25	MIC MOBILE MCS2000
		Vendor's Total ----->				421.69	
01-16	BEA02 (BEAM SECURITY SYSTEMS)	R153590	01/01/16	/ /		45.00	COMMERCIAL BURLAR ALARM MONITORING ACCT#NEVA
01-16	BLA04 (BLACK BART ORNAMENTL IRON)	46210	12/30/15	/ /		118.93	WINDOW PROTECTION
01-16	BLU05 (BLUE SHIELD OF CALIFORNIA)	480257163	12/14/15	/ /		41855.11	HEALTH BENEFITS JAN '16 ACCT#W00281441000
01-16	BUS02 (BUSINESS CARD/B OF A VISA)	DEC/JAN16	01/06/16	/ /		59.99	CC 4542 OLSON 12/7/15-1/6/16
01-16	CAL17 (CALIFORNIA CHAMBER OF)	10955351	12/14/15	01/13/16	A	208.07	EMPLOYMENT POSTERS 2016
01-16	CAL49 (CALIF. RURAL WATER ASSOC.)	2016/2017	12/14/15	/ /		684.00	MEMBERSHIP DUES FEB 2016-FEB 2017
01-16	CAL72 (CALIFORNIA NARCOTIC CANINE REGISTRAT		01/21/16	/ /		350.00	CNCA CONFERENCE REGISTRATION
01-16	CAN03 (SYLVIA J. CANO)	DEC2016	12/30/15	/ /		1100.00	CITY HALL/VETS HALL CLEANING SERVICE
01-16	CAN05 (CANON FINANCIAL SERVICES, I	15590587	12/13/15	/ /		640.74	COPIERS CONTRACT 12/1-12/31/15 USAGE 10/1-11
01-16	CAR09 (KEVIN CARTZDAFNER)	KC12716	01/27/16	/ /		50.81	REIMBURSEMENT K.CARTZDAFNER VEHICLE REPAIR
01-16	CAS08 (CASH )	01/05/16	01/07/16	/ /		300.00	NCPD - REQ FOR CHANGE FOR COUNTER-EMP PARK P
01-16	CEN05 (CENTRAL VALLEY ENGINEERING)	12231	12/09/15	/ /		596522.00	PAVING PROJECT 2015 GOLD FLAT/ZION/PARK/NIMR
01-16	CIT05 (CITIZENS BUSINESS BANK)	080322016	12/15/15	/ /		14663.35	WWTP INSTALLMENT PAYMENT FEBRUARY 1, 2016
01-16	CIT07 (GRASS VALLEY POLICE DEPARTM	NCPD-02	01/04/16	/ /		500.00	FIREARM RANGE OCT'15 ACCT#100-1210-019
01-16	COA01 (COASTLAND)	38557	11/30/15	/ /		13873.20	PROJ#1043122 WTP/WWTP INFRASTRUCTURE ASSESME
		38693	12/31/15	/ /		3587.10	PROJ#1043122 WTP/WWTP INFRASTRUCTURE ASSESS
		Vendor's Total ----->				17460.30	
01-16	COB01 (CYNTHIA M. LEOS COBIAN)	12192015	12/21/15	/ /		100.00	CLEANING REFUND C.COBIAN VET'S 12/19/15
01-16	COM08 (COMCAST CABLE)	100490116	12/24/15	/ /		86.65	DPW INTERNET ACCT#8155600120010049
01-16	CON02 (CONSOLIDATED ELECTRICAL)	558249	01/14/16	02/13/16	A	31.17	VETS HEATER

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01-16	COR01 (CORBIN WILLITS SYSTEMS)	B601151	01/15/16	02/14/16	A	423.54	MAINTENANCE OPS SYSTEM FEB '15
01-16	COT03 (DEVIN COTTRELL)	12112015	12/21/15	/ /		100.00	CLEANING REFUND D.COTTRELL SEAMANS 12/11/15
01-16	COU06 (COUNTY OF NEVADA)	JAN 2016	01/14/16	02/13/16	A	8525.91	POLICE DEPT. BROADCAST DSP JANUARY 2016
01-16	COU12 (COUNTRY COPY PRINT SHOP)	11243	12/17/15	01/16/16	A	102.72	BUSINESS CARDS A.FORD
01-16	COU23 (NEVADA COUNTY COLLECTIONS)	DEC'15	01/27/16	02/26/16	A	3256.00	PARKING TICKET COLLECTIONS DEC '15
		OCT/DEC15	01/27/16	02/26/16	A	15.00	POC'S COLLECTED 10/1-12/31/15
			Vendor's Total ----->			3271.00	
01-16	COU40 (COUNTY OF NEVADA)	OCT-DEC15	01/04/16	/ /		2395.05	OCT-DEC '15 VETS HALL RENTAL TO COUNTY
01-16	CRA01 (CRANMER ENGINEERING, INC.)	157858	11/30/15	12/30/15	A	1708.00	LAB TESTING
		157929	11/30/15	12/30/15	A	137.50	LAB TESTING
		158267	12/31/15	01/30/16	A	2305.50	LAB TESTING
		158335	12/31/15	01/30/16	A	601.00	WATER LAB
			Vendor's Total ----->			4752.00	
01-16	CRA12 (CRAIG JOHNSON PLUMBING/ROCK)	9213	12/02/15	/ /		1168.13	DAMAGE DURING CONSTRUCTION 636 BROAD
01-16	CSF02 (CALIFORNIA STATE FIRE-)	8982	12/11/15	/ /		450.00	ACTIVE FF MEMBERSHIP DUES
01-16	CWS00 (CWS ELECTRICAL)	15-078	12/31/15	/ /		180.97	SEWER PLANT WATER HEATER
		15-079	12/31/15	/ /		975.00	ELECTRICAL FOR WTP SCADA DEC 2015
			Vendor's Total ----->			1155.97	
01-16	D&D01 (D & D SUPPLY INC)	EXR865	09/28/15	/ /		344.08	BROCK RD SEWER - PIPE SUPPLIES
		EZNV29	11/16/15	/ /		4.65	SEAMANS LODGE - BATHROOM
		FBDJ86	11/30/15	/ /		18.08	PROSPECT ST - WATER LEAK
		FBFT34	12/01/15	/ /		49.68	MAIN ST - DRAIN
		FBH127	12/02/15	/ /		75.85	PROSPECT/UREN ST SERVICE REPLACEMENT
		FBH564	12/02/15	/ /		1.61	NEVADA ST - SERVICE REPAIR
		FBP259	12/09/15	/ /		32.21	REPAIR PIPING
			Vendor's Total ----->			526.16	
01-16	DAT01 (DATA TICKET, INC.)	67078	12/14/15	01/13/16	A	1311.12	CITATION PROCESSING - NOVEMBER 2015
		67772	01/18/16	02/17/16	A	1327.50	TICKET PROCESSING DEC '15
			Vendor's Total ----->			2638.62	
01-16	DAV05 (DAVE'S AUTO REPAIR)	30992	01/15/16	/ /		50.00	VEHICLE MAINTENANCE
01-16	DEP13 (DEPARTMENT OF JUSTICE)	144894	01/12/16	/ /		35.00	PD BLOOD ALCOHOL ANALYSIS
01-16	DIA03 (DIAMOND WELL DRILLING COMPA)	11212	11/12/15	/ /		561.00	LAB TEST
		11214	11/12/15	/ /		9175.00	LAB TEST - WATER
		11279	11/19/15	/ /		518.00	LAB TEST
		11586	12/31/15	/ /		225.00	WATER LAB TESTING
		11628	01/07/16	/ /		4600.00	CHRONIC/ACUTE TESTING CUST#CITY011
		11633	01/08/16	/ /		375.00	ACUTE TESTING ATSS CUST#CITY011
			Vendor's Total ----->			15454.00	
01-16	ECO01 (ECONOMY PEST CONTROL INC)	090815037	09/08/15	10/08/15	A	130.00	WWTP - PEST CONTROL SVCS FOR SEPT 2015
		101515585	10/15/15	11/14/15	A	130.00	WWTP - PEST CONTROL SVCS FOR OCT 2015
		122115008	12/21/15	01/20/16	A	225.00	P.PARK/SEAMANS LODGE-PEST CONTROL SVCS-DEC 2
			Vendor's Total ----->			485.00	
01-16	ELE04 (ELECTRONIC SOLUTIONS)	2608	01/04/16	/ /		75.00	NCPD - RADIO LIGHT BAR IN UNIT 23
01-16	ELL03 (CHAD ELLIS)	FOOD STIP	01/21/16	/ /		264.00	CNCA CONFERENCE - FOOD STIPEND

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	ENS00 (ENSEMBLE CARE FOR HEROES)	INV6745	01/19/16	/ /		805.73	ENGINE REPAIR SALES ORDER#49020
01-16	ERH00 (ER HARRIES)	ER123015 STMT12/15	12/30/15 12/18/15	/ / / /		2528.00 2316.00	WTP BUIDLING PROJECT WTP REMODEL-1 DAY LABOR & MATERIALS (DOOR/FR
			Vendor's Total	----->		4844.00	
01-16	FER02 (FERRELLGAS)	101570858	12/29/15	01/28/16	A	180.23	WTP-REF #FC-11192037 PROPANE GAS ACCT #50039
01-16	FER05 (FERGUSON WW #1423)	1141762 1141762-1 1141762-2	12/18/15 12/18/15 01/05/16	/ / / / / /		3671.64 430.00 156.24	WTP-SCADA - CUSTOMER #425187 WTP-SCADA - CUSTOMER #425187 WTP-STOCK - CUSTOMER #425187
			Vendor's Total	----->		4257.88	
01-16	FIS05 (MICHAEL FISH)	01/01/16	12/29/15	/ /		120.00	FD INTERN - P.P. 12/19/15 - 01/01/16
01-16	FRA09 (SHANE FRANSSSEN)	12/31/15	12/31/15	/ /		40.00	AMERICAN RIVER COLL TRAINING - COMMUTER LUNC
01-16	FRI02 (FRIENDS OF DEER CREEK)	12/01/15 12/1/15-1	12/01/15 12/01/15	/ / / /		988.26 350.12	US EPA PROVIDEN MINE MINING FEATURES (REVISE US EPA - PROVIDENCE MINE WASTE ROCK PILE (RE
			Vendor's Total	----->		1338.38	
01-16	GIR05 (STEVE GIRANIS)	1/2-1/15	01/19/16	/ /		120.00	INTERNSHIP LABOR 1/2-1/15/16
01-16	GLO06 (GLOBAL MACHINERY CABLE PLAC	6020393	01/14/16	/ /		2052.47	VATRON MAINTENANCE
01-16	GOI01 (MICHAEL GOIN)	FOOD STIP	01/21/16	/ /		264.00	CNCA - FOOD STIPEND
01-16	GOL02 (GOLD & GREEN EQUIPMENT)	135257 134580.2 134872.1	01/14/16 12/10/15 12/22/15	02/13/16 01/09/16 01/21/16	A A A	90.00 91.11 155.56	VETS FLOOR WWTP - PUMP RENTAL SPRING ST SINK HOLE-MIXER/CONCRETE CUST#1147
			Vendor's Total	----->		336.67	
01-16	GOL19 (GOLDEN STATE FLOW)	1-049792	12/15/15	/ /		5578.06	WATER METERS (WASHINGTON)
01-16	GOO02 (SAM GOODSPEED)	011316	01/13/16	02/12/16	A	50.00	REIMBURSEMENT REQUEST - JAN 2016 FUEL
01-16	GRA01 (GRAY ELECTRIC COMPANY)	45458 45476 044809 044810	01/15/16 01/14/16 12/30/15 12/30/15	02/14/16 02/13/16 01/29/16 01/29/16	A A A A	111.97 111.97 28.00 26.00	P. PARK/SEAMANS LODGE-REPLACE ALARM BATTERY NCPD ALARM SERVICE SEAMANS LODGE ALARM SERVICES - JAN 2016 CITY HALL ALARM SERVICES - JAN 2016
			Vendor's Total	----->		277.94	
01-16	GRA14 (CITY OF GRASS VALLEY FIRE D508515219	12/29/15	01/28/16	A		245.29	SALARY NON-PERM(WAGNER)FIRE INVEST @ 214 MIL
01-16	GRA19 (GRASS VALLEY SIGN COMPANY)	110920151	11/09/15	12/09/15	A	385.00	TOW AWAY SIGNS
01-16	HAC01 (HACH COMPANY)	9643368 9694701 9705798 9727533 9743215 9757443	10/27/15 12/03/15 12/09/15 12/24/15 01/08/16 01/19/16	11/26/15 01/02/16 01/08/16 01/23/16 02/07/16 02/18/16	A A A A A A	369.30 1117.16 348.64 388.43 843.99 384.60	WTP - PH PROBE WWTP - DIGITAL PH SENSOR/REPLACE PROBE WTP - PH PROBE WWTP - ANALYZER PARTS WWTP - LAB ANALYER REPAIR SAMPLER PARTS
			Vendor's Total	----->		3452.12	
01-16	HAN01 (HANSEN BROS.ENTERPRISES)	276926	12/03/15	01/02/16	A	285.78	SAND FOR STREETS - CUST #286
01-16	HIG07 (WILLIAM HIGHSMITH)	BRUSHES	01/13/16	/ /		32.90	PAINT BRUSHES FOR STREET SIGNS-REIMB REQUEST
01-16	HIL02 (HILLS FLAT LUMBER CO.)	282026/1 283373/1 285306/1	12/01/15 12/09/15 12/20/15	12/31/15 01/08/16 01/19/16	A A A	180.82 15.31 3.90	COLD WEATHER PREP - CUST #11413 SAFETY CHAIN FOR WTP - CUST #11413 WTP-BRUSH FOR LIME SYSTEM/CUST #11413

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	HIL02 (HILLS FLAT LUMBER CO.)	286411/1	12/29/15	01/28/16	A	62.92	PROPANE FOR WWTP & WTP - CUST #11413
		289539/1	01/19/16	02/18/16	A	14.91	SEWER CLEANUP
		289544/1	01/19/16	02/18/16	A	64.98	SEWER CLEANUP
		289556/1	01/19/16	02/18/16	A	32.53	RAIN PANTS
		290265/1	01/22/16	02/21/16	A	43.36	RAIN PANTS
		653847/1	12/01/15	12/31/15	A	147.29	UNIFORMS - HOODED SWEATSHIRT SAFETY - CUST
		653953/1	12/01/15	12/31/15	A	787.71	UNIFORMS - TSHIRTS/JACKETS - CUST #11413
		669283/1	12/01/15	12/31/15	A	32.42	GLOVES (FEXTUFF) - CUST #11413
		674670/1	12/01/15	12/31/15	A	60.22	STREET BLOWING - RESPIRATORS (10 PK) - CUST
		679023/1	12/07/15	01/06/16	A	241.85	SHIRTS & SWEATSHIRTS FOR THE WWTP & WTP
		679035/1	12/08/15	01/07/16	A	133.15	SEAMANS LODGE - BASE BOARD
		680683/1	12/28/15	01/27/16	A	329.79	SAFETY CLOTHES FOR WWTP & WTP - CUST #11413
		681651/1	12/08/15	01/07/16	A	18.43	RAIN PANTS YELLOW - CUST #11413
		683390/1	12/09/15	01/08/16	A	40.56	SEAMANS LODGE - BASE BOARD - CUST #11413
		688886/1	12/15/15	01/14/16	A	632.01	TOOL STOCK CUTTER - CUST #11413
		697082/1	12/23/15	01/22/16	A	433.99	TOOL FOR WWTP & WTP - CUST #11413
		700403/1	12/28/15	01/27/16	A	68.30	REPLACE SHIRT UNIFORMS FOR WWTP & WTP - CUST
		725353/1	01/26/16	02/25/16	A	14.91	STOCK
		V59445/1	01/22/16	02/21/16	A	21.50	RAIN GEAR
						----->	3380.86
01-16	HIL10 (HILL BROTHERS CHEMICAL CO.)	7009030	12/09/15	/ /		3074.05	PH CHEMICAL - CUST #7000074
01-16	HOL01 (HOLDREGE & KULL, INC.)	1215113	01/18/16	02/17/16	A	186.00	UST BRIDGE ST PROJ#3946B CLOSURE PN13166
01-16	HOL09 (LUKE HOLDCROFT)	12/31/15	01/07/16	/ /		40.00	AMERICAN RIVER COLL TRAINING - COMMUTER LUNC
01-16	JHP00 (JH PETROLEUM)	759107	12/31/15	/ /		39.61	K-9 UNIT GAS DEC '15
01-16	JOH03 (KIRK JOHNSON WELDING)	5017	11/09/15	12/09/15	A	848.14	WELDING WORK ON TANK AT WTP
01-16	JON00 (JONES & MAYER)	75917	12/31/15	/ /		4457.50	LEGAL SERVICES DEC '15
01-16	KNI01 (KNIGHTS PAINT STORE)	808654	04/20/15	05/20/15	A	208.64	LODGE/PARK REPAIRS
		813493	06/12/15	07/12/15	A	43.21	STREET SIGNS
		817121	06/09/15	07/09/15	A	63.52	STREET PAINT
		826148	08/18/15	09/17/15	A	142.64	STREET PAINT
		832758	10/08/15	11/07/15	A	76.65	STREET PAINT
		832791	10/08/15	11/07/15	A	56.98	STREET SIGNS
		833546	10/14/15	11/13/15	A	54.45	STREET SIGNS
						----->	646.09
01-16	KRU01 (I. KRUGER INC.)	16000014	01/11/16	/ /		1511.24	DISK FILTER PARTS INV#16000014RI05700
01-16	LCA01 (LC ACTION POLICE SUPPLY)	55695	12/28/15	01/27/16	A	1810.06	RANGE-ADDITIONAL FIREARMS FOR NEW RESERVE OF
01-16	LEA04 (LEAGUE OF CALIF. CITIES)	4449	01/25/16	/ /		50.00	2016 MEMBERSHIP DUES SAC VALLEY DIV
		158682	01/04/16	/ /		2391.00	LEAGUE DUES 2016
						----->	2441.00
01-16	LIF01 (LIFE ASSIST)	738441	01/20/16	02/19/16	A	69.14	FIRE DEPARTMENT OP.MATL. CUST#95959RS
01-16	LOU00 (LOU'S GLOVES INC.)	011758	01/05/16	/ /		88.00	SAFETY GLOVES FOR WWTP & WTP - CUST #NCW260
01-16	MES01 (MES - CA USE MUN05)	700973	12/29/15	/ /		1196.80	EQUIPMENT MAINTENANCE FOR FD
		701449	12/30/15	/ /		1031.95	EQUIPMENT MAINT FOR FD
						----->	2228.75
01-16	MIW01 (MIWALL CORPORATION)	4582	07/23/15	08/22/15	A	652.08	RANGE QUALIFICATION AMMO FOR PD - SUPPLIES
		4975	01/13/16	02/12/16	A	828.71	PD RANGE AMMO ACCT#0000026
						----->	1480.79
01-16	MON01 (MICHELLE MONTGOMERY)	VACATION	01/21/16	/ /		315.24	VACATION ACCRUAL - TERMINATION
01-16	MOU01 (MOULE PAINT AND GLASS INC)	244389	01/06/16	02/05/16	A	380.86	VEHICLE REPAIR/WINDOW TINTING FOR FD

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01-16	MUN05 (MUNICIPAL EMERGENCY SERVICE)	704182SNV	01/11/16	/ /		519.09	OPERATIONAL MATERIALS
		705010SNV	01/13/16	/ /		1079.07	VEHICLE REPAIR & MAINT
		706097SNV	01/15/16	/ /		266.55	UNIFORM ALLOWANCE
		Vendor's Total ----->				1864.71	
01-16	MUN07 (MUNICIPAL CMS)	1/2WEBSIT	01/27/16	/ /		6235.00	1/2 OF WEBSITE REDESIGN FEES
01-16	NAT02 (NATIONAL EMBLEM, INC.)	366205	12/18/15	01/17/16	A	223.84	NEW SHOULDER PATCHES
01-16	NCC02 (NCCSIF)	2016091	01/01/16	/ /		29810.75	WORKERS COMPENSATION PREM #3 OF 4 1/1-3/31/1
01-16	NEN00 (NE NOZZLE, VALVE, AND GATE)	6594	12/18/15	/ /		87.91	OPERATIONAL MATERIALS
01-16	NEV02 (NEVADA IRRIGATION DISTRCT)	17033DEC	01/14/16	02/13/16	A	7974.50	DS CANAL SUGARLOAF WTP 11/30-12/31/15 #17033
		17033NOV	12/14/15	01/13/16	A	6927.93	DS CANAL SUGARLOAF WTP 10/31-11/30/15 #17033
		37256N/D	01/05/16	02/04/16	A	89.55	FIRE DEPT ACCT#37256 10/27/15-01/05/16
		37398N/D	01/05/16	02/04/16	A	34.00	FIRE DEPT ACCT#37398 10/27/15-01/05/16
		38493N/D	01/05/16	02/04/16	A	57.17	TRAIN MUSEUM ACCT#38493 10/27/15-01/05/16
		1027/0105	01/05/16	02/04/16	A	36.20	TRN MUSEUM ACCT#38626-00 10/27/15-01/05/16
		Vendor's Total ----->				15119.35	
01-16	NEV06 (NEVADA CITY ENGINEERING)	26493	01/08/16	02/07/16	A	632.50	CABY WASH W11/NV ST. BRIDGE JOB#14-008
		26494	01/08/16	02/07/16	A	2718.55	TOPO CREEK DATA HYDRO MODEL JOB#92-150-18
		Vendor's Total ----->				3351.05	
01-16	NEV08 (NEVADA COUNTY FENCE)	29115	09/22/15	10/22/15	A	626.00	JOB#291-15 FIRESTATION TANK
01-16	NEV33 (NEVADA CO TRANSPORTATION CO)	1-GF	01/14/16	02/13/16	A	13784.40	PROJECT MGMT GF 5018(019)
01-16	NEV40 (NEVADA COUNTY )	201516112	12/14/15	01/13/16	A	905.82	SHIFT COVERAGE "C" GOODSPEED
		201516119	12/29/15	01/28/16	A	1048.34	SHIFT COVERAGE "C" GOODSPEED
		201516120	01/13/16	02/12/16	A	83.32	CITRIX USER SEAT 12/15 & 01/16
		Vendor's Total ----->				2037.48	
01-16	NEV49 (NEVADA COUNTY ECONOMIC)	071052	01/01/16	01/31/16	A	3000.00	2016 PARTNER INVESTMENT
01-16	NEW08 (DAVID NEWGARD)	REIM1/19	01/19/16	/ /		45.39	REIMBURSE D.NEWGARD SUPPLIES
01-16	NIT01 (NITRAM, INC)	A50228	01/08/16	/ /		81.19	CHAMBER SECURITY SYSTEM REPAIR
		A50351	01/22/16	/ /		90.00	3 MOS CHAMBER ALARM 2/1-4/30/16
		Vendor's Total ----->				171.19	
01-16	NOR05 (NORTH STAR TRUCKING, INC.)	41689	12/03/15	01/02/16	A	157.50	STREET DEPT. STREET MT & TRUCKING SAND CORP
01-16	NOR30 (NORTH STATE CONSULTING)	16-01	01/01/16	/ /		1728.00	CABY WASHINGTON 12/1-12/31/15
		16-01 NC	01/01/16	/ /		5088.00	CONSULTING ENGINEER 12/1-12/31/15 MISC PROJ
		Vendor's Total ----->				6816.00	
01-16	OFF06 (OFFICE DEPOT, INC.)	671001	01/08/16	/ /		37.06	FD OFFICE SUPPLIES
01-16	PAC02 (PACIFIC GAS & ELECTRIC)	DEC 2015	01/05/16	02/04/16	A	1349.08	8071-9, 5674-1, 1982-6 DEC 2015
		DEC/JAN16	01/06/16	02/05/16	A	13893.84	4970536494-8 12/7/15-1/5/16 ELEC/GAS DEC15/J
		NOV/DEC15	12/07/15	01/06/16	A	13420.45	4970536494-8 11/4-12/6/15 ELEC/GAS 11/4-12/6
		Vendor's Total ----->				28663.37	
01-16	PAC25 (PACIFIC SEMINAR)	REFUND	01/04/16	/ /		175.00	REFUND PACIFIC SEM DOUBLE PMT 08/08/15 RENTA
01-16	PAR13 (PARENTS' RESOURCE GUIDE)	1548	01/05/16	/ /		285.00	AD FOR FACILITY RENTAL
01-16	PEA03 (PEARSONS SMALL ENGINE)	35084	12/11/15	01/10/16	A	69.43	POLE HEDGER REPAIR

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01-16	PER01 (PERS FISCAL SERVICES DIVISION)	1121-1204	01/07/16	02/06/16	A	19044.23	CALIF PERS PAYABLE PP 11/21-12/04/2015
		1205/1218	01/15/16	02/14/16	A	14374.01	CALIF PERS PAYABLE PP 12/05-12/18/15
		1219/0101	01/13/16	02/12/16	A	14388.84	CALIF PERS PAYABLE 12/19/15-01/01/15
		Vendor's Total ----->				47807.08	
01-16	PET01 (PETE'S WELDING & MACHINE)	121143	01/20/16	02/19/16	A	1894.69	SNOWFLOW
01-16	PIS01 (TRAVIS PISTOCHINI)	REIMTEST	01/19/16	/ /		160.00	REIMBURSE PISTOCHINI FOR DRIVE TEST
01-16	PIT02 (PITNEY BOWES METER RENTAL)	DEC2015	12/13/15	/ /		122.61	EQUIPMENT RENTAL 9/30-12/31/15
01-16	PIT03 (PITNEY BOWES SUPPLIES)	816173	01/16/16	/ /		35.96	ADMIN OFFICE SUPPLIES ACCT#2030-9382-86-7
01-16	PLA13 (PLATT )	1051100	12/23/15	/ /		227.06	BUILDING LIGHTS
		1507697	01/07/16	/ /		15.24	CITY HALL LIGHTS
		1529484	01/13/16	/ /		19.02	CITY HALL LIGHTS
		I427014	12/29/15	/ /		25.36	CITY HALL LIGHTS
		I466829	12/30/15	/ /		43.36	LIGHT BOX
		Vendor's Total ----->				330.04	
01-16	PRE05 (PREMIER ACCESS INSURANCE CO)	JAN2016	12/11/15	/ /		2630.49	DENTAL INSURANCE JANUARY 2016 GRP#3876
01-16	RAD06 (ROBERT RADICAN)	REIMB1215	12/29/15	/ /		221.48	R.RADICAN UNIFORM ALLOWANCE (THEFIRESTORE)
01-16	RAS02 (RASPORT, INC.)	102186	01/15/16	/ /		1088.22	SUPPLIES
01-16	RAY01 (RAY MORGAN CO)	1112483	01/05/16	/ /		55.52	CONTRACT USAGE CHARGE HP PRINTERS 12/1-12/31
01-16	REA00 (REAL GRAPHIC)	42664	12/15/15	/ /		30.28	SEWER PLANT PRINTS
		42754	12/31/15	/ /		105.25	BOND COPIES FOR PROJ W-9 WASH/NC-2 S.PINE ST
		42870	01/15/16	/ /		98.82	MAPS CABY N.PIN/WWTP PROJ
		Vendor's Total ----->				234.35	
01-16	REE02 (REED'S LOCKSMITHING, INC.)	62114	12/22/15	01/21/16	A	12.62	DOOR LOCKS
		62120	12/22/15	01/21/16	A	29.19	PD KEYS
		63016	12/07/15	01/06/16	A	8.11	CITY KEYS
		Vendor's Total ----->				49.92	
01-16	REI01 (DAN REINHART)	11216	01/12/16	02/11/16	A	5850.00	RETAINING WALLS E.BROAD
01-16	RID01 (RIDGE FEED & SUPPLY CO.)	4981	12/21/15	01/20/16	A	25.81	EROSION CONTROL - WHEAT STRAW
01-16	RIE02 (RIEBE'S NAPA AUTO PARTS)	151471	12/01/15	12/31/15	A	10.16	DRILL BITS
		176242	12/27/15	01/26/16	A	157.12	K-9 TAHOE
		177360	01/13/16	02/12/16	A	79.76	FIRE TRUCK REPAIR
		682069	10/31/15	11/30/15	A	45.80	OPERATIONAL MATERIALS
		685942	12/01/15	12/31/15	A	6.50	SWEPPER MAINTENANCE
		685961	12/01/15	12/31/15	A	7.36	PARTS TRUCK #32
		686010	12/01/15	12/31/15	A	7.27	PUMP REPAIR
		686387	12/03/15	01/02/16	A	19.07	WIPERS
		686731	12/07/15	01/06/16	A	9.47	PD VEHICLE MAINTENANCE
		687253	12/10/15	01/09/16	A	17.34	WIPERS
		687965	12/16/15	01/15/16	A	35.57	PLOW #31
		688348	12/18/15	01/17/16	A	64.47	VEHICLE MAINTENANCE
		688518	12/19/15	01/18/16	A	9.57	VEHICLE MAINTENANCE
		688571	12/21/15	01/20/16	A	9.28	TOOLS
		688877	12/23/15	01/22/16	A	130.23	PLOW MAINTENANCE
		688894	12/23/15	01/22/16	A	3.16	PLOW MAINTENANCE
		689195	12/28/15	01/27/16	A	10.31	TOOL STOCK
		689564	12/30/15	01/29/16	A	15.78	SWEPPER MAINTENANCE
		689594	12/30/15	01/29/16	A	14.89	PRIMER PAINT FOR PUMP
		692126	01/21/16	02/20/16	A	7.23	CHALK BOARD STRIPES
		692127	01/21/16	02/20/16	A	13.68	LAB SHEETS
		Vendor's Total ----->				674.02	
01-16	RIV00 (RIVER CITY FIRE EQUIP CO)	95080	12/21/15	/ /		600.43	FIRE EXTINGUISHER MAINTENANCE

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01-16	ROA03 (JONELLE ROACH)	REFUND102	01/04/16	/ /		100.00	CLEANING REFUND J.ROACH VET'S 01/02/16
01-16	ROB03 (ROBINSON ENTERPRISES, INC.)	3326	12/16/15	01/15/16	A	997.11	BELTPRESS REPAIRS IN00003326
01-16	ROB04 (ROBINSON ENTERPRISES INVEST	3374	12/31/15	01/30/16	A	14007.00	CLEAR GRUB/LEAKS WASHINGTON INV#00003374
		118963	12/15/15	01/14/16	A	1880.36	SLUDGE HAULING DEC'15 INV#IN00118963
		119176	12/31/15	01/30/16	A	2183.70	WWTP SLUDGE HAULING DEC '15
		15121383	12/15/15	01/14/16	A	877.72	DPW FUEL 12/1-12/15/15 CUST#141100/FI1512138
		15121384	12/15/15	01/14/16	A	739.55	NCPD FUEL 12/1-12/15/15 CUST#141120/FI151213
		15121385	12/15/15	01/14/16	A	142.01	WTP/WWTP FUEL 12/1-12/15/15 CUST#141130/FI15
		15121388	12/15/15	01/14/16	A	277.09	PD FUEL 12/1-12/15/15 CUST#141217/FI15121388
		15122387	12/31/15	01/30/16	A	462.02	DPW FUEL 12/15-12/31/15 CUST#141100/FI15122
		15122388	12/31/15	01/30/16	A	697.18	PD FUEL 12/15-12/31 CUST#141120/INV#FI151223
		15122389	12/31/15	01/30/16	A	151.69	WTP/WWTP FUEL 12/15-12/31 CUST#141130/INVFI15
		15122392	12/31/15	01/30/16	A	271.35	PD FUEL 12/15-12/31 CUST#141217/INV#FI151223
		16011389	01/15/16	02/14/16	A	394.37	DPW FUEL 1/1-1/15/16 CUST#141100/INV#FI16011
		16011390	01/15/16	02/14/16	A	743.38	PD FUEL 1/1-1/15 CUST#141120/INV#FI16011390
		16011391	01/15/16	02/14/16	A	193.75	WTP/WWTP 1/1-1/15/16 CUST#141130 INV#FI1601
		16011394	01/15/16	02/14/16	A	281.48	PD FUEL 1/1-1/15/16 CUST#141217/INV#FI160113
			Vendor's Total	----->		23302.65	
01-16	ROH01 (NICK ROHRER)	1/2-1/16	01/19/16	/ /		120.00	INTERN PROGRAM 1/2/16-1/16/16
01-16	ROS08 (ROSE WATER SYSTEM MANAGEMEN	511	12/31/15	/ /		2210.00	CABY WASHINGTON CONSULTING DEC '15
		499NOV15	12/22/15	/ /		1347.09	CABY PROJECT WASHINGTON NOVEMBER 2015
			Vendor's Total	----->		3557.09	
01-16	SAU00 (SAUERS ENGINEERING, INC.)	11083	01/06/16	/ /		3315.00	CABY WASHINGTON WATER DIST DESIGN MAYBERT W1
01-16	SCH10 (PETER J. SCHACK)	BOOTUA116	01/09/16	02/08/16	A	150.00	P.SCHACK UA BOOTS JAN '16
01-16	SIE25 (SIERRA CHEMICAL CO.)	10009169C	11/02/15	12/02/15	A	954.00	DEPOSIT REFUND CL2 CUST#401225/SLC 10009169
		10027850	10/30/15	11/29/15	A	2017.08	CHEMICALS-CHLORINE/BLEACH CUST#401225
		10028204	11/11/15	12/11/15	A	5214.55	CHEMICALS-CHLORINE/SULFUR DIOXIDE
			Vendor's Total	----->		6277.63	
01-16	SIE67 (SIERRA STREAMS INST.)	FEMA0915	09/03/15	/ /		923.20	SSI DEER CRK ENVIRONS FEMA PRJ SEPTEMBER 201
		FEMA1015	10/22/15	/ /		172.14	SSI DEER CREEK ENVIRONS FEMA PROJECT OCT 22
			Vendor's Total	----->		1095.34	
01-16	SIE84 (SIERRA SOLAR SYSTEMS)	IN27785	04/16/15	/ /		4629.91	SOLAR SYSTEMS CUST#148466
01-16	SMA02 (SMARTERBROADBAND, INC.)	I101230	01/01/16	/ /		140.00	FD MONTHLY SERV CHG SMARTERBROADBAND JAN'16
01-16	SMI13 (SMITH & NEWELL CPA'S)	FY14/15	12/28/15	/ /		18937.50	AUDIT SERVICES FY 14/15
01-16	SOL05 (SOLENIS LLC)	131021704	01/07/16	/ /		3143.53	POLYMER PAYER#572227
01-16	SON03 (SONSRAY MACHINERY LLC)	P05841-04	12/09/15	/ /		139.58	BACKHOE REPAIR
01-16	SPD01 (SPD MARKETS)	DEC '15	12/31/15	01/30/16	A	19.17	MISC RECEIPTS DECEMBER 2015
01-16	SPD02 (SPD SAW SHOP)	103031	12/21/15	01/20/16	A	42.15	SAW BLADES
01-16	SPI03 (SPIRAL)	34855u	01/27/16	/ /		146.95	95-Ck# 028603 Reversed
		36090	12/31/15	/ /		146.95	WEB HOSTING/DSL 2/1-3/1/16 CUST#13547
			Vendor's Total	----->		.00	
01-16	STA03 (STANDARD PLUMBING SUPPLY CO	FBP259	12/09/15	/ /		32.21	PIPE REPAIRS
		FDK772	01/25/16	/ /		76.80	N.PINE DRAIN
			Vendor's Total	----->		109.01	

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	SUG00 (SUGAR PINE CONSULTING & OFF	DEC 2015	E12/31/15	/ /		150.00	CONSULTING PLANNING SERVICES DEC 2015
01-16	SUN01 (SUNRISE ENVIRONMENTAL)	57751	12/23/15	01/22/16	A	240.09	BATHROOM CLEANERS
		57940	01/05/16	02/04/16	A	342.83	GAS LIGHTS
		58039	01/08/16	02/07/16	A	303.08	VET'S FLOORS
		58100	01/12/16	02/11/16	A	325.56	CLEANING SUPPLIES
			Vendor's Total	----->		1211.56	
01-16	SWR01 (SWRCB )	LW1001874	10/15/15	11/14/15	A	4702.84	STATE FEES PERMITTING/INSPECTIONS/COMPLIANCE
01-16	SYR01 (SYRCL )	452	12/31/15	/ /		10000.00	ECONOMIC DEVELOPMENT SYRCL
		0114-17	01/19/16	/ /		100.00	REFUND CLEANING DEPOSIT VETS SYRCL 1/14-1/17
			Vendor's Total	----->		10100.00	
01-16	TAY02 (VERNE TAYLOR)	481253	01/14/16	02/13/16	A	2310.00	CABY WASHINGTON CONSULTING W-9/W-11
01-16	THE10 (THE AUTO SHOP)	13846	12/03/15	/ /		244.19	VEHICLE MAINT - 2006 CHEVY, #32
		13852	12/03/15	/ /		77.60	VEHICLE MAINT - 2009 CHEVY SILVERADO 2500
		13866	12/04/15	/ /		29.95	VEHICLE MAINT - 2006 GMC SIERRA 1500
		13976	12/16/15	/ /		172.35	VEHICLE MAINT-2009 CHEVY SILVERADO
		14010	12/17/15	/ /		29.95	VEHICLE MAINT - 2013 FORD EXPLORER NCPD
		14029	12/18/15	/ /		663.48	VEHICLE MAINT - 2015 FORD-NCPD INTERCEPTOR U
			Vendor's Total	----->		1217.52	
01-16	THE13 (THE RANGE)	116840	01/20/16	/ /		38.63	PD SUPPLIES BATTERIES
		121081	01/14/16	/ /		603.24	PD GUN SUPPLIES
		12/17/15	01/07/16	/ /		861.00	HOLDCROFT LOAN PROGRAM-PURCHASE AIMPOINT M4S
			Vendor's Total	----->		1502.87	
01-16	THO10 (THOMSON WEST - PAYMENT CENT	610575371	01/19/16	/ /		72.70	CODE BOOKS/PD SUBSCRIPTONS INV#6105753718
		833287408	01/04/16	/ /		157.87	POLICE DEPT. DUES,SUBS.,P
			Vendor's Total	----->		230.57	
01-16	THO17 (THOMSON REUTERS)	201445282	12/22/15	/ /		56.43	NCPD - 2016 CA PENAL CODE PAMPHLET
01-16	UNI01 (THE UNION)	4445187	12/24/15	01/23/16	A	159.61	ORD 2015-12/SUMMARY-HOSTED SHORT TERM RENTAL
		4465004	12/31/15	01/30/16	A	50.00	ADVERTISEMENT/FACILITY RENTAL
		4490876	01/14/16	02/13/16	A	81.87	AD#11826001 NOTICE OF ELECTION CITY COUNCIL
			Vendor's Total	----->		291.48	
01-16	UNI15 (UNITED ROTARY BRUSH CORP)	CI180577	01/18/16	/ /		270.25	STREET SWEEPER REPAIR
01-16	UNI18 (UNIVERSITY ENTERPRISES, INC NEV-16-3		01/15/16	/ /		150.00	RESEARCH FOR POOL REHAB
01-16	UPS00 (UPS )	A66920026	01/09/16	/ /		4.83	PD MAILING INV#0000A66920026
01-16	UPS01 (UPS STORE 5417/DJE CONSULTA	5046/5070	12/31/15	/ /		116.66	MULTI DEPT SHIPPING COSTS
01-16	URK00 (URKE SERVICES, INC.)	10621	01/11/16	/ /		1170.00	CLEAN GRIT CHANNELS
01-16	USA01 (USA BLUE BOOK)	815427	12/02/15	01/01/16	A	142.12	PUMP PARTS FOR WWTP
		817529	12/04/15	01/03/16	A	335.56	LAB SUPPLIES FOR WWTP
		824354	12/14/15	01/13/16	A	271.83	SLUDGE SAMPLER/WWTP
		824425	12/14/15	01/13/16	A	120.11	SAFETY WASH FOR WWTP
		825737	12/15/15	01/14/16	A	240.16	PUMP PARTS FOR WWTP
		831247	12/22/15	01/21/16	A	29.64	CHLORINE REPAIR
		836718	01/04/16	02/03/16	A	139.63	SAMPLING TUBE
		841079	01/07/16	02/06/16	A	50.85	SAFETY WIPES
			Vendor's Total	----->		1329.90	
01-16	USD02 (U.S. DEPT. OF AGRICULTURE)	#12JAN16	10/01/15	10/31/15	A	40970.00	WWTP #12 INSTALLMENT LOAN PYMT JAN 2016
		#14JAN16	10/01/15	10/31/15	A	33412.50	WWTP #14 INSTALLMENT LOAN/PYMT JAN 2016
			Vendor's Total	----->		74382.50	

Period	Vendor # (Name)	Invoice Number	Invoice Date	Due Date	Disc. Terms	Gross Amount	Description
01-16	VAL08 (VALLEY TOXICOLOGY SERV)	1934	12/31/15	/ /		320.00	ALCOHOL/BLOOD/BLOWS - ANALYSIS FOR DEC 2015
01-16	VER01 (VERIZON WIRELESS)	756789815	01/02/16	/ /		333.05	CELL SERVICE 12/08-01/07 ACCT#271894694 9756
		975515151	11/07/15	/ /		304.86	CELL SVC - OCT 08-NOV 07, 2015
		975782196	12/23/15	/ /		388.41	NCPD - SVC FOR NOV 24-DEC 23, 2015
			Vendor's Total	----->		1026.32	
01-16	VIS04 (VISTA BUILDERS SUPPLY)	7235	12/15/15	/ /		646.29	WWTP - LIME
		7375	12/29/15	/ /		667.82	WWTP - LIME
		7607	01/20/16	/ /		651.54	LIME
			Vendor's Total	----->		1965.65	
01-16	VSP00 (VISION SERVICE PLAN-(CA))	JAN 2016	01/01/16	/ /		290.87	VISION BENEFITS - JANUARY 2016
01-16	WAL01 (WALKER'S OFFICE SUPPLY)	999789-0	10/26/15	11/25/15	A	44.04	WWTP LAB/OFFICE SUPPLIES
		1006174-0	12/21/15	01/20/16	A	90.03	OFFICE SUPPLIES
		1006306-0	12/22/15	01/21/16	A	44.30	WTP/WWTP OFFICE SUPPLIES
		1007244-0	01/04/16	02/03/16	A	126.38	OFFICE BOARD
		1007244-1	01/05/16	02/04/16	A	206.14	OFFICE SUPPLIES/DRY ERASE BOARD
			Vendor's Total	----->		510.89	
01-16	WEC01 (WECO INDUSTRIES, INC.)	38403	01/21/16	02/20/16	A	209.61	MAINTENANCE
01-16	WEI01 (WEISS BROTHERS)	7859u	01/13/16	/ /		3128.00	Ck# 028790 Reversed
01-16	WEI07 (WEISS LANDSCAPING)	7856	11/25/15	/ /		3393.72	CLEAN UP MEAS "S" HIRSCHMANS TRAIL
		7857	11/25/15	/ /		2196.32	CLEAN UP MEAS "S" GRAD TRUF/AB PARKING PROSP
		7858	11/25/15	/ /		3070.22	CLEAN UP MEAS "S" PROSPECT VEGETATION
		7859	11/25/15	/ /		3128.00	CLEAN UP/BACKFILL AFTER MEAS "S" ZION/WOODPE
		7860	11/25/15	/ /		1195.00	CLEAN UP MEAS "S" FACTORY/BRIDGE @ PINE
		7861	11/25/15	/ /		1745.00	CLEAN UP MEAS "S" NILE/ADAM ST
		8006	12/15/15	/ /		1066.25	CLEAN UP MEAS "S" PROSPECT RETAINING WALL
		8007	12/15/15	/ /		4800.00	CLEAN UP MEAS "S" PROSPECT RETAINING WALL
		8008	12/15/15	/ /		2801.25	CLEAN UP MEAS "S" MONTRE
		8022	12/24/15	/ /		4031.00	FINAL CLEAN UP/LANDSCAPING E.BROAD
		8140	12/31/15	/ /		970.00	CLEAN UP E. BROAD
			Vendor's Total	----->		28396.76	
01-16	WER00 (WENDY WERNIGG)	REF121815	12/21/15	/ /		100.00	CLEANING REFUND W.WERNIGG SEAMANS 12/18/15
01-16	WHE03 (JUSTIN WHEELER)	1/2-1/15	01/19/16	/ /		120.00	INTERN PROGRAM PP 1/2-1/15/16
01-16	WIL02 (WILLIAMS STATIONERY)	121993	12/17/15	01/16/16	A	100.57	PLANNING & F&A OFFICE SUPPLIES
		122138	12/28/15	01/27/16	A	20.46	PD OFFICE SUPPLIES
		122154	12/29/15	01/28/16	A	13.55	F&A OFFICE SUPPLIES WALL CALENDAR (CITYNC-0)
		122185	12/30/15	01/29/16	A	8.53	ENGINEERING OFFICE SUPPLIES
		122200	12/31/15	01/30/16	A	22.72	PD OFFICE SUPPLIES
		122221	01/04/16	02/03/16	A	555.55	F&A OFFICE SUPPLIES/TONER CITYNC-0
		122234	01/05/16	02/04/16	A	37.96	PD OFFICE SUPPLIES
		122264	01/05/16	02/04/16	A	281.71	MULTI DEPARTMENTAL OFFICE SUPPLIES
		122267	01/06/16	02/05/16	A	182.26	PD OFFICE SUPPLIES ACCT#CITYNC-0
		122270	01/06/16	02/05/16	A	32.53	CALENDAR COUNCIL CHAMBERS
		122279	01/06/16	02/05/16	A	16.58	F&A OFFICE SUPPLIES PENS CITYNC-0
		122305	01/07/16	02/06/16	A	19.91	PLANNER OFFICE SUPPLIES
		122347	01/11/16	02/10/16	A	8.63	PD OFFICE SUPPLIES
		122365	01/11/16	02/10/16	A	59.01	F&A OFFICE SUPPLIES
		122425	01/13/16	02/12/16	A	44.58	GENERAL GOVERN. OFFICE SU
		122559	01/20/16	02/19/16	A	27.47	GENERAL GOVERN. OFFICE SU
		122638	01/22/16	02/21/16	A	6.40	GENERAL GOVERN. OFFICE SU
		122678	01/25/16	02/24/16	A	25.97	GENERAL GOVERN. OFFICE SU
			Vendor's Total	----->		1464.39	
01-16	WOL02 (GREGORY WOLTERS)	DEC '15	01/25/16	02/24/16	A	724.50	PIONEER PARK BATHROOM PROJECT DEC '15
			Total of Purchases	->		1159461.36	

# Q3 2015



# City of Nevada City Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2015)

## Nevada City In Brief

Nevada City's receipts from July through September were 4.6% below the third sales period in 2014.

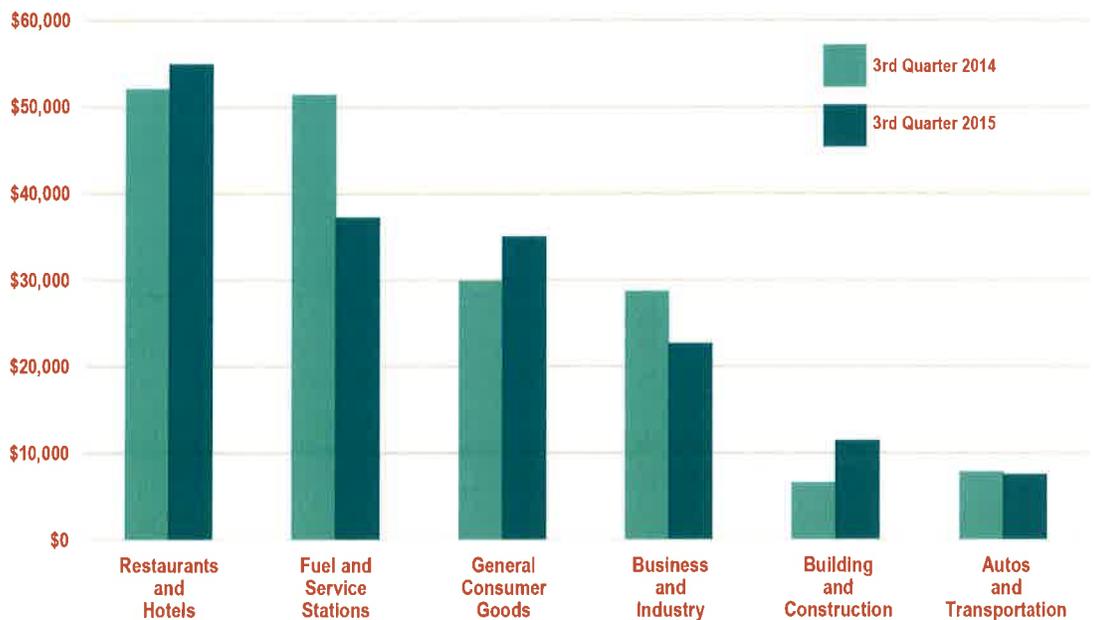
For the fourth straight quarter, weak global demand for crude oil was responsible for lower retail gas and diesel prices which continued to negatively impact the fuel group and overall results. The recent closeout of a business-industry merchant and a lower allocation from the county-wide use tax pool further contributed to the decline.

Increased sales of family apparel, a multi-quarter retroactive payment from a specialty retailer and solid building-construction activity partially offset the losses.

The city's voter approved half-cent transaction tax, Measure S, generated \$133,839, while the voter approved three-eighths cent transaction tax, Measure L, generated an additional \$100,546.

Net of aberrations, taxable sales for all of Nevada County grew 2.5% over the comparable time period; the Far North region was up 2.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

49er Communications	Plaza Tire & Auto Service
Abstrakt	Port of Subs
Bonanza Market	Riebes Auto Parts
Crazy Horse Saloon	Robinson Enterprises
D&D Plumbers Supply	Robinson Enterprises
Earth Song Market & Cafe	Sierra Metal Fabricators
Express Mart	Sopa Thai Cuisine
Friar Tucks	SPD Market
JH Petroleum	Three Forks Bakery & Brewing
Leftys Grill	Tour of Nevada City Bicycle Shop
Matteos Public	Vital Garden Supply
New Moon Cafe	
Northridge of Nevada City	
Phoenix Rising Designs	

## REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2014-15	2015-16
<b>Point-of-Sale</b>	\$387,546	\$379,166
<b>County Pool</b>	76,963	77,142
<b>State Pool</b>	300	210
<b>Gross Receipts</b>	\$464,809	\$456,518
<b>Less Triple Flip*</b>	\$(116,202)	\$(114,129)
<b>Measure S</b>	\$315,063	\$285,781
<b>Measure L</b>	\$234,630	\$213,870

**Statewide Results**

The local share of sales and use tax revenues from the summer sales quarter were up 2.4% over last year's comparable quarter after adjusting for payment aberrations.

New and used auto sales and leases continued to exhibit solid gains and were the primary contributor to the quarter's statewide growth. The countywide allocation pools were the second largest contributors to the overall gain, boosted by increased online sales activity. The state's travel and tourism industry contributed to a robust increase in receipts from restaurants and hotels. Recovering building and construction activity was also significant with an 8.6% increase over the comparison period.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the fourth consecutive quarter.

Overall performance was similar throughout most regions of the state, however the effect of lower fuel prices significantly dampened results in portions of the San Joaquin Valley.

**Online Retail Sales Continue to Outpace Brick & Mortar Stores**

Fourth quarter tax results will not be available until March but preliminary reports indicate holiday purchases from some brick and mortar stores are flat or down from 2014, while the volume of online shopping has set new records.

Although stores are not in danger of disappearing, the trend has many retail chains considering long-term plans for smaller "showroom" units with less square footage, employees, and in-store inventory.

HdL's statewide sales tax database for the first three quarters of 2015 shows that online orders for general consumer goods rose 17.6% over the first three quarters of 2014, while the overall sales gains at brick and mortar stores grew a modest 2.2%.

**New Restrictions on Tax Sharing Agreements**

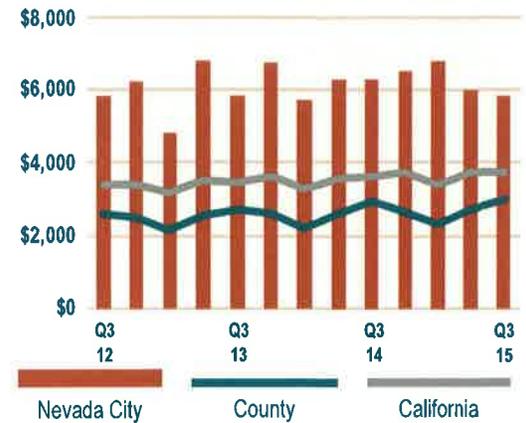
Tax rebates are subject to additional restrictions and reporting requirements in 2016.

Newly adopted Government Code Section 53084.5 prohibits tax sharing agreements that reduce another agency's sales tax if the business generating the tax continues to maintain a physical presence in the losing agency's jurisdiction.

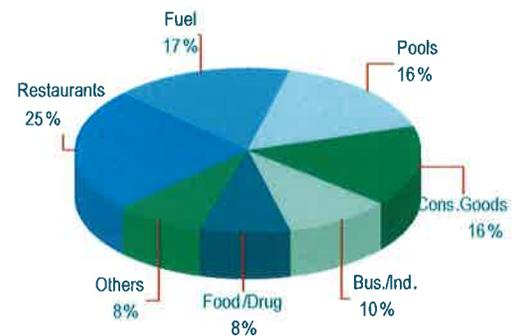
The Government Accounting Standards Board (GASB) has also adopted new requirements outlined in GASB Statement 77 for detailed disclosure of rebates in government financial reports.

The rule issued on August 14, 2015 by GASB will require state and local governments to disclose the amount of property, sales, and income taxes that have been waived or rebated under tax abatement agreements with companies or other taxpayers. The requirements of Statement 77 are effective for financial statements with periods beginning after December 15, 2015.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Nevada City This Quarter



**NEVADA CITY TOP 15 BUSINESS TYPES**

Business Type	Nevada City		County	HdL State
	Q3 '15	Change	Change	Change
Art/Gift/Novelty Stores	3,958	5.1%	-9.2%	5.1%
Auto Repair Shops	—	CONFIDENTIAL	2.7%	6.2%
Casual Dining	50,240	6.4%	1.3%	5.2%
Contractors	—	CONFIDENTIAL	15.2%	13.0%
Family Apparel	3,285	10.7%	-0.7%	2.4%
Garden/Agricultural Supplies	—	CONFIDENTIAL	43.3%	2.6%
Grocery Stores Liquor	—	CONFIDENTIAL	5.6%	3.8%
Heavy Industrial	—	CONFIDENTIAL	62.8%	6.4%
Jewelry Stores	3,169	5.8%	2.4%	-1.2%
Petroleum Prod/Equipment	—	CONFIDENTIAL	-15.6%	-28.1%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	5.6%	10.2%
Quick-Service Restaurants	3,710	-6.9%	-0.1%	6.8%
Service Stations	—	CONFIDENTIAL	-8.7%	-11.8%
Specialty Stores	11,301	70.5%	11.1%	5.9%
Women's Apparel	2,889	-8.9%	0.9%	-1.0%
<b>Total All Accounts</b>	<b>187,480</b>	<b>-3.4%</b>	<b>2.5%</b>	<b>2.3%</b>
<b>County &amp; State Pool Allocation</b>	<b>36,999</b>	<b>-10.3%</b>	<b>-4.8%</b>	<b>3.5%</b>
<b>Gross Receipts</b>	<b>224,479</b>	<b>-4.6%</b>	<b>1.2%</b>	<b>2.4%</b>

## REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
www.nevadacityca.gov

February 10, 2016

---

**TITLE:** Award Contract for new Gas/Water Lines at the Nevada City Sewer Plant

**RECOMMENDATION:** Pass Resolution 2016-XX to Award a Contract in the Amount of \$133,767 plus \$15,000 contingencies to CME Services, Grass Valley, CA for New Gas Line and Water Line at the Nevada City Sewer Plant and Authorize Mayor to sign.

**CONTACT:** William J. Falconi, Consulting City Engineer

### **BACKGROUND/DISCUSSION:**

The Nevada City Sewer Plant has an old and inadequate natural gas system. The work per this contract will completely replace the old system with new state of the art service. Also, during the process, the City will reactivate the water recycle system with new water lines.

City Staff advertised and received three bids and they are as follows:

- |                            |            |
|----------------------------|------------|
| • Hansen Bros. Enterprises | \$ 226,552 |
| • C&D Construction         | \$ 177,525 |
| • CME Services             | \$ 133,767 |

### **FISCAL IMPACT:**

The project will be funded with budgeted sewer and CABY grant funds

### **ATTACHMENTS:**

- ✓ Resolution 2016-XX

**RESOLUTION 2016-XX**

**A RESOLUTION OF THE CITY OF NEVADA CITY  
TO AWARD A CONTRACT TO CME SERVICES, GRASS VALLEY, CA FOR THE  
NEVADA CITY SEWER PLANT GAS LINE AND RECYCLED WATERLINE PROJECT  
AND AUTHORIZE MAYOR TO SIGN**

**BE IT RESOLVED**, the City Council of the City of Nevada City to award the Contract to CME Services, Grass Valley, CA in the amount of \$133,767 plus \$15,000 contingencies for new gas line and new recycled waterline and authorize the Mayor to sign.

**PASSED AND ADOPTED** at a regularly scheduled meeting of the Nevada City City Council held on this 10<sup>th</sup> day of February, 2016 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Jennifer Ray, Mayor**

**ATTEST:**

---

**Niel Locke, City Clerk**

## REPORT TO CITY COUNCIL

Washington Water District  
c/o City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
www.nevadacityca.gov

February 10, 2016

---

**TITLE: Award of CABY Contract for the Clear and Grub of the Waterline along Maybert Road within the Washington Water District**

**RECOMMENDATION:** Pass Resolution 2016-XX to Award a CABY Contract in the Amount of \$12,789 plus 5% contingencies to Robinson, Enterprises, Inc., Nevada City to Clear & Grub Along the Maybert Road Waterline in the Washington District and Authorize Mayor to sign.

**CONTACT:** William J. Falconi, Consulting City Engineer

### **BACKGROUND/DISCUSSION:**

Washington Water District Staff determined that the Maybert Road waterline needed to be cleaned prior to inspection for leak repair which is done by clearing and grubbing the waterline.

The District needs to complete the above mentioned work prior to design of system repairs.

Washington Water District staff advertised and received two (2) bids for the Clear & Grub:

- C&D Construction \$ 67,620
- Robinson Enterprises, Inc. \$ 12,789

### **FISCAL IMPACT:**

All work funded by CABY funds Prop 84 (state).

### **ATTACHMENTS:**

- ✓ Resolution 2016-XX

**RESOLUTION 2016-XX**

**RESOLUTION OF THE CITY OF NEVADA CITY  
TO AWARD A CABY CONTRACT TO ROBINSON ENTERPRISES, INC., NEVADA  
CITY, CA TO CLEAR AND GRUB ALONG THE MAYBERT ROAD WATERLINE IN  
THE WASHINGTON WATER DISTRICT AND AUTHORIZE MAYOR TO SIGN**

**WHEREAS**, notice to contractors for the clear and grub project was sent to local contractors on November 9, 2015; and

**WHEREAS**, proposals were required to be submitted to City Hall by 3:00 p.m. on November 23, 2015 and City Staff received two bids for the clear and grub project; and

**WHEREAS**, the clear and grubbing of the Maybert Road waterline will allow identification of leaks and assist with the design to repair them.

**BE IT RESOLVED**, the City Council of the City of Nevada City award the contract to Robinson Enterprises, Inc., Nevada City, CA in the amount of \$12,789 plus 5% contingencies for the clearing and grubbing on the Maybert Road waterline in the Washington Water District and authorize the Mayor to sign.

**PASSED AND ADOPTED** at a regularly scheduled meeting of the Nevada City City Council held on this 10<sup>th</sup> day of February, 2016 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Jennifer Ray, Mayor**

**ATTEST:**

---

**Niel Locke, City Clerk**

**CITY OF NEVADA CITY  
DRAFT ACTION MINUTES  
REGULAR CITY COUNCIL MEETING OF JANUARY 27, 2016**

**NOTE:** This meeting is available to view on the City's website [www.nevadacityca.gov](http://www.nevadacityca.gov) – Go to Quick Links and Click on Agendas & Minutes and find the Archived Videos in the middle of the screen. Select the meeting date and Click on Video to watch the meeting. For website assistance, please contact Corey Shaver, Deputy City Clerk at (530) 265-2496, ext 133.

- City Council Meetings are available on DVD. To order, contact City Hall - cost is \$15.00 per DVD.
- Closed Session Meetings are not recorded.

**REGULAR MEETING – 6:30 PM - Call to Order**

**Roll Call:** Present: Andersen, Bergman, Strawser, Vice Mayor Phelps, & Mayor Ray

**PLEDGE OF ALLEGIANCE**

**PROCLAMATION:** None

**PRESENTATION:** None

**1. BUSINESS FROM THE FLOOR-PUBLIC COMMENT** (Per Government Code Section 54954.3)

Please refer to the meeting video on the City's website at [www.nevdacityca.gov](http://www.nevdacityca.gov).

**2. COUNCIL MEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:**

Please refer to the meeting video on the City's website at [www.nevdacityca.gov](http://www.nevdacityca.gov)

**COUNCIL MEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:**

None

**3. CONSENT ITEMS:**

**A. Subject:** Agreement with The Mercer Group, Inc. for Citywide Classification and Compensation Study

**Recommendation:** Pass a Motion authorizing Mayor to sign an agreement with The Mercer Group, Inc. for an amount not to exceed \$9,850 for a citywide classification and compensation study.

**B. Subject:** Continuity of Nevada City Fire Department Operations

**Recommendation:** Pass a motion 1) authorizing the transition of three limited-term firefighter positions to full-time employees to ensure continuity of fire department operations, compliance with state and federal pension and health care requirements, operations, compliance with state and federal pension and health care requirements, employee retention purposes and to protect against a deterioration of the City's Insurance Services Office (ISO) rating; and 2) authorizing use of Measure L funds for Fire Department operations as necessary until public safety tax proceeds are received.

**C. Subject:** Amendment No. 1 to the Nevada City Management Employee Memorandum of Understanding (MOU) – Cell Phone Allowance

**Recommendation:** Review and approve Amendment No. 1 to the Nevada City Management Employee Memorandum of Understanding for the incorporation of a cellular phone allowance.

**Regular City Council Meeting**

**January 27, 2016**

**Page 2**

Item B was pulled from Consent Items.

**Action:** Motion by Strawser, seconded by Andersen approve Consent Items A & C as presented.  
**(Approved 5 – 0)**

Council Member Andersen welcomed the three new firefighters to the City.

**Action:** Motion by Strawser, seconded by Bergman approve Consent Item B as presented.  
**(Approved 5 – 0)**

**4. APPROVAL OF ACTION MINUTES:**

A. City Council Meeting – January 13, 2016

**Action:** Motion by Andersen, seconded by Phelps to approve the January 13, 2016 Minutes as presented.  
**(Approved 4 – 0, ABSTAIN: Strawser)**

**5. DEPARTMENT REQUESTED ACTION ITEMS AND UPDATE REPORTS:**

**6. PUBLIC HEARINGS:**

**7. OLD BUSINESS:**

**A. Subject:** An Ordinance of the City Council of Nevada City, California, Adding Chapter 17.140 to the Nevada City Municipal Code Entitled, “Marijuana Regulations” (Second Reading)

**Action:** Motion by Strawser, seconded by Phelps to adopt Ordinance 2016-01 adding Chapter 17.140 to the Nevada City Municipal Code entitled “Marijuana Regulations” related to cultivation.  
**(Approved 5 – 0)**

**Action:** Motion by Strawser, seconded by Phelps to read title only.  
**(Approved 5 – 0)**

**B. Subject:** A Resolution of the City of Nevada City approving ballot measure text to be submitted to the voters on the Initiative Measure to Enact Zoning Ordinance and General Plan Amendments to Permit and Restrict Home-Sharing Short-Term Rentals of Rooms in Single-Family Residences or Guest Houses by Owner Occupying Main Dwelling to be included with the General Municipal Election consolidated with the State-Wide Primary Election of June 7, 2016

**Action:** Motion by Bergman, seconded by Strawser to adopt the revised version of Resolution 2016-06 setting forth the exact form of the question to go on the ballot for the alternate Home-Sharing Short-Term Rentals Initiative Measure so it can go to the voters pursuant to Resolution No. 2015-53.  
**(Approved 3 – 2, AYES: Bergman, Strawser, Phelps - NOES: Ray, Andersen)**

**C. Subject:** Report Back to City Council of Planning Commission Recommendation on Draft Ordinance Restricting Formula Businesses throughout the City

**Action:** Motion by Strawser, seconded by Andersen have the Planning Commission identify possible amendments at a future date.  
**(Approved 4 – 1, NOES: Phelps)**

**D. Subject:** Determination of Whether Additional Review of Commercial Street Boardwalk is Desired

**Action:** Motion by Bergman, seconded by Phelps to approve there is no further action required.  
(Approved 3 – 2, AYES: Bergman, Strawser, Phelps, NOES: Ray, Andersen)

6. NEW BUSINESS:
7. CORRESPONDENCE:
8. ANNOUNCEMENTS:
9. CITY MANAGER'S REPORT:
10. ADJOURNMENT – 8:39 pm

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Jennifer Ray, Mayor

ATTEST:

---

Niel Locke, City Clerk

**CITY OF NEVADA CITY  
DRAFT ACTION MINUTES  
SPECIAL CITY COUNCIL MEETING OF FEBRUARY 2, 2016**

**SPECIAL MEETING – 5:30 PM - Call to Order**

**Roll Call:** Present: Andersen, Bergman, Strawser, Vice Mayor Phelps, & Mayor Ray

**Subject:** Sierra Digital Media Campus Funding

**Recommendation:** Pass Resolution 2016-XX 1) reaffirming the City Council's prior authorization to utilize \$50,000 from the Nevada City Economic Development Fund toward a \$500,000 U.S. Department of Commerce Economic Development Administration (EDA) Regional Innovation Strategies Grant Application to accelerate the launch of the Sierra Digital Media Campus; and 2) authorizing release of the pledged \$50,000 from the Nevada City Economic Development Fund to the Nevada County Economic Resource Council (ERC) to accelerate launch of the Sierra Digital Media Campus contingent upon the ERC demonstrating to the satisfaction of the City Manager the campus will bring a minimum of 10 new full-time jobs to Nevada City.

**Action:** Motion by Strawser, seconded by Bergman to adopt resolution as presented.

**(APPROVED 5 – 0 via roll call vote)**

**ADJOURNMENT – 6:22 pm**

\_\_\_\_\_  
**Jennifer Ray, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Niel Locke, City Clerk**

**CITY OF NEVADA CITY,  
CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2015**

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**CITY OF NEVADA CITY  
Annual Financial Report  
For the Year Ended June 30, 2015**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**CITY OF NEVADA CITY**  
**City Officials**  
**For the Year Ended June 30, 2015**

**CITY COUNCIL**

Terri Andersen, Mayor

Jennifer Ray, Vice Mayor

Robert Bergman

Duane Strawser

Evans Phelps

**CITY STAFF**

Mark Prestwich, City Manager

Niel Locke, City Clerk

David McKay, City Treasurer

Harold DeGraw, Consulting City Attorney

Sam Goodspeed, Fire Chief

Timothy Foley, Chief of Police

William J. Falconi, Consulting City Engineer

Verne Taylor, Director of Public Works

Catrina Olson, Assistant City Manager

Cindy Siegfried, City Planner

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Statements**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Nevada City, California (City), as of and for the year ended June 30, 2015, 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.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 1Q to the financial statements, in 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 68, 69, and 71. The implementation of GASB 68 and 71 resulted in the restatement of beginning net position for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

As reported in Note 12, the net pension liability is measured as of June 30, 2014 and the pension expense is for the measurement period 2013-14. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

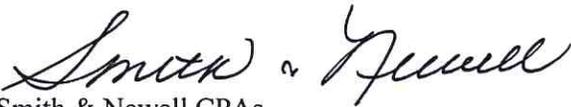
To the Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
January 22, 2016

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**Management's Discussion and Analysis  
(Unaudited)**

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**CITY OF NEVADA CITY  
MANAGEMENT DISCUSSION & ANALYSIS  
Fiscal Year 2014/2015**

The following discussion provides users of the City of Nevada City's financial statements, a narrative overview and analysis of the financial activities of the City for the fiscal year ending June 30, 2015. Please read this document in conjunction with the basic financial statements and the accompanying notes to those financial statements.

The City has a diverse local economy based on business and industry, local government employment, and tourism. This allows the City to provide a variety of services to all citizens. There has been a steady recovery in the local economy, an uptick in general fund revenues, and a slight decrease in business activity revenue tied to rate structure changes. The voters of Nevada City approved a three- eighths cent general purpose tax, Measure "L", on the November 2012 ballot. The improvement in the financial and economic condition of the City, as well as the passing of Measure "L", has provided the ability for the City to continue providing consistent service levels.

**FINANCIAL HIGHLIGHTS**

The following are some financial highlights for fiscal year 2015:

Entity-wide:

- ❑ The City's assets at the end of the year increased to \$30,905,429 up \$950,321 from the previous fiscal year. Of this total, \$16,177,607 is Governmental assets up \$723,265 from the previous fiscal year, and \$14,727,825 is Business Type assets up \$227,056 from the previous fiscal year.
- ❑ The City's liabilities at the end of the year increased to \$7,965,876 up \$2,603,101 from the previous fiscal year. Of this total, \$2,908,120 is Governmental liabilities up \$2,291,081 from the previous fiscal year, and \$5,057,756 is Business Type liabilities up \$312,020 from the previous fiscal year.
- ❑ The net effect of the changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources left the City's net position at \$22,482,456 down \$2,109,877 from the previous fiscal year. Of this total, \$12,874,812 is Governmental down \$1,962,488 from the previous fiscal year, and \$9,607,644 is Business type down \$147,389 from the previous fiscal year.
- ❑ Governmental revenues include program revenues of \$1,714,030 and general revenues and transfers of \$4,182,569 for total revenues of \$5,896,599. Governmental expenses were \$5,103,776.
- ❑ Business-type revenues include program revenues of \$2,202,745 and general revenues and transfers of (\$131,413) for total revenues of \$2,071,332. Business Type expenses were \$1,812,525.

Fund level:

- ❑ Governmental Fund Balances at the end of the fiscal year were \$1,766,405, a decrease of \$69,189 from the previous fiscal year.
- ❑ Governmental Fund revenues were \$5,675,745 in 2015 compared to \$5,562,497 in 2014, a favorable increase of \$113,248.
- ❑ Governmental Fund expenditures of \$5,906,305 increased \$573,955 from the previous fiscal year.

General Fund:

- ❑ The General Fund revenues of \$3,559,564 represents an increase of \$153,261 from the previous fiscal year.

- ❑ General Fund expenditures of \$3,481,298 represents an increase of \$91,801 from the previous fiscal year.
- ❑ General Fund other financing sources for the fiscal year totaled \$339,961 an increase of \$175,291 from the previous fiscal year.
- ❑
- ❑ At the end of the fiscal year, the General Fund balance was \$1,195,091 representing an increase of \$418,227 from the previous fiscal year.

## **OVERVIEW OF THE CITY'S ANNUAL FINANCIAL REPORT**

The discussion and analysis that follows is intended to serve as an introduction to the City's basic financial statements. These statements include all activities of the City of Nevada City using the integrated approach as prescribed by GASB Statement No. 34. These statements are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements and (3) Notes to the Financial Statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer term view of the City's finances. Fund Financial Statements tell how these 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 Financial Statements by providing information about the City's most significant funds. This report also contains required supplementary information in addition to the basic financial statements.

### **Government – Wide Financial Statements**

The government-wide financial statements are designed to provide the 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 businesses. All of the current fiscal year's revenues and expenses are taken into account regardless of when the cash is received.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with differences between them reported as net position. Net position increases or decreases each year based on whether government-wide revenues exceeded the related expenses (increase), or government-wide expenses exceeded revenues (decrease). The change in net position over time may provide a useful tool in measuring whether or not the financial position of the City is improving or deteriorating.

The Statement of Activities presents financial information on the material types of revenue and expense transactions that occurred during the fiscal year that created the increase (decrease) in net position. All transactions are reported in the year in which they have been consummated, and not when the cash is received or paid. For example, uncollected taxes are accrued as revenue in these financial statements and earned but unused vacation pay is expensed in the period earned.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees' and charges (business-type activities). The governmental activities of the City include public safety (police & fire), public works streets and facilities maintenance, engineering, parks and recreation, land use planning, and general city administration responsibilities. The business-type activities of the City include water and sewer utility operations.

The government-wide financial statements include the City only (known as the primary government). There are no component or blended component units that are part of the City's operations.

## **Fund Financial Statements**

The fund financial statements provide detailed information about the 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 and by bond covenants. The City also establishes other funds to control and manage money for particular purposes or to show that the City is meeting legal or contractual responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be classified into the following categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Most of the City's basic services are reported in governmental funds. These funds focus on how money flows into and out of these funds and balances left at year end that are available for subsequent expenditure. These funds are reported using an accounting method called "modified accrual" which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. These reconciliations explain the relationship between the fund statements and government-wide statements.

**Proprietary Funds.** Proprietary funds are generally used to account for services for which the City charges customers. Proprietary funds are meant to be financially self-supporting. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City's proprietary funds are used to account for the water and sewer services provided by the City.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **Notes to Financial Statements**

The notes to the financial statements provide additional information for readers that are essential for a full understanding of the data provided in the government-wide and fund financial statements.

### **FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE**

This analysis focuses on the net position and changes in the net position of the City as a whole. Tables 1 and 2 focus on the City's Governmental Statement of Net Position and Statement of Activities and Tables 3 through 5 focus on the City's Business-type Statement of Net Position and Statement of Activities.

**Governmental Activities:**

**Table 1  
Governmental Net Position at June 30, 2015**

	<u>2015</u>	<u>2014</u>
Cash and investments	\$ 2,183,797	\$ 1,715,967
Other assets	546,351	938,965
Capital assets	13,447,456	12,799,407
<b>Total Assets</b>	<b>16,177,604</b>	<b>15,454,339</b>
Pension adjustments	353,928	-
<b>Total Deferred Outflows of Resources</b>	<b>353,928</b>	<b>-</b>
Current liabilities	601,731	554,678
Long term liabilities	2,306,389	62,361
<b>Total Liabilities</b>	<b>2,908,120</b>	<b>617,039</b>
Pension adjustments	748,600	-
<b>Total Deferred Inflows of Resources</b>	<b>748,600</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	13,432,857	12,720,899
Restricted	2,030,534	1,800,647
Unrestricted	(2,588,579)	315,754
<b>Total Net Position</b>	<b>\$ 12,874,812</b>	<b>\$ 14,837,300</b>

The City's Governmental net position was \$12,874,812 as of June 30, 2015, a decrease of \$1,962,488 from the prior fiscal year. This increase is the change in net position shown in Table 2. The City's Governmental Net Position as of June 30, 2015 was comprised of the net of the following:

- Cash of \$2,183,797 held in six Certificates of Deposit, State of California's Local Agency Investment Fund and the City's money market savings and general checking accounts.
- Receivables of \$388,153 comprised of accrued revenues, loans, and amounts due from other funds.
- Prepaid costs of \$158,198.
- Capital assets net of depreciation charges of \$13,447,456, this includes all of the City's infrastructure as well as other capital assets used in government activities, see Notes 1 and 4 for additional information on capital assets.
- Deferred outflows of resources for pension adjustments of \$353,928.
- Current liabilities including accounts payable, accrued expenses, and amounts due to other funds totaling \$489,203.
- Long term debt of \$2,418,917 of which \$2,306,389 matures in future years and \$112,528 is due within one year. The significant increase in long term debt of \$2,244,028 is primarily associated to the reporting of future pension obligations. Notes 7 through 9 provide additional detail on the City's liabilities and long term debt, and Note 12 provides detail information regarding Governmental Accounting Standards Board (GASB) Statement No. 68 and posting for pension obligations.
- Deferred inflows of resources for pension adjustments of \$748,600.

Note 4 provides more information on the changes in the City's capital assets during the year.

**Table 2  
Changes in Governmental Net Position June 30, 2015**

	<b>2015</b>	<b>2014</b>
Revenues:		
Program revenues:		
Charges for service	\$ 813,639	\$ 827,433
Grants and contributions	900,391	1,177,366
General revenues:		
Property taxes	1,599,068	1,504,565
Other taxes	2,173,423	2,066,139
Interest and investment earnings	91,797	90,616
Other general revenues	156,710	129,729
<b>Total Revenues</b>	<b>5,735,028</b>	<b>5,795,848</b>
Program Expenses:		
General government	1,914,797	1,597,350
Public safety	2,058,029	2,065,582
Public works	793,882	809,146
Parks and recreation	331,996	313,835
Interest on long-term debt	5,072	8,152
<b>Total Expenses</b>	<b>5,103,776</b>	<b>4,794,065</b>
<b>Net Revenue (Expense) Before Transfers</b>	<b>631,252</b>	<b>1,001,783</b>
Transfers	161,571	(16,881)
<b>Change in Net Position</b>	<b>792,823</b>	<b>984,902</b>
<b>Net Position – Beginning</b>	<b>14,837,300</b>	<b>13,852,398</b>
Cumulative effect of change in accounting principle	(2,755,311)	-
<b>Net Position - Ending</b>	<b>\$ 12,874,812</b>	<b>\$ 14,837,300</b>

Overall total Governmental revenues increased 2% from the prior fiscal year. Other taxes include sales and use tax, franchise tax, and transient occupancy tax. Sales and use tax increased 3.2% from the previous fiscal year despite the loss of a major sales tax provider in December 2015. Included in this increase, Measure “S” collections were \$576,588, Measure “L” collections were \$460,741, and sales tax was \$703,028. The combined franchise tax of \$145,472 and transient occupancy tax of \$287,593 increased 14% as compared to the previous fiscal year collections. The 2014/2015 assessed property valuations increased 2.8% over the fiscal year 2013/2014 assessed valuations. The City’s interest earnings were flat as compared to the prior fiscal year.

Table 2 shows that 29% of the City’s Governmental revenues were derived from fees for City services and grants, a decrease from the prior fiscal year at 34.7%. Charges for services decreased 1.7% or \$13,794 from the previous fiscal year. Grants and contributions decreased 23.5% from the previous fiscal year and is associated to the timing of grant reimbursement request submissions and receipt of the reimbursements.

Total Governmental expenses increased 6.5% from the previous fiscal year. The overall increase in program expense of \$309,711 is tied to increased operational and capital expenditure activity associated to general government grants and the Measure “L” tax. The increase of 14% is the net of a 20% increase in general government operational expenditures, a 2% decrease in public ways and facilities operational expenditures, and a 6% increase in parks and recreation operational expenditures as compared to the previous fiscal year. The City has received Funds Transfers, advanced against the City’s property taxes, from fiscal year 2008/2009 through current fiscal year 2014/2015 from the Nevada County Treasurer. The City used \$626,781 of the original advance to payoff Nevada City’s CalPERS side fund debt at a reduced interest rate, based on the Nevada County pooled investment rate, which has averaged .90% from fiscal year 2008/2009 – 2014/2015 versus the 7.75% that was being charged by CalPERS. The savings in interest has been used to offset the continued rising costs for the CalPERS benefit expense for fiscal years 2009/2010 through 2014/2015, as well as assisting in offsetting the annual increases in employee health benefits. In the fiscal year 2008/2009 the City implemented a one day per month furlough Citywide to assist in reducing operational cost, with the slight uptick in the economic condition of the City, employees were returned to full service 2012/2013.

The City implemented GASB 68 as of June 30, 2015 reporting period, accounting and financial reporting for pensions. The inclusion of this financial data improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. With the cumulative effect of this change in accounting principle, the City was required to show a prior period adjustment of (\$2,755,311) in an effort to provide a restated beginning Net Position.

**Business-Type Activities:**

**Table 3  
Business-Type Net Position at June 30, 2015**

	<u>2015</u>	<u>2014</u>
Cash and investments	\$ 2,244,274	\$ 1,874,370
Other assets	1,024,746	1,077,736
Capital assets	11,458,805	11,548,663
<b>Total Assets</b>	<b>14,727,825</b>	<b>14,500,769</b>
Pension adjustments	52,936	-
<b>Total Deferred Outflows of Resources</b>	<b>52,936</b>	<b>-</b>
Current liabilities	575,820	368,567
Long term liabilities	4,481,936	4,377,169
<b>Total Liabilities</b>	<b>5,057,756</b>	<b>4,745,736</b>
Pension adjustments	115,361	-
<b>Total Deferred Inflows of Resources</b>	<b>115,361</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	7,090,041	6,971,432
Restricted	338,997	301,555
Unrestricted	2,178,606	2,482,046
<b>Total Net Position</b>	<b>\$ 9,607,644</b>	<b>\$ 9,755,033</b>

The City’s Business Type enterprises consist of Water and Wastewater services. Total Net Position decreased 1.5%, primarily driven by an increase in the long term liabilities for the recording of current and future pension obligations associated to GASB 68 in the Wastewater and Water Treatment funds.

**Table 4**  
**Changes in Business-Type Net Position June 30, 2015**

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Water	\$ 804,830	\$ 840,676
Wastewater	1,397,915	1,381,866
General revenues	30,158	24,712
<b>Total Revenues</b>	<b>2,232,903</b>	<b>2,247,254</b>
Expenses:		
Water	556,657	561,302
Wastewater	1,255,868	1,189,552
<b>Total Expenses</b>	<b>1,812,525</b>	<b>1,750,854</b>
<b>Net Revenue (Expense) Before Transfers</b>	<b>420,378</b>	<b>496,400</b>
Transfers	(161,571)	16,881
<b>Change in Net Position</b>	<b>258,807</b>	<b>513,281</b>
<b>Net Position – Beginning</b>	<b>9,755,033</b>	<b>9,241,752</b>
Cumulative effect of change in accounting principle	(406,196)	-
<b>Net Position - Ending</b>	<b>\$ 9,607,644</b>	<b>\$ 9,755,033</b>

The City's Business-type revenue decreased by 8.5%. Of the 8.5% decline, water revenue collections decreased 4.3% associated to community water conservation efforts during the ongoing drought conditions. The remainder of the decrease is associated to fund transfers from business type activities to governmental activities.

There was an increase of 3.5% in total business type activity expense. Water operational expenditures were flat as compared to the previous fiscal year. Wastewater operational expenses increased 5.6% over fiscal year 2013/2014.

The City implemented GASB 68 as of June 30, 2015 reporting period, accounting and financial reporting for pensions. The inclusion of this financial data improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. With the cumulative effect of this change in accounting principle the City was required to show a prior period adjustment of (\$406,196) in an effort to provide a restated beginning Net Position.

**Table 5**  
**Changes in Business-Type Net Position June 30, 2015**  
**Net (Expense) Revenues from Services**

	<u>2015</u>	<u>2014</u>
Water Services	\$ 34,640	\$ 248,287
Wastewater Services	(182,029)	132,646
Other Enterprise Funds	-	132,348
<b>Totals</b>	<b>(\$ 147,389)</b>	<b>\$ 513,281</b>

There was a decrease of (\$406,196) in changes to Net Position for business type activities from the previous fiscal year associated to prior period adjustments for current and future pension obligations. The change in Net Position for Water services was \$193,506 prior to the GASB 68 adjustment of (\$158,866) leaving a Net Position change of \$36,640 for fiscal year 2014/2015. The change in Net Position of Wastewater services was \$65,301 prior to the GASB 68 adjustment of (\$247,330) leaving a Net Position change of (\$182,029) for fiscal year 2014/2015.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

In fiscal year 2003/2004 the City started recording the cost of its infrastructure assets and expensing them over time (depreciation expense). Infrastructure assets include streets, bridges, storm drains and similar assets used by the general population. Other capital assets include police and fire equipment, buildings, park facilities and water and wastewater facilities. The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown below:

**Table 6**  
**Capital Assets at June 30, 2015**  
**(Net of Depreciation)**

	Government Activities	Business Activities	Total
Land	\$ 1,630,332	\$ -	\$ 1,630,332
Structures & improvements	15,225,446	18,645,197	33,870,643
Vehicles, machinery, equipment and software	2,162,246	2,736,374	4,898,620
Construction in progress	816,876	15,641	832,517
Less accumulated depreciation	(6,387,444)	(9,938,407)	(16,325,851)
<b>Totals</b>	<b>\$ 13,447,456</b>	<b>\$ 11,458,805</b>	<b>\$ 24,906,261</b>

The City depreciates capital assets over their estimated useful lives. The purpose of depreciation is to match the expense of capital assets to revenue sources over the asset's useful life so that the cost is borne by the users of the asset. Note 1 to the financial statements provides additional information on capital assets, depreciation methods and useful lives.

The major changes in capital assets in governmental activities for the fiscal year 2014/2015 were in the area of land improvements and infrastructure. The City continued to work in many areas during the fiscal year 2014/2015 such as the Gold Flat Road and Zion Street Interchange, East Broad Street and Adams and Long Streets (Nimrod and Sacramento Streets) all funded by Congestion Mitigation and Air Quality Funds (CMAQ). The majority of additions in land improvements and infrastructure were tied to 6 projects within the Nevada City water collection system and water treatment plant funded by Proposition 84 funds from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Additions to capital assets for business activities were associated to a major water line and sewer line repair; see Note 4 of the financials for additional detail on changes in capital assets during the year.

## Debt Administration

**Table 7  
Outstanding Debt at June 30, 2015**

	Government Activities	Business Activities	Total
Loans payable	\$ -	\$ 762,764	\$ 762,764
Certificates of participation	-	3,606,000	3,606,000
Capital leases	14,599	-	14,599
Compensated absences payable	139,900	25,469	165,369
Net pension liability	2,264,418	321,759	2,586,177
<b>Totals</b>	<b>\$ 2,418,917</b>	<b>\$ 4,715,992</b>	<b>\$ 7,134,909</b>

At year-end, the City had \$7,134,909 in long term debt outstanding compared to \$4,818,137 at 06/30/14. The City had an overall increase in debt of \$2,316,772. The increase in outstanding debt of \$2,586,177 was associated to reporting future pension liability for government and business activities as a requirement of the new GASB 68 ruling setting forth changes in accounting principle. There was a decrease of \$208,467 associated to principal payments to the United States Department of Agriculture (USDA) for Certificates of Participation Series 2005 and 2007 for the Wastewater Treatment Plant upgrade that began fiscal year 2004/2005. The City also made scheduled principal payments on the USDA Sewer Fund Promissory note obtained in fiscal year 2007/2008. The City also issued a Transfer of Funds from Nevada County for .62%, leveraging anticipated property tax. This Funds Transfer was used for cash flow purposes for the fiscal year 2014/2015. The original Tax Revenue Anticipation Note (TRAN) taken from Nevada County in 2008/2009 was used to fund the payoff of the CalPERS side fund for \$626,781 that had an interest rate of 7.75%, the purchase of the DPW Vactron, 500 new water meter replacements, and the Solar Project installation at City Hall, Corp Yard, and the Swimming Pool. The Funds Transfer was for \$400,000 for fiscal year 2014/2015 and was repaid in two installments. The 1<sup>st</sup> installment of \$200,000 was repaid from the January 2015 Nevada City property tax payment, and the 2<sup>nd</sup> installment of \$200,000 was repaid from the May 2015 Nevada City property tax payment.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for fiscal year 2015/2016 was adopted by the City Council on June 24, 2015. The General Fund budget approved by the City Council anticipates \$3.8 million in revenues and \$3.7 million in expenditures, with Net (Expense)/Revenue being \$67,106 and operational reserve transfers from Measure "L" of \$179,050. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City's budget.

Revenue collections for sales tax, property tax, and remaining general fund revenues were projected to increase 1% compared to the 2014/2015 year end adjusted budget. The City projected flat sales tax and transient occupancy taxes, and increase of 2.2% in property taxes as compared to the 2014/2015 mid-year budget. The fiscal year 2015/2016 General Fund budget is projected to experience decreased expenditures of 10% as compared to the 2014/2015 mid-year adjusted budget associated to the reduction in debt repayment to Nevada County for the transfer of funds for \$400,000 received in previous fiscal year. With the slow economic recovery over the last four fiscal years the City has experienced less restrictive cash flows and did not request a Transfer of Funds debt issuance for fiscal year 2015/2016 for the first time since 2008/2009. The City is facing a challenge to secure a sustainable funding source to ensure the continuity of Fire Department operations, which experienced a loss of three staff members in April of 2015 when the Nevada County Consolidated Fire Department determined they could no longer afford to co-staff Nevada City Fire Station 54. Plans are underway to place a revenue measure on the November 2016 ballot to pay for the three new required firefighter positions.

Revenue collections for the special taxes Measure “S” and Measure “L” will continue to significantly assist the City maintaining streets and roads, as well as provide funding for infrastructure and building maintenance and improvements that were deferred during the economic decline.

The General Fund has maintained a slow but improving economic financial position over the last four fiscal years. The City has a positive unassigned fund balance of \$347,000 ending fiscal year 2014/2015. It continues to be crucial that City staff monitor incoming revenues and prioritize and review program expenditures to support preserving and improving the current financial status and providing adequate service levels to serve its constituency.

### **Contacting the City**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional information, contact the City at 317 Broad Street, Nevada City, CA 95959, or by phone (530)-265-2496.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**CITY OF NEVADA CITY**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 2,183,797	\$ 2,244,274	\$ 4,428,071
Receivables:			
Accounts	53,195	343,460	396,655
Interest	415	783	1,198
Taxes	421,221	-	421,221
Intergovernmental	489,200	60	489,260
Internal balances	(645,878)	645,878	-
Prepaid costs	7,857	4,935	12,792
Prepaid insurance	150,341	29,630	179,971
Loans receivable	70,000	-	70,000
Capital assets:			
Non depreciable assets	2,447,208	15,641	2,462,849
Depreciable assets, net of depreciation	11,000,248	11,443,164	22,443,412
Total capital assets	<u>13,447,456</u>	<u>11,458,805</u>	<u>24,906,261</u>
<b>Total Assets</b>	<u>16,177,604</u>	<u>14,727,825</u>	<u>30,905,429</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension adjustments	<u>353,928</u>	<u>52,936</u>	<u>406,864</u>
<b>Total Deferred Outflows of Resources</b>	<u>353,928</u>	<u>52,936</u>	<u>406,864</u>
<b>LIABILITIES</b>			
Accounts payable	397,483	249,223	646,706
Salaries and benefits payable	73,418	11,108	84,526
Interest payable	103	81,351	81,454
Deposits payable	-	82	82
Unearned revenue	18,199	-	18,199
Long-term liabilities:			
Due within one year	112,528	234,056	346,584
Due in more than one year	2,306,389	4,481,936	6,788,325
<b>Total Liabilities</b>	<u>2,908,120</u>	<u>5,057,756</u>	<u>7,965,876</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension adjustments	<u>748,600</u>	<u>115,361</u>	<u>863,961</u>
<b>Total Deferred Inflows of Resources</b>	<u>748,600</u>	<u>115,361</u>	<u>863,961</u>

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

Continued (Page 1 of 2)

**CITY OF NEVADA CITY**  
**Statement of Net Position**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,432,857	7,090,041	20,522,898
Restricted for:			
General government	948,302	-	948,302
Public protection	285,105	-	285,105
Public ways and facilities	701,402	-	701,402
Recreation and culture	95,725	-	95,725
Capital projects	-	25,689	25,689
Debt service	-	313,308	313,308
Unrestricted	<u>(2,588,579)</u>	<u>2,178,606</u>	<u>(409,973)</u>
<b>Total Net Position</b>	<u>\$ 12,874,812</u>	<u>\$ 9,607,644</u>	<u>\$ 22,482,456</u>

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

Continued (Page 2 of 2)

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**CITY OF NEVADA CITY**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,914,797	\$ 105,378	\$ 585,475	\$ (283,103)
Public protection	2,058,029	192,247	62,994	(12,277)
Public ways and facilities	793,882	324,920	141,442	405,860
Recreation and culture	331,996	191,094	-	-
Interest on long-term debt	5,072	-	-	-
<b>Total Governmental Activities</b>	<b>5,103,776</b>	<b>813,639</b>	<b>789,911</b>	<b>110,480</b>
Business-Type activities:				
Water	556,657	804,830	-	-
Sewer	1,255,868	1,397,915	-	-
<b>Total Business-Type Activities</b>	<b>1,812,525</b>	<b>2,202,745</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 6,916,301</b>	<b>\$ 3,016,384</b>	<b>\$ 789,911</b>	<b>\$ 110,480</b>

**General revenues:**

Taxes:

Property taxes

Property transfer tax

Sales and use taxes

Franchise taxes

Transient occupancy taxes

Grants and contributions unrestricted

Interest and investment earnings

Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning**

Cumulative effect of a change in accounting principle

**Net Position - Beginning, Restated**

**Net Position - Ending**

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

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,507,047)	\$ -	\$ (1,507,047)
(1,815,065)	-	(1,815,065)
78,340	-	78,340
(140,902)	-	(140,902)
(5,072)	-	(5,072)
<u>(3,389,746)</u>	<u>-</u>	<u>(3,389,746)</u>
-	248,173	248,173
-	142,047	142,047
-	390,220	390,220
<u>(3,389,746)</u>	<u>390,220</u>	<u>(2,999,526)</u>
1,585,534	-	1,585,534
13,534	-	13,534
1,740,358	-	1,740,358
145,472	-	145,472
287,593	-	287,593
1,279	-	1,279
91,797	11,847	103,644
155,431	18,311	173,742
161,571	(161,571)	-
<u>4,182,569</u>	<u>(131,413)</u>	<u>4,051,156</u>
<u>792,823</u>	<u>258,807</u>	<u>1,051,630</u>
14,837,300	9,755,033	24,592,333
<u>(2,755,311)</u>	<u>(406,196)</u>	<u>(3,161,507)</u>
<u>12,081,989</u>	<u>9,348,837</u>	<u>21,430,826</u>
<u>\$ 12,874,812</u>	<u>\$ 9,607,644</u>	<u>\$ 22,482,456</u>

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**CITY OF NEVADA CITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	<b>General</b>	<b>CABY Nevada City</b>	<b>CABY Misc Agency</b>	<b>Measure "S"</b>
<b>ASSETS</b>				
Cash and investments	\$ 922,165	\$ -	\$ -	\$ 400,199
Receivables:				
Accounts	47,909	-	-	1,200
Interest	-	-	-	112
Taxes	223,590	-	-	104,300
Intergovernmental	57,109	147,320	130,807	-
Prepaid costs	7,857	-	-	-
Prepaid insurance	148,131	-	-	2,210
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,406,761</b>	<b>\$ 147,320</b>	<b>\$ 130,807</b>	<b>\$ 508,021</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 68,351	\$ 126,803	\$ 125,125	\$ 58,886
Salaries and benefits payable	71,614	-	-	1,185
Interest payable	3	-	-	-
Unearned revenue	18,199	-	-	-
Due to other funds	-	334,739	142,341	-
<b>Total Liabilities</b>	<b>158,167</b>	<b>461,542</b>	<b>267,466</b>	<b>60,071</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	53,503	147,320	130,807	-
<b>Total Deferred Inflows of Resources</b>	<b>53,503</b>	<b>147,320</b>	<b>130,807</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	155,988	-	-	2,210
Restricted	470,167	-	-	445,740
Committed	193,585	-	-	-
Assigned	28,077	-	-	-
Unassigned	347,274	(461,542)	(267,466)	-
<b>Total Fund Balances</b>	<b>1,195,091</b>	<b>(461,542)</b>	<b>(267,466)</b>	<b>447,950</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,406,761</b>	<b>\$ 147,320</b>	<b>\$ 130,807</b>	<b>\$ 508,021</b>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 861,433	\$ 2,183,797
4,086	53,195
303	415
93,331	421,221
153,964	489,200
-	7,857
-	150,341
70,000	70,000
<u>\$ 1,183,117</u>	<u>\$ 3,376,026</u>
\$ 18,318	\$ 397,483
619	73,418
100	103
-	18,199
168,798	645,878
<u>187,835</u>	<u>1,135,081</u>
<u>142,910</u>	<u>474,540</u>
<u>142,910</u>	<u>474,540</u>
-	158,198
767,298	1,683,205
39,665	233,250
149,466	177,543
(104,057)	(485,791)
<u>852,372</u>	<u>1,766,405</u>
<u>\$ 1,183,117</u>	<u>\$ 3,376,026</u>

**CITY OF NEVADA CITY**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**To the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2015**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 1,766,405</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	13,447,456
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	474,540
Deferred outflows of resources related to pensions are not reported in the governmental funds.	353,928
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(748,600)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated absences payable	(139,900)
Capital leases payable	(14,599)
Net pension liability	<u>(2,264,418)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 12,874,812</u></b>

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

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**CITY OF NEVADA CITY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	<b>General</b>	<b>CABY Nevada City</b>	<b>CABY Misc Agency</b>	<b>Measure "S"</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 2,588,521	\$ -	\$ -	\$ 576,588
Licenses and permits	228,276	-	-	-
Fines and forfeitures	90,807	-	-	-
Intergovernmental revenues	99,666	78,905	60,035	-
Use of money and property	86,654	(2)	(1)	1,783
Charges for services	322,192	-	-	-
Other revenues	143,448	-	-	-
<b>Total Revenues</b>	<b>3,559,564</b>	<b>78,903</b>	<b>60,034</b>	<b>578,371</b>
<b>EXPENDITURES</b>				
Current:				
General government	973,537	80,372	254,241	-
Public protection	1,772,177	-	-	-
Public ways and facilities	275,154	-	-	87,138
Recreation and culture	274,151	-	-	-
Debt service:				
Principal	63,909	-	-	-
Interest and other charges	5,072	-	-	-
Capital outlay	117,298	363,831	-	553,500
<b>Total Expenditures</b>	<b>3,481,298</b>	<b>444,203</b>	<b>254,241</b>	<b>640,638</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>78,266</b>	<b>(365,300)</b>	<b>(194,207)</b>	<b>(62,267)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	341,155	-	-	-
Transfers out	(1,194)	-	-	(59,999)
<b>Total Other Financing Sources (Uses)</b>	<b>339,961</b>	<b>-</b>	<b>-</b>	<b>(59,999)</b>
<b>Net Change in Fund Balances</b>	<b>418,227</b>	<b>(365,300)</b>	<b>(194,207)</b>	<b>(122,266)</b>
<b>Fund Balances - Beginning</b>	<b>776,864</b>	<b>(96,242)</b>	<b>(73,259)</b>	<b>570,216</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,195,091</b>	<b>\$ (461,542)</b>	<b>\$ (267,466)</b>	<b>\$ 447,950</b>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 858,948	\$ 4,024,057
-	228,276
-	90,807
524,613	763,219
3,362	91,796
-	322,192
11,950	155,398
<u>1,398,873</u>	<u>5,675,745</u>
591,192	1,899,342
194,636	1,966,813
53,199	415,491
3,486	277,637
-	63,909
-	5,072
<u>243,612</u>	<u>1,278,241</u>
<u>1,086,125</u>	<u>5,906,505</u>
<u>312,748</u>	<u>(230,760)</u>
53,332	394,487
<u>(171,723)</u>	<u>(232,916)</u>
<u>(118,391)</u>	<u>161,571</u>
194,357	(69,189)
<u>658,015</u>	<u>1,835,594</u>
<u>\$ 852,372</u>	<u>\$ 1,766,405</u>

**CITY OF NEVADA CITY**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**And Changes in Fund Balances of Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2015**

**Net Change in Fund Balances - Total Governmental Funds** \$ (69,189)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	1,278,241
Less current year depreciation	(630,192)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	63,909
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Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenue	59,282
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Deferred outflows of resources related to pensions	353,928
Deferred inflows of resources related to pensions	(748,600)

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

Change in compensated absences	(5,449)
Change in net pension liability	490,893

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 792,823</b>
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The notes to the basic financial statements are an integral part of this statement.

**CITY OF NEVADA CITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 25,683	\$ 2,218,591	\$ 2,244,274
Receivables:			
Accounts	125,558	217,902	343,460
Interest	2	781	783
Intergovernmental	-	60	60
Due from other funds	-	716,682	716,682
Prepaid costs	1,293	3,642	4,935
Prepaid insurance	10,939	18,691	29,630
<b>Total Current Assets</b>	<b>163,475</b>	<b>3,176,349</b>	<b>3,339,824</b>
Noncurrent Assets:			
Non depreciable assets	14,666	975	15,641
Depreciable assets, net of accumulated depreciation	1,908,736	9,534,428	11,443,164
<b>Total Noncurrent Assets</b>	<b>1,923,402</b>	<b>9,535,403</b>	<b>11,458,805</b>
<b>Total Assets</b>	<b>2,086,877</b>	<b>12,711,752</b>	<b>14,798,629</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension adjustments	21,263	31,673	52,936
<b>Total Deferred Outflows of Resources</b>	<b>21,263</b>	<b>31,673</b>	<b>52,936</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	22,385	226,838	249,223
Salaries and benefits payable	3,883	7,225	11,108
Interest payable	1,475	79,876	81,351
Deposits payable	82	-	82
Due to other funds	70,804	-	70,804
Compensated absences	4,973	12,856	17,829
Loans payable	94,771	63,456	158,227
Certificates of participation	-	58,000	58,000
<b>Total Current Liabilities</b>	<b>198,373</b>	<b>448,251</b>	<b>646,624</b>
Noncurrent Liabilities:			
Compensated absences	2,130	5,510	7,640
Loans payable	48,844	555,693	604,537
Certificates of participation	-	3,548,000	3,548,000
Net pension liability	126,098	195,661	321,759
<b>Total Noncurrent Liabilities</b>	<b>177,072</b>	<b>4,304,864</b>	<b>4,481,936</b>
<b>Total Liabilities</b>	<b>375,445</b>	<b>4,753,115</b>	<b>5,128,560</b>

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

Continued (Page 1 of 2)

**CITY OF NEVADA CITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-Type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension adjustments	45,211	70,150	115,361
<b>Total Deferred Inflows of Resources</b>	<u>45,211</u>	<u>70,150</u>	<u>115,361</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,779,787	5,310,254	7,090,041
Restricted for capital projects	25,689	-	25,689
Restricted for debt service	50,000	263,308	313,308
Unrestricted	(167,992)	2,346,598	2,178,606
<b>Total Net Position</b>	<u>\$ 1,687,484</u>	<u>\$ 7,920,160</u>	<u>\$ 9,607,644</u>

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

Continued (Page 2 of 2)

**CITY OF NEVADA CITY**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-Type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 788,193	\$ 1,386,982	\$ 2,175,175
Other revenues	17,812	499	18,311
<b>Total Operating Revenues</b>	<u>806,005</u>	<u>1,387,481</u>	<u>2,193,486</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	198,302	277,338	475,640
Supplies	35,668	21,769	57,437
Power	91,960	68,852	160,812
Repairs and maintenance	2,756	50,443	53,199
Professional services	34,624	87,043	121,667
Insurance	12,627	15,732	28,359
Depreciation	126,986	405,821	532,807
Other expenses	46,879	151,926	198,805
<b>Total Operating Expenses</b>	<u>549,802</u>	<u>1,078,924</u>	<u>1,628,726</u>
<b>Operating Income (Loss)</b>	<u>256,203</u>	<u>308,557</u>	<u>564,760</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Mitigation fees	16,637	10,933	27,570
Interest income	(141)	11,988	11,847
Interest expense	(6,855)	(176,944)	(183,799)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>9,641</u>	<u>(154,023)</u>	<u>(144,382)</u>
<b>Income (loss) Before Transfers</b>	265,844	154,534	420,378
Transfers in	-	-	-
Transfers out	(72,338)	(89,233)	(161,571)
<b>Change in Net Position</b>	<u>193,506</u>	<u>65,301</u>	<u>258,807</u>
<b>Total Net Position - Beginning</b>	1,652,844	8,102,189	9,755,033
Cumulative effect of a change in accounting principle	(158,866)	(247,330)	(406,196)
<b>Total Net Position - Beginning, Restated</b>	<u>1,493,978</u>	<u>7,854,859</u>	<u>9,348,837</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,687,484</u>	<u>\$ 7,920,160</u>	<u>\$ 9,607,644</u>

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

**CITY OF NEVADA CITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 818,275	\$ 1,403,299	\$ 2,221,574
Payments to suppliers	(226,473)	(191,498)	(417,971)
Payments to employees	(207,794)	(290,668)	(498,462)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>384,008</b>	<b>921,133</b>	<b>1,305,141</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Mitigation fees	16,637	10,933	27,570
Transfers to other funds	(72,338)	(89,233)	(161,571)
Interfund loan repayments received	-	43,378	43,378
Interfund loans received	85	-	85
Interfund loans repaid	(19,366)	-	(19,366)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(74,982)</b>	<b>(34,922)</b>	<b>(109,904)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(192,429)	(250,521)	(442,950)
Principal paid on debt	(91,011)	(117,456)	(208,467)
Interest paid on debt	(8,725)	(178,986)	(187,711)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(292,165)</b>	<b>(546,963)</b>	<b>(839,128)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	(151)	13,946	13,795
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(151)</b>	<b>13,946</b>	<b>13,795</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>16,710</b>	<b>353,194</b>	<b>369,904</b>
<b>Balances - Beginning</b>	<b>8,973</b>	<b>1,865,397</b>	<b>1,874,370</b>
<b>Balances - Ending</b>	<b>\$ 25,683</b>	<b>\$ 2,218,591</b>	<b>\$ 2,244,274</b>

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

Continued (Page 1 of 2)

**CITY OF NEVADA CITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 256,203	\$ 308,557	\$ 564,760
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	126,986	405,821	532,807
Decrease (increase) in:			
Accounts receivable	12,188	15,878	28,066
Due from other governments	-	(60)	(60)
Prepaid costs	1,175	93	1,268
Prepaid insurance	(1,325)	(1,020)	(2,345)
Pension adjustments - deferred outflows	(4,580)	(5,788)	(10,368)
Increase (decrease) in:			
Accounts payable	(1,809)	205,194	203,385
Salaries and benefits payable	658	1,011	1,669
Deposits payable	82	-	82
Compensated absences	(1,330)	(1,149)	(2,479)
Net pension liability	(46,198)	(71,682)	(117,880)
Pension adjustments - deferred inflows	41,958	64,278	106,236
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 384,008</b>	<b>\$ 921,133</b>	<b>\$ 1,305,141</b>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of City of Nevada City (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City was incorporated April 19, 1856 under the provisions of the statutes of the State of California. The City operates under a Council form of government and provides the following services: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, general administrative services, and water and sewer.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

**Component Units**

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the City.

**Joint Agencies**

The City is a participant in Public Agency Risk Sharing Authority of California (PARSAC), which is a joint powers authority organized for the purpose of pooled joint-protection coverage to member entities. PARSAC operates public entity pools for auto and general liability coverage, plus workers compensation and errors and omissions coverage and the pool purchases excess insurance for members. PARSAC is under the control and direction of a 9 member executive committee consisting of representatives of the 36 member cities and one fire district. Complete audited financial statements of PARSAC can be obtained at 1525 Response Road, Suite One, Sacramento, California 95815-4805. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

The City is participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for members cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 600 Montgomery Street, 9<sup>th</sup> Floor, San Francisco, CA 94111. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Joint Agencies (Continued)**

The City is a participant in the Nevada County Service Authority for the Abatement of Abandoned Vehicles program, which was created pursuant to California Vehicle Code Section 22710 in order for the County of Nevada, City of Nevada, and City of Grass Valley to join together and establish a service authority for the abatement of abandoned vehicles. The County or City abatement ordinances that are realized by the County or City less the respective administrative costs are deposited in the Authority trust account. Complete financial activity of this trust account can be obtained at County of Nevada, Auditor-Controller, 950 Maidu Avenue, Nevada City, California 95959-8617. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

The City is a participant in Western Nevada Public Transportation Authority, the purpose of which is to provide transportation services to the citizens of Nevada County including Nevada City. Complete financial activity can be obtained at County of Nevada, Auditor-Controller, 950 Maidu Avenue, Nevada City, California 95959-8617. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The City is a participant in Nevada County Fire and Emergency Services Joint Powers Agency, the purpose of which is to provide emergency dispatch and other services. The City participates in the Air Filling Station Services offered. Complete financial information can be obtained from the JPA's office at P.O. Box 3043, Grass Valley, CA 95945. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements**

The fund financial statements provide information about the City's funds. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as public protection, public ways and facilities, community development, and recreation and culture services.
- The CABY Nevada City Fund is a special revenue fund used to account for revenues and expenditures related to the City's Cosumnes, American, Bear, and Yuba (CABY) watersheds.
- The CABY Misc Agency Fund is a special revenue fund used to account for revenues and expenditures related to other CABY projects.
- The Measure "S" fund is a special revenue fund used to account for revenue and expenditures related to Measure "S".

The City reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.
- The Sewer fund is an enterprise fund used to account for activity related to providing customers with sewer service and billing for service provided by the City.

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

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting and Measurement Focus (Continued)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

**E. Cash, Cash Equivalents, and Investments**

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Interest from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of three months or less and amounts held in the City's investment pool, to be cash and cash equivalents.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Receivables**

Receivables for governmental activities consist mainly of accounts, interest, taxes and intergovernmental. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables for enterprise funds consist mainly of user fees and interest. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**G. Other Assets**

**Inventory**

Governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City records both prepaid costs for expenditures/expenses paid for services that will benefit future periods and prepaid insurance for the net investment in a joint power self insurance agency.

**H. Loans Receivable**

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. The City reported \$70,000 in loans receivable as of June 30, 2015.

**I. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer and similar items) are defined by the City as assets with a cost greater than \$5,000 for equipment and structures and improvements, and \$20,000 for infrastructure and an estimated useful life of more than one year. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is unavailable. Contributed capital assets are valued at their estimated fair market value at the date of donation.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets (Continued)**

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-10 years
Structures and improvements	20-40 years
Infrastructure	20-40 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**J. Property Tax**

Nevada County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1, and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 30 days after year-end.

**K. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities, are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Interfund Transactions (Continued)**

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**L. Unearned Revenue**

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

**M. Compensated Absences and Postemployment Benefits**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from City service. Compensated absences liability is typically liquidated by the General fund for all non proprietary fund compensated absences. In the government-wide and proprietary fund financial statements, the accrued compensated absences is reported as an expense and related liability. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature.

The City does not currently provide any postemployment healthcare or other nonpension benefits.

**N. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City'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.

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The City has one item that qualifies for reporting in this category. This item relates to the pension adjustments and is reportable on the Statement of Net Position.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the pension adjustments and is reportable on the Statements of Net Position.

**P. Estimates**

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

**Q. Implementation of Governmental Accounting Standards Board Statements (GASB)**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable to the City of Nevada City, in the current financial statements.

**Statement No. 68**, Accounting and Financial Reporting for Pensions. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

**Statement No. 69**, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

**Statement No. 71**, Pension Transition for Contributions made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Restatement of Net Position**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position. During the current year a prior period adjustment was made to reflect the prior period costs related to implementing the net pension liability as required by GASB Statement No. 68.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Restatement of Net Position (Continued)**

The impact of the restatements on the net position on the financial statements as previously reported is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position, June 30, 2014, as previously reported	\$ 14,837,300	\$ 9,755,033
Adjustment associated with:		
Net pension liability adjustment	( 2,755,311)	( 406,196)
Total Adjustments	( 2,755,311)	( 406,196)
Net Position, July 1, 2014, as restated	<u>\$ 12,081,989</u>	<u>\$ 9,348,837</u>
	<u>Water</u>	<u>Sewer</u>
Net Position, June 30, 2014, as previously reported	\$ 1,652,844	\$ 8,102,189
Adjustment associated with:		
Net pension liability adjustment	( 158,866)	( 247,330)
Total Adjustments	( 158,866)	( 247,330)
Net Position, July 1, 2014, as restated	<u>\$ 1,493,978</u>	<u>\$ 7,854,859</u>

**B. Deficit Fund Balance/Net Position**

The Following major governmental funds had deficit fund balances:

The CABY Nevada City special revenue fund had a fund balance deficit of \$461,542, which is expected to be eliminated in the future through increased revenues.

The CABY Misc Agency special revenue fund had a fund balance deficit of \$267,466, which is expected to be eliminated in the future through increased revenues.

The following non-major governmental funds had deficit fund balances:

The Nevada Main Project special revenue fund had a fund balance deficit of \$6,532, which is expected to be eliminated in the future through increased revenues.

The TDA Funds special revenue fund had a fund balance deficit of \$602, which is expected to be eliminated in the future through increased revenues.

The CMAQ ST & RD special revenue fund had a fund balance deficit of \$31,669, which is expected to be eliminated in the future through increased revenues.

The FEMA special revenue fund had a fund balance deficit of \$394, which is expected to be eliminated in the future through increased revenues.

The UST Project special revenue fund had a fund balance deficit of \$11,025, which is expected to be eliminated in the future through increased revenues.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**B. Deficit Fund Balance/Net Position (Continued)**

The Brownsfield 10 special revenue fund had a fund balance deficit of \$6,427, which is expected to be eliminated in the future through increased revenues.

The NC Recreation special revenue fund had a fund balance deficit of \$3,232, which is expected to be eliminated in the future through increased revenues.

The CDBG Enterprise special revenue fund had a fund balance deficit of \$44,176, which is expected to be eliminated in the future through increased revenues.

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2015, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 2,183,797
Business-Type activities	<u>2,244,274</u>
Total Cash and Investments	<u><u>\$ 4,428,071</u></u>

As of June 30, 2015, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 575
Deposits (less outstanding checks)	<u>1,409,943</u>
Total Cash	<u>1,410,518</u>
Investments:	
Certificates of Deposit	1,487,000
Local Agency Investment Fund	<u>1,530,553</u>
Total Investments	<u>3,017,553</u>
Total Cash and Investments	<u><u>\$ 4,428,071</u></u>

**B. Cash**

At year end, the carrying amount of the City's cash deposits (including amounts in checking accounts and money market accounts) was \$1,409,943 and the bank balance was \$1,571,966. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the City had cash on hand of \$575.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash (Continued)**

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

**C. Investments**

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the City's investment policy the City may invest or deposit in the following:

- United States Treasury Bills, Bonds and Notes
- Local Agency Investment Fund (LAIF)
- Certificates of Deposit
- Securities of the US. Government or its Agencies

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

As of June 30, 2015, the City had the following investments all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Certificates of Deposit	0.65-1.80%	\$ 248,000	\$ 1,239,000	\$ 1,487,000	1.69
Local Agency Investment Fund (LAIF)	Variable	1,530,553	-	1,530,553	-
Total Investments		<u>\$ 1,778,553</u>	<u>\$ 1,239,000</u>	<u>\$ 3,017,553</u>	<u>0.84</u>

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Credit Risk - 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. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required (where applicable) by the City's investment policy, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Certificates of Deposit	N/A	Unrated	Unrated	49.28%
LAIF	N/A	Unrated	Unrated	<u>50.72%</u>
Total				<u>100.00%</u>

Custodial Credit Risk for Investments- Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments be held in the name of the City in safekeeping by a third party bank trust department. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) at June 30, 2015, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Certificates of Deposit	\$ 1,487,000	49.28%

**D. Investment in External Investment Pools**

Investment in Local Agency Investment Fund - The City of Nevada City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2015 the City's investment position in LAIF was \$1,530,553. The total amount invested by all public agencies in LAIF on that day was \$69,606,487,716. Of that amount, 97.92% is invested in non-derivative financial products and 2.08% in structured notes and asset-backed securities.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Governmental Activities**

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	Balance <u>June 30, 2015</u>
Capital Assets, Not Being Depreciated:					
Land	\$ 1,630,332	\$ -	\$ -	\$ -	\$ 1,630,332
Construction in progress	<u>828,864</u>	<u>1,004,476</u>	<u>                    </u>	<u>( 1,016,464)</u>	<u>816,876</u>
Total Capital Assets, Not Being Depreciated	<u>2,459,196</u>	<u>1,004,476</u>	<u>                    </u>	<u>( 1,016,464)</u>	<u>2,447,208</u>
Capital Assets, Being Depreciated:					
Land improvements/infrastructure	9,738,368	141,835	-	927,434	10,807,637
Building and improvements	4,328,779	-	-	89,030	4,417,809
Equipment	747,013	57,104	( 82,629)	-	721,488
Software	42,041	-	-	-	42,041
Vehicles	<u>1,474,510</u>	<u>74,826</u>	<u>( 150,619)</u>	<u>                    </u>	<u>1,398,717</u>
Total Capital Assets, Being Depreciated	<u>16,330,711</u>	<u>273,765</u>	<u>( 233,248)</u>	<u>1,016,464</u>	<u>17,387,692</u>
Less Accumulated Depreciation for:					
Land improvements	( 3,015,039)	( 361,012)	-	-	( 3,376,051)
Buildings and improvements	( 1,484,726)	( 113,824)	-	-	( 1,598,550)
Equipment	( 628,024)	( 31,690)	82,629	-	( 577,085)
Software	( 42,041)	-	-	-	( 42,041)
Vehicles	<u>( 820,670)</u>	<u>( 123,666)</u>	<u>150,619</u>	<u>                    </u>	<u>( 793,717)</u>
Total Accumulated Depreciation	<u>( 5,990,500)</u>	<u>( 630,192)</u>	<u>233,248</u>	<u>                    </u>	<u>( 6,387,444)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,340,211</u>	<u>( 356,427)</u>	<u>                    </u>	<u>1,016,464</u>	<u>11,000,248</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,799,407</u>	<u>\$ 648,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,447,456</u>

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities**

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ 14,666	\$ 975	\$ -	\$ 15,641
Total Capital Assets, Not Being Depreciated	<u>14,666</u>	<u>975</u>	<u>-</u>	<u>15,641</u>
Capital Assets, Being Depreciated:				
Structures and improvements	18,270,403	374,794	-	18,645,197
Equipment	2,592,802	67,180	( 6,028)	2,653,954
Vehicles	<u>82,420</u>	<u>-</u>	<u>-</u>	<u>82,420</u>
Total Capital Assets, Being Depreciated	<u>20,945,625</u>	<u>441,974</u>	<u>( 6,028)</u>	<u>21,381,571</u>
Less Accumulated Depreciation for:				
Structures and improvements	( 7,931,097)	( 462,897)	-	( 8,393,994)
Equipment	( 1,401,965)	( 64,217)	6,028	( 1,460,154)
Vehicles	<u>( 78,566)</u>	<u>( 5,693)</u>	<u>-</u>	<u>( 84,259)</u>
Total Accumulated Depreciation	<u>( 9,411,628)</u>	<u>( 532,807)</u>	<u>6,028</u>	<u>( 9,938,407)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,533,997</u>	<u>( 90,833)</u>	<u>-</u>	<u>11,443,164</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,548,663</u>	<u>(\$ 89,858)</u>	<u>\$ -</u>	<u>\$ 11,458,805</u>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 55,143
Public safety	139,845
Public ways and facilities	375,117
Recreation and culture	<u>60,087</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 630,192</u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 126,986
Sewer	<u>405,821</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 532,807</u>

**Construction in Progress**

Construction in progress for governmental activities relates primarily to work performed on street and sidewalk reconstruction.

Construction in progress for business-type activities relates primarily to water and sewer plant upgrades.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 5: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2015:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
CABY Nevada City	\$ -	\$ 334,739
CABY Misc Agency	-	142,341
Nonmajor Governmental Funds	-	168,798
Water	-	70,804
Sewer	<u>716,682</u>	<u>-</u>
Total	<u>\$ 716,682</u>	<u>\$ 716,682</u>

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2015:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 341,155	\$ 1,194
Measure "S"	-	59,999
Nonmajor Governmental Funds	53,332	171,723
Water	-	72,338
Sewer	<u>-</u>	<u>89,233</u>
Total	<u>\$ 394,487</u>	<u>\$ 394,487</u>

**NOTE 6: UNEARNED REVENUE**

At June 30, 2015, components of unearned revenues were as follows:

	<u>Unearned</u>
General Fund	
July and August 2015 Swim Lessons	\$ 8,789
July 2015 Lego Camp Revenues	3,468
July 2015 Kid Science Camp Revenues	4,736
2015-2016 Business License Revenue	101
Mandated Costs	<u>1,105</u>
Total Unearned	<u>\$ 18,199</u>

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2014</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Compensated Absences	\$ 134,450	\$ 130,980	(\$ 125,530)	\$ 139,900	\$ 97,929
Capital Leases	78,508	-	( 63,909)	14,599	14,599
Net Pension Liability	<u>-</u>	<u>3,032,269*</u>	<u>( 767,851)</u>	<u>2,264,418</u>	<u>-</u>
Total Governmental Activities	<u>\$ 212,958</u>	<u>\$ 3,163,249</u>	<u>(\$ 957,290)</u>	<u>\$ 2,418,917</u>	<u>\$ 112,528</u>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 27,948	\$ 18,849	(\$ 21,328)	\$ 25,469	\$ 17,829
Loans	916,231	-	( 153,467)	762,764	158,227
Certificates of Participation	3,661,000	-	( 55,000)	3,606,000	58,000
Net Pension Liability	<u>-</u>	<u>439,639*</u>	<u>( 117,880)</u>	<u>321,759</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 4,605,179</u>	<u>\$ 458,488</u>	<u>(\$ 347,675)</u>	<u>\$ 4,715,992</u>	<u>\$ 234,056</u>

\*In accordance with GASB 68, the net pension liability is recorded as a restatement of beginning net position. The adjustment to long-term liabilities is the total adjustment less the adjustments to deferred outflows and deferred inflows.

Compensated absences are generally liquidated by the fund where the accrued liability occurred. The capital lease liability is liquidated by lease payments made by the department leasing the equipment. The net pension liability is generally liquidated by the fund where the accrued liability occurred.

Individual issues of debt payable outstanding at June 30, 2015, are as follows:

Loans:

All Points Capital Bond Refinance Loan, dated September 1, 2005, payable in annual installments of \$49,843 to \$67,877 with an interest rate of 4.09% and maturity of October 1, 2016. This loan was used to refinance prior loans used to finance the City's water system. \$ 143,614

Citizens Bank USDA Refunding Loan, dated June 1, 2008, payable in semiannual installments of \$2,369 to \$77,556 with an interest rate of 4.1% and maturity of August 1, 2025. This loan was used to refund prior loans used to finance the City's wastewater treatment and disposal system. 619,150

Total Loans 762,764

Certificates of Participation:

2005 Wastewater Certificates of Participation, dated October 1, 2005, payable in annual principal installments of \$16,000 to \$48,000, with an interest rate of 4.25%, and maturity of July 15, 2045. These Certificates of Participation were used to finance improvements to the City's wastewater collection, treatment and disposal system. 1,960,000

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2015, are as follows: (Continued)

Certificates of Participation: (Continued)

2007 Certificates of Participation, dated March 1, 2007, payable in annual principal installments of \$19,000 to \$90,000, with an interest rate of 4.125%, and maturity of July 15, 2046. These Certificates of Participation were used finance improvements to the City's wastewater collection, treatment and disposal facilities.

Total Certificates of Participation	1,646,000
Total Business-Type Activities	3,606,000
	\$ 4,368,764

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 9, and net pension liability which is reported in Note 12.

Year Ended <u>June 30</u>	Loans Payable		
	Principal	Interest	Total
2016	\$ 158,227	\$ 29,065	\$ 187,292
2017	113,050	22,529	135,579
2018	65,928	18,860	84,788
2019	71,594	16,037	87,631
2020	72,227	13,085	85,312
2021-2025	264,238	29,777	294,015
2026	17,500	359	17,859
Total	\$ 762,764	\$ 129,712	\$ 892,476

Year Ended <u>June 30</u>	Certificates of Participation		
	Principal	Interest	Total
2016	\$ 58,000	\$ 149,982	\$ 207,982
2017	60,000	147,508	207,508
2018	62,000	144,949	206,949
2019	65,000	142,286	207,286
2020	67,000	144,017	211,017
2021-2025	382,000	651,806	1,033,806
2026-2030	470,000	562,721	1,032,721
2031-2035	577,000	453,344	1,030,344
2036-2040	709,000	318,902	1,027,902
2041-2045	870,000	153,894	1,023,894
2046-2047	286,000	9,680	295,680
Total	\$ 3,606,000	\$ 2,879,089	\$ 6,485,089

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 8: SHORT-TERM DEBT**

The City received a short-term loan from the County of Nevada to fund current expenditure requirements. Short-term debt activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Nevada County Loan	\$ -	\$ 400,000	\$ 400,000	\$ -
Total	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>

**NOTE 9: LEASES**

**Capital Leases**

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2015</u>
Governmental fund activities	4.39-5.95%	\$ 14,599
Total Capital Lease Obligations		<u>\$ 14,599</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 127,242
Less: accumulated depreciation	( 50,897)
Net Value	<u>\$ 76,345</u>

As of June 30, 2015, capital lease annual amortization was as follows:

	<u>Governmental Activities</u>
Year Ending June 30:	
2016	<u>\$ 15,467</u>
Total Requirements	15,467
Less Interest	( 868)
Present Value of Remaining Payments	<u>\$ 14,599</u>

**NOTE 10: NET POSITION**

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 10: NET POSITION (CONTINUED)**

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Restricted by Enabling Legislation**

The government-wide Statement of Net Position reports \$2,369,531 of restricted net position, of which \$1,044,166 is restricted by enabling legislation.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 11: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2015, fund balances for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 11: FUND BALANCES (CONTINUED)**

- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all the major and nonmajor governmental funds as of June 30, 2015, were distributed as follows:

	General Fund	CABY Nevada City	CABY Misc Agency	Measure “S”	Other Governmental Funds	Total
<b>Nonspendable:</b>						
Prepaid costs	\$ 155,988	\$ -	\$ -	\$ 2,210	\$ -	\$ 158,198
Subtotal	<u>155,988</u>	<u>-</u>	<u>-</u>	<u>2,210</u>	<u>-</u>	<u>158,198</u>
<b>Restricted for:</b>						
General reserve	470,167	-	-	-	-	470,167
Measure “S”	-	-	-	445,740	-	445,740
Measure “L”	-	-	-	-	403,130	403,130
AB1600	-	-	-	-	193,086	193,086
P&R Quimby	-	-	-	-	29,054	29,054
Gas Tax Streets	-	-	-	-	82,668	82,668
Fire Dept	-	-	-	-	5,016	5,016
SLESF	-	-	-	-	54,344	54,344
Subtotal	<u>470,167</u>	<u>-</u>	<u>-</u>	<u>445,740</u>	<u>767,298</u>	<u>1,683,205</u>
<b>Committed to:</b>						
General reserve	193,585	-	-	-	-	193,585
Prop 172	-	-	-	-	39,665	39,665
Subtotal	<u>193,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,665</u>	<u>233,250</u>
<b>Assigned to:</b>						
General reserve	28,077	-	-	-	-	28,077
Park & Rec Raffle	-	-	-	-	9,284	9,284
Indian Trail	-	-	-	-	48,572	48,572
MATHIVET	-	-	-	-	72,413	72,413
Bicentennial	-	-	-	-	1,098	1,098
Becker	-	-	-	-	18,099	18,099
Subtotal	<u>28,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,466</u>	<u>177,543</u>
<b>Unassigned</b>	<u>347,274</u>	<u>( 461,542)</u>	<u>( 267,466)</u>	<u>-</u>	<u>( 104,057)</u>	<u>( 485,791)</u>
Total	<u>\$ 1,195,091</u>	<u>(\$ 461,542)</u>	<u>(\$ 267,466)</u>	<u>\$ 447,950</u>	<u>\$ 852,372</u>	<u>\$ 1,766,405</u>

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 11: FUND BALANCES (CONTINUED)**

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The City Council adopted the City of Nevada City Fund Balance Policy in 2013. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

**NOTE 12: PENSION PLANS**

**A. General Information About the Pension Plans**

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for both Miscellaneous and Safety Plans for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs. As of the valuation date there were no Safety PEPRA employees.

**Summary of Plans and Eligible Participants**

Open for New Enrollment

Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPRA	Safety employees hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous First Tier	Miscellaneous members hired before July 1, 2008
Miscellaneous Second Tier	Miscellaneous members hired after July 1, 2008 and before January 1, 2013
Safety First Tier	Safety employees hired before January 1, 2013

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

**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. Retirement benefits are paid monthly for life. 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.

Each Plans' specific provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous First Tier	2.5% @ 55	50-55	2.000% to 2.500%
Miscellaneous Second Tier	2.0% @ 60	50-63	1.462% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%
Safety First Tier	3.0% @ 50	50	3.000%

**Contributions**

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous First Tier	15.701%	8.000%	6.000%
Miscellaneous Second Tier	8.435%	8.000%	2.000%
Miscellaneous PEPRA	6.250%	6.250%	0.000%
Safety First Tier	27.849%	9.000%	7.000%
Safety PEPRA	11.500%	11.500%	0.000%

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2015. The contributions recognized as part of pension expense for each Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous First Tier	\$ 111,124	\$ 44,527
Miscellaneous Second Tier	4,521	911
Miscellaneous PEPRAs	3,027	-
Safety First Tier	191,727	50,678

As of June 30, 2015, the City reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous First Tier	\$ 1,118,202
Miscellaneous Second Tier	4,657
Miscellaneous PEPRAs	57
Safety First Tier	<u>1,463,261</u>
Total Net Pension Liability	<u>\$ 2,586,177</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, 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, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Proportion June 30, 2013</u>	<u>Proportion June 30, 2014</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous First Tier	.01895%	.01797%	(.00098)%
Miscellaneous Second Tier	.00008%	.00007%	(.00001)%
Miscellaneous PEPRAs	.00000%	.00000%	(.00000)%
Safety First Tier	.02404%	.02352%	(.00052)%

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2015, the City recognized pension expense of \$278,756. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 396,990	\$ -
Differences between projected and actual earnings on pension plan investments	-	( 849,461)
Difference between City contributions and proportionate share of contributions	-	( 14,500)
Adjustment due to differences in proportions	<u>9,874</u>	<u>-</u>
Total	<u>\$ 406,864</u>	<u>(\$ 863,961)</u>

\$396,990 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>Year Ended June 30</u>	
2016	(\$ 217,263)
2017	( 217,263)
2018	( 214,772)
2019	( 204,789)
Thereafter	<u>-</u>
Total	<u>(\$ 854,087)</u>

**Actuarial Assumptions**

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

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	2.75%
Projected Salary Increase	3.3%-14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS membership data for all funds

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

**Actuarial Assumptions (Continued)**

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 2011. 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 7.50% 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 7.50% 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% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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% 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%. 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.

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.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

**Discount Rate (Continued)**

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

The following table 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	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(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 City's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>6.50%</u>	Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Miscellaneous First Tier	\$ 1,992,291	\$1,118,202	\$ 392,792
Miscellaneous Second Tier	8,298	4,657	1,636
Miscellaneous PEPRA	101	57	20
Safety First Tier	2,518,084	1,463,261	594,133

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 12: PENSION PLANS (CONTINUED)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (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.

**NOTE 13: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities to participate in the Public Agency Risk Sharing Authority of California (PARSAC) for general liability, vehicle liability, and errors and omissions purposes. PARSAC is a public entity risk pool which serves as a common risk management and insurance program for 37 member cities. The City pays an annual premium to PARSAC for its insurance coverage. The agreements with PARSAC provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The City is a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured \$100,000 retention for workers compensation. The NCCSIF is composed of 22 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing. NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Nevada City council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance. Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**CITY OF NEVADA CITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 13: RISK MANAGEMENT (CONTINUED)**

The participants as of June 30, 2015 were as follows:

- Anderson
- Auburn
- Colusa
- Corning
- Dixon
- Elk Grove
- Folsom
- Galt
- Gridley
- Ione
- Jackson
- Lincoln
- Marysville
- Nevada City
- Oroville
- Paradise
- Placerville
- Red Bluff
- Rio Vista
- Rocklin
- Willows
- Yuba City

The City's investment in the NCCSIF of \$179,971 is recorded in the General fund, Measure "S" fund, and water and sewer funds as prepaid insurance. The net change is shown as an income or expenditure/expense item.

**NOTE 14: OTHER INFORMATION**

**A. Commitments and Contingencies**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**B. Subsequent Event**

Management has evaluated events subsequent to June 30, 2015 through January 22, 2016, the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2015**  
**Last 10 Years\***

	<b>2015</b>
<b>Miscellaneous First Tier</b>	
Proportion of the net pension liability	0.01797%
Proportionate share of the net pension liability	\$ 1,118,202
Covered employee payroll	784,987
Proportionate share of the net pension liability as a percentage of covered employee payroll	142.45%
Plan fiduciary net position as a percentage of the total pension liability	83.03%
<b>Miscellaneous Second Tier</b>	
Proportion of the net pension liability	0.00007%
Proportionate share of the net pension liability	\$ 4,657
Covered employee payroll	50,452
Proportionate share of the net pension liability as a percentage of covered employee payroll	9.23%
Plan fiduciary net position as a percentage of the total pension liability	83.03%
<b>Miscellaneous PEPR</b>	
Proportion of the net pension liability	0.00000%
Proportionate share of the net pension liability	\$ 57
Covered employee payroll	26,737
Proportionate share of the net pension liability as a percentage of covered employee payroll	0.21%
Plan fiduciary net position as a percentage of the total pension liability	82.83%
<b>Safety First Tier</b>	
Proportion of the net pension liability	0.02352%
Proportionate share of the net pension liability	\$ 1,463,261
Covered employee payroll	768,634
Proportionate share of the net pension liability as a percentage of covered employee payroll	190.37%
Plan fiduciary net position as a percentage of the total pension liability	81.42%

\* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2015**  
**Last 10 Years\***

	<b>2015</b>
<b>Miscellaneous First Tier</b>	
Contractually required contribution (actuarially determined)	\$ 111,124
Contributions in relation to the actuarially determined contributions	(111,124)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 784,987
Contributions as a percentage of covered employee payroll	14.16%
 <b>Miscellaneous Second Tier</b>	
Contractually required contribution (actuarially determined)	\$ 4,521
Contributions in relation to the actuarially determined contributions	(4,521)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 50,452
Contributions as a percentage of covered employee payroll	8.96%
 <b>Miscellaneous PEPRA</b>	
Contractually required contribution (actuarially determined)	\$ 3,027
Contributions in relation to the actuarially determined contributions	(3,027)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 26,737
Contributions as a percentage of covered employee payroll	11.32%
 <b>Safety First Tier</b>	
Contractually required contribution (actuarially determined)	\$ 191,727
Contributions in relation to the actuarially determined contributions	(191,727)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 768,634
Contributions as a percentage of covered employee payroll	24.94%

\* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Notes to City Pension Plans**  
**For the Year Ended June 30, 2015**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

There were no changes in assumptions or benefits in calculating the net pension liability.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service and type of employment
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	57 years
Mortality	Derived using CalPERS membership data for all funds

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 2,408,642	\$ 2,495,642	\$ 2,588,521	\$ 92,879
Licenses and permits	219,950	219,950	228,276	8,326
Fines and forfeitures	145,000	100,000	90,807	(9,193)
Intergovernmental revenues	65,785	65,785	99,666	33,881
Use of money and property	88,000	88,000	86,654	(1,346)
Charges for services	329,550	384,550	322,192	(62,358)
Other revenues	1,950	31,516	143,448	111,932
<b>Total Revenues</b>	<u>3,258,877</u>	<u>3,385,443</u>	<u>3,559,564</u>	<u>174,121</u>
<b>EXPENDITURES</b>				
Current:				
General government	662,695	716,139	973,537	(257,398)
Public protection	1,894,702	1,904,327	1,772,177	132,150
Public ways and facilities	293,990	310,735	275,154	35,581
Recreation and culture	324,018	322,018	274,151	47,867
Debt service:				
Principal	458,049	473,049	463,909	9,140
Interest and other charges	5,147	5,147	5,072	75
Capital outlay	4,000	45,500	117,298	(71,798)
<b>Total Expenditures</b>	<u>3,642,601</u>	<u>3,776,915</u>	<u>3,881,298</u>	<u>(104,383)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(383,724)</u>	<u>(391,472)</u>	<u>(321,734)</u>	<u>69,738</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	400,000	400,000	400,000	-
Transfers in	43,336	43,336	341,155	297,819
Transfers out	-	-	(1,194)	(1,194)
<b>Total Other Financing Sources (Uses)</b>	<u>443,336</u>	<u>443,336</u>	<u>739,961</u>	<u>296,625</u>
<b>Net Change in Fund Balance</b>	59,612	51,864	418,227	366,363
<b>Fund Balance - Beginning</b>	<u>776,864</u>	<u>776,864</u>	<u>776,864</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 836,476</u>	<u>\$ 828,728</u>	<u>\$ 1,195,091</u>	<u>\$ 366,363</u>

The City budgets for short term debt proceeds and payments as other financing sources and debt service expenditures. For purposes of the budgetary comparison schedule, the short term debt proceeds and payments of \$400,000 were included in other financing sources and debt service expenditures.

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**CABY Nevada City - Major Special Revenue Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 395,300	\$ 395,300	\$ 78,905	\$ (316,395)
Use of money and property	-	-	(2)	(2)
<b>Total Revenues</b>	<u>395,300</u>	<u>395,300</u>	<u>78,903</u>	<u>(316,397)</u>
<b>EXPENDITURES</b>				
Current:				
General government	85,300	85,300	80,372	4,928
Capital outlay	310,000	310,000	363,831	(53,831)
<b>Total Expenditures</b>	<u>395,300</u>	<u>395,300</u>	<u>444,203</u>	<u>(48,903)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(365,300)</u>	<u>(365,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(365,300)</u>	<u>(365,300)</u>
<b>Fund Balance - Beginning</b>	<u>(96,242)</u>	<u>(96,242)</u>	<u>(96,242)</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ (96,242)</u>	<u>\$ (96,242)</u>	<u>\$ (461,542)</u>	<u>\$ (365,300)</u>

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**CABY Misc Agency - Major Special Revenue Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 245,000	\$ 245,000	\$ 60,035	\$ (184,965)
Use of money and property	-	-	(1)	(1)
<b>Total Revenues</b>	<u>245,000</u>	<u>245,000</u>	<u>60,034</u>	<u>(184,966)</u>
<b>EXPENDITURES</b>				
Current:				
General government	245,000	245,000	254,241	(9,241)
<b>Total Expenditures</b>	<u>245,000</u>	<u>245,000</u>	<u>254,241</u>	<u>(9,241)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(194,207)</u>	<u>(194,207)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(194,207)</u>	<u>(194,207)</u>
<b>Fund Balance - Beginning</b>	<u>(73,259)</u>	<u>(73,259)</u>	<u>(73,259)</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ (73,259)</u>	<u>\$ (73,259)</u>	<u>\$ (267,466)</u>	<u>\$ (194,207)</u>

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Measure "S" - Major Special Revenue Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 563,000	\$ 582,000	\$ 576,588	\$ (5,412)
Use of money and property	-	-	1,783	1,783
<b>Total Revenues</b>	<u>563,000</u>	<u>582,000</u>	<u>578,371</u>	<u>(3,629)</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	105,740	105,740	87,138	18,602
Capital outlay	450,000	450,000	553,500	(103,500)
<b>Total Expenditures</b>	<u>555,740</u>	<u>555,740</u>	<u>640,638</u>	<u>(84,898)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>7,260</u>	<u>26,260</u>	<u>(62,267)</u>	<u>(88,527)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(59,999)	(59,999)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(59,999)</u>	<u>(59,999)</u>
<b>Net Change in Fund Balance</b>	<u>7,260</u>	<u>26,260</u>	<u>(122,266)</u>	<u>(148,526)</u>
<b>Fund Balance - Beginning</b>	<u>570,216</u>	<u>570,216</u>	<u>570,216</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 577,476</u>	<u>\$ 596,476</u>	<u>\$ 447,950</u>	<u>\$ (148,526)</u>

**CITY OF NEVADA CITY**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2015**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budgets to actual results for the General fund and major special revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) with the exception of short-term debt proceeds and payments which were budgeted as other financing sources and debt service expenditures.

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The City Manager submits to the City Council a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The City Council reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Council also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same department.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS**

For the fiscal year ended June 30, 2015, the City incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
General fund	\$ 3,776,915	\$ 3,881,298	\$ 104,383
CABY Nevada City	395,300	444,203	48,903
CABY Misc Agency	245,000	254,241	9,241
Measure "S"	555,740	640,638	84,898

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**Combining Nonmajor Fund Statements**

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**CITY OF NEVADA CITY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2015**

	<b>AB 1600</b>	<b>P &amp; R Quimby</b>	<b>Donation Project</b>	<b>Nevada Main Project</b>
<b>ASSETS</b>				
Cash and investments	\$ 193,036	\$ 29,046	\$ 5,797	\$ -
Receivables:				
Accounts	-	-	3,486	-
Interest	50	8	1	-
Taxes	-	-	-	-
Intergovernmental	-	-	-	3,156
Loans receivable	-	-	-	-
	<b>\$ 193,086</b>	<b>\$ 29,054</b>	<b>\$ 9,284</b>	<b>\$ 3,156</b>
<b>Total Assets</b>				
	<b>\$ 193,086</b>	<b>\$ 29,054</b>	<b>\$ 9,284</b>	<b>\$ 3,156</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Interest payable	-	-	-	2
Due to other funds	-	-	-	9,686
	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,688</b>
<b>Total Liabilities</b>				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,688</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Deferred Inflows of Resources</b>				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	193,086	29,054	-	-
Committed	-	-	-	-
Assigned	-	-	9,284	-
Unassigned	-	-	-	(6,532)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,532)</b>
<b>Total Fund Balances</b>				
	<b>193,086</b>	<b>29,054</b>	<b>9,284</b>	<b>(6,532)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
	<b>\$ 193,086</b>	<b>\$ 29,054</b>	<b>\$ 9,284</b>	<b>\$ 3,156</b>

<b>Gas Tax Streets</b>	<b>TDA Funds</b>	<b>CMAQ ST &amp; RD</b>	<b>Regional Traffic Mitigation</b>	<b>FEMA</b>	<b>Indian Trails</b>	<b>UST Project</b>	<b>Brownsfield 10</b>
\$ 76,336	\$ -	\$ -	\$ 1	\$ -	\$ 48,559	\$ -	\$ -
600	-	-	-	-	-	-	-
27	-	-	-	-	13	-	-
10,915	-	-	-	-	-	-	-
-	-	5,249	-	816	-	-	9,573
-	-	-	-	-	-	-	-
<u>\$ 87,878</u>	<u>\$ -</u>	<u>\$ 5,249</u>	<u>\$ 1</u>	<u>\$ 816</u>	<u>\$ 48,572</u>	<u>\$ -</u>	<u>\$ 9,573</u>
\$ 5,211	\$ 150	\$ -	\$ -	\$ 1,210	\$ -	\$ -	\$ 4,307
-	-	-	-	-	-	-	-
-	-	10	-	-	-	-	-
-	452	31,659	-	-	-	11,025	6,427
<u>5,211</u>	<u>602</u>	<u>31,669</u>	<u>-</u>	<u>1,210</u>	<u>-</u>	<u>11,025</u>	<u>10,734</u>
-	-	5,249	-	-	-	-	5,266
-	-	5,249	-	-	-	-	5,266
82,667	-	-	1	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	48,572	-	-
-	(602)	(31,669)	-	(394)	-	(11,025)	(6,427)
<u>82,667</u>	<u>(602)</u>	<u>(31,669)</u>	<u>1</u>	<u>(394)</u>	<u>48,572</u>	<u>(11,025)</u>	<u>(6,427)</u>
<u>\$ 87,878</u>	<u>\$ -</u>	<u>\$ 5,249</u>	<u>\$ 1</u>	<u>\$ 816</u>	<u>\$ 48,572</u>	<u>\$ -</u>	<u>\$ 9,573</u>

Continued (Page 1 of 2)

**CITY OF NEVADA CITY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2015**

	<u>Tax - Fire Dept.</u>	<u>2003 Fire Tax</u>	<u>NC Recreation</u>	<u>CDBG Enterprise</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
Taxes	1,716	3,300	-	-
Intergovernmental	-	-	-	107,395
Loans receivable	-	-	-	70,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<u>\$ 1,716</u>	<u>\$ 3,300</u>	<u>\$ -</u>	<u>\$ 177,395</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,440
Salaries and benefits payable	-	-	-	331
Interest payable	-	-	1	87
Due to other funds	-	-	3,231	106,318
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>3,232</u>	<u>114,176</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	107,395
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,395</u>
<b>FUND BALANCES</b>				
Restricted	1,716	3,300	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(3,232)	(44,176)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<u>1,716</u>	<u>3,300</u>	<u>(3,232)</u>	<u>(44,176)</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,716</u>	<u>\$ 3,300</u>	<u>\$ -</u>	<u>\$ 177,395</u>

<u>Prop 172</u>	<u>MATHIVET</u>	<u>SLESF</u>	<u>Measure "L"</u>	<u>Bicentennial</u>	<u>Becker</u>	<u>Total</u>
\$ 36,878	\$ 72,394	\$ 54,309	\$ 325,885	\$ 1,098	\$ 18,094	\$ 861,433
-	-	-	-	-	-	4,086
12	19	35	133	-	5	303
-	-	-	77,400	-	-	93,331
2,775	-	25,000	-	-	-	153,964
-	-	-	-	-	-	70,000
<u>\$ 39,665</u>	<u>\$ 72,413</u>	<u>\$ 79,344</u>	<u>\$ 403,418</u>	<u>\$ 1,098</u>	<u>\$ 18,099</u>	<u>\$ 1,183,117</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,318
-	-	-	288	-	-	619
-	-	-	-	-	-	100
-	-	-	-	-	-	168,798
-	-	-	288	-	-	187,835
-	-	25,000	-	-	-	142,910
-	-	25,000	-	-	-	142,910
-	-	54,344	403,130	-	-	767,298
39,665	-	-	-	-	-	39,665
-	72,413	-	-	1,098	18,099	149,466
-	-	-	-	-	-	(104,057)
<u>39,665</u>	<u>72,413</u>	<u>54,344</u>	<u>403,130</u>	<u>1,098</u>	<u>18,099</u>	<u>852,372</u>
<u>\$ 39,665</u>	<u>\$ 72,413</u>	<u>\$ 79,344</u>	<u>\$ 403,418</u>	<u>\$ 1,098</u>	<u>\$ 18,099</u>	<u>\$ 1,183,117</u>

Continued (Page 2 of 2)

**CITY OF NEVADA CITY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<u>AB 1600</u>	<u>P &amp; R Quimby</u>	<u>Donation Project</u>	<u>Nevada Main Project</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 38,840	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	3,156
Use of money and property	745	125	24	(28)
Other revenues	-	-	9,399	-
<b>Total Revenues</b>	<u>39,585</u>	<u>125</u>	<u>9,423</u>	<u>3,128</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	2,898	-	-	-
Recreation and culture	-	-	3,486	-
Capital outlay	-	-	11,120	3,565
<b>Total Expenditures</b>	<u>2,898</u>	<u>-</u>	<u>14,606</u>	<u>3,565</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>36,687</u>	<u>125</u>	<u>(5,183)</u>	<u>(437)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	4,122	409
Transfers out	(4,122)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,122)</u>	<u>-</u>	<u>4,122</u>	<u>409</u>
<b>Net Change in Fund Balances</b>	32,565	125	(1,061)	(28)
<b>Fund Balances - Beginning</b>	<u>160,521</u>	<u>28,929</u>	<u>10,345</u>	<u>(6,504)</u>
<b>Fund Balances - Ending</b>	<u>\$ 193,086</u>	<u>\$ 29,054</u>	<u>\$ 9,284</u>	<u>\$ (6,532)</u>

<b>Gas Tax Streets</b>	<b>TDA Funds</b>	<b>CMAQ ST &amp; RD</b>	<b>Regional Traffic Mitigation</b>	<b>FEMA</b>	<b>Indian Trails</b>	<b>UST Project</b>	<b>Brownsfield 10</b>
\$ 108,160	\$ -	\$ -	\$ 23,842	\$ -	\$ -	\$ -	\$ -
-	-	20,602	-	816	-	11,874	179,826
477	(2)	(163)	1	-	214	-	-
-	-	-	-	-	-	-	-
<u>108,637</u>	<u>(2)</u>	<u>20,439</u>	<u>23,843</u>	<u>816</u>	<u>214</u>	<u>11,874</u>	<u>179,826</u>
-	-	-	23,842	1,210	3,541	627	147,562
-	-	-	-	-	-	-	-
49,339	962	-	-	-	-	-	-
-	-	-	-	-	-	-	-
76,130	-	18,365	-	-	-	-	-
<u>125,469</u>	<u>962</u>	<u>18,365</u>	<u>23,842</u>	<u>1,210</u>	<u>3,541</u>	<u>627</u>	<u>147,562</u>
<u>(16,832)</u>	<u>(964)</u>	<u>2,074</u>	<u>1</u>	<u>(394)</u>	<u>(3,327)</u>	<u>11,247</u>	<u>32,264</u>
-	962	11,583	-	-	-	-	-
(4,990)	-	-	-	-	-	-	-
<u>(4,990)</u>	<u>962</u>	<u>11,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(21,822)	(2)	13,657	1	(394)	(3,327)	11,247	32,264
<u>104,489</u>	<u>(600)</u>	<u>(45,326)</u>	<u>-</u>	<u>-</u>	<u>51,899</u>	<u>(22,272)</u>	<u>(38,691)</u>
<u>\$ 82,667</u>	<u>\$ (602)</u>	<u>\$ (31,669)</u>	<u>\$ 1</u>	<u>\$ (394)</u>	<u>\$ 48,572</u>	<u>\$ (11,025)</u>	<u>\$ (6,427)</u>

Continued (Page 1 of 2)

**CITY OF NEVADA CITY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<b>Tax - Fire Dept.</b>	<b>2003 Fire Tax</b>	<b>NC Recreation</b>	<b>CDBG Enterprise</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 34,325	\$ 65,719	\$ -	\$ -
Intergovernmental revenues	-	-	-	308,339
Use of money and property	-	-	(14)	(867)
Other revenues	-	-	-	-
<b>Total Revenues</b>	<u>34,325</u>	<u>65,719</u>	<u>(14)</u>	<u>307,472</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	243,162
Public protection	34,325	65,719	-	-
Public ways and facilities	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	11,133	108,667
<b>Total Expenditures</b>	<u>34,325</u>	<u>65,719</u>	<u>11,133</u>	<u>351,829</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(11,147)</u>	<u>(44,357)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	36,256
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,256</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>(11,147)</u>	<u>(8,101)</u>
<b>Fund Balances - Beginning</b>	<u>1,716</u>	<u>3,300</u>	<u>7,915</u>	<u>(36,075)</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,716</u>	<u>\$ 3,300</u>	<u>\$ (3,232)</u>	<u>\$ (44,176)</u>

<b>Prop 172</b>	<b>MATHIVET</b>	<b>SLESF</b>	<b>Measure "L"</b>	<b>Bicentennial</b>	<b>Becker</b>	<b>Total</b>
\$ 39,206	\$ -	\$ 88,115	\$ 460,741	\$ -	\$ -	\$ 858,948
-	-	-	-	-	-	524,613
147	310	457	1,859	-	77	3,362
-	-	-	-	2,551	-	11,950
<u>39,353</u>	<u>310</u>	<u>88,572</u>	<u>462,600</u>	<u>2,551</u>	<u>77</u>	<u>1,398,873</u>
-	764	-	164,982	5,502	-	591,192
-	-	94,592	-	-	-	194,636
-	-	-	-	-	-	53,199
-	-	-	-	-	-	3,486
-	-	-	14,632	-	-	243,612
<u>-</u>	<u>764</u>	<u>94,592</u>	<u>179,614</u>	<u>5,502</u>	<u>-</u>	<u>1,086,125</u>
<u>39,353</u>	<u>(454)</u>	<u>(6,020)</u>	<u>282,986</u>	<u>(2,951)</u>	<u>77</u>	<u>312,748</u>
-	-	-	-	-	-	53,332
<u>(14,965)</u>	<u>-</u>	<u>-</u>	<u>(147,646)</u>	<u>-</u>	<u>-</u>	<u>(171,723)</u>
<u>(14,965)</u>	<u>-</u>	<u>-</u>	<u>(147,646)</u>	<u>-</u>	<u>-</u>	<u>(118,391)</u>
24,388	(454)	(6,020)	135,340	(2,951)	77	194,357
<u>15,277</u>	<u>72,867</u>	<u>60,364</u>	<u>267,790</u>	<u>4,049</u>	<u>18,022</u>	<u>658,015</u>
<u>\$ 39,665</u>	<u>\$ 72,413</u>	<u>\$ 54,344</u>	<u>\$ 403,130</u>	<u>\$ 1,098</u>	<u>\$ 18,099</u>	<u>\$ 852,372</u>

Continued (Page 2 of 2)

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**CITY OF NEVADA CITY,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2015**

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**CITY OF NEVADA CITY**  
**Single Audit Act**  
**For the Year Ended June 30, 2015**

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**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  
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Nevada City, California, (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 22, 2016.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2015-001).

The Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

### **Compliance and Other Matters**

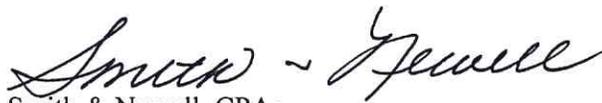
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

### **City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



Smith & Newell, CPAs  
Yuba City, California  
January 22, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

The Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Nevada City, California's (City) 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 the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

The Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the City's internal control over compliance.

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

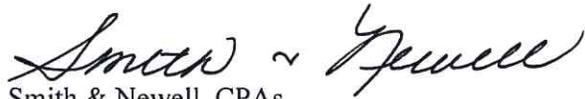
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal 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.

The Honorable Mayor and Members of the City Council  
City of Nevada City  
Nevada City, California

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Nevada City, California, (City) as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 22, 2016 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell, CPAs  
Yuba City, California  
January 22, 2016

**CITY OF NEVADA CITY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through State Department of Housing and Community Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	12-CDBG-8402	\$ 385,946
<b>Total U.S. Department of Housing and Urban Development</b>			<u>385,946</u>
<b>U.S. Department of Transportation</b>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5018(012)	95
Highway Planning and Construction	20.205	CML-5018(019)	2,049
Highway Planning and Construction	20.205	CML-5018(023)	1,533
Highway Planning and Construction	20.205	CML-5018(026)	3,201
<b>Subtotal 20.205</b>			<u>6,878</u>
<b>Total U.S. Department of Transportation</b>			<u>6,878</u>
<b>Environmental Protection Agency</b>			
Direct Program:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	-	181,882
<b>Total Environmental Protection Agency</b>			<u>181,882</u>
<b>Department of Homeland Security</b>			
Passed through State Office of Emergency Services:			
Pre-Disaster Mitigation	97.047	2007-1004	1,210
<b>Total Department of Homeland Security</b>			<u>1,210</u>
<b>Total</b>			<u>\$ 575,916</u>

See the accompanying Notes to Schedule of Expenditures of Federal Awards

**CITY OF NEVADA CITY**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2015**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Nevada City (City). The City reporting entity is defined in Note 1 to the City’s basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

**2. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the City financial statements.

**3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

**4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the City’s basic financial statements.

**5. PASS-THROUGH ENTITIES’ IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City determined that no identifying number is assigned for the program or the City was unable to obtain an identifying number from the pass-through entity.

**6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The City participates in certain federal award programs that sponsor revolving loan programs, which are administered by the City. These programs require servicing arrangements with the City, The funds are returned to the programs upon repayment of the principal and interest. In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the City has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2015, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally-funded loans outstanding at June 30, 2014:

Federal CFDA	Program Title	Amount Outstanding	
		July 1, 2014	June 30, 2015
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	\$ -	\$ 70,000
	Total Loans Outstanding	<u>\$ -</u>	<u>\$ 70,000</u>

**CITY OF NEVADA CITY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2015**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No

**Federal Awards**

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

AB 1600 Reconciliation	2015-001
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**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2015-002
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**CITY OF NEVADA CITY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2015**

**2015-001 AB 1600 Reconciliation (Significant Deficiency)**

**Condition**

During our audit we noted that the City has collected AB 1600 fees, but has not complied with the AB 1600 reporting requirements.

**Cause**

The City has not prepared an annual report of AB 1600 fees and has not adopted a capital improvement plan.

**Criteria**

AB 1600 requires that the City account for every fee collected and that the following information be made available within 180 days after the last day of the fiscal year: a description of each fee, amount of each fee, beginning and ending balance, fees collected and interest earned, identification of each public improvement on which fees were expended and the amount of each expenditure, and approximate date by which construction of the public improvement will commence. In addition, every 5 years the City must make the following findings: identify the purpose for each fee, demonstrate a reasonable relationship between the fee and the purpose for which it is charged, identify all sources and amounts of funding anticipated to complete financing in incomplete improvements and designate the approximate dates on which the funding is expected to be deposited into the fund.

**Effect of Condition**

The City is not in compliance with AB 1600 requirements.

**Recommendation**

We recommend that the City review AB 1600 and prepare the necessary reports to be in compliance and make a determination if excess funds have been collected and need to be refunded.

**Corrective Action Plan**

The Assistant City Manager is currently reviewing the AB1600 fees and preparing a reconciliation to determine if funds collected should be refunded to be completed for review by City staff by the end of 3<sup>rd</sup> Quarter 2015/2016. By fiscal year end 2015/2016 the Assistant City Manager will prepare the necessary reports to be in compliance with AB1600 reporting. The City will be working to prepare a complete capital improvement plan at the completion of a capital study that is being done on the Water Treatment Plant/Distribution System, as well as, the Wastewater Plant/Collection System.

**CITY OF NEVADA CITY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2015**

**2015-002**

**Name:** Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii  
**CFDA #:** 14.228  
**Federal Grantor:** U.S. Department of Housing and Urban Development  
**Pass Through Entity:** California Department of Housing and Community Development  
**Award No.:** 12-CDBG-8402  
**Year:** 2014/2015

**Condition**

During our audit, we noted the City did not submit the semi-annual financial and accomplishment reports for the period 07/01/14 through 12/31/14 or 01/01/15 through 06/30/15, and did not submit the annual grantee performance report for the fiscal year ending 06/30/15. We further noted the City did not submit the semi-annual program income report and accomplishment report until 09/02/15.

**Perspective**

The City did not adequately monitor the CDBG program to ensure that reports were timely filed.

**Criteria**

Per Exhibit D of the grant agreement, semi-annual financial accomplishment reports are to be submitted by January 31 and July 31, an annual grantee performance report is to be submitted by July 31, and semi-annual program income and accomplishment reports are to be submitted by January 31 and July 31.

**Effect of Condition**

The City has not submitted all required reports by the due dates.

**Questioned Costs**

No costs are questioned.

**Recommendation**

We recommend that City staff review the grant agreement and develop a tracking system to ensure that all required reports are submitted by the due dates.

**Corrective Action Plan**

By fiscal year end 2015/2016 the Assistant Manager will develop a tracking system to ensure that all required reports are submitted by due dates.

# REPORT TO CITY COUNCIL

City of Nevada City

317 Broad Street

Nevada City, CA 95959

[www.nevadacityca.gov](http://www.nevadacityca.gov)

February 10, 2016

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**TITLE:** An Ordinance of the City Council of Nevada City, California, Adding Chapter 17.70 to the Nevada City Municipal Code Entitled “Formula Businesses Restrictions and Regulations”

**RECOMMENDATION:** Waive reading, read by title only, and adopt Ordinance 2016-XX adding Chapter 17.70 to the Nevada City Municipal Code Restricting and Regulating Formula Businesses.

**CONTACT:** Amy Wolfson, City Planner

**BACKGROUND / DISCUSSION:** In late 2014, the City Council expressed interest in the regulation of formula businesses within City limits. A draft ordinance was considered by the Planning Commission and by City Council, which prohibits formula restaurant and retail establishments entirely throughout the City, and which allows specified service businesses with approval of a Conditional Use Permit. At the Special Planning Commission Meeting held on October 29, 2015, the Commission recommended rejection of the draft ordinance citing a preference for an approach that bolstered existing ordinances that preserve the small-town aspects and welcoming attitude prevalent in existing local businesses as opposed to an approach that discourages some business types.

At the January 27, 2016 City Council Meeting, the Council held a first reading of the ordinance and voted to adopt the ordinance despite the denial recommendation of the Planning Commission. However, the Council encouraged the Planning Commission to re-evaluate the existing language of the ordinance and invited recommendations either to modify or supersede the ordinance with an option that reflects their preferred approach. The ordinance will take effect 30 days after adoption following the second reading.

**ENVIRONMENTAL CONSIDERATIONS:** Not applicable at this time.

**FINANCIAL CONSIDERATIONS:** None.

**ATTACHMENT:**

Exhibit A – Draft Ordinance No. XX of the City Council of Nevada City, California, Adding Chapter 17.70 to the Nevada City Municipal Code Entitled “Formula Businesses Restrictions and Regulations.”

**ORDINANCE NO. 2016-\_\_\_**

**AN ORDINANCE OF THE CITY OF NEVADA CITY ADDING  
CHAPTER 17.70 TO THE NEVADA CITY MUNICIPAL CODE RESTRICTING  
AND REGULATING FORMULA BUSINESSES**

**WHEREAS**, Nevada City is dedicated to preserving and enhancing its small town character and historical architecture while providing quality public services for our current and future residents, businesses and visitors; and

**WHEREAS**, over the years Nevada City has thrived and prospered by maintaining a special look and feel unique among Mother Lode towns by enacting and implementing ordinances and standards that assist in retaining much of the tradition and architecture while balancing the community's priceless history with the need for a thriving contemporary economy; and

**WHEREAS**, part of that special look and feel is attributable to the unique and diverse local businesses in Nevada City that are different from those formula businesses commonly located in urban malls and shopping centers; and

**WHEREAS**, the uniqueness, diversity and economic vitality of the City's commercial areas and the quality of life in Nevada City could be compromised by unrestricted allowance of formula businesses in its business zones:

**NOW THEREFORE, BE IT ORDAINED** by the City Council of the City of Nevada City as follows:

SECTION I:

There is hereby added to the Nevada County Municipal Code, Chapter 17.70 which is to read as follows:

**Chapter 17.70  
FORMULA BUSINESS RESTRICTIONS AND REGULATIONS**

**17.70.01 Purpose**

The purpose of this chapter is to restrict and regulate the location and design of formula business establishments to maintain the unique and historic character of Nevada City, the diversity and distinctiveness of its commercial areas, and the small town quality of life for its residents and visitors while preserving and protecting the economic vitality of local businesses.

**17.70.02 Application**

The regulations in this chapter apply City-wide to any proposed commercial development meeting the definition of a Formula Business that is not expressly conditionally permitted with a use permit by this chapter.

### **17.70.03 Definitions**

For the purpose of this chapter, certain terms and words are defined as set out in this chapter:

“Formula Business” shall mean a commercial business or use which, by ownership, franchise, contractual or other arrangement, established or recognized business practice, or membership affiliation, that maintains, as part of a group of ten or more similar businesses located outside Nevada City, any of the following:

1. Business name common to similar businesses located elsewhere;
2. Appearance, business presentation or other similar features, which make the business substantially similar to other businesses located elsewhere;
3. Use of a trademark or logo common to similar businesses located elsewhere (not including logos or trademarks used to indicate participation in a buying group or cooperative of smaller independent businesses to obtain volume pricing, including but not limited to, National Automotive Parts Association (NAPA) or Independent Grocers Alliance (IGA), or to reflect mention by rating organization, including, but not limited to, AAA, Mobile, Michelin or internet sites like Trip Advisor);
4. Standardized services or uniforms common to similar businesses, chains or franchises located elsewhere;
5. Interior décor common to similar businesses located elsewhere; or
6. Architecture, exterior design, interior décor or signs common to similar businesses located elsewhere.

“Restaurant” that can be determined to be a Formula Business means an eating establishment devoted to the preparation and offering of food and beverages for sale to the public for consumption either on or off the premises, including cafes, coffee houses, and fast food and drive-through establishments.

“Retail Commercial Establishments” that can be determined to be a Formula Business means all businesses selling goods or merchandise of any kind to the public at retail, including discount and factory stores.

“Service Businesses” that can be determined to be a Formula Business means businesses that only provide services for a fee rather than goods. Businesses selling goods from a showroom in addition to providing services shall be considered “Retail Commercial Establishments”.

### **17.70.03 Formula Businesses Prohibited and Restricted**

A. Prohibited: Notwithstanding other provisions of Title 17 Zoning, all Restaurants and Retail Commercial Establishments determined to be Formula Businesses are prohibited in all zones in Nevada City.

B. Restricted: Where specified as a permitted use in the zone where they are proposed to be located and determined to be necessary to the economic vitality of the city, Service Businesses and Formula Businesses that are normally conducted as a branch or as part of a chain or franchise meeting the definition of a Formula Business rather than

an individual business, may be permitted as conditional uses with a use permit upon making the required additional special findings required in subsection C. Such conditional uses include, but are not limited to:

1. Banks and financial institutions;
2. Automobile service or fueling stations, garages, tire repair shops and auto supply stores;
3. Health and fitness clubs; and
4. Boutique hotels or motels, with locally unique names and identities.

C. Required findings for approval of use permits: In order to approve or conditionally approve any application for a use permit for a Formula Business allowed herein as a conditional use, the following special findings must be made:

1. That the proposed use is necessary to preserve Nevada City's economic vitality and will not create an undue concentration of such Formula Businesses in the area.
2. That the proposed use will contribute to an appropriate balance of business sizes and presents a scale and design in harmony with the historic, small town character of Nevada City;
3. That the proposed development is consistent with and will enhance Nevada City's history of independent, unique, and single location businesses, thus contributing to the uniqueness of the town;
4. That the proposed development does not detract from, but complements and enhances the architectural integrity and eclectic combination of architectural styles of Nevada City evoking the Mother Lode era; and
5. That the sign for the proposed use does not include any trademark or logo identifying it as a Formula Business.

D. This section is in addition to other regulations set forth elsewhere in this title. In the event of a conflict between the provisions of this section and any other regulations in this title, the provisions of this section shall prevail.

E. Businesses and uses lawfully commenced prior to the effective date of the ordinance adopting this chapter shall be allowed to continue as nonconforming uses subject to Chapter 17.76.

## SECTION II:

This Ordinance shall become effective thirty (30) days after the adoption date thereof and within fifteen (15) days of the passage of this Ordinance, the City Clerk shall publish this Ordinance in the Union, a newspaper of general circulation.

**PASSED AND ADOPTED** at a regularly scheduled meeting of the City Council of Nevada City held this \_\_ day of \_\_\_\_\_, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**ATTEST:**

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Jenifer Ray, Mayor

---

Niel Locke, City Clerk

# REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
[www.nevadacityca.gov](http://www.nevadacityca.gov)

February 10, 2016

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**TITLE: Sugarloaf Mountain Master Plan**

**RECOMMENDATION:**

- Review and adopt the Final Draft of the Sugarloaf Master Plan
- Direct staff to file the Notice of Exemption with the Nevada County Clerk's Office
- Authorize the Mayor to sign Resolution 2016-XX

**CONTACT:** Dawn Zydonis, Parks & Recreation Supervisor

**BACKGROUND / DISCUSSION:**

In May 2011, the City Council reviewed and accepted a Master Plan for Sugarloaf Mountain (attached). The Plan was written quickly as a requirement for acquiring funding from the County of Nevada to purchase the Sugarloaf Mountain property. City staff felt that some information was missing from the plan if it were to be used as a tool to guide the City's decision making regarding the property. While the Recreation Committee existed, the topic of the Sugarloaf Mountain Master Plan was discussed at seven meetings. At those meetings, a Vision Statement was created and detailed discussion about history and preservation took place.

City staff held a Special City Council meeting on December 8, 2015 as a workshop for public input on the Master Plan. The notes from that meeting are attached to this staff report. The primary topics discussed at the workshop were

- Development
- Uses of the property
- Rules & regulations
- Management of the property

The top priorities that came out of that workshop were:

1. Connectivity to town, bike lanes, sidewalk or trails
2. Minimal uses/minimal impacts/this is zoned open space
3. Would prefer no bathroom, no picnic tables, benches okay
4. Mountain bike trails

In addition it should be noted that there were strong feelings about how mountain bikes should use the property. Some felt there should be bike trails from the top to bottom of property, some felt that there should be separate bike and hike trails, and some felt bikes should stay on the lower periphery of the property. An email was sent out to those who have provided their email address to request further input. These items are addressed in the Draft Master Plan on page 5 within the policies for trail development.

The Planning Commission reviewed and provided input at their regularly scheduled meeting on January 21, 2016. Public Comments received included the proposal of a cistern for emergency water storage, allowing a revolving restaurant on top of the mountain, questions about ADA requirements, emergency access, how to communicate with emergency personnel if on the property, concerns about the transient population who live on Sugarloaf Mountain, and questions about zoning. All of these items are either addressed in the Master Plan or were responded to at the meeting. Planning Commissioners made the recommendations that the Master Plan allow for the option of additional benches and picnic tables, had questions about parking, liked the idea of connecting to other trails, shared ideas about one trail vs separate trails for bikers and hikers, commented on preservation and inquired about any archeological studies that had been done on the property. Additions made to the Master Plan based on comments and feedback at this meeting are in orange print in the Master Plan.

Information from all of these meetings, along with the 2011 Draft Master Plan were used to create the attached Draft Sugarloaf Mountain Master Plan.

**ENVIRONMENTAL CONSIDERATIONS:** None.

**FISCAL IMPACT:** None.

**ATTACHMENTS:**

- ✓ 2011 Draft Master Plan
- ✓ December 8, 2015 Workshop Notes
- ✓ 2016 Draft Master Plan
- ✓ Resolution 2016-XX adopting the Sugarloaf Mountain Master Plan
- ✓ Notice of Exemption

# **SUGARLOAF MOUNTAIN MASTER PLAN**

**May, 2011**

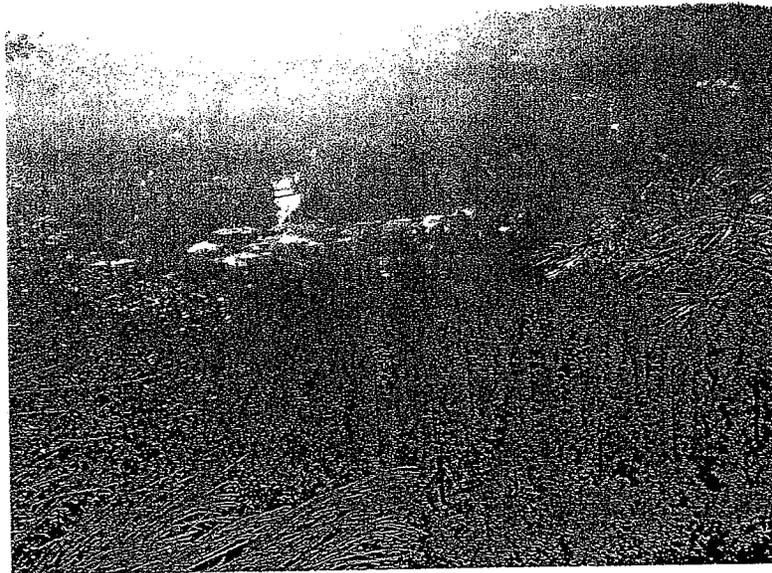
## **PROJECT SCOPE**

The City of Nevada City was recently able to successfully negotiate an agreement to realize its long term goal of acquisition of the property known as Sugarloaf Mountain, together with the grant of an access easement to that property. The property consists of approximately 36 acres located in the unincorporated area just north of downtown Nevada City. Attachment A is a site map showing the location of the property. The City is the sole owner of the property and the access easement. It is the City's intention to annex the property in the very near future. The City also proposes walking trails. At the top of the property the City plans a limited carry-in / carry-out picnic area.

PHOTOS OF THE PROJECT SITE

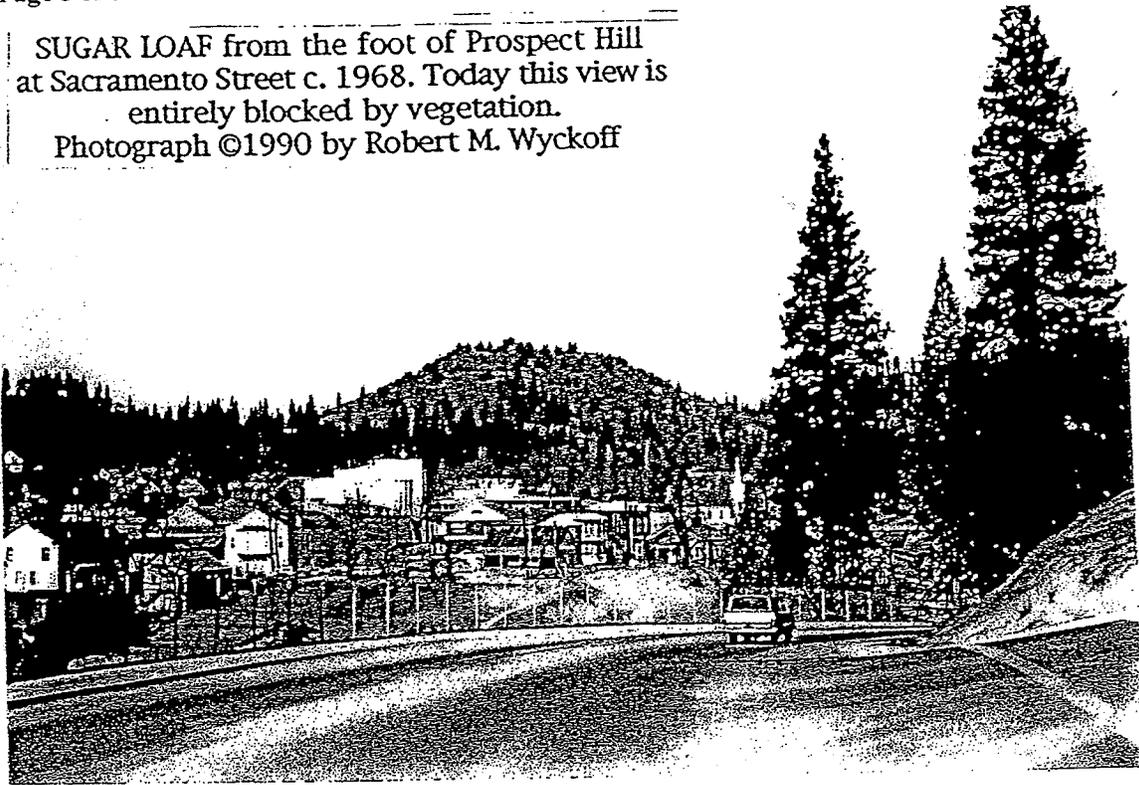


Panoramic view along the walk up Sugarloaf Mountain

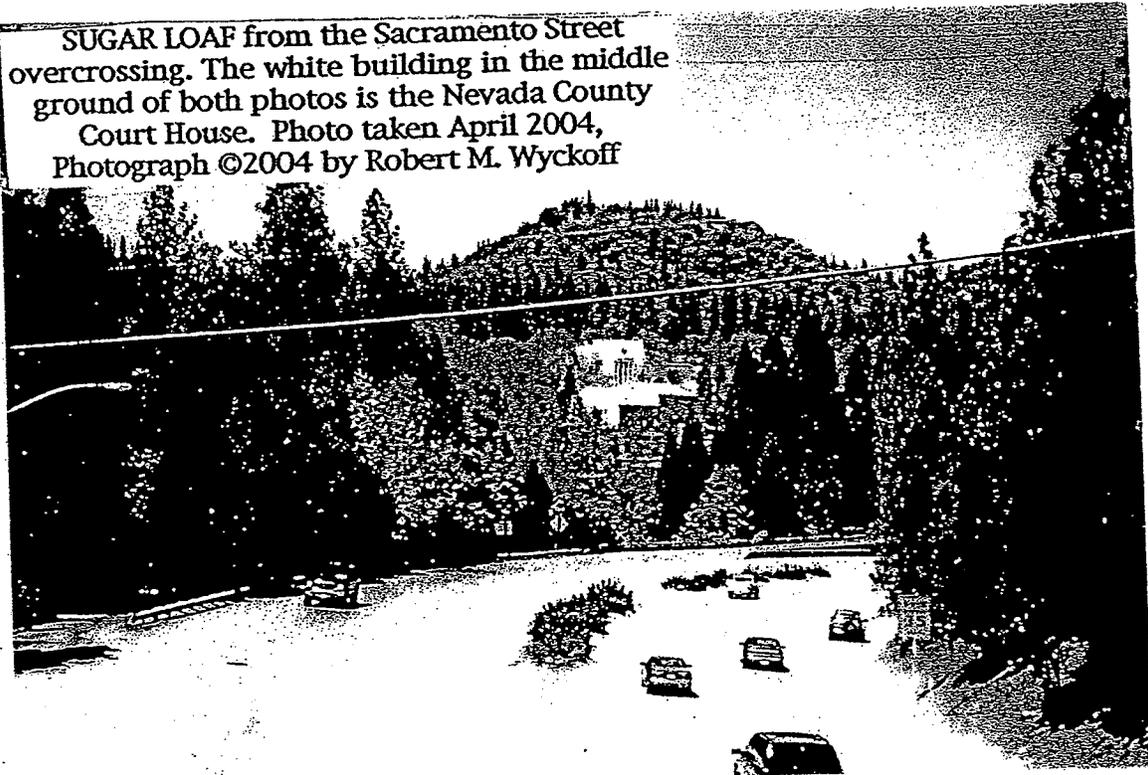


View of Nevada City from the top of Sugarloaf Mountain

SUGAR LOAF from the foot of Prospect Hill  
at Sacramento Street c. 1968. Today this view is  
entirely blocked by vegetation.  
Photograph ©1990 by Robert M. Wyckoff



SUGAR LOAF from the Sacramento Street  
overcrossing. The white building in the middle  
ground of both photos is the Nevada County  
Court House. Photo taken April 2004,  
Photograph ©2004 by Robert M. Wyckoff



The Nevada City Parks & Recreation Mission is to provide a system of trails, recreational facilities, programs and services that will enrich the lives of our citizens. In addition to this Mission Statement the Recreation Committee adopted the following goals:

1. As a result of our unique position in the heart of the Mother lode we intend to meet the needs of our citizens, while preserving the natural beauty and history of our city.
2. Create community through people, walking, parks, programs and partnerships.
3. As programs, facilities and services are created Nevada City Parks & Recreation will make every effort to meet the needs of our diverse community.
4. As a result of the acquisition of Sugarloaf Mountain in early 2011, the City began the process of building and improving pedestrian/bicycle access to the top of the mountain. This will provide breathtaking views of Nevada City and the surrounding environment. Picnic facilities at the top are also to be provided. Fuel reduction is currently in progress and the removal of Scotch broom brush is now about 30 percent complete, with a great deal of additional work to be completed in 2011-2012. The City has applied for a fuel reduction grant to chip and clear all brush on the mountain face. Mr. Dennis Cassella has been appointed to spearhead this effort with the Nevada County Fire Safe Council.

The City has received funding from the County Capital Improvement Expenditure Program (CIEP) in the past. Projects that have been funded included a heater, sand filters and thermal covers for the swimming pool and with the last funding cycle, the City received funds toward the Hirschman's Trail.

Sugarloaf Mountain will now be open to the public for hiking and picnicking. There is a panoramic vista of Nevada City once you have reached the top of the mountain, as well as a flat open space which would be a great location for a picnic.

Attachment C shows potential trails that the property could connect to:

- The Hirschman's Trail to the west (red)
- The trail at Tobiassen Park to the west (purple)
- The NID trails along their ditches to the northwest (green)
- The conceptual County Trail Plan trail to the south and east (pink)

Sugarloaf Mountain could serve as an eventual side hike, if not an important connector of a much longer trail system. The Western Nevada County Non-Motorized Recreational Trails Master Plan was adopted September 21, 2010 by the Board of Supervisors. The Master Trails Plan highlights the Sugarloaf Mountain area as a potential regional trail connection between Nevada City and Pioneer Trail. Pioneer Trail begins at the Five-Mile House Restaurant on Highway 20 and connects to Eastern Nevada County. Pioneer Trail is heavily used by hikers, bikers and equestrians. This connection would create optimum use of trails on the Sugarloaf Mountain Property as discussed later.

The City of Nevada City is located in the Grass Valley/Nevada City benefit zone. The Sugarloaf Mountain property is regionally significant because many people who live in and visit Nevada County want to experience the historic features preserved here and want to enjoy outdoor recreational opportunities. Sugarloaf Mountain is important because it is being preserved to maintain that historic landscape, while at the same time providing more recreational opportunities through the development of trails. As was shown in Attachment C, this property could allow for regional trail connection. The area also has the potential to serve as a trailhead to the many local trails that it could connect to.

The property would be open to the general public. The City realizes that ownership of open space and park lands requires active care and planning for these lands. Therefore the City is creating a Vision and Planning Study for the Sugarloaf Mountain property, and is funding a Master Plan for the Sugarloaf Mountain property. This plan will determine the extent of trails and recreational opportunities. Sugarloaf Mountain has great potential for both passive and active recreation, trails, panoramic views and picnicking.

It is believed that the primary users will be people who enjoy hiking, picnicking, and biking as the City intends to put trails on the property. The Nevada County Land Trust has used volunteers to tally the amount of use on other trails. It is estimated that many of our local trails are used by approximately 540 people per week.

The Sugarloaf Mountain property will be open dawn to dusk for public use, and there will be no fees associated with public use. The City will maintain the property, but at this time will not provide any programs.

The acquisition of Sugarloaf Mountain has been a priority for the City since the adoption of the City's General Plan in 1985. The City partnered with the State Parks & Recreation Department, the Nevada County Land Trust and the County of Nevada. The City is also partnering with the Nevada County Fire Safe Council to clear brush piles on the property.

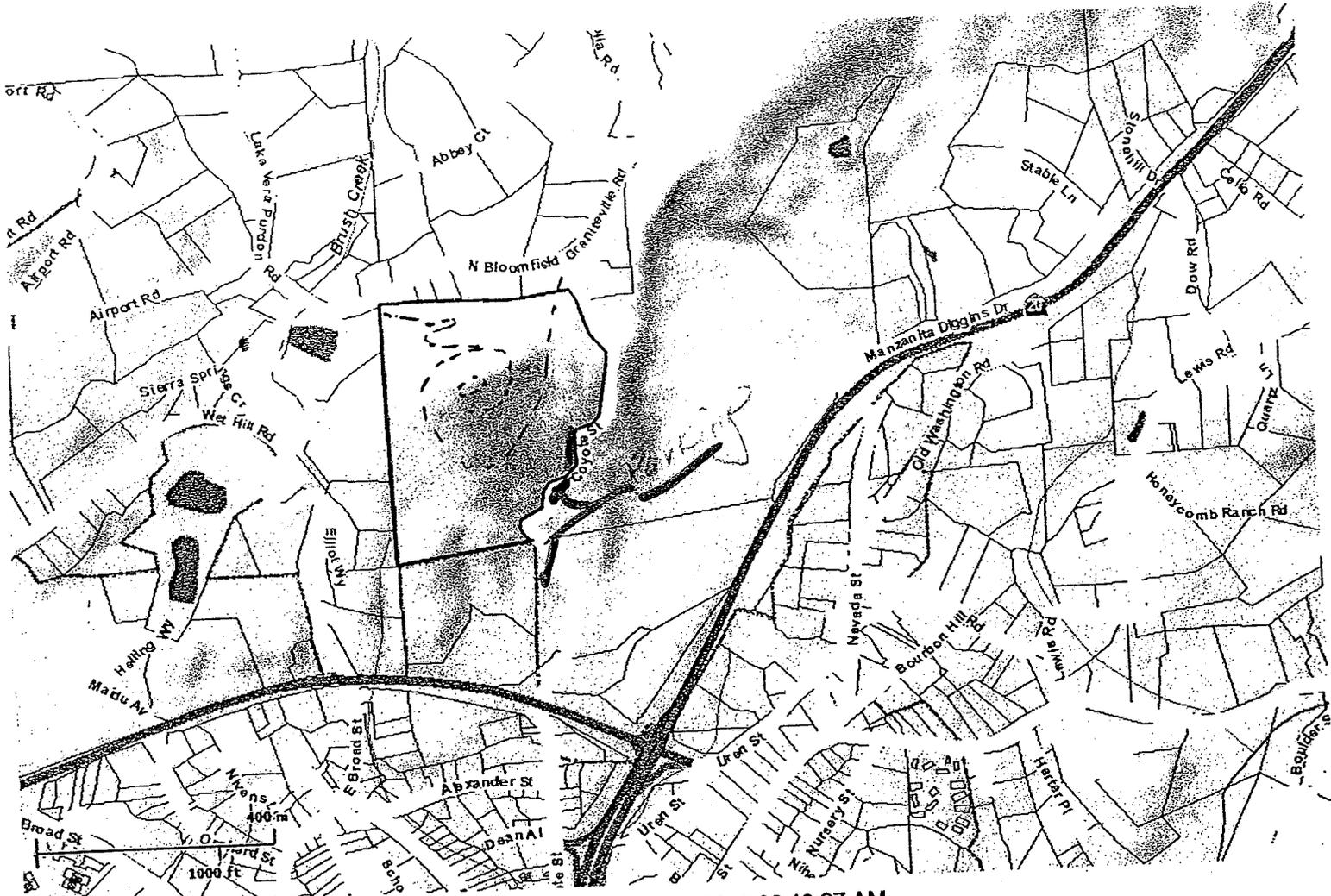
The public has been involved in the process of this purchase over the course of many years. Updates on the possible purchase have been discussed at City Council meetings and articles have been printed in the Union. There was also a group formed called "Friends of Sugarloaf" who followed the cities progress on this, spoke at meetings and attended court dates.

The acquisition of Sugarloaf Mountain is consistent with the City's General Plan that was adopted in 1985. The City's General Plan states that "A goal of the City is to preserve its strong sense of entry and the sense of a distinct effort should be made to preserve the forested part of Nevada City's historic setting." The General Plan also says that the City should "Take steps to ensure acquisition, dedication, or conservation of potential open space preserves, public park sites and trails easements."

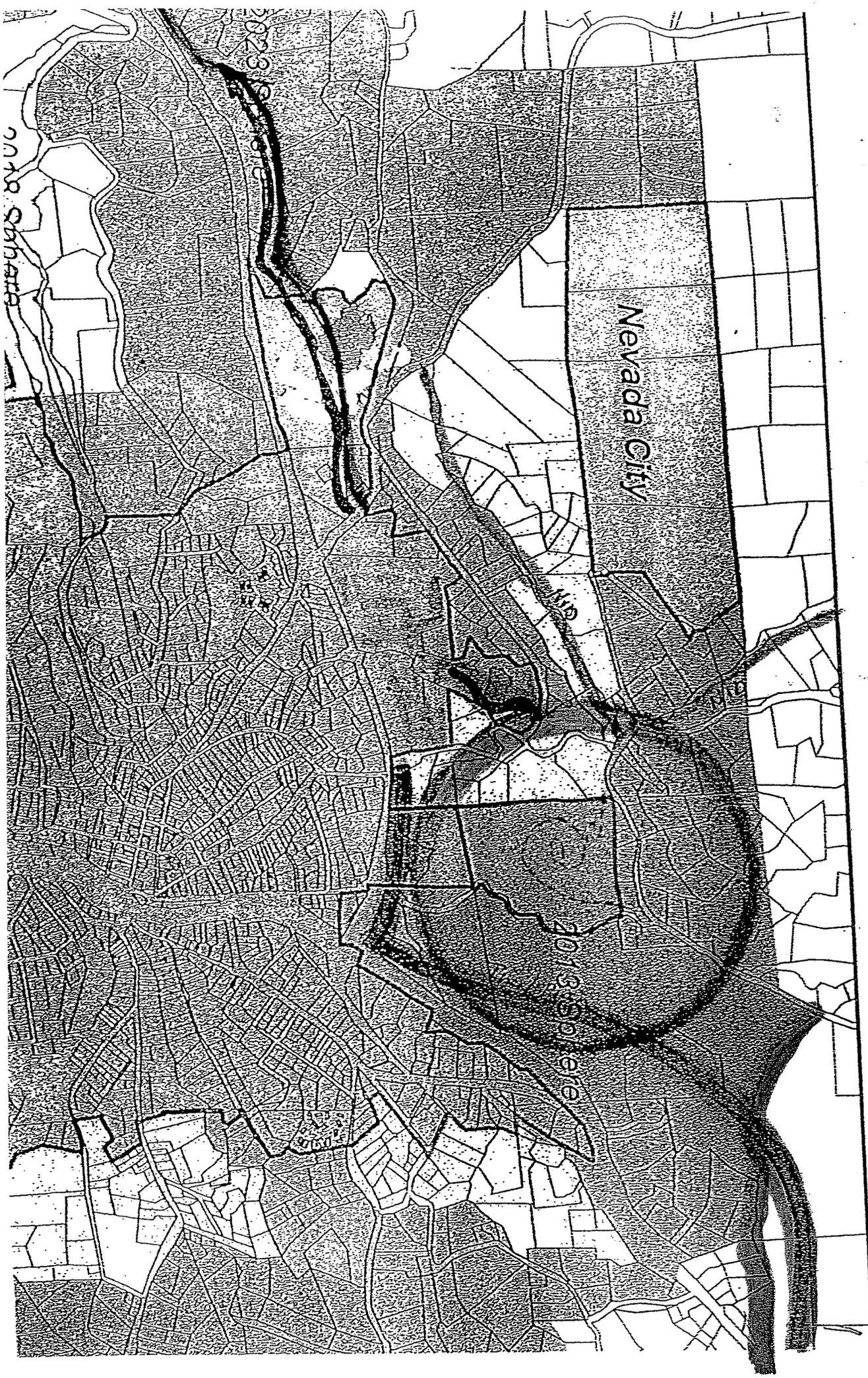
The City of Nevada City already has an extensive trails program. Enclosed please find a vicinity map showing existing trails, trails under construction, and proposed future trails.

It is the City's intent in the near future that all walking trails will be tied together; this includes trails in and on both City and County properties.

The City has begun discussions with NID to provide access for walking from the North Bloomfield Road area to Sugarloaf Mountain, connecting with the existing trail. Also, Tom Quinn, Tahoe National Forest Supervisor of the U.S. Forest Service, has expressed interest in connecting its property on upper Coyote Street to the Sugarloaf Mountain property trails.



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**Special City Council Meeting – Sugarloaf Mountain Workshop  
December 8, 2016  
Summary Notes**

**MANAGEMENT**

Minimal uses/minimal impacts/ this is zoned open space (10 dots)

Reduce Fire Fuels (5 dots)

Native plant inventory/California Native Plant Society (CNPS) (4 dots)

Find way to provide good maps – on the websites, etc. for trails (3 dots)

City or volunteer stewardship (ie: Land Trust) (2 dots)

No camping/control illegal camping (1 dot)

Manage invasive species especially scotch broom

Considerate to wildlife

Create as destination trail with maps available in town to show visitors – use as an amenity

## DEVELOPMENT

Connectivity to town, bike lanes, sidewalk or trails (12 dots)

Would prefer no bathroom, no picnic tables, benches okay (7 dots)

Mountain biking trails (7 dots)

Separate bike & hiking trails/trails for slower moving trail users (6 dots)

Some hiking trails, but keep most of the area undeveloped (4 dots)

Trail open to bikes from bottom to top (3 dots)

Trail head parking for 12 cars (2 dots)

Permit run, minimal/natural amphitheater with fire pit, view and use day or night, education, etc. (2 dots)

Participatory trails that include special obstacle type exercises for kids and adults alike that help improve balance, coordination, etc. ([neverleavetheplayground.com](http://neverleavetheplayground.com)) (2 dots)

Limited over-development = no pavement (2 dots)

Hiking trails (2 dots)

Separate trail down for mountain bikers (2 dots)

Nothing visible from town, Hwy 49 or Hwy 20 (1 dot)

Less is more, no permanent structures (1 dot)

No mountain bike trail on top or face of mountain (1 dot)

Only development:

- Gravel parking at chain/ Designated parking spaces
- Turnouts
- Improve old trail on face slightly
- Use dirt road as main trail
- Mt. Bike at base only (periphery of property) (1 dot)
- No structures

Improve the access road to provide a descent walking trail

Trail design that works with Fuels Reduction Plan

Identify vision/design for possible trails and all connectivity options to (ie: Hirschman, Pioneer, Lake Vera)

Keep existing dirt road as main access

Renovate existing trail

No new trail – use old trail

One way traffic on steep sections? (bike)

Use United States Forest Service (USFS) for parking

Use USFS for mountain bike parking and bathroom

Reduce/eliminate need to park/access Sugarloaf via Coyote St. because it is dangerous

No parking signs on Coyote St.

Ideas to highlight and explain the views and possible historic views (signs)

Kiosk and educational options for Nisenan and other historic and botanical, etc.

No lights

No development or active recreation on top

## **USES**

Keep uses low impact as possible (2 dots)

Minimize picnicking – unless funding assures consistent clean-up (1 dot)

Availability to local native peoples for events/ceremony

Picnicking

Education and interpretation of the Nisenan people and their traditional use of Sugarloaf:  
Nevada City Rancheria

Educational programs – nature, hiking, conservation, plants, wildlife

Star Gazing

Historical Interpretation

Nature studies

July 4<sup>th</sup> – Fire Cannon

Open space/view point

## **RULES/REGULATIONS**

Multi-use access to all users – hiking, bicycles, dogs, etc and horses? Non-motorizes (5 dots)

No vehicles (2 dots)

Allow police, fire access on existing road (2 dots)

No bicycles (2 dots)

Dogs on leash. Bags for poop (1 dot)

No lights

No smoking

No rental for special events

No camping – day use only

No horses

No motorized vehicles

No parking in E. Broad/N. Pine neighborhood

Abide by city/county noise ordinances

Stay on trails – signs?

# Sugarloaf Mountain Master Plan

## DRAFT January 2016

### Introduction

The acquisition of Sugarloaf Mountain has been a priority for the City since the adoption of the City's General Plan in 1986. The City partnered with the State Parks & Recreation Department, the Nevada County Land Trust (now named Bear Yuba Land Trust and referred to as such throughout the rest of this document), the County of Nevada and Friends of Sugarloaf to make the vision of opening this property to the public as open space a reality. The City acquired the Sugarloaf Mountain property in January 2011. The City has taken great strides to be good stewards of the open space parcels they own. This plan will provide guidelines and policies to continue this stewardship and preserve the property for future generations.

### Vision Statement

Sugarloaf Mountain has always been an iconic backdrop to Nevada City. The City maintains a vision of preserving the natural appearance of the mountain from the surrounding area; within and from the mountain to encourage the appreciation of the open space and the City. The City hopes to preserve the environmental attributes of the space by reducing non-native plants, allowing native plants and wildlife to flourish on the current landform, and by protecting the biological integrity. Passive recreational opportunities will be encouraged. It will be accessible to the public for low-impact passive recreational activities.

### Background Information

Sugarloaf Mountain is a 36 acre parcel located north of Highway 49 at 10730 Coyote St. (APN: 36-020-26). This parcel was acquired by the City of Nevada City in January 2011 with funding from the following sources:

State of California Parks & Recreation Department – Proposition 40 funding

County of Nevada – AB1600 funds

The Bear Yuba Land Trust – loan to cover balance of purchase until County AB1600 funds were available

Friends of Sugarloaf

Appendix A is a map of the Sugarloaf Mountain parcel.

There are some use restrictions on the property due to the funds used to purchase the property. The intent of the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Prop. 40) is to acquire and develop parks and recreational areas for the purpose of land, air, and water conservation programs. It is also intended to acquire, restore, preserve and interpret California historical and cultural resources. The purpose of County AB1600 funds are to assist in meeting the park and recreation needs of Nevada County residents.

This Plan takes these restrictions and intended purposes into consideration. The City does not intend to use the property for purposes that would be in conflict with these restrictions.

In addition, the City is in the process of annexing Sugarloaf Mountain into the City. Through this process the entire 36 acre property will be zoned Open Space. The City's Municipal Code states the following:

*“The purpose of Open Spaces is to provide for and encourage the creation and permanent maintenance of open space, both natural and landscaped for the purposes of maintaining and enhancing aesthetics, recreational opportunities, resource management, public health and safety, and mitigation of development.”*

Principal permitted uses, accessory uses and conditional uses are included in the zoning code. Appendix B provides a full Chapter 17.56 of the Municipal Code.

Sugarloaf Mountain is mentioned several times in the City's General Plan – adopted March 24, 1986 in reference to conservation, land use and scenic resources. This confirms the importance of this property to the citizens of Nevada City **and their goal to preserve the property as open, green space**. Therefore, the care and decisions regarding this property shall be well thought out.

### **Historical Information**

Uses of Sugarloaf Mountain prior to the gold rush days are largely unknown as members of the Nisenan Nevada City Rancheria tribe shared their history from generation to generation in the form of oral stories – not written. Shelly Covert,

Secretary of the Tribal Council of the Nevada City Rancheria, shared the following bits of history with the Recreation Committee (August 26, 2015 meeting) as told to her by her grandfather.

- The top of Sugarloaf Mountain was round before it had been “cut” off.
- The top of the mountain was used for communicating with other villages by sending up smoke signals. This was possible because there is a line of site to other hills in the area.
- There was a battle with their “Camptonville Cousins” at this location.
- They called this mountain Koo’ Lăü.

During the gold rush days the mountain received its name because it resembled a loaf of coarse brown sugar, as it was processed and sold during the 19<sup>th</sup> and early 20<sup>th</sup> centuries. Sugarloaf Mountain was largely used as a landmark during the gold rush era as noted in various diaries, such as these from Harry L. Wells (1880, History of Nevada County)

“Lying north of Nevada City and on the opposite (side) of Sugarloaf is Selby Flat, a place that was a quiet village...”

“Tomlinson...owned some water power near Sugarloaf that he had used in elevation and washing dirt...”

### Commercial Uses

Although the property has been logged many times since the area was settled, the Cooper Toll Road and a water delivery ditch are the only commercial uses that may have occurred on this property.

### Recreation Uses

Sugarloaf Mountain was used for celebratory announcements. In 1876 a cannon was fired from the summit of Sugarloaf to welcome the train which arrived on newly constructed rail from Colfax; through Grass Valley and into Nevada City.

On the 4<sup>th</sup> of July it was common to shoot guns or explode dynamite atop Sugarloaf Mountain.

More information about the history of Sugarloaf Mountain can be found in Appendix C: *Sugar Loaf Nevada City's Promontory and the Adjoining Manzanita Diggins* Compiled by Robert M. Wyckoff, MA

### Recent History

A timeline of events taking place to encourage and ensure the City's acquisition of Sugarloaf Mountain was provided by the Friends of Sugarloaf and is available in Appendix D.

### **Purpose**

This Master Plan is intended to serve as a consensus-building document expressing general guidelines for amenities, programs, and management practices of the Sugarloaf Mountain property. Projects and development would be dependent upon availability of funding and completion of detailed environmental impact studies and public review. It is intended to suggest ways of precluding development that is inconsistent with the Vision for the property.

### **Current Property Uses and Development**

There are trails on the property which have existed for many years by non-permitted, non-structured users. Since Sugarloaf Mountain is public property, these trails are open for the public to use.

A maintenance and emergency road begins at Coyote St. (see Appendix E: Easement Deed) and twists around the property to the top of Sugarloaf Mountain. This maintenance drive also serves as a walking trail to access the top of the property.

Three (3) benches have been approved for placement on the property through the process of the City's "Policy for Placement of Items in City Parks and Open Space". Those three benches are in place at the top of Sugarloaf Mountain and are used for picnicking and enjoying the surrounding views.

No other development is in process.

### **Possible Future Property Uses and Development**

The following suggestions are ideas that are proposed for the property, but would need sufficient funding, completion of detailed environmental impact studies and

public review before proceeding with any projects or development mentioned herein.

## Trails

Appendix F shows potential trails that the property could connect to:

- The Hirschman Trail to the west (red)
- The trail at Tobiassen Park to the west (purple)
- The NID trails along their ditches to the northwest (green)
- The conceptual County Trail Plan trail to the south and east (pink)

Sugarloaf Mountain could serve as an eventual side hike, if not an important connector of a much longer trail system. The Western Nevada County Non-Motorized Recreational Trails Master Plan was adopted September 21, 2010 by the Board of Supervisors. The Master Trails Plan highlights the Sugarloaf Mountain area as a potential regional trail connection between Nevada City and Pioneer Trail. Pioneer Trail begins at the Five-Mile House Restaurant on Highway 20 and connects to Eastern Nevada County. Pioneer Trail is heavily used by hikers, bikers and equestrians. This connection would create optimum use of trails on Sugarloaf Mountain.

The City conducted a workshop to receive public input for this Master Plan. The top priority that came out of that workshop was that Sugarloaf Mountain provide connectivity to town, bike lanes, sidewalks or other trails. Another top priority was mountain bike trails. However, there was some concern about a trail shared by mountain bikers and hikers. The concern with a shared trail is the difference in speed between the two user groups. Development of more than one trail could interfere with other recommended policies included in this Master Plan that embrace the efforts of being “light on the land”. It is recommended that rather than constructing multiple trails on the property, any trail development should adopt the following policies to allow for a shared trail as well as good trail management.

The following policies are recommended in relation to any trail construction:

1. All trail development should be presented to the public for review.
2. Environmental review should be completed on any trail project.

3. Trails shall be constructed at no more than 4 feet wide. Narrow, winding trails, like narrow, winding roads, encourage slower travel speeds.
4. Trails should be constructed at a minimal slope to discourage excessive speeds by bikers. A 5% slope (5 foot drop per 100 feet of trail) is recommended and all slopes should be below 20%.
5. The brush and tree cover along the trail route should be managed so that the vegetation provides a visual and physical barrier to cutting switchbacks, creating new trail routes, etc. and the trail clearing should be used to both provide a visual barrier ahead, so that excessive speeds are discouraged, as well as taking efforts to clear specific areas to provide a view of the trail ahead for the safety of the user but not encourage faster speeds.
6. Use reverse grades throughout the trail route (ie: downhill trail should reverse and become an uphill trail for 20 to 35 feet before returning to the downhill). This will assist with draining the trail and the uphill sections of trail will moderate speed of trail users.
7. To minimize development and disturbance to the property there should not be separate trails for bikers & hikers.
8. Signs at trailheads with reminders about trail etiquette.
9. Mile markers shall be placed on trails.
10. Accessibility to the property should be improved by creating parking spaces.
11. The steep slope of the property will most likely not allow for trails that would meet ADA requirements. However, every effort should be made to design trails that can be used by as many people as possible.
12. Any new trails that are considered should integrate with existing or future regional non-motorized trails. (See Appendix F)
13. Trails should be discrete, cleverly designed and not scar the mountain as it is viewed from town.
14. Only trails for pedestrians and bikers should be constructed. Equestrian and trails for motorized vehicles are not appropriate for this property.
15. Existing trails should be mapped with attempts made to incorporate those trails into new trail development.

It is common during trail development to include directional and interpretive signs. Those signs would be reviewed with the proposal of a trail development

project. City Council will have final approval on all sign design and language as described in the “Policy for Placement of Items in City Parks & Open Space”.

### Parking

Currently there is not a safe place for the public to park when going onto the Sugarloaf Mountain property. There are several options for development of parking spaces. It is recommended that the parking area be driven by a trail project, so that parking is in a location that allows for the best access to the trail.

The City may want to consider creating a parking space near the emergency/maintenance access driveway to allow for safe parking and access to the property prior to any trail project being proposed.

A suggestion that was made at the public workshop on December 8, 2015 was that the City utilize the parking lot of the United States Forest Service (USFS). This would require permission and possible easements from the USFS and the property owners. This may be worth investigating if a proposed trail aligns with this parking lot.

### Bathrooms

The second highest priority that evolved from the December 2015 Workshop was that there should be no bathrooms (or picnic tables) placed on Sugarloaf Mountain. The City created this same policy for the Hirschman’s Pond property. City human and financial resources are minimal and the addition of bathrooms on this or other City Open Space parcels would cause additional strain on those limited resources.

The disadvantage to not providing bathrooms is that the public may go “off trail” and create their own facilities.

It is recommended that the City not construct bathrooms on this property. If in the future, it becomes more desirable to provide such facilities, it is recommended that bathrooms only be constructed if there is a way to include the facility in a trail adoption program or other similar program to insure that maintenance and upkeep meet the high standards that are expected from our community. If constructed, bathrooms should be located near a road or trailhead, not placed anywhere near the top of the mountain or visible from a

distance. Bathrooms should only be installed if necessary and in association with a trail.

### Benches/Picnic Tables

Current policies that are in place do not allow for any additional benches or picnic tables to be placed on Sugarloaf Mountain. It is recommended that the City be open to additional benches or picnic tables if presented as part of a trail plan or funding and maintenance are provided by an organization or private party. Options for this type of development would follow the process as outlined in the “Policy for Placement of Items in City Parks & Open Space”.

### **Rules and Regulations**

The following rules and regulations are currently posted on the Sugarloaf property.

1. Alcohol not allowed.
2. Property is closed dusk to dawn.
3. Camping is not allowed.
4. No Smoking.
5. Pack it in – pack it out.
6. Motorized vehicles are prohibited.
7. Due to fire danger campfires are not allowed.
8. No Firearms.
9. Dogs must be on a leash.

It is recommend that the Sugarloaf Mountain property be added to ordinance 12.12.070 (Appendix G)

At the December 2015 Workshop, the following suggestions were made as potential rules for the property and are not already posted rules or included in ordinance 12.12.070.

No bicycles: Refer to the Trails section on page 5.

Provide bags for dog clean up: The City has made a practice of providing dog bags in City parks and on trails.

No lights: Refer to policy #8 in the Goals and Policies Section on page 9.

No rentals for special events: Refer to policy #4 in the Goals and Policies Section on page 9.

No parking in E. Broad/N. Pine neighborhood: It is unclear how this would be enforced. If any trails are developed on the property, trail users should be encouraged to park in a more appropriate location.

Abide by city/county noise ordinances: The Sugarloaf Mountain property is being annexed into City limits. All City ordinances will be enforced. In the case of noise ordinance, the City's code is more restrictive than the county's. No special events will be permitted on the property, so no amplified music or noise should take place. No maintenance work on the property shall begin prior to 7:00 a.m. and will end before sunset.

## **Goals and Policies**

The City's General Plan states, "A goal of the City is to preserve its strong sense of entry and the sense of a distinct city surrounded by green, wooded hills. A joint city-county effort should be made to preserve the forested part of Nevada City's historic setting." It also states that the City should "Preserve the existing impression of a historic town surrounded by open forest... [and] preserve and enhance the important natural features, e.g., Sugarloaf..." In addition at the December 2015 Workshop, a top priority was that there be minimal uses and minimal impacts.

The following policies will help to insure that Sugarloaf Mountain is preserved for future generations to enjoy.

1. Avoid any land disturbance such as major grading and/or tree removal which would cause visible scars. (City's General Plan 1985; pg. 22)
2. Any tree removal shall adhere to the City's tree removal policies. The City desires to preserve the landscape of recent history and not the historic landscape from the gold rush era, when the property was generally bare of vegetation from logging.

3. Prevent soil erosion and hillside scarring through control of grading, restrictions on removal of vegetation, and limitation of development of steep slopes. (City's General Plan 1985; pg. 33)
4. Sugarloaf Mountain shall be a space for passive recreational opportunities for current and future residents and visitors. To maintain the integrity of the peaceful open space, the City will not rent the property for special events of any size.
5. The City will encourage schools and other groups to use City open spaces for environmental and historical education.
6. The City will partner with non-profit organizations for development of recreational opportunities, ongoing fire control management of the property and educational programs.
7. No historical artifacts, art work, statues, etc. shall be placed on the property to ensure that the green spaces are protected and there is minimal impact to the property.
8. The property is closed from 30 minutes after sunset to sunrise. Therefore no lighting should be placed on the property.

### **Management Practices**

The City adopted a Hazardous Fuels Reduction Plan on October 28, 2015. (Appendix H) The plan identifies the types of fire fuels that should be removed from the property and how to remove them to reduce the risk of wildfire. The benefits of reducing hazardous fuels include:

1. Reduction of wildfire risk
2. Opening up the landscape for better views
3. Invasive, non-native plants prevent native plants from being established on the site
4. Native plants provide food and shelter for native wildlife; non-native plants may exclude plants that provide valuable food and shelter
5. Invasive, non-native plants are costly to maintain as they aggressively invade public use areas (trails, parking areas, gathering areas, etc.)

**RESOLUTION 2016-XX**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF NEVADA CITY  
TO ADOPT THE SUGARLOAF MOUNTAIN MASTER PLAN**

**WHEREAS**, the City of Nevada City acquired the 36 acre parcel known as Sugarloaf Mountain in January 2016; and

**WHEREAS**, Sugarloaf Mountain is a scenic backdrop to Nevada City and is a natural area that is home to wildlife; and

**WHEREAS**, the City desires to maintain Sugarloaf Mountain as Open Space, with limited development.

**NOW, THEREFORE, BE IT RESOLVED**, the City of Nevada City adopt the Sugarloaf Mountain Master Plan as presented in Exhibit A.

**PASSED AND ADOPTED** by the regularly scheduled meeting of the Nevada City Council held the 10<sup>th</sup> day of February 2016 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Jennifer M. Ray, Mayor

ATTEST:

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Niel Locke, City Clerk



# REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
[www.nevadacityca.gov](http://www.nevadacityca.gov)

February 10, 2016

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**TITLE: Historic District Designated Smoking Area Receptacles and Signage**

**RECOMMENDATION:** Review and approve implementation of staff compliance recommendations, no-smoking receptacles and associated signage for the City's no-smoking ordinance.

**CONTACT:** Chris Schack, Public Works Superintendent; Tim Foley, Police Chief; Shane Franssen, Police Officer

**BACKGROUND / DISCUSSION:** In 2012, Nevada City passed a no-smoking ordinance banning smoking within the Historical District. This ordinance went in place due to an ongoing issue with the people smoking various products downtown and the numerous complaints that were being received from residents, merchants, as well as visitors. The ordinance was passed, but with the knowledge that it was going to have its challenges and likely need some modifications down the road. On April 22, 2015 the City Council adopted modifications and improvements to the ordinance including several recommendations to gain voluntary compliance:

- Approved two designated smoking areas
- Approved placement of cigarette butt receptacles in strategic locations
- Requested placement of additional signage

**Designated Smoking Areas:** Public Works and the City Engineer examined the two designated smoking areas identified in the study and approved by City Council:

1. Designated Smoking Area 1 – Nevada Street Parking Lot.
2. Designated Smoking Area 2 – Commercial Street Parking Lot.

Due to Americans with Disabilities Act (ADA) considerations, the Designated Smoking Area #1 needs to be relocated to the eastern corner of the Nevada Street parking lot. In this new location the designated smoking area will be less obtrusive and provide easy compliance with ADA requirement. Designated Area #2 will be located as originally proposed (a site map is attached for each location).

Public Works and the City Engineer developed site designs for each location (attached). An estimated bid was obtained for construction for each.

1. Designated Smoking Areas 1 & 2: \$ 5,800.00

**Receptacles:** The City Council approved cigarette butt receptacles to be installed in the following locations:

- The two designated smoking areas
- The exits of the Nevada Street, Spring Street and Commercial Street parking lots
- Corner of Broad Street and Union Street adjacent to Calanan Park.

Staff examined several options for the receptacles, considering design and cost (receptacles considered and costs attached). Staff recommends large custom designed metal pipes or square tubing that can be secured to the ground by concrete and will have a sleeve that is inserted from the top down inside the pipe. The sleeve would collect the disposed cigarette butts from a small opening and would be removable for emptying the receptacles for proper disposal. The pipes would be designed so that they can withstand tampering and be fire resistant.

- 6 - Custom Cigarette Butt Receptacles: \$2,400.00

**Signage:** Additional “no-smoking” signage has been placed in various locations in town including the placement of signs that are visible both directions on the sidewalk. Larger signs have been placed at main entry points to the Historical District. Small decals have been purchased and installed on every parking meter in town. County staff has advised that Proposition 99 Tobacco Tax and Health Protection Act funding is available to provide reimbursement for signage.

- Sixty 9X12” signs (\$17.25ea): \$1,035.00
- Four 18X24” signs (\$39.25ea.): \$ 157.00
- 1,100; 1.5X1.5 decals (\$0.33ea): \$ 392.49

**TOTAL: \$1,584.49**

**Outreach and Education:** Merchants and customers were advised of the new requirement of the No Smoking Ordinance.

**ENVIRONMENTAL CONSIDERATIONS:** Establishing designated smoking areas with properly designed fire resistant receptacles and the placement of receptacles in various locations assists in cleaning the environment in the immediate area, reducing the amount of toxic waste entering the drains ultimately ending up in Deer Creek and other streams, reducing the fire dangers associated with the careless discarding of cigarettes, and reducing the expose of people, including both children and pets, to toxic smoke and the cigarette butts that are left in and around Calanan Park, on sidewalks, the boardwalk and in the parking lots.

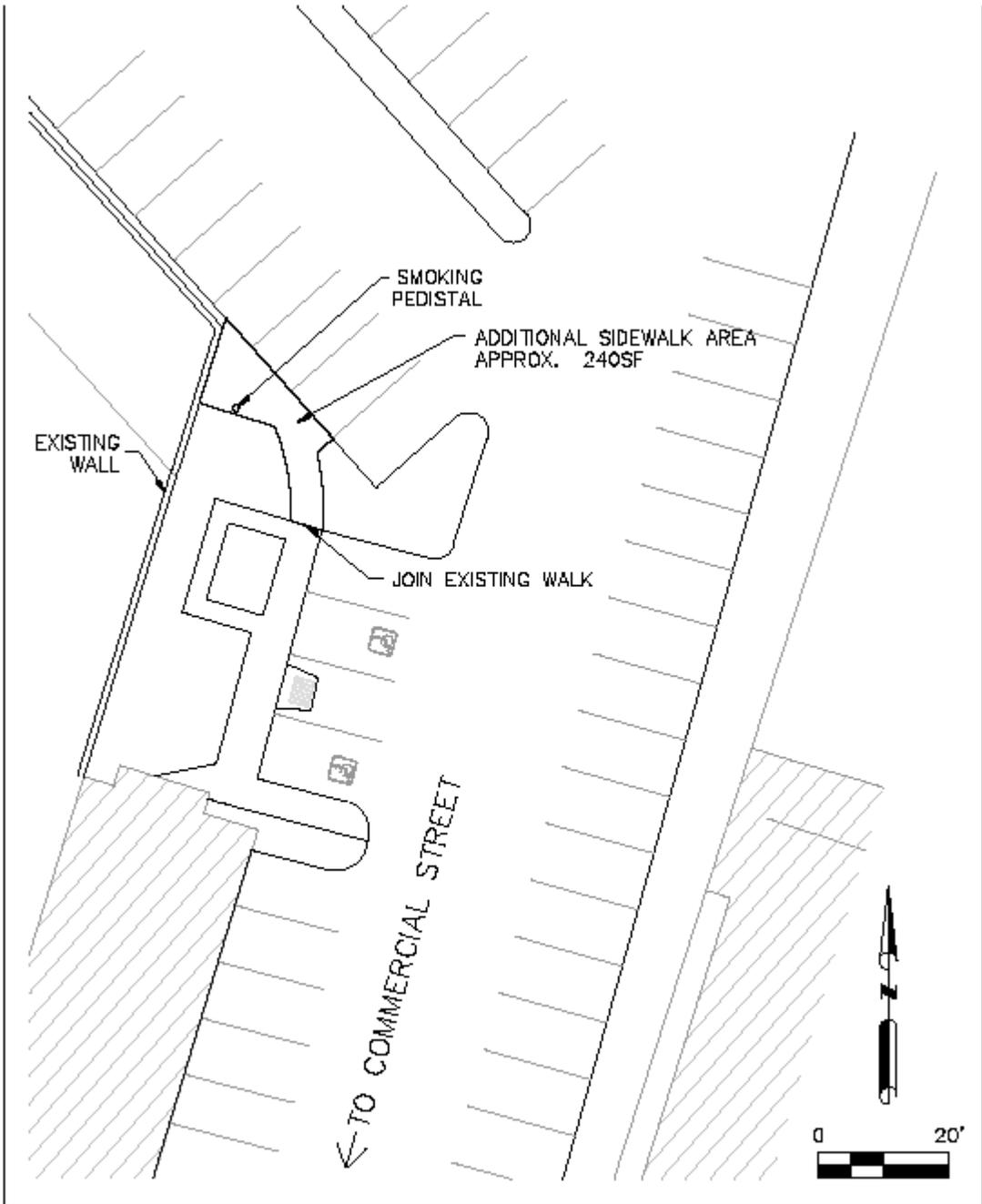
**FISCAL IMPACT:**

Designated Smoking Areas Site Work	\$5,800.00
Six custom receptacles; (\$400 each)	\$2,400.00
No Smoking signs and decals*	<u>\$1,584.49</u>
<b>TOTAL COST:</b>	<b>\$9,784.49</b>

\*Reimbursable

**ATTACHMENTS:**

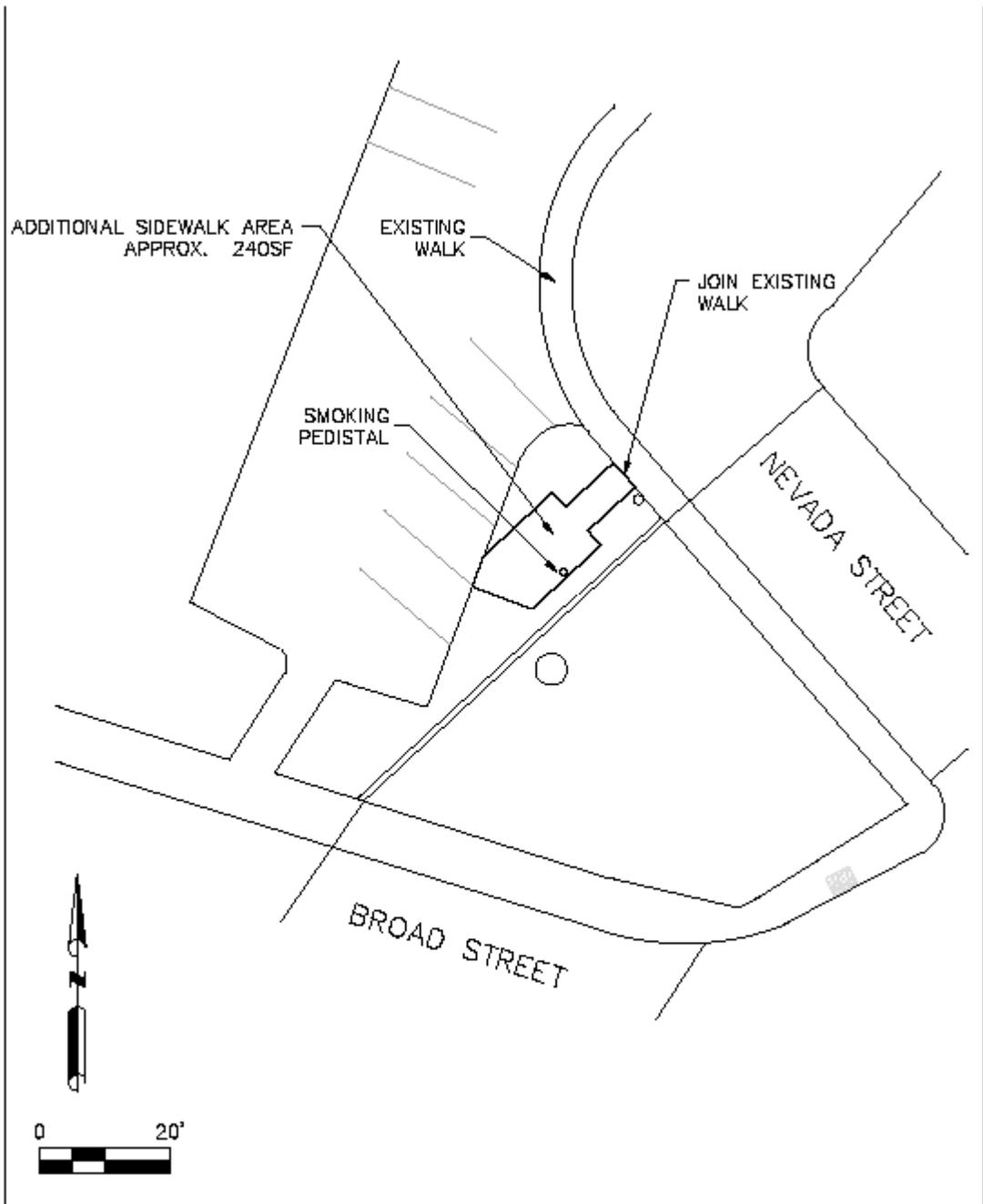
- Map/photographs of designated smoking areas
- Cost of designated smoking areas
- Map of designated receptacle locations
- Picture, Sketch and pricing of proposed receptacles
- Costs of Signage



2015	Nevada City ~ Commercial Street Designated Smoking Area	3 of 4
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**Stamp mill area in Commercial Street Lot**





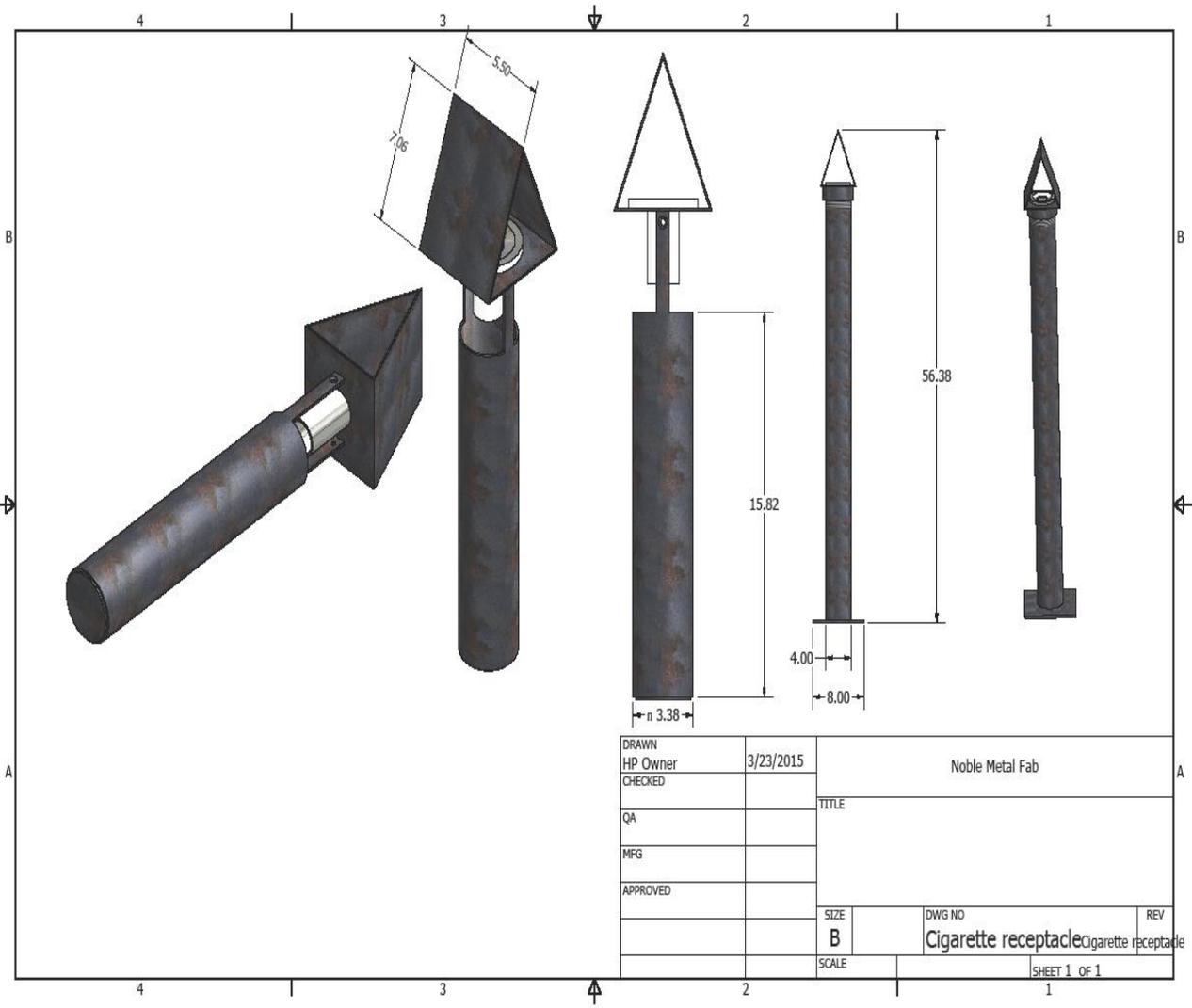
2015	Nevada City ~ Nevada/Broad St. Designated Smoking Area	4 of 4
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Nevada Street Parking Lot



**Receptacle Location: Broad Street @ Union Street near Callahan Park**





DRAWN	HP Owner	3/23/2015	Noble Metal Fab	
CHECKED			TITLE	
QA				
MFG				
APPROVED				
			SIZE	DWG NO
			B	Cigarette receptacle
			SCALE	REV
				Cigarette receptacle
				SHEET 1 OF 1

Job title:	Cigarette receptacle
Invoice#	<b>QUOTE</b>
Date:	3/23/15
Bill to:	Shane/Nevada city

**Noble Metal Fabrication**  
**Joe Rhoades**  
 11736 Slate Creek Rd.  
 Grass Valley, CA 95945  
 (530)272-3668  
[noblemetalfabrication@gmail.com](mailto:noblemetalfabrication@gmail.com)  
[www.noblemetalfab.com](http://www.noblemetalfab.com)

Description : 56.5" tall Pipe structure cigarette receptacle. Removable steel insert butt catch with hinge for easy dumping. Threaded fitting with tabs for a lock. 3/8 steel base plate with 4 holes. Cover acts as a rain guard for the ash receptacle & a mounting surface for the Stainless steel burn out sign with (Language).	Qty	Price Each	Total Amount
			\$400.00 each
<b>Total</b>			
Deposit Due			
<b>Total after deposit</b>			

# REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
[www.nevadacityca.gov](http://www.nevadacityca.gov)

February 10, 2016

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**TITLE:** Sierra Roots Inclement Weather Shelter Request

**RECOMMENDATION:** Provide direction to the City Manager.

**CONTACT:** Mark Prestwich, City Manager

**BACKGROUND:** On January 13, 2016, Vice Mayor Phelps and Council Member Bergman requested a future City Council discussion be held to discuss a suggestion by Sierra Roots President Janice O'Brien that the City consider authorizing the use of City facilities for emergency shelter during days of consecutive rain when current extreme weather shelter standard of 32 degrees is not met.

Since March 1, 2014, the City and partner organizations, have operated under a Cold Weather Shelter working agreement. The agreement authorizes the City Manager to open a Cold Weather Shelter under the following conditions:

1. Weather criteria is met:
  - o Temperature below 28 degrees
  - o Temperature below 32 degrees with 1" rain in a 24 hour period; or
  - o Temperature below 32 degrees with snow on the ground.
2. The Salvation Army facility near Grass Valley is full OR transportation to The Salvation Army facility is not possible due to weather conditions.
3. A facility is available in Nevada City.
4. Sierra Roots has demonstrated an ability and is prepared to effectively operate a shelter during extreme adverse weather conditions, including screening and training an appropriate number of volunteers.

**DISCUSSION:** Staff requested Sierra Roots prepare a letter summarizing desired comments and recommendations related to sheltering made during the January 13, 2016 City Council Meeting. The attached letter, received January 29, requests significant modifications to the City's cold weather shelter working agreement. Additional literature (attached) related to cold weather safety measures was also transmitted to the City. The Sierra Roots request is summarized below:

1. Expand the Cold Weather Shelter to include "all inclement weather" and authorize its opening:
  - a. When temperatures dip below 40 degrees, it's raining and the forecast foresees two or three days of additional rain.
  - b. Days when temperatures exceed 90 degrees, and
  - c. When the air is smoky from fires.

2. Specify Seaman's Lodge as the City's "Inclement Weather Shelter."
3. Authorize use of Seaman's Lodge or the Veteran's Hall "Inclement Weather Shelter" to take precedence over other programmed activities that are reserved in advance.

Staff has evaluated Sierra Roots' request and has several concerns related to the request.

- The existing agreement's weather criteria is based on weather criteria approved by The Salvation Army. While the City has the ability to implement its own rules related to the use of City facilities, it is helpful to utilize consistent criteria locally and honor the existing agreement between multiple service providers - which is not inconsistent with standards in other communities.
- The existing Agreement already provides discretion to the City Manager to open a cold weather facility based on forecasted weather. If temperatures drop below 40 degrees and rain has been falling for three consecutive days, there is discretion to open a facility as temperatures frequently fluctuate in weather forecasts and when wind chill is taken into account. Alternatively, it is very likely the City could work with an existing rental party during extreme weather conditions to voluntarily adjust their planned use of the facility.
- The City relies on rental revenue from these recreational facilities to offset staff expenses and required building maintenance. The facilities have hosted birthday parties, weddings, and other meetings that are sometimes planned months in advance. Staff is very concerned that these facilities will become less attractive options to possible users if they knew weather conditions could displace their planned event with little notice.
- The City has a practice of moving outdoor programming indoors on days when it is smoky. For example, summer camps have been moved indoors on smoky days to provide relief to participating students. The Sierra Roots proposal would require the City to cancel summer camp activities on smoky days that could have operated indoors.
- The proposed summer sheltering threshold of 90 degrees is a significantly lower threshold than those used by other regional agencies. For example, in Sacramento County, cooling centers open as a proactive safety precaution when day time temperature predictions exceed 110 degrees for an extended heat forecast. A similar threshold would be appropriate in Nevada City.
- The City experiences staff expenses associated with use of facilities. The few times per year the facilities have been opened for use of an emergency shelter do not cause noticeable budget impacts. However, it is likely a more permissible shelter policy will increase City expenses, particularly when facilities require cleaning on a weekend prior to pre-planned programming. The City's labor agreement governing Public Works staff requires a minimum of three hours of pay

for non-work hour call outs. Furthermore, the City should expect increases in water use, materials and heating/cooling expenses.

- The City is unclear whether the County's Environmental Health Department would require modifications to the building(s), whether additional permitting would be required, or whether it is permissible to utilize these facilities on a more frequent basis for sheltering activities.

As an alternative, if there is a desire to provide more flexibility for emergency sheltering activities, it is recommended the City Council emphasize the City Manager is permitted to exercise his discretion when extreme weather conditions are present.

**ENVIRONMENTAL CONSIDERATIONS:** Not applicable.

**FINANCIAL CONSIDERATIONS:** The City incurs labor expenses cleaning Veterans Hall and Seaman's Lodge after use of each facility. The City also relies on rental income from each facility to offset operational expenses.

**ATTACHMENTS:**

- ✓ Letter from Sierra Roots President Janice O'Brien
- ✓ Cold Weather Shelter Agreement
- ✓ Cold Weather Literature

January 29, 2016

City Manager, Mark Prestwich  
City of Nevada City  
Broad Street  
Nevada City, CA 95959

Dear Mark,

We of Sierra Roots would want to propose a change in the agreement with the city regarding the Cold Weather Shelter we would open to provide shelter for our unhoused citizens of Nevada City.

Up to now, we have had several restrictions to opening a shelter:

**First** only if the weather meets the criteria that Salvation Army uses which is 32° and raining or snowing or 28° and dry.

**Second** we can open only if Salvation Army has met their capacity and we would need to take the overflow. That has not been workable for us, because we need at least four to six hours to set up our shelter with food, pads, sleeping bags and volunteers. We can't wait to find out if Salvation Army is full.

**Third**, we need an available venue such as the Veteran's Hall or Seaman Lodge in order to open a shelter in Nevada City. The use of either of these venues now takes precedent over a shelter for these dangerously vulnerable people.

We would like to propose the following changes in our agreement with the City concerning the health and welfare of these chronically homeless and vulnerable people in our community.

First, we would like to call it an Inclement Weather Shelter instead of only a Cold Weather Shelter. We would like to open a shelter for these people when it is 40° and raining heavily or when it has been forecast to be raining heavily for two or three days without let up. The propensity of trench foot, frostbite, bronchitis, and serious flu symptoms are significant for this population then. It then becomes a community health hazard also.

Second, we are aware that the summer months are predicted to be hotter than ever again this year. We would like to open a shelter for these vulnerable people when the temperatures exceed 90° or when the air is extremely smokey from fires and people are advised to stay indoors. Those who have no indoors to recede to, need a cool and smoke-free place to go to in order to stay healthy. Especially those with breathing difficulties already.

Third, we would like a specific venue designated as the “Inclement Weather Shelter in town. And then with the weather forecasts available, we would like opening the shelter to take precedent over other activities at that time. We prefer one designated venue only, so that volunteers are familiar with the rules for set up and clean up of the place. We would prefer Seaman Lodge over Veteran's Hall because of the “not in my backyard” syndrome at Veteran's Hall.

As advocates for this marginalized population, we sincerely request the City Council to help us in these ways. We want to cooperate in anyway we can to succeed in taking care of our people who have no shelter in these ways. We would be glad to meet with members of the Council to discuss this further. Thank you.

Sincerely,

Janice O'Brien  
President of Sierra Roots

## **Working Agreement Cold Weather Shelter**

### **Suggested areas of responsibility for City of Nevada City, Salvation Army, Sierra Roots, Nevada County Health and Human Services Agency, Nevada County Food Bank, and Hospitality House**

#### **Salvation Army and Sierra Roots**

- Salvation Army and Sierra Roots will partner to lead the organization of the Cold Weather Shelter.
- Salvation Army will authorize the opening of the Cold Weather Shelter and inform partner agencies by 12:00 p.m. the day of the possible opening of the center. No agency will give out this information to the public until the final decision is made at 4:00 p.m. The following criteria will be followed: 1) Temperature below 28 degrees; 2) Temperature below 32 degrees with 1" rain in 24-hour period; and 3) Temperature below 32 degrees with snow on the ground. Other variables may be considered. Subsequent to consultation with the Salvation Army, the City Manager of Nevada City will have decision authority to open a Cold Weather Shelter in Nevada City due to circumstances that prevent the Salvation Army from providing that service. The City Manager, where possible, will make a decision whether and where to open a Cold Weather Shelter expeditiously as time allows on the proposed day of operation.
- Salvation Army will serve as the operator and fiscal agent of the Cold Weather Shelter at The Salvation Army in Grass Valley.
- Salvation Army has the authority to set policies pertaining to the operation of the Cold Weather Shelter at The Salvation Army in Grass Valley.
- Salvation Army and Sierra Roots will recruit, screen, and train volunteers.
- Salvation Army and Sierra Roots will be responsible for providing sufficient levels of supervision of volunteers during the hours of the operation of the Cold Weather Shelter.
- Salvation Army will provide insurance to cover all volunteer activities during the hours of operation of the Cold Weather Shelter at The Salvation Army facility on Alta Street near Grass Valley.
- Salvation Army and Sierra Roots will be responsible for coordinating unprepared food through the Nevada County Food Bank.
- Salvation Army and Sierra Roots are responsible for coordinating shelter supplies including sleeping bags, mats, sanitation supplies, first aid, etc.
- Salvation Army and Sierra Roots will be responsible for maintaining the emergency contact list of the partnering agencies.
- Salvation Army will be responsible for maintaining the volunteer database that is utilized by The Salvation Army.
- Salvation Army and Sierra Roots will coordinate transportation with partner agencies as appropriate.
- When transportation from Nevada City is necessary, pick-up times will be approximately between 5:30-6:00 p.m. and will occur at the following locations: Chevron Station on Sacramento Street, Public Parking/Rock Crusher and Bonanza Market.
- Pick-up locations in Grass Valley will occur at the following locations: Flyers Station on Sutton Way, the stairs by McDonalds, Tinloy bus stop and the Grass Valley Safeway bus stop.

#### **City of Nevada City**

- Depending upon availability and the ability to effectively operate a Warming Center during extreme adverse weather conditions, the Nevada City Manager will determine a location for such Warming Center to open in the event transportation to the Salvation Army site is not possible due to weather conditions. The City Manager in coordination with Salvation Army will determine if a second center is needed.
- In the case of an extreme emergency, the Nevada City Manager will have decision authority to provide backup transportation for the pick-up and delivery of individuals to The Salvation Army Cold Weather Shelter on Alta Street, Grass Valley. The pick-up times will be approximately between 4:30-5:00 p.m. and will occur at the following locations: Chevron Station on Sacramento Street and National Hotel bus stop.

**Nevada County Health and Human Services Agency**

- The Public Health Department will be available to provide technical assistance to The Salvation Army staff in assessing community health concerns.
- Both the Public Health and Behavioral Health Departments will be available to advise The Salvation Army staff with regard to revising their existing screening tool and protocols for use in the shelter, to help mitigate health concerns.
- The Health and Human Services Agency will assist with the recruitment of volunteers.
- The Department of Social Services will coordinate the distribution of extreme weather projections through the Office of Emergency Services to be shared with City of Nevada City and The Salvation Army.

**Nevada County Food Bank**

- Responsible for providing unprepared food, beverages, and supplies to accommodate up to 35 guests for dinner and breakfast for each night of operation.

**Hospitality House**

- Will coordinate services for guests of the Cold Weather Shelter when appropriate.
- Will provide referrals to the Cold Weather Shelter when guests do not meet intake requirements of Hospitality House.

This Agreement is extended through May 1, 2017 unless revised by mutual agreement.

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Mark Prestwich, City Manager  
City of Nevada City

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Michael Heggarty, Director  
Nevada County Health & Human Services Agency

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Toni Thompson, Executive Director  
Nevada County Food Bank

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Janice O'Brien  
Sierra Roots

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Cindy Maple, Executive Director  
Hospitality House

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Sid Salcido  
Salvation Army

# Cold-Related Injuries

How cold does it need to be before winter shelters open?



Cold weather poses a threat to those experiencing homelessness even when temperatures seem mild. Hypothermia can set in when temperatures drop below 50 degrees Fahrenheit, but many shelters don't open until it's much colder. Thanks to the [National Coalition for the Homeless](#) for the informative graphic.

[Winter Homeless Services: Bringing Our Neighbors in from the Cold](#) (2010) | Seven hundred people experiencing or at risk of homelessness are killed from hypothermia annually in the United States. Forty-four percent of the nation's homeless are unsheltered. From the urban streets of our populated cities to the remote back-country of rural America, hypothermia - or subnormal temperature in the body - remains a leading, critical and preventable cause of injury and death among those experiencing homelessness. The National Coalition for the Homeless has published [Winter Homeless Services: Bringing Our Neighbors in from the Cold](#) to raise awareness of the dangers and consequences of hypothermia on people experiencing homelessness.

[Quick Tips for Shelter & Outreach Providers](#) (2010) | Quick Tips for shelter providers/outreach staff for keeping people warm in cold weather and recognizing and dealing with hypothermia and frostbite. Health Care for the Homeless Network, Public Health - Seattle & King County

[Exposure-Related Conditions: Symptoms & Prevention Strategies](#) (2007) | Exposure-related conditions are a constant reality faced by homeless individuals who spend most days and many nights outside. Without shelter against the elements, they are

dependent on mild temperatures and dry weather for a tolerable existence. And while some people who live on the streets may have tents or cardboard structures to provide a modicum of protection and privacy, they are still susceptible to hypo- or hyperthermia as well as associated maladies including frostbite, sunburn, and heat exhaustion. Those who are very young, old, malnourished or exhausted are at increased risk of serious health problems from exposure to temperature extremes. This issue discusses signs and symptoms of cold- and heat-related pathologies and how to prevent them.

[A Case of Trench Foot in a Homeless Woman](#) (2007) | This article describes a cold-related tissue injury that may be overlooked by healthcare practitioners who treat homeless clients: trench foot. Trench foot is a preventable condition which can be mitigated by early intervention but which, because it occurs at above-freezing temperatures, might go unrecognized and untreated. The sequelae of unrecognized and untreated trench foot can be dire.

[Accidental Hypothermia & Frostbite: Cold-Related Conditions](#) (2004) | This book chapter comes from *The Health Care of Homeless Persons: A Manual of Communicable Diseases & Common Problems in Shelters & on the Streets* edited by James O'Connell, MD, and published by the Boston Health Care for the Homeless Program. It includes a review of how best to recognize, evaluate, and treat the common but preventable cold-related injuries of hypothermia and frostbite.

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## Mark Prestwich

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**From:** Janice O'Brien <jimjan1566@gmail.com>  
**Sent:** Friday, January 29, 2016 11:01 AM  
**To:** Mark Prestwich  
**Subject:** Fwd: A Report From National Coalition for the Homeless

this is scientific information for you. Will send others too.

Janice

----- Forwarded message -----

**From:** Dee Anne Dinelli <[deeannedinelli@gmail.com](mailto:deeannedinelli@gmail.com)>  
**Date:** Fri, Jan 29, 2016 at 8:04 AM  
**Subject:** A Report From National Coalition for the Homeless  
**To:** Keith Cantrell <[c.keith.cantrell@gmail.com](mailto:c.keith.cantrell@gmail.com)>, Pinky Zalkin <[lapinkster@gmail.com](mailto:lapinkster@gmail.com)>, Janice O'Brien <[jimjan1566@gmail.com](mailto:jimjan1566@gmail.com)>, Susan Molloy <[s.molloy34@gmail.com](mailto:s.molloy34@gmail.com)>

Hypothermia does not occur only when the ambient temperature becomes very cold. Other aspects of the weather, such as wind and precipitation, lower the perceived temperature and cause the body to lose heat more quickly. Wet clothing causes a 20-fold increase in heat loss, and submersion in cold water causes heat to be lost 32 times faster (O'Connell 2004). Adequate clothing, including hats and mittens, helps prevent hypothermia by creating a static layer of warm air, keeping the skin dry, and creating a barrier against the wind (CDC 2006). Hats are especially crucial: up to 50% of a person's body heat can be lost through an uncovered head (O'Connell 2004). Inadequate or wet clothing is also a risk factor for frostbite. Additional risk factors for hypothermia include malnutrition, decreased body fat, underlying infection, lack of fitness, fatigue, inadequate shelter and heat, and other pre-existing medical conditions (Biem et al. 2003; O'Connell 2004). Infants and elderly people are particularly vulnerable. Other risk factors for frostbite include diabetes, smoking, and the presence of an infected wound (O'Connell 2004).

Many of these risk factors are common among the homeless population. Due to the circumstances of life on the streets, many homeless people do not have hats, gloves, or other clothing necessary for cold weather, and do not have extra outfits to change into when their clothing becomes wet. Many homeless people are not able to eat full or healthy meals and, as a result, suffer from malnutrition. People experiencing homelessness are three to six times more likely to become ill than housed people (National Health Care for the Homeless Council 2008).

The risk of developing hypothermia is raised substantially by the use of alcohol, nicotine, drugs, and some medications (CDC 2006; O'Connell 2004). Alcohol and other drugs that alter mood and cognition are associated with increased mortality from hypothermia (CDC 2006). This is partially due to the fact that these substances impair judgment, and may decrease the likelihood of the user to seek medical care. In addition, alcohol causes blood vessels at the surface of the skin to dilate, accelerating the loss of body heat (D.C. Department of Human Services 2008). Substance abuse is extremely common among the homeless population. Although recent, accurate estimates are difficult to obtain, the Substance Abuse and Mental Health Services Administration (SAMHSA) estimated that in 2003, 38% of homeless people were dependent on alcohol and 26% abused other drugs. In addition, nearly 80% of homeless people smoke tobacco (Lee et al. 2005).

Homelessness itself is associated with higher levels of hypothermia-related death. Relatively few people die directly from hypothermia. However, a significant number of people die from hypothermia- and/or exposure-related complications. Perhaps the most important factor, however, is that people who are homeless often have nowhere to go when the temperature drops. Even those who seek shelter – and are allowed to enter – are frequently turned back onto the streets during the day. Cities must provide adequate services to protect every homeless person from hypothermia and frostbite during all hours of the day, regardless of their intoxication status or past behavior.

## Mark Prestwich

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**From:** Janice O'Brien <jimjan1566@gmail.com>  
**Sent:** Friday, January 29, 2016 11:02 AM  
**To:** Mark Prestwich  
**Subject:** Fwd: Some statistics on homeless death

----- Forwarded message -----

From: **Keith Cantrell** <[c.keith.cantrell@gmail.com](mailto:c.keith.cantrell@gmail.com)>  
Date: Fri, Jan 29, 2016 at 8:00 AM  
Subject: Re: Some statistics on homeless death  
To: Dee Anne Dinelli <[deeannedinelli@gmail.com](mailto:deeannedinelli@gmail.com)>  
Cc: Pinky Zalkin <[lapinkster@gmail.com](mailto:lapinkster@gmail.com)>, Danita <[rhandd@sbcglobal.net](mailto:rhandd@sbcglobal.net)>, Susan Molloy <[s.molloy34@gmail.com](mailto:s.molloy34@gmail.com)>, Janice O'Brien <[jimjan1566@gmail.com](mailto:jimjan1566@gmail.com)>

Save this for (our) scientific data, please.

On Jan 28, 2016 9:11 PM, "Dee Anne Dinelli" <[deeannedinelli@gmail.com](mailto:deeannedinelli@gmail.com)> wrote:

<http://thinkprogress.org/economy/2014/11/20/3595130/winter-homeless-deaths/>

There are currently 578,424 homeless people living in the United States, a third of whom have no shelter at all. As temperature start to fall across the country, they are an extremely vulnerable population, even in areas of the country that don't regularly see freezing temperatures like Oklahoma and California. More could soon suffer Cummings's fate.

For example, seven homeless people died last year in California during a brutal three-week stretch as temperatures in the normally temperate Bay Area dropped to near freezing. Despite the spate of deaths, Santa Clara County officials closed the only local cold-weather shelter earlier this year and have struggled to find an adequate replacement.

Even the nation's capital was not spared. Last year, two homeless people in Washington D.C., which has one of the highest rates of homelessness in the country, froze to death just miles from the White House. Many cities have emergency procedures in place when temperatures drop in order to make more shelter available for people who are on the streets. But those procedures are often too restrictive to prevent otherwise-preventable deaths. For example, even though hypothermia can set in when temperatures are as high as 50 degrees Fahrenheit, many cities don't open the doors to their winter shelters until temperatures hit freezing or below. In Des Moines, as the National Coalition for the Homeless pointed out, temperatures have to drop all the way to 20 degrees, and in Baltimore it needs to hit 13 degrees with wind chill before winter shelter procedures are put in effect.

Last year, some startling information was released — information and statistics that shed light on how lower temperatures make a dire situation immensely worse for America's poor. In Jan. 2010, the

National Coalition for the Homeless released a report on the dangers homeless people face and the services communities provide when the temperature drops.

The report, entitled [Winter Homeless Services: Bringing Our Neighbors In From The Cold](http://www.huffingtonpost.com/heres-life-inner-city/surviving-homelessness-in-b-805880.html), provides policy recommendations for communities and shelter providers. It also gives some insight into the additional problems cold weather creates for those without adequate personal shelter.

[http://www.huffingtonpost.com/heres-life-inner-city/surviving-homelessness-in b 805880.html](http://www.huffingtonpost.com/heres-life-inner-city/surviving-homelessness-in-b-805880.html)

### **Focus On: Hypothermia**

Here are some startling pieces of information [from the report](#):

- "700 people experiencing or at risk of homelessness are killed from hypothermia annually in the United States."
- "People experiencing homelessness have a much higher risk than the general population of developing exposure-related conditions such as hypothermia and frostbite." In addition to the immediate danger of life-threatening conditions like hypothermia, cold exposure can cause illness and injury that "may also increase the risk of dying from unrelated conditions in the future."
- "Many of the chronic problems faced by homeless people, including inadequate clothing, malnutrition, and underlying infection, further increase the risk of developing and dying from hypothermia."
- "...Many homeless people struggle with alcohol and drug addictions. The use of these substances substantially increases their susceptibility to hypothermia." To make matters worse, "people suffering from hypothermia often have impaired judgment and cannot perceive their own need for shelter or medical care."

### **Focus On: Shelter Access**

Many shelters, 54 percent of those surveyed are only open at night — even during the winter. This leaves people without shelter during the day, often regardless of the temperature. Many do not open for the night until after dark and some require residents to leave by as early as 6:00 am.

Another major concern is that many shelters restrict access to only those who meet certain criteria, despite the universal dangers that cold weather pose to human safety. Though many providers relax

restrictions in response to extreme cold, a significant number do not admit people who are inebriated.

There are other restrictions as to who can stay in some shelters. [According to the report](#), "...many shelters do not admit people who have been previously banned for behavior problems, who have already stayed in the shelter for a specific number of days, or who are convicted sex offenders."

When shelters offer additional services due to the cold, they are often based on arbitrary temperature cut-offs. This means they relax their standards only when the temperature is low enough, most commonly from 20-30 F. This, despite the fact that hypothermia is a more critical threat when the ambient temperature is notably higher.