



**AGENDA**  
**NEWMAN CITY COUNCIL/REDEVELOPMENT AGENCY**  
**REGULAR MEETING JANUARY 12, 2010**  
**CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET**

1. Call To Order.
2. Pledge Of Allegiance.
3. Invocation.
4. Roll Call.
5. Declaration Of Conflicts Of Interest.
6. Ceremonial Matters
  - a. Presentation Of The West Side Healthcare Taskforce Calendar (Supervisor DeMartini).
7. Items from the Public - Non-Agenda Items.
8. Consent Calendar
  - a. Waive All Readings Of Ordinances And Resolutions Except By Title.
  - b. Approval Of Warrants.
  - c. Approval Of Minutes Of The December 8, 2009 Regular Meeting.
  - d. Adopt Resolution No. 2010- , Rejecting The Claim Of Nancy L. Gonsalves.
9. Public Hearings
10. Regular Business
  - a. Adopt Resolution No. 2010- , A Resolution Receiving And Accepting The General Purpose Financial Statements And The Newman Redevelopment Agency Audit For The Fiscal Year Ending June 30, 2009.
  - b. Presentation By The Newman Youth Sports Alliance - Sports Complex At Mariposa Park.
  - c. First Reading And Introduction Of Ordinance No. 2010- , Amending Title 9 Police Regulations Adding Chapter 9.16 Police Towing Services.
  - d. Authorize City Manager To Execute A Contract With George Osner, AICP For Planning Services
  - e. Appointment Of New Commissioner To Fill Vacancy On The Planning Commission.

11. Items From District Five Stanislaus County Supervisor.

12. Items From The City Manager And Staff.

13. Items From City Council Members.

14. Adjourn To Closed Session

- a. Public Employment - Police Chief - G.C. 54957.
- b. Public Employment - Finance Director - G.C. 54957.
- c. Return To Open Session.

15. Adjournment.

### Calendar of Events

January 11 - Baseball Board Meeting - 6:00 P.M.  
January 12 - City Council - 7:00 P.M.  
January 14 - Recreation Commission - 7:00 P.M.  
January 21 - Planning Commission - 7:00 P.M.  
January 18 - Martin Luther King Jr. Day - City Offices Closed  
January 18 - Two-On-Two Meeting With The School Board - Canceled  
January 26 - Stanislaus County Health Services Agency H1N1 Vaccination Clinic - FDES Hall  
January 26 - City Council - 7:00 P.M.

February 8 - Baseball Board Meeting - 6:00 P.M.  
February 9 - City Council - 7:00 P.M.  
February 11 - Recreation Commission - 7:00 P.M.  
February 12 - City Furlough Day - City Offices Closed  
February 15 - Presidents' Day - City Offices Closed  
February 15 - Two-On-Two Meeting With The School Board - Canceled  
February 18 - Planning Commission - 7:00 P.M.  
February 23 - City Council - 7:00 P.M.

Date.: Jan 8, 2010  
Time.: 4:44 pm  
Run by: EMILY M. FARIA

CITY OF NEWMAN  
CASH DISBURSEMENTS REPORT

Page.: 1  
List.: NEW1  
Group: PYCPDP

Ck #	Check Date	CK Amount	Vendor Name	Description
036901	01/04/10	57.00	STAN CNTY CLERK RECORDER	SR25 CEQA NOE FILING FEE
036902	01/04/10	57.00	STAN CNTY CLERK RECORDER	ECEBG CEQA NOE POSTING
036903	01/07/10	4457.81	SHELL FLEET PLUS	GASOLINE & DIESEL PURCHASES/NOV 2009
036904	01/08/10	13957.56	AECOM USA, INC	U.G. UTILITY DISTRICT 5A & 5B COMPOSITE DRAWING
036905	01/08/10	119.13	ROBERT ALCANTAR	DUI CHECK POINT LABOR/ROBERT ALCANTAR
036906	01/08/10	5661.00	AMERINE SYSTEMS, INC	PO #10-28
036907	01/08/10	15.75	AT&T LONG DISTANCE	LONG DISTANCE FOR 862-4636/PD 11/9 TO 12/07/09
036908	01/08/10	17.69	AT&T	LOCAL LONG DISTANCE 11/13/09 TO 12/12/09
036908	01/08/10	480.51	AT&T	MONTHLY TELEPHONE SERVICE 11/13/09 TO 12/12/09
036908	01/08/10	294.97	AT&T	T1 LINE AT PD/11/20/09 TO 12/19/09
036908	01/08/10	146.87	AT&T	EMERGENCY DISPATCH LINE @ PD/11/20/09-12/19/09
036909	01/08/10	508.54	BASIC CHEMICAL SOL./INC.	190 GALLONS SODIUM HYPOCHLORITE/WELLS
036910	01/08/10	360.49	JAMES J. BELL	CONTRACT SERVICE/INTERIM EVID CLRK THRU 12/31/09
036911	01/08/10	619.95	BORGES & MAHONEY CO.	2 CHLORINATOR MAINTENANCE KITS/WELL SITES
036912	01/08/10	436.49	W.H. BRESHEARS, INC.	171 GALLONS RED DIESEL/GENERATOR @ WELL SITES
036913	01/08/10	2316.24	BRUCE BUDMAN	INTERIM FIN DIR/LODGING/1/04/10 TO 01/07/10
036914	01/08/10	568.97	BUSINESS CARD	DUES/MEALS/I.D. CARD SUPPLIES/SHIPPING/WATER FILTE
036915	01/08/10	140.00	CRA	FEE FOR LEGAL DEFENSE FUND/CALIF RDA
036916	01/08/10	55.00	CALIF DEPT OF PUBLIC HEALTH	DISTRIBUTION CERT RENEWAL/McWATERS
036916	01/08/10	55.00	CALIF DEPT OF PUBLIC HEALTH	DRINK WATER TRMNT OP CERT RENEWAL/McWATERS
036917	01/08/10	100.00	JEFF CARTER	PARKING LOT RENT/JAN 2010
036918	01/08/10	230.75	CBA (ADMIN FEES)	DENTAL-VISION ADMIN FEES/JAN 2010
036919	01/08/10	434.72	CENTRAL SANITARY SUPPLY	DEOD BLOCKS/PAPER TOWELS/HANDSOAP
036920	01/08/10	8268.00	CLENDENIN BIRD & CO LLP	FINAL PROGRESS BILL/6/30/09 AUDIT

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CASH DISBURSEMENTS REPORT

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Ck #	Check Date	CK Amount	Vendor Name	Description
036922	01/08/10	20.63	ELAINE COLLISON (NT)	CHRISTMAS CARDS/PHOTO FRAMES/PD
036923	01/08/10	560.00	COMPUTER TUTOR	COMPUTER CLASSES 11/1/09 TO 11/30/09
036924	01/08/10	94.90	COMCAST CABLE	HIGH SPEED INTERNET SERVICE/12/22 TO 1/21/10
036925	01/08/10	2025.00	CONTRACT SWEEPING SERVICES, IN	STREET SWEEPING SERVICES/DEC 2009
036926	01/08/10	33308.00	CSJVRMA	LIABILITY INSURANCE/WORKERS COMP/THIRD QTR 2009
036927	01/08/10	300.00	DAVE PIRES	CAMERA DRAIN LINE @ HILL PK
036928	01/08/10	43.34	CHAD EARLE (NT)	REIMBURSE DOG FOOD/EARLE
036929	01/08/10	27.11	ECONOMIC TIRE SHOP	TIRE REPAIR/NEW TUBE
036929	01/08/10	21.67	ECONOMIC TIRE SHOP	TIRE REPAIRED
036929	01/08/10	39.01	ECONOMIC TIRE SHOP	2 TIRES REPAIRED/1 TIRE BALANCED
036930	01/08/10	2552.50	ECO:LOGIC, INC	WASTEWATER ON-CALL/PROGRESS #3/11/1 TO 11/30/09
036931	01/08/10	322.49	ENERGY SYSTEMS	HOSE CLAMP/HOSE HEAT 5/8 SILICONE BLUE/WELL #8
036932	01/08/10	150.00	FAGUNDES & SON, INC	REFUND OF PARTIAL HYDRANT PERMIT DEPOSIT/FAGUNDES
036933	01/08/10	34.95	FIREtoWIRE, INC	WEB HOSTING 1/17/10 TO 2/17/10
036934	01/08/10	182.49	GEMPLERS ACCT #5224757	2 JACKETS/WWTP
036935	01/08/10	1163.00	GEOANALYTICAL LAB, INC.	WEEKLY BACTIS/BOD/TSS/QRTLY WELL TESTING/ANNUAL
036936	01/08/10	164.75	GRANDFLOW	50/W-2'S AND 50/1099 REPORT FORMS
036937	01/08/10	37741.69	GROVER LANDSCAPE, INC.	PROGRESS BILL/HILL PARK
036938	01/08/10	14.83	GROENIGER & CO.	GALVANIZED STEEL NIPPLES
036939	01/08/10	98.80	HARD DRIVE GRAPHICS	FINAL PAYMENT ON YOUTH BASKETBALL COACH SHIRTS
036940	01/08/10	289.16	HUB INTERNATIONAL OF CA INS SE	NOV/DEC 2009 LIABILITY INSURANCE/CERNA/GONZALEZ
036941	01/08/10	321.87	IKON OFFICE SOLUTIONS	COPIER LEASE/CH/12/10/09 TO 01/09/10
036942	01/08/10	1105.43	IN-SYNCH SYSTEMS	RECORDS MANAGEMENT SYSTEM/MOBILE/JAN 2010
036942	01/08/10	1105.43	IN-SYNCH SYSTEMS	MOBILE RECORDS MANAGEMENT SYSTEM/FEB 2010
036943	01/08/10	50.00	INTERNATIONAL ASSOC PROP	2010 MEMBERSHIP DUES/PROPERTY EVIDENCE/BELL

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CASH DISBURSEMENTS REPORT

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036944	01/08/10	1307.00	KAISER PERMANENTE	HEALTH INSURANCE PREMIUM/FEB 2009
036945	01/08/10	5507.00	LEAGUE OF CALIF. CITIES	MEMBERSHIP DUES/LCC FOR 2010
036946	01/08/10	307.32	MALLARD EXPRESS AUTO	OIL & FILTER CHANGE/FAN BELT/COIL PACK/UNIT 504
036946	01/08/10	541.65	MALLARD EXPRESS AUTO	REPLACED FRONT BRAKE PADS/ROTORS/HEADLIGHT
036946	01/08/10	35.57	MALLARD EXPRESS AUTO	OIL AND FILTER CHANGE/CHIEF'S CAR
036947	01/08/10	105.05	FRANK B. MARKS & SON, INC	8 TONS ROAD BASE
036948	01/08/10	26210.11	McELVANY, INC	RETENTION ON FRESNO ST/SIDEWALK/STORM PROJECT
036949	01/08/10	354.13	CRYSTAL GARCIA	BATTERY/SPARK PLUG/AIR FILTER/FUEL FILTER
036950	01/08/10	150.00	CITY OF NEWMAN ACCTS RECEIVABL	REFUND HYDRANT PERMIT DEPOSIT/FAGUNDES/INV# 642
036951	01/08/10	569.21	NEWMAN ACE HARDWARE/JACT, INC	LIGHTS/CORD/GLOVES/TRASH BAGS/MISC FASTNERS/RAKE
036952	01/08/10	50.00	NEWMAN CHAMBER OF COMMERCE	CHAMBER OF COMMERCE ANNUAL MEMBERSHIP DUES
036953	01/08/10	2681.00	OPERATING ENGINEERS/	HEALTH INSURANCE PREMIUM/FEB 2010
036954	01/08/10	29.99	PATTERSON AUTO CARE, INC	SMOG TESTING/2002 CHEVY TAHOE/PD
036955	01/08/10	152.90	P G & E	NATURAL GAS PURCHASES 11/4/09 TO 12/07/09
036956	01/08/10	4.53	RALEY'S IN STORE CHARGE	BOTTLED WATER
036957	01/08/10	200.00	ISABLE SANTANA	REFUND MEM BLDG DEPOSIT/ISABEL SANTANA
036958	01/08/10	1056.00	SELF HELP ENTERPRISES	LOAN SERVICING/NOV 2009
036959	01/08/10	149.12	SIERRA DISPLAY, INC.	186 C-9 LAMPS/MOUNTING CLIPS/WIRE/DOWNTOWN LIGHT
036960	01/08/10	2419.28	SPORTS SUPPLY GROUP	YOUTH BASKETBALL UNIFORMS
036960	01/08/10	241.80	SPORTS SUPPLY GROUP	YOUTH BASKETBALL UNIFORMS
036961	01/08/10	12.00	STAN CNTY CLERK RECORDER	REL LIEN/765 ORES PK/2206 GRAND CAN/2139GREAT FALL
036962	01/08/10	21732.30	STANISLAUS COUNTY OFFICE	RDA PASS THRU FOR 2009/2010
036963	01/08/10	123.66	STAPLES BUSINESS ADVANTAGE	DESK CALENDAR/FOLDERS/LABELS/LIFT OFF TAPE
036963	01/08/10	48.50	STAPLES BUSINESS ADVANTAGE	ENVELOPES/ENVELOPE MOISTNERS/BINDERS
036963	01/08/10	85.61	STAPLES BUSINESS ADVANTAGE	HP INK CARTRIDGE/3 PAK

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Ck #	Check Date	CK Amount	Vendor Name	Description
036964	01/08/10	850.00	STEVE'S QUALITY CLEANING	FLOOR MAINTENANCE/TEEN CENTER
036965	01/08/10	14586.00	SWRCB FEES/ACCT OFFICE	ANNUAL PERMIT FEES/WDR/WWTP FISCAL 09/2010
036965	01/08/10	1226.00	SWRCB FEES/ACCT OFFICE	ANNUAL PERMIT FEES/RM# 300879/FISCAL 09-2010
036966	01/08/10	173.35	T.H.E. OFFICE CITY	5 CASES COPY PAPER
036967	01/08/10	32387.70	TOM MAYO CONSTRUCTION	FINAL PAYMENT FOR 2009 STREET REPAIRS/RETENTION
036968	01/08/10	150.00	BARBARA J. TOSTA	YOUNG AT HEAR INSTRUCTOR/DEC 2009
036969	01/08/10	70528.48	USBANK CORPORATE TRUST SE	1997 TAX ALLOCATION PROJ HOUSE BONDS INTEREST DUE
036970	01/08/10	14350.00	USDA RURAL DEVELOPMENT	INTEREST DUE ON 1982 WATER REVENUE BOND
036971	01/08/10	50.00	GEORGE VARGAS	MONTHLY GAS ALLOWANCE/FIRE DEPT/VARGAS
036972	01/08/10	298.05	VULCAN MATERIALS COMPANY	CEMENT FOR SIDEWALK REPAIRS
036973	01/08/10	110.00	WESTSIDE ANIMAL CLINIC	NATE NEUTER/ROCKY
036974	01/08/10	50.93	YANCEY LUMBER COMPANY	NUTRO LAMB RICE DOG FOOD
036975	01/08/10	27880.31	YOSEMITE COMM COLLEGE DIS	RDA TAX INCREMENT PASS THRU FISCAL 09/10
036976	01/08/10	61.14	CARLSEN, DIANE KAY	MQ CUSTOMER REFUND FOR CAR0078
036977	01/08/10	7.34	CURIEL, SARA	MQ CUSTOMER REFUND FOR CUR0004
036978	01/08/10	105.34	DELGADO, MARY LOU	MQ CUSTOMER REFUND FOR DEL0086
036979	01/08/10	32.97	GOMEZ, CONCEPCION	MQ CUSTOMER REFUND FOR GOM0036
036980	01/08/10	14.17	GONZALEZ, RAFAEL R.	MQ CUSTOMER REFUND FOR GON0135
036981	01/08/10	112.72	QUINTERO, JUAN CARLOS	MQ CUSTOMER REFUND FOR QUI0023
036982	01/08/10	21.94	TRISTAN, EVELYN	MQ CUSTOMER REFUND FOR TRI0008

Sub-Total: 348216.66

Grn-Total: 348216.66

Count: 95

MINUTES  
NEWMAN CITY COUNCIL/REDEVELOPMENT AGENCY  
REGULAR MEETING DECEMBER 8, 2009  
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

1. Call To Order - Mayor Katen 7:01 P.M.
2. Pledge Of Allegiance.
3. Invocation - Council Member Candea
4. Roll Call **PRESENT:** Kelly, Davis, Candea, Martina And Mayor Katen.  
**ABSENT:** None
5. Declaration Of Conflicts Of Interest - None.
6. Ceremonial Matters - None.
7. Items from the Public - Non-Agenda Items - None.
8. Consent Calendar
  - a. Waive All Readings Of Ordinances And Resolutions Except By Title.
  - b. Approval Of Warrants.
  - c. Approval Of Minutes Of The November 10, 2009 Regular Meeting.

**ACTION:** On Motion By Candea Seconded By Martina And Unanimously Carried, The Consent Calendar Was Approved.

**9. Public Hearings**

- a. Adopt Resolution No. 2009-69, A Resolution Declaring The Existence Of A Public Nuisance Under Ordinance No. 95-4.

Mayor Katen Opened The Public Hearing At 7:02 P.M.

There Being No Public Comment Katen Closed The Public Hearing At 7:03 P.M.

**ACTION:** On Motion By Candea Seconded By Kelly And Unanimously Carried, Resolution 2009-69, A Resolution Declaring The Existence Of A Public Nuisance Under Ordinance No. 95-4, Was Adopted.

**10. Regular Business**

- a. Adopt Resolution No. 2009-70, Approving An Agency-State Master Agreement And Program Supplemental Agreement With Caltrans And Authorizing The City Manager To Execute Said Agreements.

**ACTION:** On Motion By Kelly Seconded By Davis And Unanimously Carried, Resolution No. 2009-70, Approving An Agency-State Master Agreement And Program Supplemental Agreement With Caltrans And Authorizing The City Manager To Execute Said Agreements Was Adopted.

- b. Adopt Resolution No. 2009-71, Approving the 2009 Street Repairs Project And Authorizing Ed Katen As Mayor And Michael E. Holland As City Clerk To Record A Notice Of Completion.

**ACTION:** On Motion By Martina Seconded By Candea And Unanimously Carried, Resolution No. 2009-71, Approving the 2009 Street Repairs Project And Authorizing Ed Katen As Mayor And Michael E. Holland As City Clerk To Record A Notice Of Completion Was Adopted.

- c. Adopt Resolution No. 2009-72, Approving the 2009 Fresno Street Sidewalk And Storm Drain Project And Authorizing Ed Katen As Mayor And Michael E. Holland As City Clerk To Record A Notice Of Completion.

**ACTION:** On Motion By Kelly Seconded By Candea And Unanimously Carried, Resolution No. 2009-72, Approving the 2009 Fresno Street Sidewalk And Storm Drain Project And Authorizing Ed Katen As Mayor And Michael E. Holland As City Clerk To Record A Notice Of Completion Was Adopted.

#### **11. Items From District Five Stanislaus County Supervisor - None.**

#### **12. Items From The City Manager And Staff.**

City Manager Holland Thanked Supervisor DeMartini And The Board Of Supervisors For Approving The City's Application For An Economic Development Loan For The Downtown Plaza Project; Holland Stated That The County Projected The Plaza Project Will Encourage Growth Among The Surrounding Businesses Which Will Provide The City With Eighty More Full Time Positions Within A 3-5 Year Period. Holland Cautioned Everyone About The Dangers Of Icy Sidewalks During The Current Freezing Conditions.

Chief McGill Informed The City Council That He Would Soon Be Presenting Them With An Ordinance Regulating Tow Companies And That The City Would Begin Accepting Applications For A Franchise Tow Agreement. McGill Stated That The Traffic Enforcement Campaign Is In Full Force And Cautioned That Officers Will Be Stopping All Motorists Who Are Not Wearing A Seat Belt. McGill Mentioned That The Raccoon Issue Had Resurfaced Again And Encouraged Residents To Make Their Homes Less Inviting To The Raccoons By Not To Leaving Pet Food And Water Containers Out. McGill Explained That The Police Canine Odin Became Ill After Ingesting Anti-Freeze Found During A Parameter Search At Yancey's; McGill Told The Council That The Veterinarian Had Said That Odin Would Be Fine In A Couple Days And Had To Take Time Off Because Of The Effects Of His Medication And The Anti-Freeze.

Public Works Director Reynolds Presented The Council With Pictures Of The 2009 Compressed Natural Gas GMC Flatbed Dump Truck That The City Purchased Using CMAQ Funds. Reynolds Updated The Council On The Status Of The Plaza Project's Funding Plan.

### **13. Items From City Council Members.**

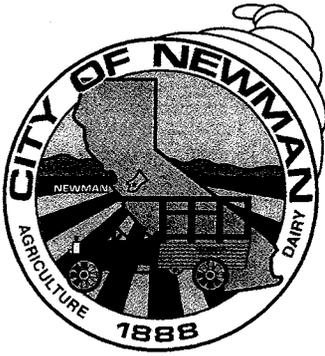
Council Member Martina Commented On The Tree Lighting Ceremony And Stated That He Was Glad That The Restaurants Contributed To Making It A Success By Running Specials For The Evening. Martina Requested That The Council Look Into The Insurance Issues Prior To Next Year's Tree Lighting Ceremony.

Council Member Kelly Thanked The City Manager Of Oakdale For His Support And Staff For Their Work On The Economic Development Bank Loan Application. Kelly Stated That He Was Impressed With The Way City Manager Holland Handled All Of The Questions And Negativity That Were Directed At Our City During The Economic Development Bank Loan Application Process. Kelly Also Thanked Jim Silveira And The Other Members Of The Plaza Committee For Their Vision Of The Plaza Project.

Mayor Katen Stated That The Christmas Tree Lighting Event Was Nice And That He Was Happy That The Economic Development Bank Application Worked Out.

### **14. Adjournment.**

**ACTION:** On Motion By Katen Seconded By Kelly And Unanimously Carried, The Meeting Was Adjourned At 7:33 P.M.



**City of Newman**  
**City Manager's Office**  
**Memorandum**

**Date:** January 7, 2010

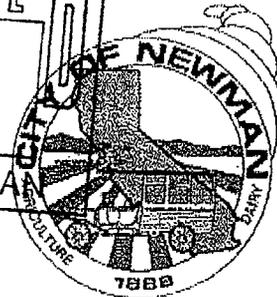
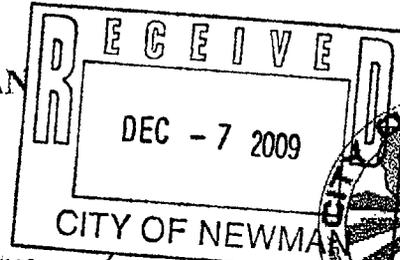
**To:** City Council

**From:** Michael E. Holland *meh*

**Subject: Rejection of claim.**

A claim against the City of Newman was filed by Nancy L. Gonsalves on December 7, 2009. Based upon the recommendation of our insurance provider, Staff recommends the Council reject said claim. A copy of the claim submitted by Ms. Gonsalves and the proposed resolution rejecting the claim are attached. Any discussions of the claim must be done in closed session as potential litigation.

CITY OF NEWMAN  
CLAIM FORM  
Form B



CLAIM AGAINST City of Newman  
(Name of Entity)

Claimant's name: Nancy L. Gonsalves

Claimant's address: PO Box 1836, Twainharte, CA 95383

Address where notices about claim are to be sent, if different from above:

Date of incident/accident: Friday, November 27, 2009, approx 6:00PM

Date injuries, damages or losses were discovered: November 27, 2009

Location of incident/accident: Hills Ferry Road, next to Lucas Ranch

What did entity or employee do to cause this loss, damage or injury? manhole cover was off of manhole

(Use back of this form or separate sheet if necessary to answer this question in detail)

What are the names of the entity's employees who caused this injury, damage or loss (if known)?

What specific injuries, damages, or losses did claimant receive? right rear tire of car was slashed by manhole or manhole cover. Due to my Subaru (cont.)

(Use back of this form or separate sheet if necessary to answer this question in detail)

What amount of money is claimant seeking, or if amount is in excess of \$10,000, which is the appropriate court of jurisdiction: Note: If Superior and Municipal Courts are consolidated you must represent whether it is a "limited civil case" [see Government Code 910(0)].

\$614.99

How was this amount calculated (please itemize)? Replacement of 4 tires: \$535.04

4 wheel alignment: \$79.95, see receipts

(Use back of this form or separate sheet if necessary to answer this question in detail)

Date Signed: 12/5/09

Signature: Nancy L. Gonsalves

If signed by representative:

Representative's Name

Address

Telephone #

Relationship to Claimant

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Outback being an All Wheel Drive vehicle, Subaru's recommendation is that all 4 tires be replaced at the same time for safe vehicle operation and to prevent damage to the vehicles power-train.

(See attached page from owner's manual)

After inspection by Sonora Subaru, it was recommended that I have a 4 wheel alignment.

(See attached inspection recommendation)

For your information, I called the Newman Police Department on November 27, 2009. An incident report is on file.

My tire was changed by AAA, City Towing, as it <sup>was</sup> flat, making it necessary for me to drive home with a spare tire.

Tire wear varies from wheel to wheel. To maximize the life of each tire and ensure that the tires wear uniformly, it is best to rotate the tires every 7,500 miles (12,500 km). Rotating the tires involves switching the front and rear tires on the right-hand side of the vehicle and similarly switching the front and rear tires on the left-hand side of the vehicle. (Each tire must be kept on its original side of the vehicle.)

Replace any damaged or unevenly worn tire at the time of rotation. After tire rotation, adjust the tire pressures and make sure the wheel nuts are correctly tightened.

After driving approximately 600 miles (1,000 km), check the wheel nuts again and retighten any nut that has become loose.

#### ■ Tire replacement

The wheels and tires are important and integral parts of your vehicle's design; they cannot be changed arbitrarily. The tires fitted as standard equipment are optimally matched to the characteristics of the vehicle and were selected to give the best possible combination of running performance, ride comfort, and service life. It is essential for every tire to have a size and construction matching those shown on the tire

placard and to have a speed symbol and load index matching those shown on the tire placard.

Using tires of a non-specified size detracts from controllability, ride comfort, braking performance, speedometer accuracy and odometer accuracy. It also creates incorrect body-to-tire clearances and inappropriately changes the vehicle's ground clearance.

All four tires must be the same in terms of manufacturer, brand (tread pattern), construction, and size. You are advised to replace the tires with new ones that are identical to those fitted as standard equipment.

For safe vehicle operation, SUBARU recommends replacing all four tires at the same time.

#### ▲ WARNING

- All four tires must be the same in terms of manufacturer, brand (tread pattern), construction, degree of wear, speed symbol, load index and size. Mixing tires of different types, sizes or degrees of wear can result in damage to the vehicle's power train. Use of different types or sizes of tires can also dangerously reduce controllability and braking performance and can lead to an accident.
- Use only radial tires. Do not use radial tires together with belted bias tires and/or bias-ply tires. Doing so can dangerously reduce controllability, resulting in an accident.

#### ■ Wheel replacement

When replacing wheels due, for example, to damage, make sure the replacement wheels match the specifications of the wheels that are fitted as standard equipment. Replacement wheels are available from SUBARU dealers.



Use only those specified for you not meeting specifications may interfere with brake and may cause against the wheeling turns. The vehicle control could be lost.

# DOHERTY TIRE OF SONORA, INC.

PHONE 532-3484  
P.O. BOX 88 STANDARD, CA 95373

S 36047

TIRES OF ALL KINDS • NEW, RECAPS • WHEELS, PASSENGER & TRUCKS

Joe Francis - Owner

DATE

11/28/89  
ORDER NO.

SOLD BY

CODE

SOLD TO

ACCOUNT NUMBER

Nancy Gonsalves

Quantity	SIZE	PLY	DESCRIPTION	Code	Code	UNIT PRICE		TOTAL	AMOUNT
						EX. TAX	MDSE		
4	225/55R17		Mastercraft Chere Gips					121.95	487.80
			Having to replace all						
			tires because car is						
			All Wheel Drive						
			One tire damaged by						
			man hole cover in road						
			<i>Thank You</i>						
			<i>Joe Francis</i>						
			<i>MTC</i>						
4			RECYCLING FEE					\$1.75 EACH	7.00

MAKE AND YEAR	LICENSE NO.	MILEAGE	TELEPHONE	APPROVAL CREDIT MANAGER
---------------	-------------	---------	-----------	-------------------------

**THIS INVOICE IS DUE 10TH OF NEXT MONTH UNLESS STATED** →

It is hereby agreed that the purchaser is to pay all collection and attorney's fees, and other costs in connection with collecting this amount, and that title to any items purchased shall remain with the seller until the total price is paid. In the event of failure to pay the account when due the seller shall have the right to repossess said items with or without legal process or may enforce the payment of the balance due thereon with accrued interest.

1 1/2 % **FINANCE CHARGE** PER MONTH WILL BE CHARGED ON ALL PAST DUE ACCOUNTS WHICH IS AN **ANNUAL PERCENTAGE RATE OF 18%. MINIMUM FINANCE CHARGE \$1.00**

CUSTOMER'S COPY

THIS INVOICE IS DUE AS FOLLOWS	
DATE DUE	AMOUNT DUE

SUB TOTAL	494.80
SALES TAX	40.34
<b>TOTAL</b>	<b>535.14</b>

CREDIT TERMS OF THIS INVOICE ACCEPTED BY **X**



# SONORA SUBARU

SERVICING ALL MAKES AND MODELS IN THE MOTHERLODE



209-532-5926

219 South Gate, Sonora, CA 95370

209-533-8777

## SUBARU

VIN 06515 4 S 4 B P 6 1 C 6 6 7 3 2 8 3 0 8				NANCY GONSALVES		DATE IN	11/30/09
YEAR	MAKE	MODEL	COLOR	PO BOX 1836		TIME IN	01:16
2006	SUBARU	LEGACY OUT	BLUE	TWIN HARTE CA 95383		CLOSED	11/30/09
MILES IN	MILES OUT	IN SERVICE DATE	LISC.	SEE ALSO		WRITER	6410
54542	54542	00/00/00	5THX600	H: (209) 586-4776 W: (209) 352-3237		STEVE	

**CUSTOMER IS WAITING**

(1) CUST REQUESTS UNDERBODY INSPECTION DUE TO RUNNING OVER AN OPEN MANHOLE VISUALLY LOOKS FINE UNDER VEHICLE. RECOMMEND A 4-WHEEL ALIGNMENT \$79.95 (Tech:09) A	Labor	T09	.00
Total Repair (Customer )			.00

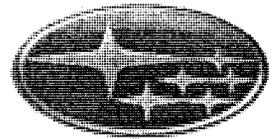
ORIGINAL ESTIMATE \$ <u>    </u>	AUTHORIZED ADDITIONS \$ _____ X _____ Customer Acceptance	BAR#AC247838 EPA#CAL000335708
X _____ Customer Acceptance	Date _____ Time _____ By _____	<i>Nancy Gonsalves</i> CUSTOMER'S SIGNATURE

Next Service FEB '10 Lube-Oil-Filter	TERMS No returns on electrical or special order items. A restocking charge will be applied on all merchandise returned for credit or refund. No returns after 30 days.	W/C	INT.	CUSTOMER	
<b>DISCLAIMER OF WARRANTIES</b> Any warranties on the product sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties either expressed or implied, including any implied warranty of merchantability of fitness for a particular purpose, and neither assumes nor authorizes any person to assume for it any liability in connection with the sale of said products. Any limitation contained herein does not apply where prohibited by law.		.00		Labor .00	
		.00		Parts .00	
		.00		Sublet .00	
		.00		Waste Dispos .00	
		.00		Oil/Grease .00	
		.00		Sub Total .00	
		.00	.00	Tax .00	
		.00		Total .00	
	Page 1 of 1 Job 3522				
	06515 Customer Copy				

TOSOP FORMS 1-877-427-4367



# SONORA SUBARU



AUTO SALES

SERVICING ALL MAKES AND MODELS IN THE MOTHERLODE

209-532-5926

219 South Gate, Sonora, CA 95370

209-533-8777

## SUBARU

VIN 06595 4 S 4 B P 6 1 C 6 6 7 3 2 8 3 0 8				NANCY GONSALVES		DATE IN	12/04/09
YEAR	MAKE	MODEL	COLOR	PO BOX 1836		TIME IN	08:07
2006	SUBARU	LEGACY OUT	BLUE	TWIN HARTE CA 95383		CLOSED	12/04/09
MILES IN	MILES OUE	IN SERVICE DATE	LISC.			WRITER	6410
54630	54630	00/00/00	5THX600	H: (209) 586-4776 W: (209) 352-3237		WRITER	KEVIN
SEE ALSO							

CUSTOMER IS WAITING

(1) CUST REQUESTS PERFORM FOUR WHEEL ALIGN  
 TECH PERFORMED A FOUR WHEEL ALIGNMENT PER THE CUSTOMERS REQUEST. TECH ADJUSTED & SET FRONT & REAR TOE & CANBER SETTINGS TO THE PROPER SETTING. TECH NOTED THE VEHICLE IS IN ALL OF THE PROPER SETTINGS AFTER ALIGNMENT. COMPLETE (Tech:04) A

Labor	T04	79.95
Total Labor		79.95
Total Repair (Customer)		79.95

PAID DEC 04 2009  
mic

ORIGINAL ESTIMATE	AUTHORIZED ADDITIONS	BAR#AC247838 EPA#CAL000335708
\$ _____	\$ _____ X _____ Customer Acceptance	<b>X</b> _____ CUSTOMER'S SIGNATURE
X _____ Customer Acceptance	Date _____ Time _____ By _____	

	W/C	INT.	CUSTOMER
Next Service MAR '10 Lube-Oil-Filter	.00		Labor 79.95
<b>DISCLAIMER OF WARRANTIES</b> Any warranties on the product sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties either expressed or implied, including any implied warranty of merchantability of fitness for a particular purpose, and neither assumes nor authorizes any person to assume for it any liability in connection with the sale of said products. Any limitation contained herein does not apply where prohibited by law.	.00		Parts .00
	.00		Sublet .00
	.00		Waste Dispos .00
	.00		Oil/Grease .00
	.00		Sub Total 79.95
	.00	.00	Tax .00
	.00		Total (Cash) 79.95

Page 1 of 1 Job 3601  
**06595 Customer Copy**

TO SOFT FORMS 1-877-427-4387

**RESOLUTION NO. 2010-**

**A RESOLUTION REJECTING THE CLAIM OF NANCY L. GONSALVES**

WHEREAS, a claim for damages in an amount within the Superior Court jurisdiction was filed against the City of Newman by NANCY L. GONSALVES, on December 7, 2009 for alleged damages.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman that it hereby rejects the said claim for alleged damages in an amount within the Superior Court jurisdiction against the City of Newman for alleged damages.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 12<sup>th</sup> day of January, 2010, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded and it was upon roll call carried and the resolution adopted by the following roll call vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor of the City of Newman

ATTEST:

\_\_\_\_\_  
Deputy City Clerk

Honorable Mayor and Members  
of the Newman City Council**RECEIVE AND FILE THE CERTIFIED AUDITS OF THE CITY OF NEWMAN AND THE CITY OF  
NEWMAN REDEVELOPMENT AGENCY FOR THE PERIOD ENDING JUNE 30, 2009****RECOMMENDATION:**

It is recommended that the Newman City Council Receive and File the Independent Certified Audits for the General Purpose Financial Statements of the City of Newman and the Newman Redevelopment Agency for fiscal year ending June 30, 2009.

**BACKGROUND:**

Each year the City's financial records are audited by an independent Certified Public Accounting firm. For the last several years this firm has been Clendenin Bird & Company., CPA's. The firm's partner in charge of our audit is Robert Kehl. Using Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards, they review our financial records and issue audited financial statements along with their Independent Auditor's Report. These reports are used by the Council, the public, and Bond Rating Agencies to evaluate the fiscal condition of the City.

The Auditor's Report states in part "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 aggregate remaining fund information of the City of Newman, as of June 30, 2009 and 2008, and the respective changes in the financial position and cash flow of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America." The audit is considered an unqualified opinion. An unqualified opinion is the best opinion an independent auditor can give and this is what we want and would expect.

**ANALYSIS:**

Page 17 of the Financial Statements audit shows the City of Newman General Fund Unreserved and Undesignated Fund Balance at \$2,970,511. Page 23 shows that figure is actually a decrease from the beginning Fund Balance of \$3,108,726 by \$138,215. Total General Fund Expenditures were \$4,043,934 so a reserve of \$2,970,511 is 73.5% of expenditures which should be considered a healthy Fund Balance.

Note II B on page 40 shows that our Storm Drain fund has a negative fund balance of \$615,672. This should not alarm the Council as it is due to a liability to a developer that will be repaid by other developers with future development in Newman. The fund actually has a positive cash balance of \$154,891.

All of the City's other fund balances closely resemble our projections in our current budget.

Page 10 of the Redevelopment Agency Audit shows the Unreserved Fund Balances of the Redevelopment Agency and the Housing Authority at \$751,849 and \$767,802, respectively. These figures also closely reflect the figures used in our current budget.

**FISCAL IMPACT:**

The cost of the audit was budgeted and came in at the budgeted amount.

**CONCLUSION:**

As stated earlier, the audit is considered an unqualified opinion. An unqualified opinion is the best opinion an independent auditor can give and this is what we want and would expect. Robert Kehl will be here at the Council meeting to further discuss the audit findings with you.

Respectfully submitted:

  
Bruce Budman  
Finance Director

**REVIEWED/CONCUR:**

  
Michael E. Holland  
City Manager

**CITY OF NEWMAN**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2009 AND 2008**

# CITY OF NEWMAN, CALIFORNIA

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**CITY OF NEWMAN CALIFORNIA**

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209-526-2287 fax  
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Constance Hillas Bird, CPA  
Michelle L. Edmiston, CPA  
Cathy L. Gatewood, EA

William J. Young, CPA  
Robert C. Kehl

## INDEPENDENT AUDITOR'S REPORT

To The City Council  
City Of Newman  
State of California

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 Newman, State of California, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Newman's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 aggregate remaining fund information of the City of Newman, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on Pages 3 through 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2009 on our consideration of the City of Newman's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of City of Newman, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Clendenin Bird & Company,*

**CLENDENIN BIRD & COMPANY, PC**

Modesto, California  
November 4, 2009

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

The following discussion provides readers of the City of Newman's financial statements a narrative overview and analysis of the financial activities of the City of Newman for the fiscal year ended June 30, 2009. Please read this document in conjunction with the accompanying Basic Financial Statements.

The City of Newman (the City) has been impacted by the weakness in the economy in fiscal year 2009. Revenues as sales tax and property tax decreased. The City's financial highlights are presented below:

**FISCAL YEAR 2009 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2009 include the following:

*Entity-wide:*

- The City's total net assets were \$31,976,608 as of June 30, 2009. Of this total, \$22,066,229 was Governmental assets and \$9,910,380 were Business-type assets.
- Entity-wide Governmental revenues include program revenues of \$2,658,710 and general revenues and transfers of \$3,733,937 for a total of \$6,392,647.
- Entity-wide Governmental expenses were \$5,587,286.
- Entity-wide Business-type program revenues and interest revenue were \$3,128,214 while Business-type expenses and transfers were \$2,427,517.

*Fund Level:*

- Governmental Fund balances increased \$164,479 in fiscal year 2009
- Governmental Fund revenues decreased \$699,059 in fiscal year 2009.
- Governmental Fund expenditures decreased \$1,183,470 in fiscal year 2009.

*General Fund:*

- General Fund revenues of \$3,569,334 were \$402,536 less than the prior year.
- General Fund expenditures of \$4,043,934 represent an increase of \$206,989 over the prior year.
- General Fund balance of \$2,970,511 as of June 30, 2009, is down \$138,215 from the fiscal year 2008's fund balance of \$3,108,726.

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Annual Financial Report is divided into two parts:

- 1) Management's Discussion and Analysis (MD&A);
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

**The Basic Financial Statements**

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

The Entity-wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

The Statement of Activities provides information about all of the City's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Assets for the year.

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

The Fund Financial Statements report the City's operations in more detail than the Entity-wide statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

***The Entity-wide Financial Statements***

Entity-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

The Statement of Net Assets and the Statement of Activities present information about the following:

- Governmental Activities – All of the City's basic services are considered to be governmental activities. These services are supported by general City revenues such as taxes, and by specific program revenues such as user fees and charges.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

The City's governmental activities also include the activities of another separate legal entity, the Redevelopment Agency of the City of Newman. The City is financially accountable for this entity. Please refer to the separately issued financial statements.

- Business-type Activities – The City's enterprise activities of water and wastewater are reported in this area. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

***Fund Financial Statements***

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by Governmental Accounting Standards Board (GASB) Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

In the City's case, there are three Major Governmental Funds in addition to the General Fund: The Debt Service Fund, Public Facility Improvement Fund and the 1997 Tax Allocation Bonds Fund. Both of the City's Enterprise Funds are reported as Major Funds.

Fund Financial Statements include governmental and proprietary funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Proprietary Funds Financial Statements are prepared on the full accrual basis, as in the past, and include all of their assets and liabilities, current and long-term.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB Statement 34.

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

This analysis focuses on the net assets and changes in net assets of the City as a whole. Tables 1, 2 and 3 focus on the City's Governmental Statement of Net Assets and Statement of Activities, while Tables 4 and 5 focus on the City's Business-type Statement of Net Assets and Statement of Activities.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

***Governmental Activities***

Table 1  
Governmental Net Assets at June 30, 2009

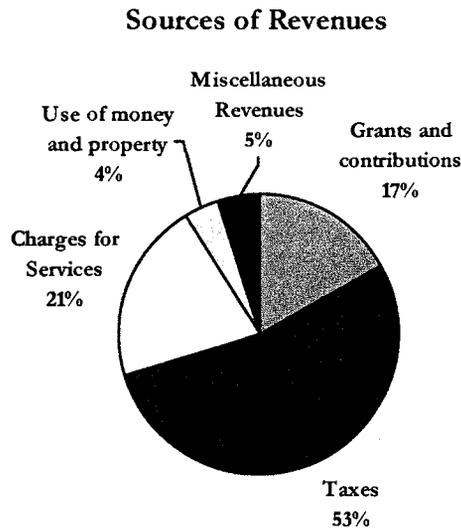
	<u>Governmental Activities 2009</u>	<u>Governmental Activities 2008</u>
Cash and investments	11,923,454	11,511,695
Other assets	4,970,934	4,960,535
Capital assets	<u>10,322,064</u>	<u>9,853,334</u>
Total assets	<u>27,216,452</u>	<u>26,325,564</u>
Long-term debt outstanding	2,888,970	3,047,999
Other liabilities	<u>2,261,253</u>	<u>2,016,697</u>
Total liabilities	<u>5,150,223</u>	<u>5,064,696</u>
Net assets:		
Invested in capital assets, net of debt	7,433,094	6,805,335
Restricted	11,123,935	10,981,730
Unrestricted	<u>3,509,200</u>	<u>3,473,803</u>
Total net assets	<u><u>22,066,229</u></u>	<u><u>21,260,868</u></u>

The City's governmental net assets amounted to \$22,066,229 as of June 30, 2009, an increase of \$805,361 over 2008. This increase is the Change in Net Assets reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net assets as of June 30, 2009 comprised the following:

- Cash and investments comprised \$11,645,566 in the city treasury and \$277,888 of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 2 to the financial statements.
- Receivables comprised \$313,953 of current receivables and loans receivable for \$4,602,786.
- Capital assets of \$10,322,064, net of depreciation charges, which includes all the City's capital assets used in governmental activities.
- Current liabilities, including accounts payable, claims and other amounts due currently, totaling \$2,163,997.
- Accrued compensated absence liabilities payable to employees of \$97,256, as explained in Note 1G to the financial statements.

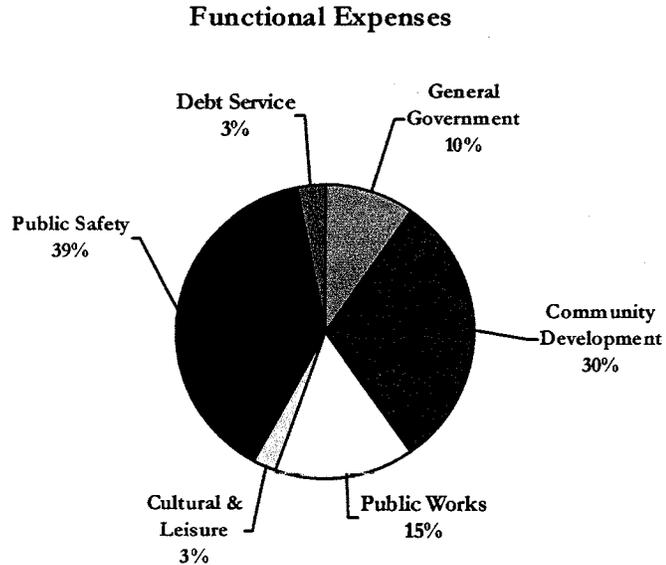
**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

- Long-term debt of \$2,888,970 of which \$2,738,242 is due in future years and \$150,728 is due currently.
- Net assets invested in capital assets, net of related debt, of \$7,433,094, representing the City's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- Restricted net assets totaling \$11,123,935, which may be used only to construct specified capital projects, for debt service, or for community development projects. The restrictions on these funds were placed there by outsiders and cannot be changed by the City.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$3,509,200 of unrestricted net assets as of June 30, 2009.



As the Sources of Revenue Chart above shows, \$3,291,901, or 53%, of the City's fiscal year 2009 governmental activities revenue came from taxes, while \$1,046,758, or 17%, came from grants and contributions, \$1,448,073, or 21%, came from charges for services, and the remainder came from a variety of sources, as shown above.

**City of Newman  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)**



The Functional Expenses Chart above includes only current year expenses; it does not include capital outlays, which are now added to the City's capital assets. As the Chart shows, general government is \$544,992, or 10%, of total government expenses, community development and planning is \$1,688,867, or 30%, Public Safety is \$2,183,061, or 39%, Culture & Leisure is \$150,719, or 3%, and Debt Service is \$159,181 or 3%.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Assets summarized below.

Table 2  
Changes in Governmental Net Assets

	<u>Governmental Activities</u> 2009
<u>Expenses</u>	
General government	544,992
Public Safety	2,183,061
Public Works	860,466
Community Development	1,688,867
Culture and Leisure	150,719
Interest on long term debt	<u>159,181</u>
Total expenses	<u>5,587,286</u>
<u>Revenues</u>	
Program Revenues:	
Charges for services	1,611,952
Operating grants and contributions	<u>1,046,758</u>
Total program revenues	<u>2,658,710</u>
General revenues:	
Taxes	3,291,901
Use of money and property	256,420
Other	<u>185,615</u>
Total general revenues	<u>3,733,936</u>
Total revenues	<u>6,392,646</u>
 <u>Change in net assets</u>	 <u>805,360</u>

As the Sources of Revenue Chart and Table 2 above show, \$3,733,936, or 58%, of the City's fiscal year 2009 governmental revenue, came from program revenues and \$2,658,710, or 42%, came from general revenues such as taxes and interest and transfers.

Program revenues were composed of charges for services of \$1,611,952, which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$1,046,758 of operating grants and contributions which include gas tax revenues and housing and police grants. General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

Table 3 presents the net (expense) or revenue of each of the City's governmental activities, including interest on long-term debt. Net expense is defined as total program cost less the revenues generated by those specific activities.

Table 3  
Governmental Activities

	<u>Net (Expense) Revenue From Services 2009</u>
General government	719,361
Public Safety	(1,980,667)
Public Works	316,220
Community Development	(1,673,590)
Culture and Leisure	(150,719)
Interest on Long-Term Debt	<u>(159,181)</u>
Totals	<u>(2,928,576)</u>

***Business-type Activities***

The Statement of Net Assets and Statement of Activities present a summary of the City's Business-type Activities that are composed of the City's enterprise funds.

Table 4  
Business-Type Net Assets

	<u>Business-Type 2009</u>	<u>Business-Type 2008</u>
Cash and investments	7,506,981	6,965,372
Other assets	417,267	315,339
Capital assets	<u>4,845,303</u>	<u>4,926,974</u>
Total assets	<u>12,769,551</u>	<u>12,207,685</u>
Long-term debt outstanding	2,585,000	2,784,000
Other liabilities	<u>274,171</u>	<u>264,051</u>
Total liabilities	<u>2,859,171</u>	<u>3,048,051</u>
Net assets:		
Invested in capital assets, net of debt	2,260,303	2,142,974
Restricted	282,430	283,628
Unrestricted	<u>7,367,647</u>	<u>6,733,032</u>
Total net assets	<u>9,910,380</u>	<u>9,159,634</u>

The net assets of business-type activities increased to \$750,746 in fiscal year 2009.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

**Analysis of Major Funds**

***Governmental Funds***

**General Fund**

General Fund revenues decreased \$402,536 this fiscal year due primarily to decreases in tax revenue. Budgeted revenues exceeded actual amounts by \$27,813. Property taxes decreased \$76,328 as assessed valuations decreased due to falling real estate values. Charges for services were up \$153,384, due to increases in administrative fees, reimbursed salaries and other miscellaneous revenues.

General Fund expenditures were \$4,043,934, an increase of \$206,989 from the prior year. Expenditures were \$25,467 more than budgeted, primarily related to costs associated with General Government.

As of June 30, 2009, the General Fund's unreserved fund balance totaled \$2,970,511. The unreserved portion of fund balance represents available liquid resources.

**CDBG Fund**

This fund is used to account for grants received to loan out low income citizens for first time home purchases and/or housing rehabilitation projects. Also included in this fund are grant funds for the Valley Manor Housing project. Those funds were loaned out and are now reflected on our books as a long term loan receivable.

**Public Facility Improvement Fund**

This fund accounts for the improvement of public facilities funded by developer fees. In fiscal year 2009, the fund received \$150,638 in developer fees. Developer fee revenue decreased \$78,830 from the prior year due to a decrease in construction projects.

The fund's fiscal year end fund balance of \$4,096,640 represents developer fees that have not yet been expended on public facility projects and improvements.

***Proprietary Funds***

**Water Fund**

Revenues increased \$219,117 to a total of \$904,959 in fiscal year 2009 due to a raise in the rates charged. Expenses decreased \$117,106 to a total of \$859,218. There was a resulting operating income of \$45,741. As a result the fund's net assets decreased \$76,426, to a new total of \$2,841,836.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

**Sewer Fund**

Net assets of the Sewer Fund increased \$827,172 in fiscal year 2009 to a total of \$7,068,544. This increase came from an increase in rates charged.

As of June 30, 2009, the fund's net assets were \$7,068,544, of which \$941,771 was invested in capital assets, net of related debt, \$282,430 is restricted for Debt Service and \$5,844,343 was unrestricted.

**CAPITAL ASSETS**

GASB Statement 34 requires the City to record all its capital assets including infrastructure, which was not recorded in prior years. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In fiscal year 2009, the City reported the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2009 the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 6 below:

Table 6  
Capital Assets at Year-end

	<u>Balance at June 30, 2009</u>	<u>Balance at June 30, 2008</u>
<u>Governmental Activities</u>		
Land	3,360,205	3,360,205
Streets and Roads	3,506,657	3,418,393
Buildings	3,661,285	3,601,445
Construction In Progress	636,870	16,330
Equipment	2,483,749	2,504,799
Accumulated depreciation	<u>(3,326,702)</u>	<u>(3,047,840)</u>
Governmental activity capital assets, net	<u>10,322,064</u>	<u>9,853,332</u>
<u>Business-type Activities</u>		
Land And Construction In Progress	1,537,813	1,460,000
Buildings	107,565	107,565
Plant and Equipment	7,086,422	7,048,231
Accumulated depreciation	<u>(3,886,497)</u>	<u>(3,688,823)</u>
Business-type activity capital assets, net	<u>4,845,303</u>	<u>4,926,973</u>

Detail on capital assets, current year additions and construction in progress can be found in Note D.

**City of Newman**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**  
**(Unaudited)**

The City depreciates all its capital assets over their estimated useful lives, as required by GASB Statement 34.

The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note D to the financial statements.

**DEBT ADMINISTRATION**

The City issued no new bonded debt in fiscal year 2009. The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 5 to the financial statements. As of June 30, 2009, the City's debt comprised:

	<u>Table 7</u> <u>Outstanding Debt</u>	
	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
<u>Governmental Activity Debt:</u>		
<u>Certificates of Participation:</u>		
1997 Tax allocation and housing, 5.375%-6.200%, due 8/1/27	2,735,000	2,860,000
<u>Other Long Term Obligations:</u>		
Note, 5%, due 9/26/12	<u>153,970</u>	<u>187,999</u>
Total Governmental Activity Debt	<u>2,888,970</u>	<u>3,047,999</u>
<u>Business-type Activity Debt:</u>		
<u>Certificates of Participation:</u>		
1991 Sewer treatment facility, 4.50%-6.74%, due 5/1/18	1,980,000	2,150,000
<u>Revenue Bonds:</u>		
1982 Water Revenue Bonds, Series B, 5.00%, due in 2022	<u>605,000</u>	<u>634,000</u>
Total Business-type Activity Debt:	<u>2,585,000</u>	<u>2,784,000</u>

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the City of Newman, at 1162 Main Street, Newman, CA 95360.

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**CITY OF NEWMAN**  
**STATEMENTS OF NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Proprietary Activities</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
<b>ASSETS</b>				
Cash And Investments	11,645,566	7,224,551	18,870,117	17,905,644
Cash With Fiscal Agent	277,888	282,430	560,318	571,423
Accounts Receivable	313,953	417,267	731,220	732,803
Loans Receivable	4,602,786	0	4,602,786	4,501,981
Prepaid Expenses	54,195	0	54,195	41,090
Capital Assets (Net Of Accumulated Depreciation):				
Land	3,360,205	1,460,000	4,820,205	4,820,206
Construction In Progress	636,870	77,813	714,683	16,330
Buildings And Improvements	2,316,704	3,094,544	5,411,248	5,601,017
Equipment And Vehicles	1,050,642	26,218	1,076,860	1,163,386
Infrastructure	2,957,643	186,728	3,144,371	3,179,369
Total Assets	<u>27,216,452</u>	<u>12,769,551</u>	<u>39,986,003</u>	<u>38,533,249</u>
<b>LIABILITIES</b>				
Accounts Payable And Other				
Current Liabilities	2,157,546	226,746	2,384,293	2,119,972
Compensated Absences	103,707	47,425	151,132	160,776
Long-Term Liabilities:				
Due Within One Year	150,728	211,000	361,728	365,030
Due In More Than One Year	2,738,242	2,374,000	5,112,242	5,466,969
Total Liabilities	<u>5,150,223</u>	<u>2,859,171</u>	<u>8,009,395</u>	<u>8,112,747</u>
<b>NET ASSETS</b>				
Invested In Capital Assets				
Net Of Related Debt	7,433,094	2,260,303	9,693,397	8,948,309
Restricted For:				
Capital Projects	4,697,048	0	4,697,048	4,236,719
Community Development Projects	5,527,148	0	5,527,148	6,298,186
Debt Service	899,739	282,430	1,182,169	730,453
Unrestricted	3,509,200	7,367,647	10,876,846	10,206,835
Total Net Assets	<u>22,066,229</u>	<u>9,910,380</u>	<u>31,976,608</u>	<u>30,420,502</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2009  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

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<b>Functions/Programs</b>	<b>Expenses</b>
<b>Primary Government:</b>	
<b>Governmental Activities:</b>	
General Government	544,992
Public Safety	2,183,061
Public Works	860,466
Community Development	1,688,867
Culture And Leisure	150,719
Interest on Long-Term Debt	<u>159,181</u>
Total Governmental Activities	<u>5,587,286</u>
<b>Business-Type Activities</b>	
Water Services	890,193
Sewer Services	<u>1,301,660</u>
Total Business-Type Activities	<u>2,191,853</u>
Total Primary Government	<u><u>7,779,139</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Program Revenues			Net (Expense) Revenue And Changes In Net Assets			
Fines, Fees And Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total	
			Governmental Activities	Proprietary Activities	2009	2008
1,264,353	0	0	719,361	0	719,361	928,566
65,090	137,304	0	( 1,980,667)	0	( 1,980,667)	(1,730,735)
274,382	0	902,304	316,220	0	316,220	(91,019)
8,127	7,150	0	( 1,673,590)	0	( 1,673,590)	(1,633,423)
0	0	0	( 150,719)	0	( 150,719)	(141,225)
0	0	0	( 159,181)	0	( 159,181)	(167,580)
<u>1,611,952</u>	<u>144,454</u>	<u>902,304</u>	<u>( 2,928,576)</u>	<u>0</u>	<u>( 2,928,576)</u>	<u>(2,835,416)</u>
917,433	0	0	0	27,240	27,240	(268,669)
<u>2,075,215</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>773,555</u>	<u>773,555</u>	<u>243,083</u>
<u>2,992,648</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>800,795</u>	<u>800,795</u>	<u>(25,586)</u>
<u>4,604,600</u>	<u>144,454</u>	<u>902,304</u>	<u>( 2,928,576)</u>	<u>800,795</u>	<u>( 2,127,781)</u>	<u>( 2,861,002)</u>
<b>General Revenues:</b>						
Taxes:						
Property Tax			1,547,512	0	1,547,512	1,668,004
Sales Tax			436,866	0	436,866	519,376
Motor Vehicle Tax			762,863	0	762,863	953,042
Franchise Tax			124,136	0	124,136	121,486
Other Taxes			420,524	0	420,524	368,397
Investment Earnings			256,420	135,566	391,986	808,901
Transfers			185,615	( 185,615)	0	0
Total General Revenues And Transfers			<u>3,733,937</u>	<u>( 50,049)</u>	<u>3,683,887</u>	<u>4,439,206</u>
Change In Net Assets			805,361	750,746	1,556,106	1,578,204
Net Assets - Beginning			<u>21,260,868</u>	<u>9,159,634</u>	<u>30,420,502</u>	<u>28,842,298</u>
Net Assets - Ending			<u>22,066,229</u>	<u>9,910,380</u>	<u>31,976,608</u>	<u>30,420,502</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>General</u>	<u>CDBG</u>	<u>Public Facility Improvement Fund</u>
<b>Assets</b>			
Cash And Investments	3,663,235	662,930	4,110,908
Cash with Fiscal Agent	0	0	0
Accounts Receivable	211,530	0	0
Loans Receivable	0	3,871,241	0
Prepaid Expenses	54,195	0	0
Total Assets	<u>3,928,960</u>	<u>4,534,171</u>	<u>4,110,908</u>
<b>Liabilities</b>			
Accounts Payable	335,530	1,741	14,268
Compensated Absences	0	0	0
Other Liabilities	622,919	0	0
Total Liabilities	<u>958,449</u>	<u>1,741</u>	<u>14,268</u>
<b>Fund Balances</b>			
Reserved	0	0	0
Unreserved	2,970,511	4,532,430	4,096,640
Total Fund Balances	<u>2,970,511</u>	<u>4,532,430</u>	<u>4,096,640</u>
Total Liabilities And Fund Balances	<u>3,928,960</u>	<u>4,534,171</u>	<u>4,110,908</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Redevelopment Capital Fund	Storm Drain Fund	Other Funds	Total Governmental Funds	
			2009	2008
832,614	154,891	2,220,988	11,645,566	11,223,900
277,888	0	0	277,888	287,795
0	0	102,423	313,953	417,464
580,045	0	151,500	4,602,786	4,501,981
0	0	0	54,195	41,090
<u>1,690,547</u>	<u>154,891</u>	<u>2,474,911</u>	<u>16,894,388</u>	<u>16,472,230</u>
164,818	0	137,162	653,519	430,175
6,078	0	372	6,450	0
0	770,563	110,546	1,504,028	1,476,143
<u>170,896</u>	<u>770,563</u>	<u>248,080</u>	<u>2,163,997</u>	<u>1,906,318</u>
0	0	0	0	0
<u>1,519,651</u>	<u>(615,672)</u>	<u>2,226,831</u>	<u>14,730,391</u>	<u>14,565,912</u>
<u>1,519,651</u>	<u>(615,672)</u>	<u>2,226,831</u>	<u>14,730,391</u>	<u>14,565,912</u>
<u>1,690,547</u>	<u>154,891</u>	<u>2,474,911</u>	<u>16,894,388</u>	<u>16,472,230</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

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**CITY OF NEWMAN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

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Total fund balances - governmental funds 14,730,391

Total net assets reported for governmental activities in the statement of net assets is different because:

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

Land	3,360,205	
Construction In Progress	636,870	
Infrastructure net of \$426,273 accumulated depreciation	2,957,643	
Buildings and Improvements, net of \$1,235,131 accumulated depreciation	2,316,704	
Equipment and Vehicles, net of \$1,386,436 accumulated depreciation	<u>1,050,642</u>	
Total capital assets		10,322,064

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

Notes payable	(2,888,970)	
Compensated absences	<u>(97,256)</u>	
Total long-term liabilities		<u>(2,986,226)</u>

Total net assets - governmental activities 22,066,229

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>General</u>	<u>CDBG</u>	<u>Public Facility Improvement Fund</u>
<b>Revenues</b>			
Property Tax	665,169	0	0
Sales Tax	436,866	0	0
Other Tax And Franchises	923,569	0	0
Licenses And Permits	89,176	0	0
Fines And Forfeitures	40,448	0	0
Investment Earnings	102,793	11,651	75,528
Intergovernmental	36,922	0	0
Impact Fees	0	0	150,638
Service Charges And Miscellaneous	1,274,390	0	0
Total Revenues	<u>3,569,334</u>	<u>11,651</u>	<u>226,166</u>
<b>Expenditures</b>			
<b>Current</b>			
General Government	461,172	0	0
Public Safety	2,046,896	0	0
Public Works	545,676	0	42,831
Community Development	849,348	12,976	0
Culture And Leisure	140,842	0	0
<b>Debt Service</b>			
Principal	0	0	11,910
Interest & Other Charges	0	0	3,283
Capital Outlay	0	0	14,268
Total Expenditures	<u>4,043,934</u>	<u>12,976</u>	<u>72,292</u>
Excess (Deficiency) Of Revenues Over Expenditures	( 474,600)	( 1,325)	153,874
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	361,385	0	0
Operating Transfers Out	( 25,000)	0	0
Total Other Financing Sources (Uses)	<u>336,385</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	( 138,215)	( 1,325)	153,874
Fund Balance - Beginning	3,108,726	4,533,755	3,942,766
Fund Balance- Ending	<u>2,970,511</u>	<u>4,532,430</u>	<u>4,096,640</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Redevelopment Agency Fund	Storm Drain Fund	Other Funds	Total Governmental Funds	
			2009	2008
882,343	0	0	1,547,512	1,668,004
0	0	0	436,866	519,376
0	0	383,954	1,307,523	1,442,925
0	0	10,179	99,355	187,107
0	0	0	40,448	33,150
22,037	2,819	41,592	256,420	535,112
0	0	1,009,836	1,046,758	818,950
0	10,314	35,010	195,962	253,394
0	53	1,744	1,276,187	1,448,073
<u>904,380</u>	<u>13,186</u>	<u>1,482,315</u>	<u>6,207,032</u>	<u>6,906,091</u>
0	0	70,649	531,821	408,451
0	0	35,089	2,081,985	1,828,643
0	0	71,858	660,365	716,069
580,805	0	184,784	1,627,913	1,939,580
0	0	0	140,842	131,345
125,000	0	22,120	159,030	152,412
149,800	0	6,098	159,181	167,580
30,180	0	822,583	867,031	2,067,558
<u>885,785</u>	<u>0</u>	<u>1,213,181</u>	<u>6,228,168</u>	<u>7,411,638</u>
<u>18,595</u>	<u>13,186</u>	<u>269,134</u>	<u>( 21,136)</u>	<u>( 505,547)</u>
0	0	408,962	770,347	710,002
<u>( 178,347)</u>	<u>0</u>	<u>( 381,385)</u>	<u>( 584,732)</u>	<u>(666,546)</u>
<u>( 178,347)</u>	<u>0</u>	<u>27,577</u>	<u>185,615</u>	<u>43,457</u>
<u>( 159,752)</u>	<u>13,186</u>	<u>296,711</u>	<u>164,479</u>	<u>(462,090)</u>
<u>1,679,403</u>	<u>(628,858)</u>	<u>1,930,120</u>	<u>14,565,912</u>	<u>15,028,002</u>
<u>1,519,651</u>	<u>( 615,672)</u>	<u>2,226,831</u>	<u>14,730,391</u>	<u>14,565,912</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

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Net change in fund balances - total governmental funds 164,479

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$867,031) exceeded depreciation (\$398,299) in the current period. 468,732

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any affect on net assets. 159,030

The recording of accrued compensated absences does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. The liability is included in the statement of activities. 13,123

Changes in net assets of governmental activities 805,361

**CITY OF NEWMAN  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
<b>REVENUES</b>					
Property Tax	632,879	632,879	665,169	32,290	741,497
Sales Tax	520,000	495,000	436,866	( 58,134)	519,376
Other Tax And Franchise Fees	1,055,000	925,000	923,569	( 1,431)	1,111,140
Licenses And Permits	183,000	109,500	89,176	( 20,324)	175,247
Intergovernmental	43,000	43,000	36,922	( 6,078)	45,827
Fines And Forfeitures	24,000	35,800	40,448	4,648	33,150
Investment Earnings	110,000	110,000	102,793	( 7,207)	224,627
Service Charges And Miscellaneous	<u>1,165,722</u>	<u>1,190,342</u>	<u>1,274,390</u>	<u>84,047</u>	<u>1,121,006</u>
Total Revenues	<u>3,733,601</u>	<u>3,541,521</u>	<u>3,569,334</u>	<u>27,813</u>	<u>3,971,870</u>
<b>EXPENDITURES</b>					
General Government	348,163	388,162	461,172	73,010	363,565
Public Safety	2,068,426	2,068,627	2,046,896	( 21,731)	1,798,208
Public Works	593,630	559,330	545,676	( 13,654)	643,256
Community Development	896,965	850,926	849,348	( 1,578)	900,571
Recreation And Leisure	151,423	151,422	140,842	( 10,580)	131,345
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>4,058,607</u>	<u>4,018,467</u>	<u>4,043,934</u>	<u>25,467</u>	<u>3,836,945</u>
Excess (Deficiency) Of Revenues Over Expenditures	( 325,006)	( 476,946)	( 474,600)	2,346	134,925
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	370,154	370,154	361,385	( 8,769)	222,892
Transfers Out	( 25,000)	( 25,000)	( 25,000)	0	( 200,000)
Total Other Financing Sources And (Uses)	<u>345,154</u>	<u>345,154</u>	<u>336,385</u>	<u>( 8,769)</u>	<u>22,892</u>
Net Change In Fund Balance	20,148	( 131,792)	( 138,215)	( 6,423)	157,817
Fund Balance - Beginning	<u>3,108,726</u>	<u>3,108,726</u>	<u>3,108,726</u>	<u>0</u>	<u>2,950,909</u>
Fund Balance - Ending	<u>3,128,874</u>	<u>2,976,934</u>	<u>2,970,511</u>	<u>( 6,423)</u>	<u>3,108,726</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
General Government					
City Council	44,913	45,613	35,864	( 9,749)	246,687
City Manager	131,000	170,500	259,766	89,266	158,264
City Clerk	42,290	42,290	42,183	( 107)	37,191
Finance And Treasurer	129,960	129,759	123,359	( 6,400)	121,423
Total General Government	<u>348,163</u>	<u>388,162</u>	<u>461,172</u>	<u>73,010</u>	<u>563,565</u>
Public Safety					
Police	2,011,335	2,011,536	1,953,579	( 57,957)	1,704,330
Fire	100,745	100,745	93,317	( 7,428)	93,878
Total Public Safety	<u>2,112,080</u>	<u>2,112,281</u>	<u>2,046,896</u>	<u>( 65,385)</u>	<u>1,798,208</u>
Public Works					
Government Buildings	56,161	56,160	45,843	( 10,317)	80,111
Government Auxiliary	109,693	109,693	79,124	( 30,569)	101,622
Street Maintenance	271,327	257,992	262,779	4,787	304,639
Parks	181,449	160,485	157,930	( 2,555)	156,884
Total Public Works	<u>618,630</u>	<u>584,330</u>	<u>545,676</u>	<u>( 38,654)</u>	<u>643,256</u>
Community Development					
Planning	113,533	113,534	114,383	849	112,960
Building Regulation	155,882	89,842	103,099	13,257	177,390
Refuse Disposal	603,000	603,000	587,618	( 15,382)	585,170
Corporation Yard	4,550	4,550	4,147	( 403)	3,386
Engineering	20,000	40,000	40,101	101	21,665
Total Community Development	<u>896,965</u>	<u>850,926</u>	<u>849,348</u>	<u>( 1,578)</u>	<u>900,571</u>
Recreation And Leisure					
Recreation	151,423	151,422	140,842	( 10,580)	131,345
Total Culture And Leisure	<u>151,423</u>	<u>151,422</u>	<u>140,842</u>	<u>( 10,580)</u>	<u>131,345</u>
Total General Fund	<u>4,127,261</u>	<u>4,087,121</u>	<u>4,043,934</u>	<u>( 43,187)</u>	<u>4,036,945</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN**  
**CDBG SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
<b>REVENUES</b>					
Interest Income	7,250	7,250	11,651	4,401	21,469
Program Income	11,500	11,500	0	( 11,500)	0
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>346,024</u>
Total Revenues	<u>18,750</u>	<u>18,750</u>	<u>11,651</u>	<u>( 7,099)</u>	<u>367,493</u>
<b>EXPENDITURES</b>					
Supplies And Services	13,000	13,000	12,976	( 24)	55,460
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>12,976</u>	<u>( 24)</u>	<u>55,460</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>5,750</u>	<u>5,750</u>	<u>( 1,325)</u>	<u>( 7,075)</u>	<u>312,033</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources And (Use)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	5,750	5,750	( 1,325)	( 7,075)	312,033
Fund Balance - Beginning	<u>4,533,755</u>	<u>4,533,755</u>	<u>4,533,755</u>	<u>0</u>	<u>4,221,722</u>
Fund Balance - Ending	<u>4,539,505</u>	<u>4,539,505</u>	<u>4,532,430</u>	<u>( 7,075)</u>	<u>4,533,755</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
PUBLIC FACILITY IMPROVEMENT CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
<b>REVENUES</b>					
Interest Income	96,000	96,000	75,528	( 20,472)	142,076
Impact Fees	206,008	206,008	150,638	( 55,370)	229,468
Total Revenues	<u>302,008</u>	<u>302,008</u>	<u>226,166</u>	<u>( 75,842)</u>	<u>371,544</u>
<b>EXPENDITURES</b>					
Supplies And Services	134,000	134,000	42,831	( 91,169)	3,375
Capital Outlay	15,000	15,000	14,268	( 732)	0
Debt Service					
Principal	11,910	11,910	11,910	0	0
Interest & Other Charges	3,283	3,283	3,283	0	0
Total Expenditures	<u>164,193</u>	<u>164,193</u>	<u>72,292</u>	<u>( 91,901)</u>	<u>3,375</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>137,815</u>	<u>137,815</u>	<u>153,874</u>	<u>16,059</u>	<u>368,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources And (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	137,815	137,815	153,874	16,059	368,169
Fund Balance - Beginning	<u>3,942,766</u>	<u>3,942,766</u>	<u>3,942,766</u>	<u>0</u>	<u>3,574,597</u>
Fund Balance - Ending	<u>4,080,581</u>	<u>4,080,581</u>	<u>4,096,640</u>	<u>16,059</u>	<u>3,942,766</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
<b>REVENUES</b>					
Property Taxes	931,790	931,790	882,343	( 49,447)	926,507
Interest Income	27,825	27,825	22,037	( 5,788)	63,964
Intergovernmental	0	0	0	0	0
Miscellaneous Revenues	0	0	0	0	8,180
Total Revenues	<u>959,615</u>	<u>959,615</u>	<u>904,380</u>	<u>( 55,235)</u>	<u>998,651</u>
<b>EXPENDITURES</b>					
Salaries And Benefits	104,638	104,837	113,892	9,055	93,609
Supplies And Services	0	0	466,913	466,913	136,343
Capital Outlay	0	0	30,180	30,180	1,274,783
Debt Service					
Principal	125,000	125,000	125,000	0	120,000
Interest & Other Charges	149,800	149,800	149,800	0	156,581
Total Expenditures	<u>379,438</u>	<u>379,637</u>	<u>885,785</u>	<u>506,148</u>	<u>1,781,316</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>580,177</u>	<u>579,978</u>	<u>18,595</u>	<u>( 561,383)</u>	<u>( 782,665)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	( 104,000)	( 104,000)	( 178,347)	( 74,347)	( 200,000)
Total Other Financing Sources And (Uses)	<u>( 104,000)</u>	<u>( 104,000)</u>	<u>( 178,347)</u>	<u>( 74,347)</u>	<u>( 200,000)</u>
Net Change In Fund Balance	476,177	475,978	( 159,752)	( 635,730)	( 982,665)
Fund Balance - Beginning	<u>1,679,403</u>	<u>1,679,403</u>	<u>1,679,403</u>	<u>0</u>	<u>2,662,068</u>
Fund Balance - Ending	<u>2,155,580</u>	<u>2,155,381</u>	<u>1,519,651</u>	<u>( 635,730)</u>	<u>1,679,403</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
STORM DRAIN CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	2009				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2008 Actual
	Original	Final			
<b>REVENUES</b>					
Interest Income	4,000	4,000	2,819	( 1,181)	6,002
Impact Fees	6,000	11,000	10,314	( 686)	6,482
Service Charges And Miscellaneous	0	0	53	53	2,327
Total Revenues	<u>10,000</u>	<u>15,000</u>	<u>13,186</u>	<u>( 1,814)</u>	<u>14,811</u>
<b>EXPENDITURES</b>					
Supplies And Services	0	0	0	0	50,585
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,585</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>10,000</u>	<u>15,000</u>	<u>13,186</u>	<u>( 1,814)</u>	<u>( 35,774)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources And (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	10,000	15,000	13,186	( 1,814)	( 35,774)
Fund Balance - Beginning	( 628,858)	( 628,858)	( 628,858)	0	(593,084)
Fund Balance - Ending	<u>( 618,858)</u>	<u>( 613,858)</u>	<u>( 615,672)</u>	<u>( 1,814)</u>	<u>( 628,858)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 FOR THE ENDED JUNE 30, 2009  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Business-Type Activities-Enterprise Funds**

	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
<b>Assets</b>				
Cash And Investments	5,576,014	1,648,537	7,224,551	6,681,744
Cash With Fiscal Agent	282,430	0	282,430	283,628
Accounts Receivable	326,257	91,010	417,267	315,339
Fixed Assets	5,900,524	2,753,463	8,653,987	8,615,797
Accumulated Depreciation	( 3,056,566)	( 829,931)	( 3,886,497)	(3,688,823)
Work In Progress	77,813	0	77,813	0
<b>Total Assets</b>	<b>9,106,472</b>	<b>3,663,079</b>	<b>12,769,551</b>	<b>12,207,685</b>
<b>Liabilities</b>				
Accounts Payable	31,905	29,942	61,847	83,708
Customer Deposits	0	63,909	63,909	28,956
Compensated Absences	26,023	21,402	47,425	50,397
Other Liabilities	0	100,990	100,990	100,990
Loan Payable	1,980,000	0	1,980,000	2,150,000
Bond Payable	0	605,000	605,000	634,000
<b>Total Liabilities</b>	<b>2,037,928</b>	<b>821,243</b>	<b>2,859,171</b>	<b>3,048,051</b>
<b>Net Assets</b>				
Invested In Capital Assets, Net Of Related Debt	941,771	1,318,532	2,260,303	2,142,974
Restricted For Debt Service	282,430	0	282,430	283,628
Unrestricted	5,844,343	1,523,304	7,367,647	6,733,032
<b>Total Net Assets</b>	<b>7,068,544</b>	<b>2,841,836</b>	<b>9,910,380</b>	<b>9,159,634</b>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
 FOR THE ENDED JUNE 30, 2009  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<b>Business-Type Activities-Enterprise Funds</b>			
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
<b>Operating Revenues</b>				
Service Charges	1,796,465	904,110	2,700,575	2,157,525
Miscellaneous Revenues	130,354	849	131,203	65,735
Total Operating Revenues	<u>1,926,819</u>	<u>904,959</u>	<u>2,831,778</u>	<u>2,223,260</u>
<b>Operating Expenses</b>				
Employee Services	448,493	411,463	859,956	778,250
Supplies And Services	617,617	374,785	992,402	1,473,180
Depreciation	127,677	72,970	200,647	196,878
Total Operating Expenses	<u>1,193,787</u>	<u>859,218</u>	<u>2,053,005</u>	<u>2,448,308</u>
Operating Income (Loss)	<u>733,032</u>	<u>45,741</u>	<u>778,773</u>	<u>( 225,048)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Earnings	103,617	31,949	135,566	273,789
Connection Fees	13,950	5,175	19,125	159,190
Development Fees	134,446	7,299	141,745	191,269
Development Contribution	0	0	0	0
Interest Expense	( 107,873)	( 30,975)	( 138,848)	(150,997)
Total Nonoperating Revenues (Expenses)	<u>144,140</u>	<u>13,448</u>	<u>157,588</u>	<u>473,251</u>
Income Before Transfers	<u>877,172</u>	<u>59,189</u>	<u>936,361</u>	<u>248,203</u>
Operating Transfer In	0	0	0	0
Operating Transfer Out	( 50,000)	( 135,615)	( 185,615)	( 43,457)
Total Other Financing Sources (Uses)	<u>( 50,000)</u>	<u>( 135,615)</u>	<u>( 185,615)</u>	<u>( 43,457)</u>
Change In Net Assets	827,172	( 76,426)	750,746	204,746
Total Net Assets - Beginning	<u>6,241,372</u>	<u>2,918,262</u>	<u>9,159,634</u>	<u>8,954,888</u>
Total Net Assets - Ending	<u>7,068,544</u>	<u>2,841,836</u>	<u>9,910,380</u>	<u>9,159,634</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

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**CITY OF NEWMAN  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE ENDED JUNE 30, 2009  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Business-Type Activities-Enterprise Funds**

	Sewer Fund	Water Fund	Totals	
			2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Customers And Users	1,814,670	950,133	2,764,803	2,165,998
Payments To Suppliers	( 635,374)	( 378,890)	( 1,014,263)	(1,521,252)
Payments To Employees	( 454,080)	( 408,847)	( 862,927)	(769,788)
Net Cash Provided By Operating Activities	<u>725,216</u>	<u>162,396</u>	<u>887,612</u>	<u>( 125,043)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer Ins	0	0	0	0
Transfer Out	( 50,000)	( 135,615)	( 185,615)	(43,457)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>( 50,000)</u>	<u>( 135,615)</u>	<u>( 185,615)</u>	<u>(43,457)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Connection Fees	13,950	5,175	19,125	159,190
Development Fees	134,446	7,299	141,745	191,269
Purchase Of Capital Assets	( 98,395)	( 20,582)	( 118,977)	(107,895)
Principal Paid On Capital Debt	( 169,999)	( 29,000)	( 198,999)	(398,000)
Interest Paid On Capital Debt	( 107,873)	( 30,975)	( 138,848)	(150,997)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>( 227,871)</u>	<u>( 68,083)</u>	<u>( 295,954)</u>	<u>( 306,433)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	<u>103,617</u>	<u>31,949</u>	<u>135,566</u>	<u>273,789</u>
Net Cash Provided By Investing Activities	<u>103,617</u>	<u>31,949</u>	<u>135,566</u>	<u>273,789</u>
Net Increase In Cash And Cash Equivalents	550,962	( 9,353)	541,609	(201,144)
Cash And Equivalents, July 1	<u>5,307,482</u>	<u>1,657,890</u>	<u>6,965,372</u>	<u>7,166,516</u>
Cash And Equivalents, June 30	<u><u>5,858,444</u></u>	<u><u>1,648,537</u></u>	<u><u>7,506,981</u></u>	<u><u>6,965,372</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**Business-Type Activities-Enterprise Funds**

<b>Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities</b>	<b>Sewer</b>	<b>Water</b>	<b>Totals</b>	
	<b>Fund</b>	<b>Fund</b>	<b>2009</b>	<b>2008</b>
Operating Income	733,032	45,741	778,773	(225,048)
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities				
Depreciation Expense	127,677	72,970	200,647	196,878
(Increase) Decrease In Accounts Receivable	( 112,149)	10,221	( 101,928)	(65,263)
Increase (Decrease) In Accounts Payable	( 17,757)	( 4,105)	( 21,862)	(48,073)
Compensated Absences	( 5,587)	2,616	( 2,971)	8,462
Customer Deposits	0	34,953	34,953	8,001
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>725,216</b>	<b>162,396</b>	<b>887,612</b>	<b>( 125,043)</b>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**A. Financial Reporting Entity**

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

**City of Newman**

The City (primary government) was incorporated on June 10, 1908 under the general laws of the State of California. The City provides the full range of municipal services as contemplated by statute. Services provided include sewer, water, public safety (police, fire and civil defense), street construction and maintenance, culture-recreation, public improvements, planning and zoning, and general administrative and support services.

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**City of Newman (continued)**

The City operates under a Council-Manager form of government. The City Council consists of four members elected at large for overlapping four year terms. The Mayor is elected to the City Council for a two year term. The City Council appoints a City Manager and City Attorney.

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of one blended component unit: the Redevelopment Agency of the City of Newman.

**Blended Component Unit.** The Redevelopment Agency serves all the citizens of the City of Newman. The Redevelopment Agency is reported as a capital project fund.

Complete financial statements of the Redevelopment Agency may be obtained at the offices of the City of Newman.

**B. Government-wide and fund financial statements**

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

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

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

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

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

**CITY OF NEWMAN**  
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**C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)**

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

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

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

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

The **Public Facility Improvement Fund**- To account for development impact fees collected. These fees are used for infrastructure and capital expenditure resulting from new developments.

**Storm Drain**- To account for impact fees charged to development to pay for facilities impacted by the development project.

**Redevelopment Agency/Housing**- Redevelopment Agency accounts for the collection of property tax revenues used for the administration of the agency and development within the designated redevelopment area. Redevelopment Housing accounts for 20% of the property tax revenues collected for the Redevelopment Agency, these funds are restricted for low and moderate income housing projects within the designated redevelopment area.

The city reports the following major proprietary funds.

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

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers and applicants, for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities, Net Assets or Equity**

**1. Cash and Investments**

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

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

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

- Securities of the U.S. government or its agencies
- Certificates of Deposit (or time deposits) placed with commercial banks and/or savings and loan associations

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Cash and Investments (continued)**

- Bankers Acceptances
- State Treasurer's Local Agency Investment Fund (LAIF)
- Passbook savings account demand deposits
- Small Business Administration Loans
- Other products which are totally guaranteed and insured by the U.S government.

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

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

**2. Receivables and Payables**

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

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

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

**3. Property Taxes**

Property taxes are levied on the first day of March by the county assessor, and are payable to the county tax collector in two installments.

The first installment is due November 1st, and is delinquent on December 10th, the second installment is due February 1st and is delinquent on April 10th. Taxes become a lien on the property on March 1st, and on the date of transfer of title, and the date of new construction.

The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected. Article 13A of the California Constitution states, "The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property."

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**3. Property Taxes (continued)**

The one percent tax is to be collected by the counties and apportioned according to law to the districts within the counties."

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

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

**4. Prepaid Items**

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

**5. Restricted Assets**

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

**6. Capital Assets**

Capital assets, which include property, plant, and equipment and infrastructure assets (e.g. roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 for property, plant and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF NEWMAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**6. Capital Assets (continued)**

Depreciation is recorded in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method. Assets are depreciated as follows:

Buildings	20-40 years
Improvements	40 years
Machinery and Equipment	3-6 years
Streets and Roads	20 years
Curb, Gutter, Sidewalks, & Median Curbs	20 years
Storm Drains	75 years
Traffic Signals	20 years
Water and Sewer Lines	40 years

**7. Compensated Absences**

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

**8. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF NEWMAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**9. Net Assets and Fund Equity**

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**10. Use of Estimates**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

**B. Deficit Fund Equity**

For the year ended June 30, 2009, the following fund has a deficit fund balance:

Storm Drain Fund	\$615,672
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Storm Drain Fund will be reimbursed by future assessments and fees collected from developers within the development district.

**CITY OF NEWMAN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009 AND 2008**

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**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash And Investments**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	18,870,117
Cash and investments held by bond trustee	<u>560,318</u>
Total cash and investments	<u>19,430,435</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	1,000
Deposits with financial institutions	4,114,568
Investments in LAIF	<u>15,314,867</u>
Total cash and investments	<u>19,430,435</u>

**Investments Authorized by the City's Investment Policy**

The City's investment policy authorizes investment in the local government investment pool administered by the State of California (LAIF). The City's investment policy also authorizes cash to be invested in Certificates of Deposits, Bankers Acceptances, and Passbook Savings Demand Deposits. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 7.1 months.

		<u>Maturity Date</u>
State investment pool	<u>15,314,867</u>	7.1 months average maturity
Total	<u>15,314,867</u>	

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

\$1,638,382 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Investment in State Investment Pool**

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

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Cash with Fiscal Agent**

The City maintains cash and investments which are restricted under the terms of various debt agreements. The money is included in the City's pooled cash and investment program.

Restricted cash and investments as of June 30, 2009 is \$560,318 and consists of \$282,430 in the Sewer Fund and \$277,888 in the Redevelopment Agency Fund.

**Deferred Compensation Plan**

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

**B. Accounts Receivable**

Receivables at June 30, 2009 for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows. All receivables are expected to be collected within one year.

	<u>General</u>	<u>Non-Major Govern- mental</u>	<u>Total</u>
Governmental Activities:			
Utility Billing	66,943	0	66,943
Intergovernmental	93,845	102,423	196,268
Other	50,742	0	50,742
Total	<u>211,530</u>	<u>102,423</u>	<u>313,953</u>

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Business-Type Activities:			
Utility Billing	90,332	321,347	411,679
Other	677	4,958	5,635
Total	<u>91,009</u>	<u>326,305</u>	<u>417,314</u>

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**C. Loans Receivable**

The City is the recipient of Community Development Block Grant and Home Program Funds. The Funds are provided for housing and business loans to qualified recipients at various below market interest rates ranging from 0 to 4%. The terms of the loans range between fifteen and thirty-eight years. All loans are secured by deeds of trust. The amount outstanding as of June 30, 2009 is \$3,871,241. Additional Loans Receivable of the Redevelopment Agency are as follows:

The Agency had the following loans receivables as of June 30, 2009:

Westside Village	377,790
Jose Reynose	200,000
Caetano Pometta	<u>2,255</u>
Total	<u>580,045</u>

A five year loan was issued to Caetano Pometta Real Estate for \$32,114 on October 5, 2004 at a 5.00% interest rate, with monthly payment of \$660.49. The loan receivable balance as of June 30, 2009 was \$2,255.

A 40 year loan was issued to Westside Village Apartments L.P a California Limited Partnership for \$377,790 on June 3, 1999 at a 3.00% interest rate. The loan receivable balance as of June 30, 2009 was \$377,790.

A 10 year loan was issued to Jose Reynose for \$200,000 on June 24, 2009. The interest varies between 0% for two years, 3% for three years and 5.00% for the remainder of the loan. . The loan receivable balance as of June 30, 2009 was \$200,000.

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	3,360,205	0	0	3,360,205
Construction In Progress	16,330	620,540	0	636,870
Total Capital Assets Not Being Depreciated	<u>3,376,535</u>	<u>620,540</u>	<u>0</u>	<u>3,997,075</u>
Capital Assets Being Depreciated:				
Infrastructure	3,418,393	88,264	0	3,506,657
Equipment And Vehicles	2,504,799	98,387	( 119,437)	2,483,749
Building And Improvements	3,601,445	59,840	0	3,661,285
Total Capital Assets Being Depreciated	<u>9,524,637</u>	<u>246,491</u>	<u>0</u>	<u>9,651,691</u>
Less Accumulated Depreciation For:				
Infrastructure	( 426,273)	( 122,741)	0	( 549,014)
Equipment And Vehicles	( 1,386,436)	( 166,108)	119,437	( 1,433,107)
Building And Improvements	( 1,235,131)	( 109,450)	0	( 1,344,581)
Total Accumulated Depreciation	<u>( 3,047,840)</u>	<u>( 398,299)</u>	<u>119,437</u>	<u>( 3,326,702)</u>
Net Capital Assets Being Depreciated	<u>6,476,797</u>	<u>( 151,808)</u>	<u>119,437</u>	<u>6,324,989</u>
Total Net Capital Assets - Governmental-type activities	<u>9,853,332</u>	<u>468,732</u>	<u>119,437</u>	<u>10,322,064</u>

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

<b>Government Activities:</b>	
General Government	26,294
Public Safety	101,076
Public Works	200,101
Community Development	60,951
Culture And Leisure	<u>9,877</u>
Total Depreciation Expense – Government Activities	<u>398,299</u>

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**D. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	1,460,000	0	0	1,460,000
Construction In Progress	<u>0</u>	<u>77,813</u>	<u>0</u>	<u>77,813</u>
Total Capital Assets Not Being Depreciated	<u>1,460,000</u>	<u>0</u>	<u>0</u>	<u>1,537,813</u>
Capital Assets Being Depreciated:				
Infrastructure	6,239,417	0	0	6,239,417
Equipment And Vehicles	808,814	41,164	( 2,973)	847,005
Building And Improvements	<u>107,565</u>	<u>0</u>	<u>0</u>	<u>107,565</u>
Total Capital Assets Being Depreciated	<u>7,155,796</u>	<u>41,164</u>	<u>( 2,973)</u>	<u>7,193,987</u>
Less Accumulated Depreciation For:				
Infrastructure	( 2,993,177)	( 154,217)	0	( 3,147,394)
Equipment And Vehicles	( 621,563)	( 41,858)	2,973	( 660,448)
Building And Improvements	<u>( 74,083)</u>	<u>( 4,572)</u>	<u>0</u>	<u>( 78,655)</u>
Total Accumulated Depreciation	<u>( 3,688,823)</u>	<u>( 200,647)</u>	<u>2,973</u>	<u>( 3,886,497)</u>
Net Capital Assets Being Depreciated	<u>3,466,973</u>	<u>( 159,483)</u>	<u>0</u>	<u>3,307,490</u>
Total Net Capital Assets - Business-type activities	<u>4,926,973</u>	<u>( 159,483)</u>	<u>0</u>	<u>4,845,303</u>

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

**Business- Type Activities:**

Water	72,970
Sewer	<u>127,677</u>
Total Depreciation Expense – Business-Type Activities	<u>200,647</u>

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**E. Transfers**

Interfund transfers for the year ended June 30, 2009 consisted of the following amounts:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	361,385	25,000
Capital Repair	110,000	43,654
Safety Grants	298,962	0
Redevelopment	0	178,347
Gas Tax	0	225,242
Lighting Assessment	0	20,000
Sewer	0	50,000
Water	0	135,615
Employee Home Loans	0	40,000
COPS Grant	0	52,489
Total	<u>770,347</u>	<u>770,347</u>

**F. Long-Term Debt**

Long-term debt consists of the following:

**Governmental-Type Activities:**

**Certificates of Participation**

In the year ended June 30, 1997 the City issued tax allocation project and housing bonds. The bonds payable were \$2,735,000 as of June 30, 2009.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	115,000	143,923	258,923
2011	120,000	138,046	258,046
2012	125,000	131,798	256,798
2013	125,000	125,298	250,298
2014	130,000	118,571	248,571
2015-2019	700,000	480,104	1,180,104
2020-2024	735,000	285,733	1,020,733
2025-2028	685,000	75,922	760,922
	<u>2,735,000</u>	<u>1,499,394</u>	<u>4,234,394</u>

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**F. Long-Term Debt (continued)**

**Fire Truck Purchase**

The City purchased a Pierce F in September of 2006 from Oshkosh Capital for \$263,822. Repayment will be made in yearly installments of \$43,411 at a 5% rate of interest. The loan matures September 26, 2012. The principal balance was \$153,970 as of June 30, 2009.

Year Ending June 30	Principal	Interest	Total
2010	35,728	7,683	43,411
2011	37,511	5,900	43,411
2012	39,383	4,028	43,411
2013	41,348	2,063	43,411
Total	<u>153,970</u>	<u>19,674</u>	<u>173,644</u>

**Business-Type Activities:**

The \$1,050,000 of Water Revenue Bonds of 1982 are due in annual installments of \$9,000 to \$59,000 through 2022 with interest of 5%. This issue is being serviced, principal and interest by the Water Fund. The principal amount unpaid at June 30, 2009 is \$605,000.

Year Ending June 30	Principal	Interest	Total
2010	31,000	29,475	60,475
2011	32,000	27,900	59,900
2012	34,000	26,250	60,250
2013	36,000	24,500	60,500
2014	38,000	22,650	60,650
2015-2019	217,000	82,500	299,500
2020-2023	217,000	19,860	236,860
Total	<u>605,000</u>	<u>233,135</u>	<u>838,135</u>

**CITY OF NEWMAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**F. Long-Term Debt (continued)**

**Certificates of Participation**

The City issued certifications of participation in May of 1991 to assist in financing the acquisition, construction, and improvement of their wastewater treatment facilities. The total amount of the issue was \$3,590,000 with interest rates ranging from 4.5% to 6.74%.

The City refunded these certificates in November 1999. The total amount of the issue was \$3,455,000 with interest rates ranging from 3.6% to 5.3%. The bonds payable as of June 30, 2009 were \$1,980,000.

Year Ending June 30	Principal	Interest	Total
2010	180,000	107,872	287,872
2011	190,000	91,592	281,592
2012	195,000	82,330	277,330
2013	205,000	72,580	277,580
2014	220,000	62,330	282,330
2015-2017	990,000	132,142	1,122,142
Total	1,980,000	548,846	2,528,846

The following is a summary of changes in the City's long-term debt and other long-term liabilities during the year ended June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Loan Payable	187,999	0	( 34,029)	153,970	35,728
Certificate of Participaqtion	2,860,000	0	( 125,000)	2,735,000	115,000
Compensated Absences	110,379	0	( 6,672)	103,707	0
Long-term liabilities of Governmental Activities:	3,158,378	0	( 165,701)	2,992,677	150,728

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**F. Long-Term Debt (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities</b>					
Bonds	634,000	0	( 29,000)	605,000	31,000
Certificate of Participaqtion	2,150,000	0	( 170,000)	1,980,000	180,000
Compensated Absences	<u>50,397</u>	<u>0</u>	<u>( 2,972)</u>	<u>47,425</u>	<u>0</u>
Long-term liabilities of Governmental Activities:	<u>2,834,397</u>	<u>0</u>	<u>( 201,972)</u>	<u>2,632,425</u>	<u>211,000</u>

**G. Payables And Other Liabilities**

Payables at June 30, 2009 for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Storm Drain</u>	<u>Public Facility Inprov</u>	<u>CDBG</u>	<u>Redevelo- pment Agency</u>	<u>Non- major Govern- mental</u>	<u>Total</u>
Governmental Activities:							
Vendors	335,530	0	14,268	1,741	164,818	137,319	653,676
Deposits	<u>622,919</u>	<u>770,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,546</u>	<u>1,504,028</u>
Total	<u>958,449</u>	<u>770,563</u>	<u>14,268</u>	<u>1,741</u>	<u>164,818</u>	<u>247,865</u>	<u>2,157,704</u>

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**G. Payables And Other Liabilities (continued)**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Business-Type Activities:			
Vendors	29,942	31,905	61,847
Customer Deposits	63,909	0	63,909
Developer Deposits	100,990	0	100,990
Total	<u>194,841</u>	<u>31,905</u>	<u>226,746</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

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

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

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**A. Risk Management (continued)**

The financial position and results of operations for the CSJVRMA, as of June 30, 2008, are presented below:

Total Assets	<u>55,090,154</u>
Total Liabilities	45,390,299
Total Net Assets	<u>9,699,855</u>
Total Liabilities & Retained Earnings	<u>55,090,154</u>
Total Revenues for Year	27,634,859
Total Expenses for Year	<u>26,458,594</u>
Net Income for Year	<u>1,176,265</u>

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

**B. Commitments and Contingencies**

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

**C. Employee Retirement Systems and Plans**

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

Participants are required to contribute 8% (9% for public-safety employees) of their annual covered salary. The City makes the contributions required of the City employees on their behalf and for their account. The contribution requirements of plan members and the City are established and may be amended by PERS. The City is required to contribute at an actuarially determined rate. The current rate is 11.226% for non-safety employees, 28.932% of police employees, of annual covered payroll. PERS has determined that because of past funding and investment earnings, current employer contributions are not required for miscellaneous employees and public-safety employees of the city.

**CITY OF NEWMAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

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**C. Employee Retirement Systems and Plans (continued)**

For June 30, 2009, the City's annual pension cost was \$376,800 due to excess PERS funds determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) include an inflation component of 3%. The actuarial value of PERS assets were determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2008, was five years for prior service unfunded, and 15 years for remaining unfunded.

THREE-YEAR TREND INFORMATION FOR PERS

<u>Fiscal</u> <u>Year</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
06/30/07	\$308,611	100%	0
06/30/08	\$337,693	100%	0
06/30/09	\$376,800	100%	0

**COMBINING FINANCIAL STATEMENTS**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

**Program Income Miscellaneous-** To account for miscellaneous income.

**Park Facility Fee-** To account for developer fees related to parks.

**State Grants-** To account for various grants received from the State of California. Funds are used for community development.

**Safety Grants-** To account for Federal grants. Historically most of the grants are police related but could include other departments.

**Abandon Vehicle Fund-** To account for money received by the Police Department for the disposal of abandon vehicles.

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

**Employee Home Loan Fund-** To account for funds set aside for City of Newman employees home loan program..

**K-9 Fund-** To account for donations made to the City for the purpose of the police K-9 Units.

**COPS Grant Fund-** To account for grant funds for police services.

**Asset Forfeiture-** To account for money received by the Police Department as a result of Asset Forfeiture. The funds are used to augment the SLENET Task Force which is currently run by the State Department of Justice.

**Local Transportation-** To account for Local Transportation Funds received from STANCOG as a pass thru of gas and sales tax funds to be used for improvements to transportation related areas.

**County CDBG Fund-** To account for various repayments received from the Stanislaus County. Refunds are for various public works and community development projects.

**Business License Surcharge-** To account for revenues generated by a portion of the business licenses collected.

## COMBINING FINANCIAL STATEMENTS

### NON-MAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds

**Lighting and Landscaping District-** To account for the money received from residences in certain districts who pay an assessment based on the benefit they receive. These funds are used to cover the costs of street lighting and landscape maintenance in their specific zones.

**Contingency Fund-** To account for funds reserved for emergency or contingent needs. These funds are only to be used at the direction of the City Council for emergencies or unplanned needs.

**Capital Repair & Replacement-** To account for internally derived depreciation expense used to establish a capital reserve fund.

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**CITY OF NEWMAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

	<b>Program Income Misc. Fund</b>	<b>Park Facility Fee Fund</b>	<b>State Grants Fund</b>	<b>Safety Grants Fund</b>	<b>Abandoned Vehicle Program</b>
<b>Assets</b>					
Cash And Investments	1,571	363,064	391,790	27,093	6,760
Cash with Fiscal Agent	0	0	0	0	0
Accounts Receivable	0	0	0	0	1,503
Loans Receivable	0	0	0	0	0
Due From Other Funds	0	0	0	0	0
<b>Total Assets</b>	<b>1,571</b>	<b>363,064</b>	<b>391,790</b>	<b>27,093</b>	<b>8,263</b>
<b>Liabilities And Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	0	0	28,338	27,435	0
Compensated Absences	0	0	0	0	157
Other Liabilities	0	110,546	0	0	0
Due To Other Funds	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>110,546</b>	<b>28,338</b>	<b>27,435</b>	<b>157</b>
<b>Fund Balances</b>					
Reserved	0	0	0	0	0
Unreserved	1,571	252,518	363,452	( 342)	8,106
<b>Total Fund Balances</b>	<b>1,571</b>	<b>252,518</b>	<b>363,452</b>	<b>( 342)</b>	<b>8,106</b>
<b>Total Liabilities And Fund Balances</b>	<b>1,571</b>	<b>363,064</b>	<b>391,790</b>	<b>27,093</b>	<b>8,263</b>

**CITY OF NEWMAN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

<b>Gas Tax Fund</b>	<b>Employee Home Loan Fund</b>	<b>K-9 Fund</b>	<b>COPS Grant Fund</b>	<b>Asset Forfeit Fund</b>	<b>Local Transportation Fund</b>	<b>County CDBG Construction Fund</b>
0	11,966	2,595	0	977	469,627	146,775
0	0	0	0	0	0	0
0	0	0	48,048	0	47,698	5,174
0	151,500	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>163,466</u>	<u>2,595</u>	<u>48,048</u>	<u>977</u>	<u>517,325</u>	<u>151,949</u>
0	0	0	0	0	9,519	59,306
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,519</u>	<u>59,306</u>
0	0	0	0	0	0	0
0	163,466	2,595	48,048	977	507,806	92,643
<u>0</u>	<u>163,466</u>	<u>2,595</u>	<u>48,048</u>	<u>977</u>	<u>507,806</u>	<u>92,643</u>
<u>0</u>	<u>163,466</u>	<u>2,595</u>	<u>48,048</u>	<u>977</u>	<u>517,325</u>	<u>151,949</u>

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**CITY OF NEWMAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

	<b>Business License Surcharge Fund</b>	<b>Lighting Landscape District Fund</b>	<b>Contingency Fund</b>	<b>Capital Repair Replacement Fund</b>	<b>Total Non-Major Special Revenue Funds</b>	
					<b>2009</b>	<b>2008</b>
<b>Assets</b>						
Cash And Investments	622	188,319	197,536	412,293	2,220,988	1,983,677
Cash with Fiscal Agent	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	102,423	133,003
Loans Receivable	0	0	0	0	151,500	40,000
Due From Other Funds	0	0	0	0	0	0
<b>Total Assets</b>	<b>622</b>	<b>188,319</b>	<b>197,536</b>	<b>412,293</b>	<b>2,474,911</b>	<b>2,156,680</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	0	12,492	0	72	137,162	116,014
Compensated Absences	0	215	0	0	372	0
Other Liabilities	0	0	0	0	110,546	110,546
Due To Other Funds	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>12,707</b>	<b>0</b>	<b>72</b>	<b>248,080</b>	<b>226,560</b>
<b>Fund Balances</b>						
Reserved	0	0	0	0	0	0
Unreserved	622	175,612	197,536	412,221	2,226,831	1,930,120
<b>Total Fund Balances</b>	<b>622</b>	<b>175,612</b>	<b>197,536</b>	<b>412,221</b>	<b>2,226,831</b>	<b>1,930,120</b>
<b>Total Liabilities And Fund Balances</b>	<b>622</b>	<b>188,319</b>	<b>197,536</b>	<b>412,293</b>	<b>2,474,911</b>	<b>2,156,680</b>

**CITY OF NEWMAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

	<b>Program Income Misc. Fund</b>	<b>Park Facility Fee Fund</b>	<b>State Grants Fund</b>	<b>Safety Grants Fund</b>	<b>Abandoned Vehicle Program</b>
<b>Revenues</b>					
Investment Earnings	29	6,628	7,543	226	105
Intergovernmental	0	0	405,000	295	7,150
Property Taxes	0	0	0	0	0
Other Taxes	0	0	0	0	0
Impact Fees	0	35,010	0	0	0
Licenses And Permits	0	0	0	0	0
Service Charges And Miscellaneous	0	0	0	0	0
<b>Total Revenues</b>	<b>29</b>	<b>41,638</b>	<b>412,543</b>	<b>521</b>	<b>7,255</b>
<b>Expenditures</b>					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	4,531
Public Works	0	7,860	50,649	271	0
Community Development	0	0	0	0	0
Culture And Leisure	0	0	0	0	0
Debt Service					
Principal	0	0	0	0	0
Interest & Other Charges	0	0	0	0	0
Capital Outlay	0	0	0	354,996	0
<b>Total Expenditures</b>	<b>0</b>	<b>7,860</b>	<b>50,649</b>	<b>355,267</b>	<b>4,531</b>
Excess(Deficiency) Of Revenues Over Expenditures	29	33,778	361,894	( 354,746)	2,724
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	0	0	0	298,962	0
Operating Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>298,962</b>	<b>0</b>
<b>Net Change In Fund Balances</b>	<b>29</b>	<b>33,778</b>	<b>361,894</b>	<b>( 55,784)</b>	<b>2,724</b>
Fund Balance - Beginning	1,542	218,740	1,558	55,442	5,382
Fund Balance - Ending	1,571	252,518	363,452	( 342)	8,106

**CITY OF NEWMAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

<b>Gas Tax Fund</b>	<b>Employee Home Loan Fund</b>	<b>K-9 Fund</b>	<b>COPS Grant Fund</b>	<b>Asset Forfeit Fund</b>	<b>Local Transportation Fund</b>	<b>County CDBG Construction Fund</b>	<b>Business License Surcharge Fund</b>
1,638	2,282	0	450	18	7,734	827	133
0	0	0	100,087	0	179,717	317,587	0
0	0	0	0	0	0	0	0
178,151	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	10,179
0	0	1,726	0	0	18	0	0
<u>179,789</u>	<u>2,282</u>	<u>1,726</u>	<u>100,537</u>	<u>18</u>	<u>187,469</u>	<u>318,414</u>	<u>10,312</u>
0	0	0	0	0	0	24,146	16,483
0	0	30,558	0	0	0	0	0
0	0	0	0	0	13,078	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	140,481	251,277	0
<u>0</u>	<u>0</u>	<u>30,558</u>	<u>0</u>	<u>0</u>	<u>153,559</u>	<u>275,423</u>	<u>16,483</u>
<u>179,789</u>	<u>2,282</u>	<u>( 28,832)</u>	<u>100,537</u>	<u>18</u>	<u>33,910</u>	<u>42,991</u>	<u>( 6,171)</u>
0	0	0	0	0	0	0	0
<u>( 225,242)</u>	<u>( 40,000)</u>	<u>0</u>	<u>( 52,489)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>( 225,242)</u>	<u>( 40,000)</u>	<u>0</u>	<u>( 52,489)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>( 45,453)</u>	<u>( 37,718)</u>	<u>( 28,832)</u>	<u>48,048</u>	<u>18</u>	<u>33,910</u>	<u>42,991</u>	<u>( 6,171)</u>
<u>45,453</u>	<u>201,184</u>	<u>31,427</u>	<u>0</u>	<u>959</u>	<u>473,896</u>	<u>49,652</u>	<u>6,793</u>
<u>0</u>	<u>163,466</u>	<u>2,595</u>	<u>48,048</u>	<u>977</u>	<u>507,806</u>	<u>92,643</u>	<u>622</u>

**CITY OF NEWMAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

**Special Revenue**

	Lighting Landscape District Fund	Contingency Fund	Capital Repair Replacement Fund	Total Non-Major Special Revenue Funds	
				2009	2008
<b>Revenues</b>					
Investment Earnings	2,903	3,651	7,425	41,592	76,974
Intergovernmental	0	0	0	1,009,836	427,099
Property Taxes	0	0	0	0	0
Other Taxes	205,803	0	0	383,954	331,785
Impact Fees	0	0	0	35,010	17,444
Licenses And Permits	0	0	0	10,179	11,860
Service Charges And Miscellaneous	0	0	0	1,744	316,560
Total Revenues	<u>208,706</u>	<u>3,651</u>	<u>7,425</u>	<u>1,482,315</u>	<u>1,181,722</u>
<b>Expenditures</b>					
General Government	0	0	30,020	70,649	44,886
Public Safety	0	0	0	35,089	30,435
Public Works	0	0	0	71,858	18,853
Community Development	184,733	51	0	184,784	753,597
Culture And Leisure	0	0	0	0	0
Debt Service					
Principal	0	0	22,120	22,120	32,412
Interest & Other Charges	0	0	6,098	6,098	10,999
Capital Outlay	0	0	75,829	822,583	792,775
Total Expenditures	<u>184,733</u>	<u>51</u>	<u>134,067</u>	<u>1,213,181</u>	<u>1,683,957</u>
Excess(Deficiency) Of Revenues					
Over Expenditures	<u>23,973</u>	<u>3,600</u>	<u>( 126,642)</u>	<u>269,134</u>	<u>( 502,235)</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	0	0	110,000	408,962	487,111
Operating Transfers Out	( 20,000)	0	( 43,654)	( 381,385)	( 266,546)
Total Other Financing Sources (Uses)	<u>( 20,000)</u>	<u>0</u>	<u>66,346</u>	<u>27,577</u>	<u>220,565</u>
Net Change In Fund Balances	3,973	3,600	( 60,296)	296,711	( 281,670)
Fund Balance - Beginning	<u>171,639</u>	<u>193,936</u>	<u>472,517</u>	<u>1,930,120</u>	<u>2,211,790</u>
Fund Balance - Ending	<u>175,612</u>	<u>197,536</u>	<u>412,221</u>	<u>2,226,831</u>	<u>1,930,120</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To The City Council  
City of Newman  
State of California

We have audited the general-purpose financial statements of the City of Newman, State of California, as of and for the year ended June 30, 2009 and 2008, and have issued our report thereon dated November 4, 2009. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the City of Newman's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered the City of Newman's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A control deficiency exists when the design or operation of one or more of the internal control components does not allow management or employees in the normal course of performing their duties to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in a accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entities internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses as described above.

This report is intended for the information of the audit committee, management and the Newman City Council. However, this report is a matter of public record and its distribution is not limited.

**CLENDENIN BIRD & COMPANY, PC**

*Clendenin Bird & Company,*

Modesto, California  
November 4, 2009

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

To The City Council  
City of Newman  
State of California

We have audited the general-purpose financial statements of the City of Newman, State of California for the year ended June 30, 2009 and 2008, and have issued our report thereon dated November 4, 2009. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the California Administrative Code Section 6664 of the Transportation Development Act and the allocation instructions of the Stanislaus Area Association of Governments, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

**CLENDENIN BIRD & COMPANY, PC**

*Clendenin Bird & Company,*

Modesto, California  
November 4, 2009

**CITY OF NEWMAN**  
**REDEVELOPMENT AGENCY**  
**COMPONENT UNIT**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2009 AND 2008**

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY**

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board Members  
Redevelopment Agency of Newman Redevelopment Agency  
State Of California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newman Redevelopment Agency, State of California, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the Redevelopment Agency's basic financial statements as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Newman Redevelopment Agency's management. Our responsibility is to express an opinion on these general purpose 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newman Redevelopment Agency, as of June 30, 2009 and 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on Pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newman Redevelopment Agency's basic financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balance – nonmajor governmental funds and schedules of revenue, expenditures, and changes in fund balances – budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. These reports have been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2009 on our consideration of the City of Newman Redevelopment Agency's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

CLENDENIN BIRD & COMPANY, PC

*Clendenin Bird & Company,*

Modesto, California  
November 4, 2009

**City of Newman Redevelopment Agency  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)**

As management of the City of Newman Redevelopment Agency we offer readers of the Agency's Financial Statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2009. This document has been prepared as required by the Statement No. 34 of Governmental Accounting Standards Board (GASB 34).

**Financial Highlights**

Tax increment revenues are more than sufficient to cover debt related expenses and provide funding for both housing and non-housing priorities. The Agency continues to deliver high quality projects that have been planned based on neighborhood and business needs and goals.

The following are the amounts received from tax increments in fiscal year 2008-2009 with comparative totals for the previous three fiscal years.

<u>Fiscal Year Receipt</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>
Total for the year	\$ 882,343	\$ 926,507	\$ 1,031,235	\$ 812,614

The assets of the Agency exceeded its liabilities at the close of the fiscal year by \$920,809 (net assets). The Agency's investment in assets is primarily in City owned property; it does not hold all capital purchases in its own name.

As of the close of the fiscal year, the Agency's funds (all governmental) reported combined ending fund balance of \$1,519,651 which is a decrease of \$159,752 in comparison with the prior year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements. The Redevelopment Agency basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements: The Government-wide Financial Statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. The Agency, while a separate legal entity, acts as a financial conduit for the City and as such does not hold title to all the assets it helps construct. Therefore, its net assets are not any indication of its financial health.

**City of Newman Redevelopment Agency  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)**

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

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

The Agency adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

**Government-wide Financial Analysis**

By far the largest portion of the Agency's net assets reflects amounts designated for capital projects (e.g., land, buildings, machinery, and equipment). Unlike most other type of governmental bodies who provide day-to-day services, the main purpose of the Agency is to provide capital funds for the development of a certain geographical area of the City. The table below shows the components of the net assets.

Redevelopment Agency		
<u>Net Assets</u>		
	<u>2009</u>	<u>2008</u>
Current assets	\$ 1,690,547	\$ 1,775,248
Noncurrent assets	<u>2,136,158</u>	<u>2,163,362</u>
Total assets	<u>3,826,705</u>	<u>3,938,610</u>
Current liabilities	170,896	95,845
Noncurrent liabilities	<u>2,735,000</u>	<u>2,860,000</u>
Total liabilities	<u>2,905,896</u>	<u>2,955,845</u>
Net assets:		
Invested in capital assets	(598,842)	(696,638)
Restricted	1,631,813	950,535
Unrestricted	<u>( 112,162)</u>	<u>728,868</u>
Total net assets	<u>\$ 920,809</u>	<u>\$ 982,765</u>

**City of Newman Redevelopment Agency  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)**

There was a decrease of \$61,956 in the Agency's net assets (including prior year adjustment) during the fiscal year.

Governmental Activities: All the activities of the agency are governmental and it has no business-type activities.

Redevelopment Agency		
<u>Changes in Net Assets</u>		
	<u>2009</u>	<u>2008</u>
General revenues:		
Property tax (tax increments)	\$ 882,343	\$ 926,507
Miscellaneous Revenue	(178,347)	(200,000)
Use of money and property	22,037	63,964
Total general revenues	726,033	790,471
Net Expenses	<u>787,989</u>	<u>432,777</u>
Change in net assets	(61,694)	357,694
Net assets-beginning of year	<u>982,765</u>	<u>625,070</u>
Net assets-end of year	<u>\$ 920,809</u>	<u>\$ 982,764</u>

**Financial Analysis of the Agency's Funds**

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

**Governmental Funds:** The focus of the Agency's Governmental Funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It should, however, be noted that most of the unreserved amounts have been designated by the Agency for specific uses.

The Agency is required by State law to set aside 20% of the tax increment revenue in a separate fund for low and moderate-income housing purposes. The fund balance in this fund increased by \$105,062 to \$767,802.

The fund balance in the Redevelopment General Fund decreased by \$264,814 to \$751,849.

**Budgetary Highlights**

The Agency's overall revenues were \$54,733 less than estimated. The Agency's overall expenditures were \$181,637 over the estimated amount.

**City of Newman Redevelopment Agency  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)**

**Capital Asset and Debt Administration**

Capital Assets: As of June 30, 2009, the Agency's capital assets were \$2,136,158. As noted earlier the Agency acts as a financial conduit for the City of Newman and as a result its investments in capital assets are recorded as City assets rather than Agency assets.

Long-term Debt: At the end of the current fiscal year, the Agency has total bonded debt outstanding of \$2,735,000. The tax increments revenue of the Agency secures all bonded debt of the Agency.

The Agency's debt decreased by \$125,000 during the fiscal year.

Additional information on the Agency long-term debt can be found in Note 5 of this report.

**Economic Factors and Next Year's Budgets**

Since the Agency's primary source of revenue is tax increments, property values and new construction in the redevelopment area are the key economic factors that define the future resources of the agency. Tax increment revenue decreased by 4.8% in fiscal year 2008-2009. The decrease is due to a decrease in property values in the Redevelopment Area.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Newman Finance Division at 1162 Main Street, Newman, CA 95360

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Totals</b>	
		<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
Cash And Investments	832,614	832,614	940,129
Cash with Fiscal Agent	277,888	277,888	287,795
Accounts Receivable	0	0	4,901
Loans Receivable	580,045	580,045	542,423
Capital Assets (Net Of Accumulated Depreciation):			
Land	1,262,332	1,262,332	1,262,332
Buildings And Improvements	182,702	182,702	162,700
Infrastructure	691,124	691,124	738,330
Total Assets	<u>3,826,705</u>	<u>3,826,705</u>	<u>3,938,610</u>
<b>LIABILITIES</b>			
Accounts Payable And Other			
Current Liabilities	164,818	164,818	95,845
Compensated Absences	6,078	6,078	0
Long-Term Liabilities:			
Due Within One Year	115,000	115,000	125,000
Due In More Than One Year	2,620,000	2,620,000	2,735,000
Total Liabilities	<u>2,905,896</u>	<u>2,905,896</u>	<u>2,955,845</u>
<b>NET ASSETS</b>			
Invested In Capital Assets			
Net Of Related Debt	( 598,842)	( 598,842)	(696,638)
Restricted For			
Community Development Projects	1,347,847	1,347,847	662,740
Debt Service	283,966	283,966	287,795
Unrestricted	( 112,162)	( 112,162)	728,868
Total Net Assets	<u>920,809</u>	<u>920,809</u>	<u>982,765</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

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<b>Functions/Programs</b>	<b>Expenses</b>
<b>Primary Government:</b>	
<b>Governmental Activities:</b>	
General Government	0
Community Development	584,490
Pass Through To Others	53,699
Interest On Long-Term Debt	149,800
Total Governmental Activities	<u>787,989</u>
Total Primary Government	<u><u>787,989</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Program Revenues			Net (Expense) Revenue And Changes In Net Assets Primary Government		
Fines, Fees And Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	2009	Totals 2008
0	0	0	0	0	0
0	0	0	( 584,490)	( 584,490)	(220,181)
0	0	0	( 53,699)	( 53,699)	(56,014)
0	0	0	( 149,800)	( 149,800)	(156,581)
0	0	0	( 787,989)	( 787,989)	(432,776)
0	0	0	( 787,989)	( 787,989)	( 432,776)

**General Revenues:**

Taxes:			
Property Tax Increments	882,343	882,343	926,507
Investment Earnings	22,037	22,037	63,964
Intergovernmental	0	0	0
Service Charges And Miscellaneous	0	0	0
Transfers	( 178,347)	( 178,347)	( 200,000)
Total General Revenues And Transfers	726,033	726,033	790,471
Change In Net Assets	(61,956)	(61,956)	357,695
Net Assets - Beginning	982,765	982,765	625,070
Net Assets - Ending	920,809	920,809	982,765

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>General</u>	<u>Redevelopment Housing</u>	<u>Total Governmental 2009</u>	<u>2008</u>
<b>Assets</b>				
Cash And Investments	64,812	767,802	832,614	940,129
Cash with Fiscal Agent	277,888	0	277,888	287,795
Accounts Receivable	0	0	0	4,901
Loans Receivable	580,045	0	580,045	542,423
Total Assets	<u>922,745</u>	<u>767,802</u>	<u>1,690,547</u>	<u>1,775,248</u>
<b>Liabilities</b>				
Accounts Payable	164,818	0	164,818	95,845
Compensated Absences	6,078	0	6,078	0
Total Liabilities	<u>170,896</u>	<u>0</u>	<u>170,896</u>	<u>95,845</u>
<b>Fund Balances</b>				
Reserved	0	0	0	0
Unreserved	751,849	767,802	1,519,651	1,679,403
Total Fund Balances	<u>751,849</u>	<u>767,802</u>	<u>1,519,651</u>	<u>1,679,403</u>
Total Liabilities And Fund Balances	<u>922,745</u>	<u>767,802</u>	<u>1,690,547</u>	<u>1,775,248</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

---

Total fund balances - governmental funds 1,519,651

Total net assets reported for governmental activities in the statement of net assets is different because:

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

Land	1,262,332	
Buildings and improvements, net of \$42,851, accumulated depreciation	182,702	
Infrastructure, net of \$252,989 accumulated depreciation	<u>691,124</u>	
Total capital assets		2,136,158

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

Notes payable	( 2,735,000)	
Total long-term liabilities		( 2,735,000)

Total net assets - governmental activities 920,809

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>General</u>	<u>Redevelopment Housing</u>	<u>Total Governmental</u>	
			<u>2009</u>	<u>2008</u>
<b>Revenues</b>				
Property Tax Increments	705,874	176,469	882,343	926,507
Investment Earnings	9,148	12,889	22,037	63,964
Intergovernmental	0	0	0	0
Service Charges And Miscellaneous	0	0	0	8,180
Total Revenues	<u>715,022</u>	<u>189,358</u>	<u>904,380</u>	<u>998,651</u>
<b>Expenditures</b>				
Current				
General Government	0	0	0	0
Community Development	497,770	29,336	527,106	173,938
Pass Through To Others	53,699	0	53,699	56,014
Debt Service				
Principal	100,000	25,000	125,000	120,000
Interest And Other Charges	119,840	29,960	149,800	156,581
Capital Outlay	30,180	0	30,180	1,274,783
Total Expenditures	<u>801,489</u>	<u>84,296</u>	<u>885,785</u>	<u>1,781,316</u>
Excess (Deficiency) Of Revenues				
Over Expenditures	<u>(86,467)</u>	<u>105,062</u>	<u>18,595</u>	<u>(782,665)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	( 178,347)	0	( 178,347)	( 200,000)
Total Other Financing Sources (Uses)	<u>( 178,347)</u>	<u>0</u>	<u>( 178,347)</u>	<u>( 200,000)</u>
Net Change In Fund Balances				
Net Change In Fund Balances	(264,814)	105,062	(159,752)	(982,665)
Fund Balance - Beginning	<u>1,016,663</u>	<u>662,740</u>	<u>1,679,403</u>	<u>2,662,068</u>
Fund Balance- Ending	<u>751,849</u>	<u>767,802</u>	<u>1,519,651</u>	<u>1,679,403</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

---

Net change in fund balances - total governmental funds ( 159,752)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$57,384) exceeded capital outlay (\$30,180) in the current period. ( 27,204)

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any affect on net assets. 125,000

Changes in net assets of governmental activities (61,956)

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>	<u>2008</u>
	<u>Original</u>	<u>Final</u>		<u>With Final Budget Over (Under)</u>	
<b>REVENUES</b>					
Property Tax Increments	746,180	746,180	705,874	(40,306)	748,447
Investment Earnings	23,575	23,575	9,148	(14,427)	42,990
Service Charges And Miscellaneous	0	0	0	0	7,975
Intergovernmental	0	0	0	0	0
Total Revenues	<u>769,755</u>	<u>769,755</u>	<u>715,022</u>	<u>(54,733)</u>	<u>799,412</u>
<b>EXPENDITURES</b>					
Salaries And Benefits	83,678	83,678	92,330	8,652	74,908
Supplies And Services	251,334	251,334	405,440	154,106	78,265
Capital Outlay	10,000	10,000	30,180	20,180	1,274,783
Pass Through To Others	55,000	55,000	53,699	( 1,301)	56,014
Debt Service					
Principal	100,000	100,000	100,000	0	96,000
Interest	119,840	119,840	119,840	0	125,265
Total Expenditures	<u>619,852</u>	<u>619,852</u>	<u>801,489</u>	<u>181,637</u>	<u>1,705,235</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>149,903</u>	<u>149,903</u>	<u>( 86,467)</u>	<u>( 236,370)</u>	<u>(905,823)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	( 104,000)	( 104,000)	( 178,347)	( 74,347)	( 200,000)
Total Other Financing Sources And (Uses)	<u>( 104,000)</u>	<u>( 104,000)</u>	<u>( 178,347)</u>	<u>( 74,347)</u>	<u>( 200,000)</u>
Net Change In Fund Balance	45,903	45,903	( 264,814)	( 310,717)	(1,105,823)
Fund Balance - Beginning	<u>1,016,663</u>	<u>1,016,663</u>	<u>1,016,663</u>	<u>0</u>	<u>2,122,486</u>
Fund Balance - Ending	<u>1,062,566</u>	<u>1,062,566</u>	<u>751,849</u>	<u>( 310,717)</u>	<u>1,016,663</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
REDEVELOPMENT HOUSING CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2009  
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>	<u>2008</u>
	<u>Original</u>	<u>Final</u>		<u>With Final Budget Over (Under)</u>	
<b>REVENUES</b>					
Property Tax Increments	185,610	185,610	176,469	(9,141)	178,060
Investment Earnings	4,250	4,250	12,889	8,639	20,974
Service Charges And Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>205</u>
Total Revenues	<u>189,860</u>	<u>189,860</u>	<u>189,358</u>	<u>(502)</u>	<u>199,239</u>
<b>EXPENDITURES</b>					
Salaries And Benefits	20,960	21,259	21,562	303	18,701
Supplies And Services	0	20,000	7,774	(12,226)	2,064
Debt Service					
Principal	25,000	25,000	25,000	0	24,000
Interest	<u>29,960</u>	<u>29,960</u>	<u>29,960</u>	<u>0</u>	<u>31,316</u>
Total Expenditures	<u>75,920</u>	<u>96,219</u>	<u>84,296</u>	<u>(11,923)</u>	<u>76,081</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>113,940</u>	<u>93,641</u>	<u>105,062</u>	<u>11,421</u>	<u>123,158</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	0	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources And (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	113,940	93,641	105,062	11,421	123,158
Fund Balance - Beginning	<u>662,740</u>	<u>662,740</u>	<u>662,740</u>	<u>0</u>	<u>539,582</u>
Fund Balance - Ending	<u>776,680</u>	<u>756,381</u>	<u>767,802</u>	<u>11,421</u>	<u>662,740</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

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**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

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

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The more significant of the Redevelopment Agency’s accounting policies are described below:

**A. Financial Reporting Entity**

The accompanying basic financial statements present the financial activity of the Redevelopment Agency, a blended component unit of the City of Newman.

The financial statements of the Redevelopment Agency of the City of Newman have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14 and 34. GASB 14 defines the financial reporting entity and component units that need to be included in the reporting entity.

A component unit is a separate governmental unit, agency, or nonprofit corporation that is evaluated in relation to specific criteria to determine if it should be included in the financial reporting entity.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**Blended Component Unit**

The Redevelopment Agency governing board is comprised of the members of the City Council, and City employees perform all activities of the Redevelopment Agency. Although it is legally separate from the City of Newman, the Redevelopment Agency is reported in the Redevelopment Agency's general purpose financial statements as if it were part of the City because its sole purpose is to encourage new investment and reinvestment within the Redevelopment Agency's legally designated redevelopment areas in partnership with property owners.

**B. Government-wide and fund financial statements**

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements (note that the Redevelopment Agency has no proprietary funds). Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
( continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Redevelopment Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

The **Redevelopment Agency Housing Fund** accounts for 20% of the property tax revenues collected for the Redevelopment Agency. These revenues are to be used exclusively for development of low and moderate income housing within the designated redevelopment area.

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

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

Amounts reported as program revenues include 1) charges to customers for applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**D. Assets, Liabilities, Net Assets or Equity**

**1. Cash and Investments**

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the Redevelopment Agency pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the Redevelopment Agency's cash and investment pool.

As the Redevelopment Agency places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

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

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

- Securities of the U.S. government or its agencies
- Certificates of Deposit (or time deposits) placed with commercial banks and/or savings and loan associations
- Bankers Acceptances
- State Treasurer's Local Agency Investment Fund (LAIF)
- Passbook savings account demand deposits
- Small Business Administration Loans
- Other products which are totally guaranteed and insured by the U.S government.

Investments for the Redevelopment Agency, as well as its component units, are reported at fair value. LAIF operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**2. Receivables and Payables**

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

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**2. Receivables and Payables (continued)**

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

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

Property taxes are levied on the first day of March by the County Assessor, and are payable to the County Tax Collector in two installments.

The first installment is due November 1st, and delinquent December 10th, the second installment is due February 1st and delinquent April 10th. Taxes become a lien on the property on March 1st, and on the date of transfer of title, and the date of new construction.

The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states, "The maximum amount of any advalorem tax on real property shall not exceed one percent (1%) of the full cash value of such property.

The one percent tax is to be collected by the counties and apportioned according to law to the districts within the counties."

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

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

**3. Prepaid Items**

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

**4. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental columns in the government-wide financial statements.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**4. Capital Assets (continued)**

Capital assets are defined by the Redevelopment Agency as assets with an initial, individual cost of \$5,000 for property, plant and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	20-40 years
Improvements	40 years
Machinery and Equipment	3-6 years
Streets and Roads	20 years
Curb, Gutter, Sidewalks, & Median Curbs	20 years
Stormdrains	75 years
Traffic Signals	20 years
Water and Sewer Lines	40 years

**5. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**6. Net Assets and Fund Equity**

In the government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets and unrestricted net assets.

Restricted net assets represent net assets restricted by parties outside the Redevelopment Agency (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent trust funds and endowments is reported as permanently restricted. The Redevelopment Agency's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**7. Use of Estimates**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The Redevelopment Agency Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, and special revenue, capital projects and permanent funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The City Administrator may authorize transfers of appropriations within the budget or supplemental appropriations for items less than \$10,000. The transfer of appropriations or supplemental appropriations that are greater than \$10,000 must be approved by the Redevelopment Agency Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The board made several supplemental budgetary appropriations throughout the year.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	832,614
Cash with Fiscal Agent	<u>277,888</u>
Total cash and investments	<u>1,110,502</u>

Cash and investments as of June 30, 2009 consist of the following:

Investment in Local Agency Investment Fund (LAIF)	832,614
Deposit with financial institution	<u>277,888</u>
Total cash and investments	<u>1,110,502</u>

The Redevelopment Agency's investment policy does not contain any specific provisions intended to limit the Redevelopment Agency's exposure to interest rate risk, credit risk, and concentration of credit risk.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. As of year end, the weighted average maturity of the investments contained in the LAIF investment pool is 7.1 months.

		<u>Maturity Date</u>
State investment pool	<u>832,614</u>	7.1 months average maturity
Total	<u>832,614</u>	

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Redevelopment Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Redevelopment Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Investment in State Investment Pool**

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

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**B. Loans Receivable**

The Agency had the following loans receivables as of June 30, 2009:

Westside Village	377,790
Jose Reynose	200,000
Caetano Pometta	<u>2,255</u>
Total	<u>580,045</u>

A five year loan was issued to Caetano Pometta Real Estate for \$32,114 on October 5, 2004 at a 5.00% interest rate, with monthly payment of \$660.49. The loan receivable balance as of June 30, 2009 was \$2,255.

A 40 year loan was issued to Westside Village Apartments L.P a California Limited Partnership for \$377,790 on June 3, 1999 at a 3.00% interest rate. The loan receivable balance as of June 30, 2009 was \$377,790.

A 10 year loan was issued to Jose Reynose for \$200,000 on June 24, 2009. The interest varies between 0% for two years, 3% for three years and 5.00% for the remainder of the loan. . The loan receivable balance as of June 30, 2009 was \$200,000.

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental-type Activities</b>				
Capital assets not being depreciated:				
Land	1,262,332	0	0	1,262,332
Total capital assets not being depreciated	<u>1,262,332</u>	<u>0</u>	<u>0</u>	<u>1,262,332</u>
Capital assets being depreciated:				
Infrastructure	944,114	0	0	944,114
Building And Improvements	<u>195,373</u>	<u>30,180</u>	<u>0</u>	<u>225,553</u>
Total capital assets being depreciated	<u>1,139,487</u>	<u>30,180</u>	<u>0</u>	<u>1,169,667</u>
Less accumulated depreciation for:				
Infrastructure	( 205,784)	( 47,206)	0	( 252,990)
Building And Improvements	<u>( 32,673)</u>	<u>( 10,178)</u>	<u>0</u>	<u>( 42,851)</u>
Total accumulated depreciation	<u>( 238,457)</u>	<u>( 57,384)</u>	<u>0</u>	<u>( 295,841)</u>
Net capital assets being depreciated	<u>901,030</u>	<u>( 27,204)</u>	<u>0</u>	<u>873,826</u>
Total net capital assets - Governmental-type activities	<u><u>2,163,362</u></u>	<u><u>( 27,204)</u></u>	<u><u>0</u></u>	<u><u>2,136,158</u></u>

Depreciation was charged to functions/programs of governmental activities for the year ended June 30, 2009 as follows:

General government	5,486
Community Development	<u>51,898</u>
Total depreciation expense – governmental	<u><u>57,384</u></u>

**CITY OF NEWMAN  
REDEVELOPMENT AGENCY  
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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**D. Long-Term Debt**

**Certificate of Participation**

In the year ended June 30, 1997 the City issued tax allocation project and housing bonds. The bonds payable balance for the 1997 tax allocation bonds were \$2,735,000 as of June 30, 2009.

Revenue bond debt service requirements to maturity are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	115,000	143,923	258,923
2011	120,000	138,046	258,046
2012	125,000	131,798	256,798
2013	125,000	125,298	250,298
2014	130,000	118,571	248,571
2015-2019	700,000	480,104	1,180,104
2020-2024	735,000	285,733	1,020,733
2025-2028	685,000	75,922	760,922
	<u>2,735,000</u>	<u>1,499,394</u>	<u>4,234,394</u>

The following is a summary of changes in the Redevelopment Agency's long-term debt and other long-term liabilities during the year ended June 30, 2009:

	<b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Balance</u></b>
<b>Governmental Activities:</b>				
Certificates of Participation	<u>2,860,000</u>	<u>0</u>	<u>( 125,000)</u>	<u>2,735,000</u>
Total long-term liabilities	<u>2,860,000</u>	<u>0</u>	<u>( 125,000)</u>	<u>2,735,000</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To The Board Members  
City of Newman Redevelopment Agency  
State of California

We have audited the general-purpose financial statements of the City of Newman Redevelopment Agency, State of California, as of and for the year ended June 30, 2009 and 2008, and have issued our report thereon dated November 4, 2009. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the City of Newman Redevelopment Agency's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered the City of Newman Redevelopment Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A control deficiency exists when the design or operation of one or more of the internal control components does not allow management or employees in the normal course of performing their

duties to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses as described above.

This report is intended for the information of the audit committee, management and the City of Newman City Council. However, this report is a matter of public record and its distribution is not limited.

CLENDENIN BIRD & COMPANY, PC

*Clendenin Bird & Company,*

Modesto, California

November 4, 2009

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Robert C. Keht

## INDEPENDENT AUDITOR'S COMPLIANCE REPORT

To The Board Members  
City Of Newman Redevelopment Agency  
State of California

We have audited the general purpose financial statements of the City of Newman Redevelopment Agency, a component unit of the City of Newman, State of California, for the year ended June 30, 2009 and 2008, and have issued our report thereon dated November 4, 2009. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the City of Newman Redevelopment Agency is the responsibility of the City of Newman Redevelopment Agency's management. As part of obtaining reasonable assurance about whether the component unit general purpose financial statements are free of material misstatement, we performed tests of the City of Newman Redevelopment Agency's compliance with laws and regulations contained in the *Guideline for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office, Division of Local Government Fiscal Affairs.

The results of our tests indicated that, with respect to the items tested, the City of Newman Redevelopment Agency complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Newman Redevelopment Agency had not complied, in all material respects, with those provisions.

This report is intended for the information of the City of Newman Redevelopment Agency and the State Controller's office. However, this report, upon acceptance by the City of Newman Redevelopment Agency, is a matter of public record and its distribution is not limited.

*Clendenin Bird & Company,*  
CLENDENIN BIRD & COMPANY, PC  
Modesto, California  
November 4, 2009

Honorable Mayor and Members  
of the Newman City Council

Agenda Item: **10.b.**  
City Council Meeting  
of January 12, 2010

**REVIEW REQUEST BY NEWMAN YOUTH SPORTS ALLIANCE**

**RECOMMENDATION:**

Review request by Newman Youth Sports Alliance and provide direction to staff.

**BACKGROUND:**

Newman Youth Sports Alliance is a not-for-profit organization with a vision of developing sport facilities within the Newman area. Originally the group worked with a local developer with respect to a location in the north east quadrant of the City. As a result of the current housing market, this option has become less viable. NYSA has requested the Council consider the 9.7 acres site the City owns on Mariposa Street as a possible location.

**ANALYSIS:**

Attached is a copy of NYSA's written request and PowerPoint presentation. Based upon a preliminary drawing, NYSA believes the site has the potential to develop into three (3) softball/baseball fields, a multilevel concession/administration building and approximately 200 parking spaces. The request indicates a desire to lease the property for an un-specific (to be determined later) time, which would allow the group to secure the necessary funding to construct the project and operate said facility for the first several years. Upon termination of the lease, the property and the improvements are proposed to revert back to the City.

**FISCAL IMPACT:**

Undetermined.

**CONCLUSION:**

Based upon the request, Staff recommends the Council direct staff to work with NYSA to determine the requirements for development of the site (i.e. ingress/egress to and from the site, infrastructure requirements, etc.) and the feasibility of NYSA developing the site to City standards. Upon completion of this initial phase and development of a project cost estimate, staff recommends that the item be re-scheduled for Council review. Staff supports the concept; but remains cautious as many infrastructure obstacles exist.

Respectfully submitted,



Michael Holland  
City Manager

January 6, 2010

Newman Youth Sports Alliance  
P.O. Box 538  
Newman, CA 95360

City of Newman  
Michael Holland  
City Manager

Dear Michael,

The Newman Youth Sports Alliance (NYSA) would like to be placed on the City of Newman City Council Agenda for the meeting on January 12, 2010. NYSA would like to propose a potential partnership with the City of Newman in regards to a specific parcel of property. NYSA was formed in 2005 as a not-for profit organization with a vision to provide a unique multi-activity complex encompassing the needs of the West Side Communities.

We are proposing to build multi-activity sports facility on the west side of town. This project would be financed by fundraising, grants, private donations with NYSA managing the entire project from concept to operation and beyond. This complex will be self-sufficient (water, septic and electric) and will bring revenue to the city via the ability to host regional and local tournaments at the park and by holding inter- city and Westside league games there.

The property involved with this project is located south of West Mariposa & West of T Street and consists of 9.7 acres. This property could be leased by NYSA for \$1 for an agreed upon length of time. Upon completion of the build this facility will be managed by NYSA for an agreed upon time and then lease would be terminated and the management of the facility would be turned over to the city.

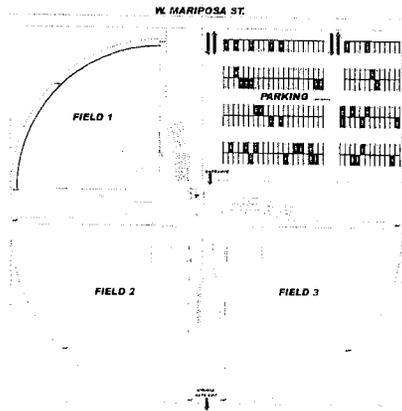
I have included a copy of the presentation that we will be using at the council meeting, along with photos. If you have any questions, you may reach me at 209-862-9833

Sincerely,

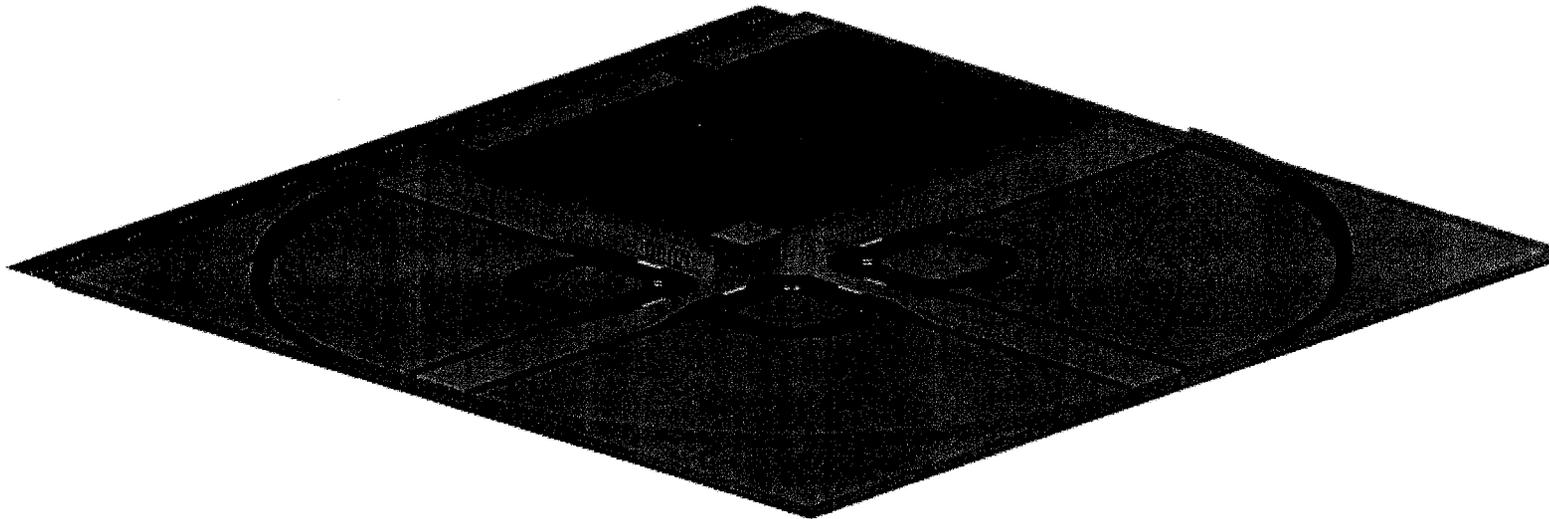
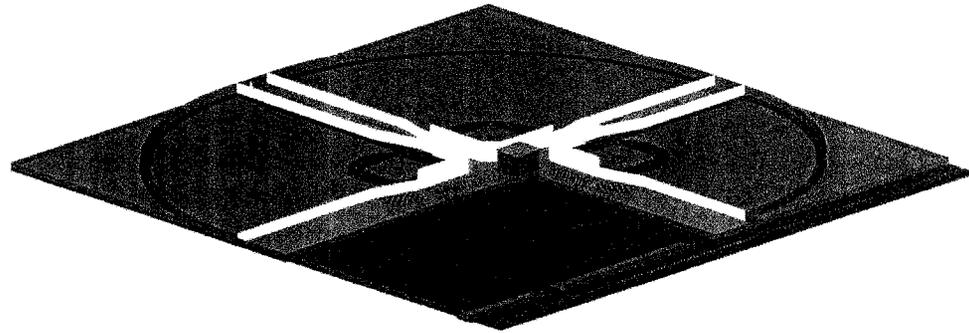
Tina J Newton  
Board Member, NYSA







**SITE-Plan** 1" = 200'



DESIGNER:

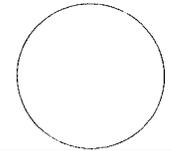
**DON DEGRAFF**  
**TodaysOwnerBuilder**  
 1570 E F St. #A-300, OAKDALE, CA. 95361  
 p: 209-845-3150 f: 209-844-3983  
 e: dond@todaysownerbuilder.com

ENGINEER:

**Morris Engineering & Survey, Inc.**  
 334 S. Yosemite Ave. Ste. D  
 OAKDALE, CA. 95361  
 p: 209-845-9175 f: 209-845-9177  
 e: bill@morris-eng.com

PROJECT:

**NYSA MULTI SPORT  
 COMPLEX**  
 HOYER RD., NEWMAN CA 95360



The Don DeGraff expressly reserves its common law copyright and others applicable property rights in these plans. These plans are not to be reproduced, changed, or copied in any form or manner whatsoever, nor are they to be assigned to a third party without first obtaining the written permission and consent of the Designer. In the event of unauthorized reuse of these plans by a third party, the third party shall hold the Designer harmless, and shall bear the cost of the Designer's legal fees, associated with defending and enforcing these rights.

PROJECT DEVELOPMENT

DATE	DESCRIPTION

REVISIONS

NO.	DATE	DESCRIPTION

DATE PLOTTED: 09-10-09

**SITE-Plan 3D**

DESIGNED BY	DON DEGRAFF
CHECKED BY	
# Pln	
DATE	09-10-09
NOTES	SEE DRAWING



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The Newman Youth Sports Alliance is providing a unique multi-activity complex encompassing the needs of the West Side Communities.



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**Field of Dreams**

- Self-sufficient multi-activity complex
- 3 Softball / Baseball fields
- Snack Bar
- Enclosed playground

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**Self Sufficient Multi-Activity Complex**

- Solar Powered
- Water supplied by on property well
- Sewage Sump System
- Facility rental fees used for maintenance & salaries
- Perimeter fence w/ample parking

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**NYSA & City of Newman Partnership?**

- City of Newman has
  - Vacant Property
  - Athletics of all ages looking for more opportunities to play
- NYSA has
  - Not-for-profit status
  - Volunteers
  - Fundraising opportunities

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**Where can this park be built?**

- South of West Mariposa & West of T Street
- 9 ½ acres of city owned property
- Lot's 17 & 18



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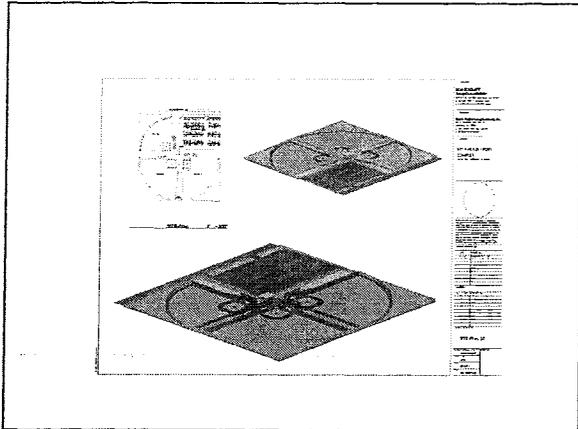
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Live            T  
                  H  
                  E   D  
Play            R  
                  E  
                  A  
Support        M

Newman Youth Sports Alliance

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**INTRODUCTION OF ORDINANCE TO NEWMAN CITY CODE**  
**TITLE 9, CHAPTER 9.16 POLICE TOWING SERVICES**

**RECOMMENDATION:**

1. Introduce (first reading) new ordinance relating to Police Towing Services (Franchise Tow Agreement)

**BACKGROUND:**

The Police Department is seeking to establish an ordinance regulating tow service providers and approval to establish a “per tow” franchise fee agreement with local tow services companies serving on the Police Department’s rotation tow list. The agreement will allow the Police Department to offset the costs of managing the Department’s rotational tow system. In addition, the Police Department is requesting authorization to establish tow fees to a range comparable to the rate other local cities and the county is allowing rotational tow companies to charge their patrons. These amendments and modifications are designed to enhance public safety and assist the Police Department in delivering better services.

**ANALYSIS:**

The City of Newman does not currently have any ordinances regulating the relationship between tow companies and the police department. The police department frequently utilizes the services of tow companies for various non-consensual tows.

A number of cities in California have adopted ordinances and/or resolutions establishing franchises with local tow services companies that provide towing services to their police department. Under the arrangement, tow operators on the police department’s rotation list enter into an agreement with the city to pay a “per tow franchise fee.” The per vehicle fee helps offset the city’s cost to maintain a rotation list, inspect tow truck equipment and storage facilities, verify licensing, and investigate complaints regarding tow service charges and/or operations. There is currently no provision in the Newman City Code, nor in a resolution, that allows the Newman Police Department to impose a fee on local tow operators in return for the privilege of participating in the City’s tow rotational list. The Police Department is seeking Council approval to add Chapter 9.16 (Police Towing Services). In addition, the Police Department is requesting that Council adopt Resolution 2010-XX, and a corresponding franchise agreement between the City and local tow operators on the Police Department’s rotational list. The term of the franchise agreement is three years. Staff is recommending that the franchise fee per tow be set at \$40 for the first year, \$45 in year two, and \$50 in year three. The City’s franchise fee is reasonable and comparable to other jurisdictions in our area.

The City of Newman has never established rates that tow operators are allowed to charge customers from police related tows. It is common practice in municipalities to do so. This provides protection and consistency to those that become involved with a police related tow. The police department is requesting these fees be established through resolution, with the ordinance authorizing this. The basic tow service rate is \$165 per vehicle with the daily storage fee rate at \$42. The Police Department recently undertook a study of the basic tow rates and daily storage fees in a four county region (Stanislaus, Tuolumne, San Joaquin, and Merced). It was discovered these fees are reasonable and comparable to other jurisdictions

**FISCAL IMPACT:**

A positive fiscal impact will result from the per vehicle franchise fee, but will depend upon the number of vehicles impounded annually and any unforeseen costs that the Police Department will incur managing the rotation tow list. 158 vehicles were towed in 2009. Assuming the same number of vehicles is towed in 2010 that would equate to \$7,110 in new city revenue.

**ATTACHMENTS:**

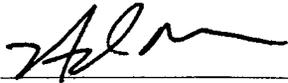
Exhibit A: Ordinance adding Chapter 9.16 Police Towing Services

Exhibit B: Tow Franchise Agreement.

**CONCLUSION:**

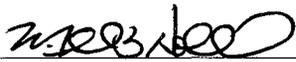
No action is recommended or needed at this time. Staff will present the proposal in the form of a public meeting at the next City Council meeting on January 26, 2010. At that time Staff will recommend the City Council adopt the city-initiated amendments to Title 9, Chapter 9.16 of the Newman City Code, as proposed in Exhibit A. Staff will also recommend the City Council, by resolution, authorize the Newman Police Department to enter into a franchise tow agreement with approved tow companies and establish allowable rates by said tow companies.

Respectfully submitted,



Adam McGill, Chief of Police

**REVIEWED/CONCUR:**



Michael Holland, City Manager

**ORDINANCE NO. 2010-**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWMAN  
AMENDING TITLE 9 POLICE REGULATIONS - OF THE NEWMAN CITY CODE**

The City Council of the City of Newman does ordain as follows:

**Section 1.**

That Title 9 of the Newman City Code be amended to add the following sections:

**Chapter 9.16 Police Towing Services**

**GENERAL PROVISIONS**

**9.16.10. Purpose.**

The city council finds that it is in the public interest that this article be enacted to prescribe basic regulations for the operation of those towing services in the city participating in a rotation system for the removal of and towing away of motor vehicles which are seized and impounded pursuant to a criminal investigation, which are parked illegally, which are abandoned, which are involved in an accident, or which constitute an obstruction to traffic because of mechanical failure. It is the purpose of the city council in enacting these regulations to provide a fair and impartial means for the Newman Police Department to distribute requests for towing services among qualified firms and to ensure that such service is prompt, reasonably priced, and in the best interests of the public health, safety and welfare.

**9.16.20. Definitions.**

The following words and phrases used in this article shall have the following meanings:

(a) "Abandoned vehicles rotation list" means a list maintained by the Newman Police Department of operators from which the police department will make calls for towing services for the purpose of removing abandoned vehicles as authorized by the California Vehicle Code, from public to private property.

(b) "Attendant" means an employee of an operator qualified by knowledge and experience to operate a tow car or tow truck.

(c) "Operator" means any person, firm, corporation or association engaged in the business of towing motor vehicles.

(d) "Rotation list" means a list maintained by the police department of operators from which the police department will make calls for towing services on a sequential basis.

(e) "Tow car" or "tow truck" means a motor vehicle as defined in Section 615 of the Vehicle Code of the State of California.

(f) "Towing service" means the business of operating tow cars and/or tow trucks in the city for the purpose of towing, moving or removing vehicles from, over, or on the public streets thereof.

**9.16.30. Applicability.**

Except as hereinafter provided, the provisions of this article shall be applicable to those towing service operators who are placed on the rotation list or abandoned vehicle rotation list for towing service authorized by this article.

**9.16.40. Unlawful responses.**

It is unlawful for any person, towing service operator or the agent, attendant or other employee of a towing service operator, whether or not on the rotation list, to respond to any police radio call for the purpose of removing from the public streets and towing away any vehicle subject to the provisions of

this article unless specifically requested to do so by an officer or representative of the Newman Police Department.

9.16.50. Unlawful solicitation.

It shall be unlawful for any person, towing service operator, or the agent, attendant or other employee of a towing service operator, whether or not on the rotation list, to solicit any towing service work which is regulated by this article without first having been requested by the owner or operator of the vehicle or by an officer or representative of the Newman Police Department to provide such towing service work.

9.16.16. Rotation list.

Within sixty days after the effective date of this article,\* the chief of police shall establish and thereafter maintain a rotation list of towing service operators. Such rotation service operators who make application and meet the requirements of this article shall be included on the list. Each operator of a towing service placed on the rotation list shall execute an agreement with the city to comply with all of the provisions of this article.

9.16.70. Abandoned vehicle rotation list.

Within sixty days after the effective date of this article, the chief of police shall establish and thereafter maintain an abandoned rotation list of towing service operators who have agreed to remove abandoned vehicles as authorized by the California Vehicle Code. Such list shall be compiled by the chief of police and consist of the towing service operators that meet the requirements of this article. Each operator of a towing service placed on the abandoned vehicle rotation list shall sign an agreement to comply with all of the provisions of this article.

9.16.80. Abandoned vehicles.

In the event that no towing service operator agrees to be placed on the abandoned vehicle rotation list, then all tow service operators that are on the rotation list will be required to provide towing services to remove abandoned vehicles as directed by the police department.

9.16.90. Towing service operator.

(a) Application: Each operator of a towing service desiring assignment to the rotation list or abandoned vehicle rotation list shall pay a fee as set by resolution of the city council. Applications shall be filed on forms supplied by the Newman Police Department, which shall be signed by the applicant under penalty of perjury and shall contain the following information:

- (1) The name, residence address and telephone number of the applicant. If the applicant is a partnership, the name, residence address and telephone number of each partner. If the applicant is a corporation, the name, residence address and telephone number of each director, each officer and the general manager;
- (2) The applicant's date of birth, weight, height, color of eyes and hair. If the applicant is a partnership, the date of birth, weight, height, color of eyes and hair of each partner. If the applicant is a corporation, the date of birth, weight, height, color of eyes and hair of each director, each officer and the general manager;
- (3) The name under which the towing service operates and the business address and telephone number of the towing service;
- (4) The make, year, model, color and license number of every tow truck that will be operated by the towing service;
- (5) The name of each city, county and state, including the specific addresses therein, in which the applicant has been engaged in or has conducted a towing service, or has been employed as a towing service operator or attendant within the last five years. If the applicant is a partnership, such

information shall be provided for each partner. If the applicant is a corporation, such information shall be provided for each director, each officer and the general manager;

(6) A statement of all felonies and misdemeanors (including moving traffic violations and excluding parking violations) for which the applicant has been convicted within the five years immediately preceding the date of the application. If the applicant is a partnership, such information shall be provided for each partner. If the applicant is a corporation, such information shall be provided for each director, each officer and the general manager;

(7) Such other information as the chief of police may deem relevant and necessary to investigate and evaluate the qualifications of the applicant.

(b) Application: investigation. The chief of police shall cause to be conducted an investigation of each application by a towing service and a report of such investigation shall be attached to the applicant.

(c) Approval or rejection of application.

(1) Findings. The chief of police, upon consideration of an application by a towing service operator and the investigative reports and documents attached thereto, shall approve or reject the application in accordance with the provisions of this article.

(2) The chief of police shall approve the application by a towing service operator for consideration for assignment to the rotation list if he/she finds:

a. That the vehicles described in the application and proposed to be operated by the towing service meet the minimum standards set forth in this section;

b. That the applicant meets all of the requirements of this article and all other applicable laws and regulations;

c. That the applicant has adequate experience in the operation of a towing service;

d. That the applicant has not yet been convicted within five years immediately preceding the application of crime involving honesty, or veracity, violence, dangerous or deadly weapons, or more than once during the five year period has been convicted of the use or possession of narcotics, or for operating a vehicle under the influence of intoxicating liquor.

#### 9.16.100. Equipment—Minimum standards.

Each tow car or tow truck shall meet the following standards:

(a) Truck chassis. Vehicles shall have at least one-ton capacity with rear dual wheels or equivalent.

(b) Company name. Vehicles shall be marked as required by the California Vehicle Code.

(c) Lights. Vehicles shall at all times be equipped with lighting equipment as required by the California Vehicle Code and may be equipped with such other lights as the operator may desire which are not forbidden by law.

(d) Radio. Each vehicle shall have in good operating condition a two-way communication system approved by the chief of police, capable of communicating with the parent company dispatcher. Citizen band radios do not meet this requirement.

(e) Additional equipment. Each vehicle shall have a flashlight in operating condition, a dustpan, crowbar, pry-bar, rope or strapping implement for securing steering wheels, hammer, screwdriver, wrenches, safety chain and other miscellaneous hand tools, and shall be equipped with at least two five gallon cans of absorbent material.

(f) All other equipment as required by the California Vehicle Code.

#### 9.16.110. Inspection of tow vehicle.

All tow service operators shall obtain a tow vehicle inspection certificate from the California Highway Patrol and submit to the Newman Police Department annually.

#### 9.16.120. Driver's license—Required.

No person shall drive or be permitted to drive upon the streets of the city a tow car or tow truck regulated by this chapter unless the person shall have a current valid driver's license issued by the State of California.

9.16.130. Permitted attendant–Required.

(a) Each tow car or tow truck shall be operated by an attendant with a valid current attendant's permit issued pursuant to this article.

(b) No person shall operate or be permitted to operate a tow car or tow truck regulated by this article without first obtaining an attendant's permit to do so from the chief of police.

9.16.140. Attendant–Permit.

(a) Application. An application for attendant's permit shall be made upon forms furnished by the city, signed by the applicant under penalty of perjury, and shall contain:

- (1) The applicant's full name, present residence address, and any other residence address during the past year;
- (2) Age, date of birth, weight, height, color of eyes and hair and drivers license number;
- (3) A statement of all felonies and misdemeanors (including moving traffic violations and excluding parking violations) for which the applicant has been convicted within the five years immediately preceding application for the permit; and
- (4) A statement of past experiences as a tow car or tow truck operator or attendant, including the name and address of each employment as a towing service operator or attendant within the five years immediately preceding applicant for the permit.

(b) Application fee; fingerprints. Applicants for attendant's permits shall pay to the city a fee as set by resolution of the city council. When the application is processed, fingerprints shall be submitted as required by the Bureau of Identification, State of California. The applicant shall pay the fingerprint fee in addition to the city fee.

(c) Investigation. The chief of police shall cause to be conducted an investigation of each application for an attendant's permit; and a report of such investigation, including a copy of the traffic and police record of the applicant, if any, shall be attached to the application.

(d) Approval or rejection of application; findings.

(1) The chief of police, upon consideration of an application for an attendant's permit, and the investigation reports and documents attached thereto, shall approve or reject the application in accordance with the provisions of this article.

(2) The chief of police shall issue an attendant's permit if he/she finds that the applicant:

- a. Is the age of eighteen years or over;
- b. Is able to speak, read and write the English language;
- c. Has a safe driving record. Applicant must possess a valid California Driver's License;
- d. Has met all of the requirements of this article and all other applicable laws and regulations;
- e. Has not been convicted within the five years immediately preceding application for a permit of a crime involving honesty or veracity, or more than once during the five year period has been convicted of the use or possession of narcotics, or for operating a vehicle under the influence of intoxicating liquor.

(3) Applicant shall be rejected if:

- a. Applicant has more than two convictions for hazardous traffic violations in the prior twelve months; or
- b. Applicant has been involved in more than two accidents in which the applicant was the primary cause of the accident or significantly contributed to the cause of the accident in the prior twelve months; or
- c. Applicant has more than one conviction for a hazardous misdemeanor traffic violation in the past twelve months; or

- d. Applicant has three or more convictions or accidents in any of the above listed categories.
- e. Applicant has been convicted at any time for a crime of violence, dangerous or deadly weapons, or moral turpitude.

9.16.150. Attendant permit requirements.

The attendant's permit shall be in the form of a card which shall bear the photograph of the applicant. The card shall be carried on the person of the permittee at all times while operating a tow car or tow truck. The permit, when issued, remains the property of the Newman Police Department. If an attendant changes employment from one towing service to another, he/she shall notify the Newman Police Department of that change. If an attendant leaves the towing service for other employment he/she shall turn in the permit to the Newman Police Department.

9.16.160. Attendant-Permit-Revocation.

The chief of police may suspend or revoke any attendant's permit for the same reasons that the chief of police can deny a permit, as set forth in this article. Attendant permit holders must report all arrests, citations and accidents to the chief of police within one week of incident. Failure to do so may result in permit revocation.

9.16.170. Service permit suspension or revocation.

The chief of police may suspend or revoke any towing service from either or both rotation list(s) on any one or more of the following grounds:

- (a) That the towing service operator fails to meet the requirements for the approval of an application by a towing service operator, as set forth in this article;
- (b) That the operator has failed to operate the towing service in accordance with the provisions and requirements of this article;
- (c) That the operator has ceased to operate the towing service for a period of ten consecutive days without having obtained permission for cessation of such operation from the chief of police, except for short term absences when prior notice has been given to the police department and provisions have been made for the release of vehicles during this time; short term absences is defined as a period of time less than seven days;
- (d) That any of the operator's insurance required by this article has been cancelled, not renewed or been materially changed in coverage, terms or conditions;
- (e) That the operator has failed to respond to a towing service request made by the police pursuant to the provisions of this article; and
- (f) Failure to comply with this article when towing service has been sold to a new owner. Written notice of the reasons for removal of an operator's service from the rotation list shall be given seventy-two hours prior to actual suspension or revocation.

9.16.180. Business and storage lot requirements.

(a) Vehicle storage. Each towing service operator shall have a storage lot located within the city limits of Newman which is adequate to store not less than five vehicles. A storage building must also be available to the operator capable of storing a minimum of two vehicles. Such storage lot and building shall be enclosed by a fence or wall which is of sufficient height and strength to be capable of protecting stored vehicles and their contents from pilfering or tampering and comply with all zoning and building requirements of the city. Such fence shall be at least six feet in height and shall be provided with at least one door or gate with the bottom edge of any fence to be not more than two inches above the parking surface of the storage lot and the top edge of the fence or wall enclosure, including all gates and doors thereto, to be equipped with not less than two barbed wires installed so as to discourage access over the top of the fence or wall. All gates or buildings shall be securely locked when not in use and storage lots shall be screened from public view.

(b) Hours. Each towing service operator shall have an attendant on call, capable of responding to requests from the Newman Police Department for towing service and to citizens' requests for release of vehicles, twenty-four hours each day, seven days per week, including holidays.

(c) Insurance. Towing service operators shall maintain in full force and effect policies of public liability insurance as protection against:

- (1) Garage liability coverage providing towing and wrecker liability;
- (2) Garage keeper's legal liability or equivalent protection affording fire, theft, vandalism and malicious mischief, covering the vehicles stored and/or impounded while in the care, custody and control of the towing service operator;
- (3) Contractual liability.

(d) Worker's compensation insurance shall be carried as required by state law.

(e) Certificates of insurance evidencing such insurance as required by this article shall be filed with the police chief of the city prior to assignment of a towing service operator to the rotation list. The certificate(s) shall provide that the city shall receive a thirty day written notice prior to any cancellation, nonrenewal or any material change in coverage, terms or conditions of the policy(s).

(f) Regardless of the provisions of any other ordinances or provisions of this Code, towing service operators who participate in the rotation list or abandoned vehicle rotation list shall obtain and maintain in full force the effect liability insurance in the amount of five hundred thousand dollars for each accident and five hundred thousand dollars for injuries in any one occurrence and property damage liability in the sum of one hundred thousand dollars, naming the city and its elected officials, employees and volunteers as additional insured, and which policy shall provide that the city shall be given thirty days written notice prior to the cancellation of any such policy. Towing service operators who are insured at the above listed limits shall not carry passengers in or on their tow car or tow truck, or in the vehicles being towed, at any time while engaged in towing service pursuant to the provisions of this article.

(g) If the towing service operator elects to provide transportation for passengers as part of the towing service, the requirement for liability insurance shall be one million dollars for each accident and one million dollars for injuries in any one occurrence. The other requirements for insurance and limits of liability remain the same.

#### 9.16.190. Fees and charges.

(a) The maximum fees and charges which may be charged by towing service operators for services rendered pursuant to this article shall be established by resolution of the city council. Such rates and charges shall be established after a review of rates and charges used in comparable communities and operating data supplied by towing service operators on the rotation list established pursuant to this article. The rates and charges shall provide for extra fees in case of unusual circumstances. Towing service operators on the rotation list established pursuant to this chapter may periodically, but not more frequently than annually, request such schedule of rates and charges by review for possible adjustment.

(b) No rates, charges or other fees shall be charged for towing services provided pursuant to this article other than those authorized by the schedule of rates and charges established pursuant to this section. Each towing service operator shall keep full and complete records of all such fees and charges charged for towing service provided pursuant to the provisions of this article.

(c) Any operator placed on the rotation list herein shall remove, or provide non-towing service, at a fifty percent reduced cost or expense to the city, any disabled or damaged vehicle owned or leased by the city and which is located within or in close proximity to the city.

#### 9.16.200. Response time requirements.

Tow service operators shall respond to all calls for towing service within twenty minutes or less. If a towing service operator is unable to respond within such time and notifies the police department of that fact at the time the call for service is received, the operator will be assigned an alternate turn.

9.16.210. Vehicle protection.

(a) Vehicles impounded by the Newman Police Department shall be held by the operator until the vehicle is released in writing by the police department. Contents of vehicle impounded shall not be removed without the prior written approval of the police department. Impounded vehicles shall be deemed to be in the custody of the Newman Police Department until released in writing by the Newman Police Department, and in the interim shall be stored inside a locked building. Tow service operators shall have a storage building available to the Newman Police Department that will store no less than two vehicles.

(b) The storage building must be located within the city limits. If the storage building is already filled to capacity by police department impounds, then the next operator on the rotation list having such storage facilities available will be called, without loss of rotation turn to those passed over.

9.16.220. Damage appraisals.

All vehicles, except impounded vehicles, stored pursuant to the provisions of this article, shall be made available for the purpose of estimating or appraising damages by the owner of the vehicle or his/her representative during normal business hours. All vehicles shall be accessible at all times to the Newman Police Department and other law enforcement personnel. The operator may be required to assist making vehicles accessible upon request of the Newman Police Department.

9.16.230. Rotation.

(a) Turn determination. Requests for towing of vehicles, emergency road service, and other similar services will be considered to be a rotation turn except when an operator or attendant requests no compensation for the services rendered or when services of a specific operator are requested by a citizen.

(b) Deviation. The police department may deviate from the normal rotation schedule if the operator next on rotation is, in the judgment of the department, incapable of or not properly equipped for handling a specific task requiring special skills or equipment. If none of the operators on the rotation list have the necessary skills or equipment to handle a specific task, the police department may request service from any other person or company capable of handling the request. (A deviation from the normal rotation for such reason shall not cause a loss of rotation turn by either the operator who was determined to be incapable or not properly equipped for handling the request or by another rotation operator who does respond.) In the event that the chief of police or his/her authorized representative determines that there is an emergency, the provisions of this article shall not apply and the Newman Police Department may obtain towing service from any source deemed appropriate.

9.16.240. Appeals.

(a) Any applicant for or holder of a permit whose application is rejected or whose permit is suspended or revoked, as provided in this article, may appeal such denial to the city manager or his/her designee. Any appeal must be in written form, and be received by the city manager within ten days of the effective date of the denial, suspension or revocation. The city manager shall set a date and time at which the applicant or permit holder will have the opportunity to be heard and present evidence to the city administrator relative to the rejection, suspension or revocation. The date shall be no later than fourteen days after receipt of the appeal. Within seven days after that hearing, the city manager shall affirm, modify or reverse the rejection, suspension or revocation. If the rejection, suspension or revocation is modified or reversed, the chief of police shall take action consistent therewith.

(b) If the city manager affirms the rejection, suspension or revocation, he/she shall notify the applicant or permit holder of his decision by mail within three days of his determination. The applicant or permit holder may appeal the city manager's determination to the city council. Any appeal must be in written form, and be received by the city clerk within ten days of the effective date of the mailing of the notice of the city manager's decision. The city clerk shall then set the appeal as a public hearing

item on the council agenda at a regular or special meeting of the city council. The date the appeal is set for hearing shall be no sooner than fifteen or later than forty-five days following the receipt of the appeal. During the hearing of the appeal, any person shall be entitled to be heard relative to the rejection, suspension or revocation. If the council reverses the rejection, suspension or revocation, the chief of police shall issue or reinstate the permit.

9.16.250. Supplemental regulations.

The provisions of this article shall be deemed as supplemental to the business license tax and any other pertinent laws and ordinances of the city. The city and the Newman Police Department shall not be responsible for costs incurred by the removal of abandoned vehicles either from public or private property.

Section 2.

All other sections and provisions of Title 9, shall remain in full force and effect.

Section 3.

That a duly noticed public hearing was held by the City Council on January 26, 2010

Section 4.

This Ordinance shall take effect 30 days after the date of its adoption, and prior to the expiration of 15 days from the passage thereof shall be published at least once in the West Side Index, a newspaper of general circulation, published and circulated in the City of Newman and thenceforth and thereafter the same shall be in full force and effect.

Introduced at a regular meeting of the City Council of the City of Newman held on the 12<sup>th</sup> day of January, 2010 by Council Member \_\_\_\_\_, and adopted at a regular meeting of said City Council held on the 26<sup>th</sup> day of January, 2010 by the following vote:

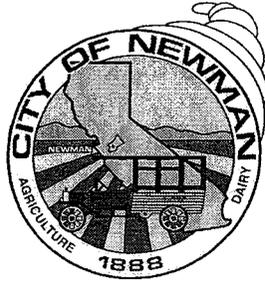
AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Deputy City Clerk



# CITY OF NEWMAN

**REQUEST FOR APPLICATIONS  
FOR  
CITY GENERATED NON-EXCLUSIVE NON-CONSENSUAL  
FRANCHISE TOWING SERVICES**

## TIMELINE

<b>Application Period Opened:</b>	<b>Monday, December 13, 2009 at 8:00 AM</b>
<b>Application Period Closed:</b>	<b>Friday, January 8, 2010 at 4:00 PM</b>
<b>Introduction to City Council:</b>	<b>Tuesday, January 12, 2010 at 7:00 PM</b>
<b>Adoption by City Council:</b>	<b>Tuesday, January 26, 2010 at 7:00 PM</b>
<b>Award Contract:</b>	<b>Tuesday, February 9, 2010 at 7:00 PM</b>
<b>Franchise Agreement Effective:</b>	<b>Monday, March 1, 2010 at 12:00 AM</b>

**CITY CONTACT:** Chief of Police Adam McGill  
**PHONE:** (209) 862-2902  
**E-MAIL ADDRESS:** [amcgill@cityofnewman.com](mailto:amcgill@cityofnewman.com)

**REQUEST FOR APPLICATIONS**  
**For**  
**CITY GENERATED NON-EXCLUSIVE NON-CONSENSUAL FRANCHISE TOWING**  
**SERVICES**

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## NOTICE FOR APPLICATIONS

**NOTICE IS HEREBY GIVEN** The City of Newman is accepting applications for City generated non-exclusive non-consensual franchise towing services for vehicle towing, impound services, street sweeps, and vehicle storage as directed by the Police Department. To be eligible for a non-exclusive franchise, applicants must: Submit a completed application packet, meet any and all requirements identified in the request for application, agree to comply with the terms and conditions of the non-exclusive non-consensual towing services franchise agreement and meet any other terms and conditions imposed by the City of Newman for granting of a non-exclusive franchise.

**All Costs associated with the preparation of an application shall be borne by the Applicant.**

Applications must be submitted on the application form prescribed by the City of Newman.

**Each application packet shall be sealed and filed with the City Clerk's Office, 1162 Main Street, Newman, CA. 95360 prior to Friday, January 8, 2010 at 4:00 PM, at which time application packets will be opened and announced. Application packets will be received only at the City Clerk's Office address shown above, and prior to the date and time indicated. Any application packet received at or after said date and time or at a place other than the stated address shall not be considered and will be returned to the applicant unopened.**

All application packets will be on file for review, following the City Managers recommendation for granting of a non-exclusive non-consensual towing services franchise to City Council, at the City Clerks Office, 1162 Main Street, Newman, CA. 95360 and at the Police Department, 1200 Main Street, Newman, CA. 95360.

All application packets, whether delivered by the applicant or agent of the applicant, U.S. Postal Service, courier or package delivery service must be received and time stamped by the date and time stated, at the stated address. The City Clerk's time stamp shall be considered the official timepiece for the purpose of establishing the actual date and time of receipt of the application packet. The City of Newman assumes no responsibility for delay in the delivery of the application packet. It is solely the applicant's responsibility to ensure that the application packet has been delivered to the proper location prior to the date and time indicated on this notice for application. On the outside of the application packet envelope, the applicant shall indicate the following:

NAME AND ADDRESS OF APPLICANT  
REQUEST FOR APPLICATION  
NON-EXCLUSIVE NON-CONSENSUAL FRANCHISE TOWING SERVICES  
APPLICATION OPENING TIME AND DATE: January 8, 2009 at 4:00 PM

UNITED STATES POSTAL SERVICE  
MAIL TO: CITY CLERK  
P.O. Box 787  
Newman, CA. 95360

COURIER SERVICE/ HAND DELIVERY  
TO: CITY CLERK  
1162 Main Street  
Newman, CA. 95360

The City reserves the right to reject any or all applications or to waive any informalities or minor irregularities in any application.

## **CITY CONTACTS**

All questions regarding the application process are to be submitted in writing via U.S. mail, fax or email, to:

Newman Police Department  
Attn: Chief of Police Adam McGill  
P.O. Box 787  
Newman, CA 95360  
Fax: 209-862-4151  
Email: [amcgill@cityofnewman.com](mailto:amcgill@cityofnewman.com)

Attempts by the applicant to contact other City representatives may result in disqualification of the applicant from the application process.

**NOTE: It is the responsibility of each applicant to be familiar with all terms, conditions and specifications of this RFA. The applicant agrees to and acknowledges all RFA specifications, terms, and conditions and indicates the ability to perform by submission of an application packet. By the submission of an application packet, the applicant certifies that if awarded a non-exclusive non-consensual towing service franchise, applicant will make no claim against the City based upon ignorance or misunderstanding of the terms, conditions or specifications.**

**REQUEST FOR APPLICATION (RFA)**  
**For**  
**CITY GENERATED NON-EXCLUSIVE NON-CONSENSUAL FRANCHISE TOWING SERVICES**

**SECTION 1**

**1.1 BACKGROUND**

In calendar year 2008 the City generated approximately 122 tows during a twelve (12) month period, January through December 2008. At this point it appears the City will generate approximately 135 tows for calendar year 2009. The City of Newman does not currently have any rules, ordinances, policies, or guidelines to regulate the towing companies providing service on behalf of the City of Newman. The City is now embarking on improving its non-consensual towing program. The main goal of the program is to provide safe, responsible and reliable towing of vehicles on behalf on the City of Newman. In addition, California Vehicle Code (CVC) 12110 authorizes a fee in connection with the award of a franchise for towing vehicles on behalf of the City. However, the fee may not exceed the amount necessary to reimburse the City for its actual and reasonable costs incurred in connection with the towing program.

**1.2 SCOPE OF WORK**

The City of Newman is accepting applications for City generated non-exclusive non-consensual towing services on behalf of the Newman Police Department. Non-consensual towing services include but are not limited to:

- 1) Vehicles impounded by The City of Newman for investigation, as evidence in a criminal case, asset forfeiture or vehicle forfeiture;
- 2) Vehicles involved in collisions, stalled vehicles, illegally parked vehicles, vehicles whose driver is incapacitated or physically unable to drive or has been arrested or detained;
- 3) Vehicles towed under any authority section of the California Vehicle Code or the Newman City Code including but not limited to, 30 day impounds, abandoned vehicles, inoperative vehicles or abated vehicles from any street, alley, highway, or any other private or public property in the City of Newman;
- 4) Any other towed vehicle or vessel as may be ordered by any police officer, police employee, or any other employee or agent of the City of Newman who is properly authorized to order such removal.
- 5) Vehicles towed whose driver or owner requests a preference or non-preference tow through the City of Newman or a representative of the Newman Police Department.

### **1.3 ELIGIBILITY REQUIREMENTS**

To be eligible for a non-exclusive non-consensual towing services franchise applicants must:

- 1) Submit a completed application packet.
- 2) Meet any and all requirements identified in this request for application.
- 3) Agree to comply with the terms and conditions of the non-exclusive non-consensual towing services franchise agreement.
- 4) Meet any other terms and conditions imposed by the City of Newman for the granting of a non-exclusive, non-consensual tow franchise.

**All Costs associated with the preparation of an application packet shall be borne by the Applicant.**

Applications must be submitted on the application form prescribed by the City of Newman.

**Each application packet shall be sealed and filed with the City Clerk's Office, 1162 Main Street, Newman CA 95360 prior to January 8, 2010 at 4:00 PM, at which time the applications will be opened and announced.**

All application packets will be on file for review, following the City Managers recommendation for granting of a non-exclusive non-consensual towing services franchise agreement to the Newman City Council, at the City Clerks Office, 1162 Main Street, Newman CA. 95360, and at the Newman Police Department, 1200 Main Street, Newman CA. 95360.

Applications will be received only at the City Clerk's Office address shown above, and prior to the date and time indicated. Any application received at or after said date and time or at a place other than the stated address shall not be considered and will be returned to the applicant unopened.

## SECTION 2

### 2.1 APPLICATION PACKET AND APPLICATION PROCESS:

The submission of an application is a two (2)-phase process. Each application packet shall consist of two (2) parts.

#### 2.1.1 Application Packet

Each application packet shall consist of the following two (2) parts.

**Part 1:** The required Financial, Business, and Insurance documents as defined in Section 3 of this Request for Application shall be placed in a sealed envelope. The outside of the envelope shall be marked "Financial/Business/Insurance Documents, Part 1" Failure to provide all documents as required in Section 3 will result in the rejection of the application and the application will be returned to the applicant with no further consideration.

**Part 2:** The completed Franchise Application, all required documents listed in section 4 and the **Franchise application deposit**, shall be placed in a sealed envelope marked "Franchise Application, Part 2". Incomplete applications and/or failure to submit all required documents listed in Section 4 will result in the rejection of the application and the application will be returned to the applicant with no further consideration.

A complete application packet shall consist of the Financial/Business/Insurance requirements envelope, Part 1, and the Franchise Application envelope, Part 2. Both application parts shall be placed in an envelope with the following information on the outside of the envelope:

NAME AND ADDRESS OF APPLICANT  
REQUEST FOR APPLICATION  
NON-EXCLUSIVE NON-CONSENSUAL FRANCHISE TOWING SERVICES  
APPLICATION OPENING TIME AND DATE: Friday, January 8, 2010 at 4:00 PM

The complete application packet shall be submitted at the place, date and time specified in the Notice for Applications.

#### 2.1.2 Application Process

The application process consists of two phases.

Phase 1: The Newman Police Department, Chief of Police and Deputy City Clerk, will open and review the Financial/Business/ Insurance Documents, Part 1 envelope. The envelope marked "Franchise Application, Part 2" will remain sealed until it has been demonstrated that the Financial /Business /Insurance requirements have been met. If the documents submitted by the applicant do not satisfy all the requirements as detailed in Section 3, the entire Application Packet will be rejected and returned to the applicant and receive no further consideration.

Applicants meeting all Financial/Business and Insurance requirements will proceed to phase 2 of the application process.

Phase 2: The Newman Police Department will open and review all documents and statements in the Franchise Application, Part 2 envelope. If the submitted Franchise Application does not satisfy all the requirements as detailed in Section 4, the entire Application packet will be rejected and returned to the applicant and receive no further consideration.

Applicants satisfying all requirements in both Phase 1 and Phase 2 shall be presented to the Newman City Council for referral to the City Manager for his recommendation and report.

## **2.2 REQUIRED DOCUMENTS:**

Applicants shall submit one (1) "inked" (preferably blue inked,) signed original application packet, plus four (4) copies of a signed original application packet. **Original application packets are to be clearly marked, "Original"**. Photocopies do not constitute an original application packet.

A complete application packet shall consist of the Financial/Business/Insurance requirements envelope, Part 1, and the Franchise Application envelope, Part 2. Both application parts shall be placed in an envelope.

## **FAILURE TO FURNISH ONE (1) "INKED" SIGNED ORIGINAL APPLICATION PACKET WILL RESULT IN DISQUALIFICATION.**

It is the responsibility of the Applicant to identify information in their application responses that they consider to be confidential under the California Public Records Act. To the extent that the City agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public.

All costs associated with the preparation of this application packet shall be borne by the Applicant.

## **2.3 REJECTION OF IRREGULAR APPLICATIONS:**

Application packets shall be rejected if they show alterations of form, additions not called for, conditional applications, incomplete application packets, erasures or irregularities of any kind. All required documents as stated in this Request for Application must be submitted at the time of application. Failure to submit all required documents will result in the rejection of your application packet and your application packet will be eliminated from the application/award process.

Any of the following shall be considered cause to disqualify an applicant without further consideration:

- A. Any attempt to improperly influence any staff person reviewing the applications;

- B. Any applicant having a governmental agency-generated towing services agreement cancelled or terminated within the past 5 years immediately preceding application submission.

#### **2.4 NON-DISCRIMINATION:**

- a. During the performance of this non-exclusive franchise, Franchisee shall not unlawfully discriminate against any employee or applicant for employment because of race, color, ancestry, religion, sex, national origin, marital status, age, medical condition (cancer related), physical handicap (including AIDS), or sexual orientation. Equal employment opportunity extends, but is not limited to recruitment, compensation, benefits, layoff, termination, and all other conditions of employment. Franchisee shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractor/Franchisee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 *et seq.*) and the applicable regulations promulgated hereunder (California Administrative Code, Title 2, Section 7285.0 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12900, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this Request for Application and non-exclusive non-consensual towing services franchise agreement by reference and made a part thereof as if set forth in full.
- b. Franchisee shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- c. Franchisee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the franchise.
- d. Franchisee shall permit access by representatives of the Department of Fair Employment and Housing and the City upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information and its facilities as said Department or City shall require to ascertain compliance with this clause.

#### **NON-DISCRIMINATION OF THE HANDICAPPED:**

##### Policy Statement

In compliance with Section 51.55, Office of Revenue Sharing, Department of the Treasury, it is the policy of the City of that it will not aid or perpetuate discrimination against a qualified handicapped individual by funding an agency, organization, or person that discriminates on the basis of handicap in providing an aid, benefit, or service to beneficiaries of the program or activity.

## **CERTIFICATION OF BIDDER REGARDING NON-DISCRIMINATION OF THE HANDICAPPED**

By executing a non-exclusive non-consensual towing services franchise agreement, the applicant hereby certifies that he/she is in compliance with the Americans with Disabilities Act of 1990, the applicable administrative requirements promulgated in response thereto, and any other applicable Federal laws and regulations relating to handicap discrimination and participation, and will continue to do so for at least the duration of the agreement and any extensions thereof.

### **2.5 DRUG FREE WORKPLACE:**

Applicant certifies that he/she is in compliance with Sections 8350 - 8355 of Chapter 5.5 of the Government Code, Drug Free Workplace Act. Every person or organization awarded a contract/purchase order or grant for the procurement of any property or service from any state agency (city) shall certify to the contracting or granting agency that it will provide a drug free workplace.

### **2.6 CONSEQUENCE OF SUBMISSION OF APPLICATION**

The City shall not be obligated to respond to any application packet submitted nor be legally bound in any manner by the submission of an application packet.

Acceptance by the City of an application packet obligates the applicant to enter into a non-exclusive non-consensual towing services franchise agreement with the City.

Statistical information contained in these documents is for informational purpose only. The City shall not be responsible for the accuracy of said data. City reserves the right to increase or decrease the project scope.

### **2.7 AWARD**

The CITY intends to award a non-exclusive non-consensual towing services franchise to all applicants who meet all CITY requirements outlined below.

- A. Financial, Business, and Insurance requirements as defined in Section 3 of this Request for Application as determined by the City of Newman Police Department.
- B. Complete Franchise application with all required documentation and application deposit as determined by the Newman Police Department.
- C. Verification of applicant's statements and documentation, including but not limited to; Public restrooms in compliance with all applicable federal, state and local laws and ordinances, public phone, storage and fleet as determined by the Newman Police Department.

- D. In the event a material change is made to the agreement, applicant will be given written notice of the material change, and the ability to withdraw from the application process, without penalty, within ten (10) calendar days of the noticed material change.

## **SECTION 3**

### **3.1 FINANCIAL / BUSINESS / INSURANCE REQUIREMENTS**

All information, documentation, deposits and attachments required in this section must be provided by the applicant and submitted as part of the Financial/Business/Insurance requirements, Part 1 envelope. Failure to include all Financial/Business/Insurance information, documentation, deposits and attachments will be cause for rejection of your application packet and your application packet will be eliminated from the application/award process.

#### **3.1.1 Financial Guarantee**

Applicant shall provide and submit as part of the Financial/Business/Insurance requirements Part 1 envelope, written evidence from a financial institution that s/he qualifies for and can secure a Standby Letter of Credit secured by a Letter of Credit from a financial institution in the minimum amount of \$2,000.00 with the City of Newman, as the beneficiary. All costs incurred by applicant to qualify for the Standby Letter of Credit and Letter of Credit shall be borne by Applicant.

##### **3.1.1.1 Performance Security Deposit**

If applicant is awarded a non-exclusive, non-consensual tow franchise, applicant shall upon demand by CITY, deliver to CITY within five (5) business days a Certified Check in the amount of \$2,000.00 to be placed on deposit for the duration of the non-exclusive non-consensual towing services franchise agreement as security for the faithful performance of the duties outlined in the non-exclusive non-consensual towing services franchise agreement.

#### **3.1.2 Business Experience Requirement**

The applicant must have owned a towing business in the State of California for a minimum of two (2) years immediately preceding the date of application packet submission. Applicant shall provide and submit as part of the Financial/Business/Insurance requirements part 1 envelope, a copy of the business license/s that was/were filed during the two (2) years with the jurisdiction in which they were/are licensed to operate if they were/are a partnership or sole proprietorship form of ownership, or for a corporate entity, a copy of the applicant's annual filing with the secretary of state that shows the listing of officers must be provided in addition to a copy of the business license/s that was/were filed during the two (2) years with the jurisdiction in which they were/are licensed to operate.

#### **3.1.3 Insurance Requirements**

The applicant shall provide and submit as part of the Financial/Business/Insurance requirements part 1 envelope, evidence (Acord Certificate) of valid insurance to the CITY in the coverage limits listed below. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation or material change in the policy, notices of same shall be given to the Newman

Police Department by registered mail, return receipt requested, for all of the following stated insurance policies.

- A. Workers' Compensation - in compliance with the statutes of the State of California, plus employer's liability with a minimum limit of liability of \$1,000,000.
- B. General Liability - insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury, property damage and personal injury. This insurance shall indicate on the certificate of insurance the following coverage's and indicate the policy aggregate limit applying to: premises and operations; broad form contractual; independent consultants and subcontractors; products and completed operations; and professional liability.
- C. Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury, property damage and personal injury. This insurance shall cover any automobile for bodily injury and property damage.
- D. Commercial Business Automobile Liability- Bodily injury and property damage with a combined single limit of not less than One Million Dollars (\$1,000,000) shall be maintained. These minimum standards are to include scheduled, non-owned, and hired auto coverage.
- E. Uninsured Motorist- Legal minimum combined single limit.
- F. On-Hook Coverage- Insuring the vehicle in tow with limits based on the size of the tow truck.
  - 1. Class-A tow truck- Fifty Thousand Dollars (\$50,000)
  - 2. Class B tow truck- One Hundred Thousand Dollars (\$100,000)
  - 3. Class C tow truck- Two Hundred Thousand Dollars (\$200,000)
- G. Garage Liability- Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than Five Hundred Thousand Dollars (\$500,000).
- H. Garage Keepers Liability - Shall be the same minimum as on hook coverage for vehicles in the care, custody, and control of the FRANCHISEE in the storage yard.

If at any time any of said policies shall be unsatisfactory to the CITY, as to form or substance or if a company issuing such policy shall be unsatisfactory to the CITY, the FRANCHISEE shall promptly obtain a new policy, submit the same to Newman Police Department for approval and submit a certificate thereof as hereinabove provided. Upon failure of the FRANCHISEE to furnish, deliver or maintain such insurance and certificates as above provided, this FRANCHISE, at the election of the CITY, may be forthwith declared suspended or terminated. Failure of the FRANCHISEE to obtain and/or maintain any required insurance shall not relieve the FRANCHISEE from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the FRANCHISEE concerning indemnification. The CITY, it

agents, officers, employees, and volunteers shall be named as an additional insured on all insurance policies required herein, except Workers' Compensation. The Workers' Compensation insurer shall agree to waive all rights of subrogation against the CITY, its agents, officers, employees, and volunteers for losses arising from work performed by FRANCHISEE for the CITY. The FRANCHISEE'S insurance policy(ies) shall include a provision that the coverage is primary as respects the CITY; shall include no special limitations to coverage provided to additional insured; and, shall be placed with insurer(s) with acceptable Best's rating of A: VII or with approval of the Risk Manager.

For any claims related to this project, the FRANCHISEE'S insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Franchisee's insurance and shall not contribute with it.

FRANCHISEE shall either require any subcontractor to procure and to maintain during the term of the subcontract all insurance in the amounts specified above, or shall insure the activities of subcontractors in the policy specified above. The limits of liability required may vary, depending on the type of permit or contract.

Proof of insurance shall be in the form of a certificate of insurance and separate endorsements naming the City as an additional insured for all insurances except Workers' Compensation. Policy expiration or cancellation will immediately nullify the agreement. FRANCHISEE'S insurance policy should provide for a thirty (30) day advance notice to City in the event the insurance policy will expire or be cancelled. FRANCHISEE shall also immediately notify the Tow Administrator in the event the insurance policy has expired or is canceled. Failure to maintain insurance or to notify the City and Tow Administrator of insurance lapses shall constitute a material breach of contract and City shall have the right to suspend and/or terminate the contract or agreement as determined by the Chief of Police or his designee.

The ultimate responsibility of any damage to a vehicle or property or the loss of a vehicle or any property contained in the vehicle while the vehicle and/or properties are in the FRANCHISEE'S care and custody rests with the FRANCHISEE. The FRANCHISEE shall reimburse the vehicle or property owner for any loss or damage which has been identified in a Newman Police Department Motor Vehicle Report or other official document and is not covered by FRANCHISEE'S insurance.

#### Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City of Newman.

**Section 4**

**NON-EXCLUSIVE, NON-CONSENSUAL FRANCHISE TOW SERVICES  
VERIFIED APPLICATION**

All information, documentation and attachments in this section must be provided by the applicant and submitted in the Franchise Application, Part 2 envelope. Statements must be complete and accurate in the form requested and included in the envelope identified as Franchise Application, Part 2. Omission, inaccuracy, or misstatement will be cause for rejection and the application will not be considered any further in the application/award process.

**A. APPLICANT (Business Name):** (as it is to appear on the contract if awarded)

\_\_\_\_\_

**B. BUSINESS LOCATION/ADDRESS:** (Location where applicant will conduct business)

\_\_\_\_\_

**MAILING ADDRESS (if different from above)**

\_\_\_\_\_

**C. BUSINESS PHONE NUMBER:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Email: (if none, write 'none'): \_\_\_\_\_

**D. BUSINESS OWNERSHIP/PRINCIPALS:**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

**E. ALL APPLICANTS MUST HAVE THE FOLLOWING PERMITS AND LICENSING:**

(1) Motor Carrier Permit: You must attach a copy of your company's current/valid Department of Motor Vehicles Motor Carrier Permit to this application. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

(2) Pull Notice Program Enrollment: You must attach a copy of your current/valid Pull Notice Contract with the Department of Motor Vehicles. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

(3) City of Newman Business License: You must attach a copy of your company's current/valid City of Newman Business License to this application. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

(4) Other Business Licenses: If your primary business or any storage facility for your business is located outside the City of Newman, you must attach a copy of the current/valid business license for that jurisdiction to this application. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

**F. FLEET:**

At a minimum, applicant must own or lease and possess at the time of application, and at all times thereafter, two (2) fully operational Tow Trucks with a Gross Vehicle Weight Rating (GVWR) of at least 14,000 pounds, a minimum of one (1) truck shall be capable of towing all vehicles with a (GVWR) up to and including 10,000 pounds. All trucks must be currently registered with the California Department of Motor Vehicles. Failure to meet these requirements will result in the rejection of your application and your application will be eliminated from the application/award process.

1. How many tow trucks do you own or lease: \_\_\_\_\_

2. You must attach and submit with this application a copy of all current valid vehicle registrations and a photograph of all tow-trucks that will be used for the purposes of towing under the Non-Exclusive Non-Consensual Tow Service Franchise Agreement. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

3. Newman Police Department will physically verify possession, registration and operational status of all tow trucks listed in your application. Failure to possess a minimum of two (2) currently registered, fully operational tow trucks with a GVWR of at least 14,000 pounds, including one (1) truck capable of towing all vehicles with a GVWR up to and including 10,000 pounds will result in the rejection of your application and your application will be eliminated from the application /award process.

## G. FACILITIES

The Applicant must maintain an office facility with a primary storage yard and interior storage facility within the city limits of Newman. Secondary storage locations may be used; secondary storage lots must be within the City limits of Newman. Failure to meet these requirements at time of application will result in the rejection of your application and your application will be eliminated from the application/award process.

Outdoor storage lots shall be fenced with a solid wall or chain link fence at least six (6) feet in height for maximum security and lighted during hours of darkness. Fencing shall be in accordance with all applicable building and zoning codes. The lot must have an improved surface (e.g., gravel, concrete, paved). The storage facility shall have interior storage used exclusively for the storage of impounded/stored vehicles.

Failure to meet these requirements at time of application will result in the rejection of your application and your application will be eliminated from the application/award process.

Applicant's facilities must be neat and clean in appearance. You must attach and submit two (2) photographs of the interior lobby/public access area of your facility and two (2) photographs of your storage area to this application. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

Applicants' facility must have a working public restroom in compliance with all applicable federal, state and local laws and regulations and a working telephone accessible to customers. You must attach two (2) photographs of the public restroom and telephone to this application. Failure to do so will result in the rejection of your application and your application will be eliminated from the application/award process.

(1) What is the total square footage of your exterior vehicle storage area (including secondary storage facility if applicable): \_\_\_\_\_ square feet.

(a) Do you have more than one vehicle storage facility? \_\_\_\_\_

(b) If yes, what is the address/location of your secondary storage facility:

\_\_\_\_\_

(2) Do you have an accessible public restroom in compliance with all federal, state and local laws and regulations, and a telephone accessible to the public? \_\_\_\_\_

The Newman Police Department will physically inspect the applicant's facilities for compliance with the requirements for storage, restrooms and a working telephone. Failure to meet any of the requirements as defined in this application will result in the rejection of your application and your application will be eliminated from the application /award process.

## **H. FRANCHISE APPLICATION DEPOSIT**

This application for a franchise shall be accompanied by a cash deposit of five hundred dollars (\$500.00) or by a certified check for said amount, payable to the City, as a fund out of which to pay all expenses connected with the application.

The deposit of the applicant shall be retained until the acceptance of the franchise and the filing of any bond or other security required, or until the Council determines not to grant the franchise. Whereupon the remainder, if any, of the amount deposited shall be returned after the payment there from of all expenses incurred by the City in connection with the advertising, engineering, clerical work and awarding of such franchise.

In the event that the amount of the deposit is insufficient to pay the expenses incurred by the City in connection with the advertising, engineering, clerical work and processing of such franchise, the applicant shall be held liable for such costs as are in excess of the amount deposited.

## **I. APPLICANT BACKGROUND**

Applicant understands and agrees that a background investigation shall be conducted on all applicants. A release and waiver is included with this application and shall be signed by the applicant and returned as part of this application. Failure to sign and return the Release and Waiver will result in the rejection of your application packet and your application packet will be eliminated from the application/award process.

In addition, any of the following will result in the rejection of your application packet and your application packet will be eliminated from the application/award process.

Any applicant under the age of eighteen (18) years;

Any applicant who is currently required to register pursuant to Section 290 of the California Penal Code;

Any applicant who has been convicted of a crime involving any misdemeanor or felony driving offense, any crime involving stolen or embezzled vehicles, fraud, stolen or embezzled property, crimes of violence, possession and/or sales of drugs or crimes of moral turpitude, unless a period of not less than five (5) years shall have elapsed since the date of conviction or the date of release from confinement for such offense, whatever is later;

Any applicant who has been convicted of driving a vehicle recklessly within the two (2) years immediately preceding application;

Any applicant who has been convicted of driving a vehicle while under the influence of intoxicating liquors or drugs within the five (5) years immediately preceding application.

Any applicant not possessing a valid driver's license, issued by the State of California;

Any applicant having a governmental agency-generated towing services agreement cancelled or terminated within the past 5 years immediately preceding application.

- 1) Has any agreement for City and/or governmental agency-generated towing services to which you were or are a party ever been cancelled/terminated within the past 5 years immediately preceding application?  
\_\_\_\_\_

- 2) Do you have a valid driver's license issued by the California Department of Motor Vehicles? \_\_\_\_\_ CDL# \_\_\_\_\_

## **J. APPLICANT'S REPRESENTATION**

Applicant understands, agrees, and warrants the following:

- (1) Applicant has carefully read and fully understands the information that was provided by the City to serve as a basis for submission of this application to provide City-generated non-exclusive non-consensual franchise towing services on behalf of the City of.
- (2) All statements, answers, and representations made in this questionnaire and in the Application are true and accurate, including all supplementary statements attached hereto.
- (3) Applicant did not receive unauthorized information from the City during the application period except as provided for in the Request for Application document package and addenda thereto.
- (4) By submission of this Application, Applicant acknowledges that City has the right to make any inquiry it deems appropriate to substantiate the information supplied by Applicant, and Applicant hereby grants the City permission to make such inquiries and further agrees to provide any and all documentation requested in furtherance of such inquiry in a timely manner.
- (5) Applicant understands and acknowledges any required information not attached to the application packet, including omissions of information will result in the rejection of the application packet and the application packet will be eliminated from the application/award process.
- (6) Applicant acknowledges receipt of the non-exclusive non-consensual towing services franchise agreement included with this application and agrees to the terms of the contract in the event that a non-exclusive non-consensual towing services franchise is awarded to the applicant. In the event a material change is made to the agreement, applicant will be given written notice of the material change, and the ability to withdraw from the application process, without penalty, within ten (10) calendar days of the noticed material change.
- (7) Application must be signed by owner or officer having authority to negotiate on behalf of the Applicant.

Questions regarding the application requirements should be directed to: Newman Police Department, Attention: Chief Adam McGill, (209)-862-2902.

**K. PURPOSE**

The purpose of a non-exclusive non-consensual towing services franchise agreement is to provide for City generated non-exclusive non-consensual towing services on behalf of the Newman Police Department. Non-consensual towing services include, but are not limited to:

- 1) Vehicles impounded by The City of Newman for investigation, as evidence in a criminal case, asset forfeiture or vehicle forfeiture;
- 2) Vehicles involved in collisions, stalled vehicles, illegally parked vehicles, vehicles whose driver is incapacitated or physically unable to drive or has been arrested or detained;
- 3) Vehicles towed under any authority section of the California Vehicle Code or the Newman City Code including 30 day impounds, abandoned vehicles, inoperative vehicles or abated vehicles from any street, alley, highway, or any other private or public property in the City of Newman;
- 4) Any other tow of a vehicle or vessel as may be ordered by any police officer, police employee, or any other employee or agent of the City of Newman who is properly authorized to order such removal.

**L. TERM**

The initial term of the non-exclusive non-consensual towing services franchise agreement shall be three (3) years. The City reserves the right to extend the non-exclusive non-consensual towing services franchise agreement for two (2) additional, one-year extensions at the sole discretion of the City. Either party may terminate the franchise agreement by giving the other party thirty (30) days written notice.

**M. FRANCHISE FEE**

In the event the applicant is awarded a non-exclusive franchise, commencing with the start date and for the first year of the non-exclusive non-consensual towing services franchise agreement, the FRANCHISEE shall pay to the CITY a fee in the sum of \$40.00 for each and every non-consensual tow. Commencing on the second year of the contract (i.e. the 366<sup>th</sup> day from the start date) the franchise fee will increase to \$45.00 for each and every non-consensual tow. Commencing on the third year (i.e. the 731<sup>st</sup> day from the start date) the franchise fee will increase to \$50.00 for each and every non-consensual tow.

\_\_\_\_\_  
FIRM

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

**CITY OF NON-EXCLUSIVE NON-CONSENSUAL  
TOW FRANCHISE APPLICANT  
AUTHORIZATION TO RELEASE INFORMATION/HOLD HARMLESS**

TO WHOM IT MAY CONCERN:

I \_\_\_\_\_, the owner and operator of \_\_\_\_\_, am an applicant for a Non-Exclusive Non-Consensual Tow Franchise with the City of Newman. As part of the Non-Exclusive Non-Consensual Tow Franchise application process the Newman Police Department is required to conduct a background investigation. I fully understand that personnel of the Newman Police Department will conduct a reasonable investigation into my personal, driving, arrest and criminal investigation records.

I hereby direct you, your organization, its Custodian of Records, and/or persons in your employ to release any and all information which you may have concerning me, including information which may be of a confidential, privilege, and/or derogatory nature, including, but not limited to: driving, arrest, or criminal investigation records, administrative and/or local criminal history information (pursuant to Penal Code Section 13300[b][10]), and/or any other information that you possess.

I hereby exonerate, release and discharge you, your organization, the City of Newman, the Newman Police Department, its officers, agents, and assigns, from any and all liability, claims or damages, of every nature or kind, whether in law or in equity, now or in the future arising out of or for the furnishing of any information or documents, and/or records whatsoever requested by the bearer of this authorization form. This release shall be binding on my legal representatives, heirs and assigns.

I hereby waive my right, now and in the future, to examine, review, or otherwise discover the contents of this investigation and all documents and responses related thereto. I further exonerate, release, and discharge the City of Newman, the Newman Police Department and their officers, agents, or assigns for their refusal to make available any and all information and/or documentation contained in this background investigation, including but not limited to, the identity of any person or organization who may have supplied information in the course of this investigation, as well as the substance of such information supplied, even where such information has been the basis for my disqualification for a Attendant Permit.

I have specifically and permanently waived any rights I may have to review and inspect any and all information developed in this investigation so your response will be completely confidential. You may retain this form for your files.

I further hereby knowingly, voluntarily, specifically and permanently waive all my legal rights and causes of action to the extent that this background investigation violates or infringes upon my legal rights and causes of action. I agree to hold harmless and release from any and all liability under any and all possible causes of legal action against the City of Newman, the Newman Police Department, and their officers, agents, employees and assigns for any statement, question, interview, act, or omission in the course of the investigation into my background, personal habits and reputation.

**CERTIFICATION:**

**I CERTIFY THAT I HAVE HAD ADEQUATE TIME TO REVIEW THIS FORM, I UNDERSTAND IT'S MEANING AND PURPOSE AND HAVE BEEN FURNISHED A COPY OF IT. I MAY REVOKE THIS AUTHORIZATION AT ANY TIME BY DELIVERING, IN WRITING, SUCH REVOCATION TO YOU/YOUR ORGANIZATION.**

**NOTARIZATION OF APPLICANTS SIGNATURE REQUIRED.**

A photocopy of this release is to be considered as valid as an original. This release is valid for 180 days from the date of signature.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

In the County of \_\_\_\_\_  
Within the State of California.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Notary Public Signature

**EXHIBIT A**

**(SAMPLE) NON-EXCLUSIVE NON-CONSENSUAL TOWING SERVICE FRANCHISE AGREEMENT**

This Agreement between the CITY OF NEWMAN, a municipal corporation of the State of California, and \_\_\_\_\_ (FRANCHISEE) is for Non-Exclusive Non-Consensual Franchise Towing Services.

WHEREAS, on \_\_\_\_\_, 2009, CITY OF NEWMAN issued Request for Application (Hereinafter RFA) for City Generated Non-Exclusive Non-Consensual Franchise Towing Services; and

WHEREAS, on \_\_\_\_\_, 2009, FRANCHISEE submitted a complete application packet in response to the RFA; and

WHEREAS, on \_\_\_\_\_, 2009, applications received in response to the RFA were presented to the Newman City Council for referral to the City Manager for his recommendation and report; and

WHEREAS, on \_\_\_\_\_, 2009, the City Manager presented his recommendation and report to the Newman City Council; and

WHEREAS, on \_\_\_\_\_, 2009, the Newman City Council passed a resolution of intent to consider the applications, stating the character of the franchise, setting forth a notice of the day, hour and place when and where all persons may appear before Council and be heard thereon, and directing the City Clerk to publish said notice in the official newspaper at least once within ten (10) days after the passage of said resolution.

WHEREAS, on \_\_\_\_\_, 2009, FRANCHISEE was granted a Non-Exclusive Franchise for City Generated Non-Consensual Towing Services; and

WHEREAS, on \_\_\_\_\_, 2009, FRANCHISEE filed written acceptance of said Non-Exclusive Franchise with the City Clerk; and

WHEREAS, FRANCHISEE represents that it is qualified, willing and able to provide non-consensual towing services; and

NOW, THEREFORE, in consideration of this Agreement, and the mutual promises, covenants and stipulations hereinafter contained, the parties agree as follows:

## 1. SCOPE OF WORK

FRANCHISEE shall furnish all labor, materials, and equipment necessary to provide non-exclusive non-consensual towing services as specified in the Notice for Application, Request for Application, Non-Exclusive Non-Consensual Franchise Towing Services Verified Application, and all documents requested in response thereto, all of which are incorporated herein by this reference, and this Agreement (which collectively shall constitute the Non-Exclusive Non-Consensual Towing Service Franchise Agreement and which is referred to herein as "This Agreement"). All non-consensual towing services shall be furnished and performed in strict compliance with the terms and conditions of this Agreement. Non-Consensual towing services include, but are not limited to;

- A. Towing of all vehicles impounded by the CITY for investigation, as evidence in a criminal case, asset forfeiture, and vehicles towed pursuant to the California Vehicle Code ("CVC") including, but not limited to, CVC Section 14607.6.
- B. Towing of vehicles involved in accidents, and/or stalled vehicles obstructing traffic, and/or vehicles illegally parked, and/or vehicles whose driver is incapacitated or physically unable to drive the vehicle, and/or vehicles whose driver has been arrested and/or detained and cannot drive the vehicle, and/or vehicles under the 30-day impound authority including, but not limited to, CVC Section 14602.6, and/or vehicles with five (5) or more outstanding parking citations;
- C. Towing of all vehicles necessitating special procedures to ascertain vehicle identification numbers, VIN tows, in compliance with the requirements of the CVC;
- D. Towing of any abandoned vehicle, inoperative vehicle, or abated vehicle, from any street, alley, highway, or any other private or public property in the CITY pursuant to the Newman City Code ("OCC"), Uniform Traffic Code (UTC), and CVC including CVC Section 22669
- E. Towing any other vehicle or vessel as may be ordered by any police officer, police employee, or any other employee or agent of the CITY who is properly authorized to order such tow. This shall include, but is not limited to, any vehicle that is submerged, either wholly or in part. This shall also include, but is not limited to, the removal and storage of any abandoned vessel from city streets/property, whether or not said vessel is attached to a trailer;
- F. Towing trailers, boats, motor homes, etc.
- G. Towing City of Newman vehicles at no cost, not to exceed 12 times per calendar year

## **2. TERM OF AGREEMENT**

The initial term of this Agreement shall be for three (3) years. The CITY reserves the right to extend this Agreement for two (2) additional, one-year terms, at the sole discretion of The City of Newman. Either party may terminate this Agreement by giving the other party thirty (30) days written notice.

## **3. PAYMENT/FRANCHISE FEES PAYABLE TO CITY**

- A. FRANCHISEE agrees to pay to The City of Newman a franchise fee in accordance with the terms of this Agreement.
- B. Commencing with the start date and for the first year of this Agreement, the FRANCHISEE shall pay The City of Newman a franchise fee of \$40.00 for each and every non-consensual tow, as defined in this Agreement, performed by FRANCHISEE on behalf of or at the request of The City of Newman.
- C. Commencing with the second year of this Agreement (i.e. the 366th day from the start date), the FRANCHISEE shall pay The City of Newman a franchise fee of \$45.00 for each and every non-consensual tow, as defined in this Agreement, performed by FRANCHISEE on behalf of or at the request of The City of Newman.
- D. Commencing with the third year of this Agreement (i.e. the 731<sup>st</sup> day from the start date) the FRANCHISEE shall pay The City of Newman a franchise fee of \$50.00 for each and every non-consensual tow, as defined in this Agreement, performed by FRANCHISEE on behalf of or at the request of The City of Newman.
- E. All franchise fees owed to The City of Newman for each and every non-consensual tow performed by the FRANCHISEE shall be due and payable on a monthly basis as set forth in the invoice detailing the franchise fees owed. The City of Newman shall receive payment no later than thirty (30) days proceeding each month as illustrated in Paragraph 3F. Payment shall be made in the form of a preprinted company bank check or cashier's check payable to the Newman Police Department, P.O. Box 787, Newman, CA 95360, Attn: Chief of Police.
- F. CITY shall mail an itemized bill/invoice of the franchise fees owed by FRANCHISEE to The City of Newman, on or before the 10th of each month, for the preceding month's non-consensual tows. Payment on the invoice is due to the City of Newman by the 1<sup>st</sup> day of the following month. (E.g. FRANCHISEE fees for the month of January will be invoiced and mailed by February 10th. Payment of the total amount invoiced shall be received by the City of Newman no later than March 1st, everyday thereafter the invoice is delinquent.)
- G. Payments shall not be made contingent on any payments due or payable to the FRANCHISEE by either The City of Newman or the registered owner.
- H. If any itemized bill/invoice is more than five (5) calendar days delinquent, the Chief of Police or his designee shall have the authority to immediately suspend the FRANCHISEE until payment of any and all billed/invoiced amounts are paid in full

to CITY. Furthermore, if any itemized bill/invoice is more than sixty (60) calendar days delinquent, the Chief of Police or his designee shall have the authority to immediately terminate this Agreement.

#### 4. SECURITY

FRANCHISEE shall present The City of Newman with a cashiers check payable to, in favor of, and payable at the sight of the City of Newman in the amount of Two Thousand Dollars and 00/100 as a Performance Security. The check shall be held by the City of Newman for the term of this Agreement in an interest bearing account. In the event that this Agreement is terminated, the performance security and any interest accrued thereon will be used to pay any outstanding amounts owed to The City of Newman by the FRANCHISEE, any remaining balance shall be returned to the FRANCHISEE within thirty (30) calendar days of the termination.

#### 5. INSURANCE

FRANCHISEE shall provide, at its own expense, and maintain at all times, the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to The City of Newman as may be required by the City Clerk of Newman. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation or material change in the policy, notices of same shall be sent by registered mail to the Newman Police Department, P.O. Box 787, Newman CA. 95360, return receipt requested, for all of the following stated insurance policies.

- A. Workers' Compensation - in compliance with the statutes of the State of California, plus employer's liability with a minimum limit of liability of \$1,000,000.
- B. General Liability - insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury, property damage, and bodily injury. This insurance shall indicate on the certificate of insurance the following coverage's and indicate the policy aggregate limit applying to: premises and operations; broad form contractual; independent consultants and subcontractors; products and completed operations; and/or professional liability.
- C. Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury, property damage, and personal injury. This insurance shall cover any automobile for bodily injury and property damage.
- D. Commercial Business Automobile Liability - Bodily injury and property damage with a combined single limit of not less than One Million Dollars (\$1,000,000) shall be maintained. These minimum standards are to include scheduled, non-owned, and hired auto coverage.
- E. Uninsured Motorist - Legal minimum combined single limit.
- F. On-Hook Coverage - Insuring the vehicle in tow with limits based on the size of the tow truck.

Class A tow truck – Fifty Thousand Dollars (\$50,000)

Class B tow truck - One Hundred Thousand Dollars (\$ 100,000)

Class C tow truck - Two Hundred Thousand Dollars (\$200,000)

G. Garage Liability - Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than Fifty Thousand Dollars (\$500,000).

H. Garage Keepers Liability - Shall be the same minimum as on-hook coverage for vehicles in the care, custody and control of the FRANCHISEE in the storage yard.

i. If at any time any of said policies shall be unsatisfactory to the CITY, as to form or substance or if a company issuing such policy shall be unsatisfactory to the CITY, the FRANCHISEE shall promptly obtain a new policy, submit the same to the Risk Manager for approval and submit a certificate thereof as hereinabove provided. Upon failure of the FRANCHISEE to furnish, deliver or maintain such insurance and certificates as above provided, this FRANCHISE, at the election of the CITY, may be forthwith declared suspended or terminated. Failure of the FRANCHISEE to obtain and/or maintain any required insurance shall not relieve the FRANCHISEE from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the FRANCHISEE concerning indemnification. The CITY, its agents, officers, employees, and volunteers shall be named as an additional insured on all insurance policies required herein, except Workers' Compensation. The Workers' Compensation insurer shall agree to waive all rights of subrogation against the CITY, its agents, officers, employees, and volunteers for losses arising from work performed by FRANCHISEE for the CITY. The FRANCHISEE'S insurance policy(ies) shall include a provision that the coverage is primary as respects the CITY; shall include no special limitations to coverage provided to additional insured; and, shall be placed with insurer(s) with acceptable Best's rating of A: VII or with approval of the Risk Manager.

ii. For any claims related to the work performed pursuant to this Agreement the FRANCHISEE'S insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the FRANCHISEE'S insurance and shall not contribute with it

iii. FRANCHISEE shall either require any subcontractor to procure and to maintain during the term of the subcontract all insurance in the amounts specified above, or shall insure the activities of subcontractors in the policy specified above. The limits of liability required may vary, depending on the type of permit or contract.

iv. Proof of insurance shall be in the form of a certificate of insurance and separate endorsements naming the CITY as an additional insured for all insurances except Workers' Compensation. Policy expiration or cancellation will immediately nullify this Agreement. FRANCHISEE'S insurance policy shall provide for a thirty (30) day advance notice to CITY in the event the insurance policy will expire or be cancelled. FRANCHISEE shall also immediately notify the Tow Administrator in the event the

insurance policy has expired or is cancelled. Failure to maintain insurance or to notify the CITY and Franchise Tow Administrator of insurance lapses shall constitute a material breach of this Agreement and CITY shall have the right to immediately suspend and/or terminate this Agreement as determined by the Chief of Police or his designee.

v. The ultimate responsibility for any damage to any vehicle or property or the loss of any vehicle or any property contained in the vehicle while the vehicle and/or property is in the FRANCHISEE'S care and/or custody rests with the FRANCHISEE. The FRANCHISEE shall reimburse the vehicle or property owner for any loss or damage which has been identified in a Newman Police Department Motor Vehicle Report or other official document and is not covered by FRANCHISEE'S insurance.

vi. Any deductibles or self-insured retention must be declared to and approved by the City Newman.

## **6. HOLD HARMLESS AGREEMENT**

FRANCHISEE shall hold The City of Newman, its agents, officers, employees, and volunteers, harmless from and save, defend and indemnify them against any and all claims, losses, liabilities and damages from every cause, including but not limited to, injury to person or property or wrongful death, with the indemnity to include reasonable attorney's fees, and all costs and expenses, arising directly or indirectly out of any act or omission of FRANCHISEE, whether or not the act or omission arises from the sole negligence or other liability of The City of Newman, or its agents, officers, employees, or volunteers relating to or during the performance of its obligations under this Agreement.

## **7. PROHIBITION OF GIFTS**

- A. FRANCHISEE shall be subject to The City of Newman's prohibition against acceptance of any gift by a CITY officer or employee.
- B. FRANCHISEE agrees not to offer any CITY officer or employee any gift. The offer or giving of any gift prohibited by The City of Newman shall constitute, at a minimum, a **failure to provide adequate service** by FRANCHISEE. In addition to any other remedy (ies) The City of Newman may have at law or equity, The City of Newman may immediately terminate this Agreement for a violation of this Paragraph 7 notwithstanding any provision of this Agreement to the contrary.

## **8. ATTENDANTS (DRIVERS)**

- A. FRANCHISEE shall, at a minimum, maintain the following information for each employee/driver providing services to The City of Newman pursuant to this Agreement.
- i. Full name
  - ii. Date of birth.
  - iii. Valid California Driver's License number and photocopy of said driver's license.
  - iv. Copy of Social Security Card

- v. Job title-description.
  - vi. Current home address
  - vii. Current home phone number.
  - viii. Copy of employment application.
  - ix. Medical certificate (if applicable)
- B. It is the responsibility of FRANCHISEE to maintain a sufficient number of employees and/or properly licensed and permitted drivers to meet all the terms and conditions set forth in this Agreement. Any violation of CVC Section 12500 or 14601 through 14601.5, by a FRANCHISEE or FRANCHISEES employee/driver providing towing service for The City of Newman under the terms of this Agreement, may be grounds for immediate suspension of this Agreement, notwithstanding any provisions of this Agreement to the contrary, and at a minimum, shall be deemed **a failure to provide adequate service.**
- C. At the start of this Agreement, FRANCHISEE shall provide to the Tow Franchise Administrator a current list of its driver's who will be providing services under the terms of this Agreement. Any drivers hired thereafter that will provide services to The City of Newman pursuant to the terms of this Agreement and/or any change in the employment status of any driver including, but not limited to, suspension or dismissal from employment, shall be reported to the Franchise Tow Administrator within twenty-four (24) hours.
- D. FRANCHISEE and all tow truck drivers providing services to The City of Newman pursuant to the terms of this Agreement shall be enrolled in the pull notice program with the Department of Motor Vehicles. FRANCHISEE shall enroll all newly hired tow truck drivers in the Pull Notice Program within fifteen (15) calendar days of hire.
- E. Any violation of 8A through 8D shall, at a minimum, be deemed a **failure to provide adequate service.**

## **9. TOW DRIVERS PERMIT**

- A. FRANCHISEE tow driver(s) shall apply for and obtain an Attendant Permit annually from the Newman Police Department for each and every tow driver responding to a CITY generated tow.

A Attendant Permit fee will be charged for each permit applied for and shall be paid by the FRANCHISEE at the time of permit application. The fee will be established by resolution of the Newman City Council, which may be amended from time to time.

- B. FRANCHISEE'S tow driver(s) shall carry a valid Newman Police Department issued Attendant Permit with them at all times when responding to a CITY generated tow. Failure to obtain an Attendant Permit and/or failure to provide a valid Newman Police Attendant Permit, upon request, at the scene of a CITY generated tow shall, at a minimum, be deemed a **failure to provide adequate service** and may at the discretion of the officer or agent on scene result in the tow being cancelled.

- C. An Attendant Permit application can be obtained from the Tow Franchise Administrator at the Newman Police Department, 1200 Main Street, Newman, CA., 95360. The Attendant Permit will be valid for one year from the date of issuance. It is the responsibility of the FRANCHISEE to ensure all drivers maintain a valid Attendant Permit.
- D. An Attendant Permit shall NOT be issued to any of the following persons:
- i. Any person under the age of eighteen (18) years old;
  - ii. Any person who is currently required to register pursuant to Section 290 of the California Penal Code;
  - iii. Any person who has been convicted of a crime involving any misdemeanor or felony driving offense, any crime involving stolen or embezzled vehicles, fraud related to the towing business, stolen or embezzled property, crimes of violence, possession and/or sales of drugs or crimes of moral turpitude, unless a period of not less than five (5) years shall have elapsed since the date of conviction or the date of release from confinement for such offense, whichever is later;
  - iv. Any person who has been convicted of driving a vehicle recklessly within the two (2) years immediately preceding application for a permit;
  - v. Any person who has been convicted of driving a vehicle while under the influence of intoxicating liquors or drugs within the five (5) years immediately preceding application for a permit;
  - vi. Any person not possessing a valid class specific driver's license issued by the State of California
  - vii. Any person on current probation or parole.
- E. The requirement to currently possess an Attendant Permit shall be waived for a period of ninety (90) calendar days following the start date of this Agreement, to provide the CITY sufficient time to process all Attendant Permit applications. FRANCHISEE shall ensure all tow drivers apply for an Attendant Permit within ten (10) calendar days following the start date of this Agreement, failure to do so shall, at a minimum, be deemed a **failure to provide adequate service.**
- F Nothing herein shall prohibit the Chief of Police, or his designee from denying the issuance of, or imposing an immediate suspension and/or termination of, any Tow Drivers Permit when the applicants/permit holders conduct, in the opinion of the Chief of Police, or his designee, is considered to be a danger to the motoring public or who has engaged in conduct constituting a violation of this Agreement.

## 10. DEMEANOR AND CONDUCT

While providing towing services pursuant to this Agreement, the FRANCHISEE, its employee(s) and/or agents shall refrain from any act of misconduct including, but not limited to, any of the following:

- A. Rude or discourteous treatment of the public or CITY employees.
- B. Lack of service or refusal to provide service to the public or CITY employees.
- C. Any act of sexual harassment or sexual impropriety.
- D. Unsafe driving practices.
- E. Exhibiting any objective symptoms of alcohol and/or drug intoxication. FRANCHISEE/tow truck driver shall submit to a Preliminary Alcohol Screening Test/Under the Influence of a Controlled Substance test, upon demand of a peace officer.
- F. Appearing at the scene of a CITY-generated tow with the odor of an alcoholic beverage emitting from his/her breath or person. FRANCHISEE /tow truck driver shall submit to a Preliminary Alcohol Screening Test upon demand of a peace officer.
- G. Appearing at the scene of a CITY-generated tow without being attired in the FRANCHISEE'S established uniform. Such uniform shall be approved by and kept on file with the Tow Franchise Administrator prior to the start date of this Agreement. At a minimum, the name of the tow business and the name of the employee shall be clearly visible on the uniform shirt.
- H. Any violation of sections 10.A through 10.G shall, at a minimum, be deemed a **failure to provide adequate service**.
- I. **However, nothing herein shall prohibit the Chief of Police, or his designee, from imposing an immediate suspension and/or termination on any FRANCHISEE and/or employee(s) whose conduct, in the opinion of the Chief of Police, or his designee, is considered to be a danger to the motoring public or who has engaged in conduct constituting a gross violation of this Agreement.**
- J. All complaints received by the Newman Police Department against the FRANCHISEE or its agent(s) or employee(s) will be accepted and investigated in a fair and impartial manner. At a minimum, any substantiated complaint will be deemed a **failure to provide adequate service**. Furthermore, as a result of the investigation, the Chief of Police or his designee may initiate such disciplinary action as he deems appropriate.
- K. FRANCHISEE must notify The City of Newman of all contracts with other cities or governmental agencies to provide tow services within California. Any FRANCHISEE that is under contract with any other city or agency and who is either suspended or terminated by that city or agency shall notify in writing the City of Newman / Tow Franchise Administrator within twenty-four (24) hours of such suspension or termination, failure to do so shall, at a minimum, be deemed a **failure to provide adequate service**.

## **11. FACILITIES**

- A. FRANCHISEE shall maintain an office facility with a primary storage yard and interior storage within the City limits of Newman.
- B. Hours of Operation:
- i. The business office shall be open to the public, staffed and available for vehicle releases, storage, inquiries and all other business purposes during business hours. Business hours are defined as Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m., except the following observed holidays: New Years Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day (observed), Independence Day, Labor Day, Veterans' Day (observed), Thanksgiving Day, Day after Thanksgiving and Christmas Day.
  - ii. In order to ensure that the vehicle owner or his/her agent may claim vehicles towed on behalf of the CITY at any time, on any day and to promptly release CITY towed vehicles, the FRANCHISEE must have an employee available after business hours, who can arrive at the primary office facility within thirty (30) minutes of a request by the CITY or a citizen. Vehicle owners or their agents who request entry to the storage facilities after business hours may be assessed an after-hour gate fee. CITY shall not be assessed an after-hour gate fee.
  - iii. Any violation of sections 11.A through 11.B.ii. shall at a minimum be deemed a **failure to provide adequate service.**

## **12. BUSINESS OFFICE**

- A. FRANCHISEE shall have an accessible public restroom that complies with all federal, state and local laws and regulations and FRANCHISEE shall have a telephone available for customers to use during business hours.
- B. FRANCHISEE shall display the FRANCHISEE'S business name, address and telephone number at the primary business and secondary storage lot/facility location with a sign clearly visible day and night from the street.
- C. Shall be neat and clean in appearance.
- D. The following documents, printed in a minimum of 12-point type (unless otherwise stated or required by the California Vehicle Code) shall be posted by FRANCHISEE in the Primary business office in a conspicuous location clearly visible to the public
- i. Complete Copy of this Agreement;
  - ii. Name and address of FRANCHISEES insurance broker carrying the insurance required pursuant to this Agreement;
  - iii. A notice explaining the procedure by which unclaimed vehicles are sold at public auction stating that all in attendance at such auction shall have an equal

opportunity to bid. Notice shall include the locations of such auctions and publications in which such auctions are advertised.

- iv. "Vehicle Impound Rights and Obligations" informing the public of their rights pursuant to CVC Section 22852.
- v. A notice advising that complaints against FRANCHISEE related to The City of Newman generated non-consensual tows can be made by contacting the Newman Police Department, Tow Franchise Administrator, P.O. Box 787, Newman, CA. 95360, (209) 862-2902. This notice shall be displayed in a conspicuous place clearly visible to the public in a minimum of 48- point type.
- vi. Maximum Fee/Rate Schedule for CITY generated non-consensual tows. This notice shall be displayed in a conspicuous place clearly visible to the public in lettering not less than 1" in size.
- vii. Any violation of 12A through 12D shall, at a minimum, be deemed a **failure to provide adequate service**.

### **13. STORAGE LOT**

- A. FRANCHISEE'S lot(s) must have an improved surface (e.g., gravel, concrete, paved) and the storage lot(s) shall be free of litter, debris and weeds which is adequate to store not less than twenty vehicles.
- B. The storage lot(s) must be adequately lit during hours of darkness.
- C. The storage lot(s) must comply with all applicable local, state and federal rules, regulations and laws.
- D. Stored vehicles shall be parked with a minimum of two (2) feet of clearance on each side and one (1) foot of clearance in the front and one foot of clearance in the rear.
- E. The storage lot(s)/facility (ies) shall have interior storage used exclusively for the storage of impounded/stored vehicles. The building must be capable of storing a minimum of two vehicles.
- F. Secondary storage locations may be utilized, however, neither customers nor The City of Newman shall be charged any additional fees for vehicles stored at a secondary facilities. Secondary storage lots/facilities must be within the city limits of Newman. In addition, all vehicles must be released to the registered owner or their agent at the primary business location. Both primary and secondary storage lots shall be enclosed by a solid wall or chain link fence at least six (6) feet in height for maximum security. Said wall or fence shall comply with all local, state and federal rules, ordinances, codes and regulations. Storage lots/facilities must be adequately lit during hours of darkness.
- G. All towed vehicles shall be stored on private property only. At no time shall a towed vehicle be deposited, placed, left standing or stored on a public roadway or right of way.

- H. A request for outside or inside storage on a CITY generated non-consensual tow by a customer shall be honored. If no request is made, the vehicle shall be stored in the least costly manner to the customer.
- I. It is the responsibility of the FRANCHISEE to determine and maintain a sufficient amount of storage to meet all the terms and conditions of this Agreement.
- J. Any violation of 13.A through 13.I shall, at a minimum, be deemed a **failure to provide adequate service**.

#### 14. **TRUCKS**

- A. FRANCHISEE shall own or lease, and have in their possession a minimum of two (2) fully operational Tow Trucks, as defined in Section 615(a) of the California Vehicle Code, with a minimum GVWR of 14,000 pounds, a minimum of one (1) tow truck shall be capable of towing all vehicles with a (GVWR) up to and including 10,000 pounds. All tow trucks must be currently registered with the California Department of Motor Vehicles.
- B. Tow Truck Classifications and Equipment Specifications:
  - i. To properly and safely tow and service the wide variety of vehicles being operated on the highway, a towing procedure may require the use of auxiliary equipment specifically designed for the purpose. This auxiliary equipment shall be used when appropriate.
  - ii. Tow truck equipment and specifications listed are the minimum acceptable. Auxiliary equipment will be required in each class.
  - iii. Equipment Limitations: All towing equipment, recovery equipment, and carrier ratings are based on structural factors only. Actual towing, carrying, and recovery capacity may be limited by the capacity of the chassis and the optional equipment selected.
  - iv. Towing Limitations:

The criteria to use in determining the safe towing limits for a tow truck are:

    - a. The total weight of the tow truck, including the lifted load, must fall within the manufacturer's GVWR and not exceed either the Front or Rear Axle Weight Ratings (FAWR/RAWR).
    - b. The tow truck must meet all applicable local, state and federal standards, regulations and laws.
    - c. For proper steering and braking, the front axle load must be at least 50% of its normal or unladen weight after the load is lifted.
  - v. Identification Label:

Each piece of towing equipment shall have a label or identification tag

permanently affixed to the equipment in a prominent location to identify the manufacturer, serial number, model, and rate capacity.

vi. Recovery Equipment Rating:

The basic performance rating of the recovery equipment is the weight the equipment can lift in a winching mode when the boom is static at a 30-degree elevation with the load lines vertical and the lifting cables sharing the load equally, measured with a live load (weight or load cell).

- a. The structural design of the recovery equipment must have a higher load capacity than the performance rating(s).
- b. Winches shall conform to or exceed the specifications set forth by the Society of Automotive Engineers (SAE) Handbook, SAE J706.
- c. All ratings for cable and chain assemblies are for the undamaged assembly condition. All cable and chain assemblies shall be the same type, construction, and rating as specified by the Original Equipment Manufacturer (OEM) for the equipment.

vii. Safety Chains:

Safety chains shall be rated at no less than the rating specified by the OEM.

viii. Control/Safety Labels:

All controls shall be clearly marked to indicate proper operation as well as any special warnings or cautions.

ix. Wire Rope (Cable):

Wire rope shall be maintained in good condition. Only wire rope with swaged ends with metal sleeves in the loops shall be approved for use on CITY generated tows. Wire rope is not in good condition when it is stranded, knotted, crushed, excessively rusty, kinked, badly worn, when there are two or more wires broken in lay length, or when there is other visible evidence of loss of strength.

x. Class A – Light Duty: For the purposes of this Agreement, a Class A tow truck is defined as a tow truck that has a manufacturer's GVWR of at least 14,000 pounds.

xi. Class B – Medium Duty: For the purposes of this Agreement, a Class B tow truck is defined as a tow truck with a GVWR of at least 26,001 pounds. The tow truck shall be equipped with air brakes and a tractor protection valve or device, and be capable of providing and maintaining continuous air to the towed vehicle.

xii. Class C- Heavy Duty: For the purposes of this Agreement, a Class C tow truck is defined as a tow truck with a GVWR of at least 48,000 pounds. The tow truck shall be equipped with air brakes and a tractor protection valve or device, and be capable of providing and maintaining continuous air to the towed vehicle.

C. All tow trucks utilized by FRANCHISEE to provide CITY generated non-consensual tow services shall be inspected annually by CHP. To avoid multiple inspections, the

FRANCHISEE will provide the Newman Police Department a copy of the current CHP inspection sheet.

- D. Storage lots/facilities will also receive a bi-annual inspection by the Newman Police Department at no additional cost to the FRANCHISEE.
- E. In the event the FRANCHISEES tow truck fails its initial or annual inspection, a reinspection of the FRANCHISEES tow truck, that failed inspection, must be conducted within thirty, (30) calendar days.
- F. All tow trucks shall maintain a broom, shovel, reflective triangles, fire extinguisher and a covered container with a minimum of 5 gallons of absorbent at all times.
- G. FRANCHISEE hereby allows the Newman Police Department to inspect any and all storage lots/facilities, used to store CITY generated tows, business office(s), and all equipment owned by FRANCHISEE at any time and for any reason, with or without notice. FRANCHISEE shall not utilize a tow truck on a CITY generated tow that has not been inspected.
- H. All tow trucks shall be clearly marked with the FRANCHISEE'S business name, address and telephone number on all doors.
- I. FRANCHISEE shall not display any sign or engage in any advertisement indicating an official connection with the CITY or the Police Department; (e.g., "Official Police Tow," "Approved by NPD," etc.). This will not preclude the Chief of Police, or his designee, from implementing a system of marking and/or identifying particular tow trucks as having passed a Newman Police Department inspection or as being certified as a FRANCHISEE for CITY generated tows.
- J. Towed vehicles shall be loaded, secured and transported in compliance with this Agreement and all applicable local, state and federal rules, regulations and laws. Any violation of local, state or federal rules, regulations or laws, including, but not limited to a violation of the GVWR, safe loading requirements or a violation of the equipment requirements shall, at a minimum, be deemed a **failure to provide adequate service**.
- K. It is the responsibility of the FRANCHISEE to provide a sufficient number of tow trucks to meet all the terms and conditions of this Agreement. The number of tow trucks listed in this Agreement is a minimum. It is the FRANCHISEES responsibility to determine the number and type of tow trucks required to fulfill all the requirements of this Agreement.
- L. Any violation of 14A through 14L shall, at a minimum, be deemed a **failure to provide adequate service**.
- M. Any violation of the gross vehicle weight rating (GVWR) and/or safe loading requirements of a tow truck may be cause for immediate suspension, notwithstanding any provision of this Agreement to the contrary, and shall, at a minimum, be deemed a **failure to provide adequate service**. This includes but is not limited to, exceeding the tow truck's GVWR, front axle weight rating, rear axle weight rating, maximum tire weight ratings, not maintaining 50 percent of the tow trucks unladed front axle weight on

the front of the axle or any violation of the CVC including, but not limited, to CVC Section 29004 CVC.

**15. TOWING AND STORAGE CHARGES**

- A. The following schedule reflects the maximum rates established for services or materials in connection with any vehicle towed pursuant to a CITY generated non-consensual tow, which includes but is not limited to the following.
  - i. Towing of all vehicles impounded by the CITY for investigation, as evidence in a criminal case, asset forfeiture or vehicles towed under the CVC including, but not limited to, CVC Section 14607.6 (vehicle forfeiture);
  - ii. Towing of vehicles involved in accidents, and/or stalled vehicles obstructing traffic, and/or vehicles illegally parked, and/or vehicles whose driver is incapacitated or physically unable to drive the vehicle, and/or vehicles whose driver has been arrested and/or detained and cannot drive the vehicle, and/or vehicles under the 30-day impound authority including, but not limited to, CVC Section 14602.6, and/or vehicles with five (5) or more outstanding parking citations;
  - iii. Towing of all vehicles necessitating special procedures to ascertain vehicle identification numbers, VIN tows, in compliance with requirements of the CVC;
  - iv. Towing of any abandoned vehicle, inoperative vehicle, or abated vehicle, from any street, alley, highway, or any other private or public property in the CITY pursuant to the NCC and CVC including, but not limited to CVC 22669
  - v. Towing any other vehicle or vessel as may be ordered by any police officer, police employee, or any other employee or agent of the CITY who is properly authorized to order such tow. This shall include, but is not limited to, any vehicle that is submerged, either wholly or in part. This shall also include, but is not be limited to, the removal and storage of any abandoned vessel from city streets/property, whether or not said vessel is attached to a trailer.
  - vi. Towing trailers, boats, motor homes, etc

**B. MAXIMUM CHARGES**

Time expended on a CITY generated tow shall be charged at a rate not to exceed the rates set forth hereinafter. There shall be no additional charge(s) for towing after 5 p.m., weekend tows, holiday tows, use of a dolly or any other equipment, mileage and labor, which includes, but is not limited to, crane charges, winching and recovery from areas not accessible to the tow truck. FRANCHISEE shall collect all towing and storage charges from the vehicle owner unless otherwise stated in this Agreement.

Tow Fees

Year 1

Class A tow (GVWR – 14,000 pounds)      \$165.00

Class B tow (GVWR – 26,001 pounds)	Current CHP Rate
Class C tow (GVWR – 48,000 pounds)	Current CHP Rate

Year 2 (366<sup>th</sup> day)

Class A tow (GVWR – 14,000 pounds)	\$170.00
Class B tow (GVWR – 26,001 pounds)	Current CHP Rate
Class C tow (GVWR – 48,000 pounds)	Current CHP Rate

Year 3 (731<sup>st</sup> day)

Class A tow (GVWR – 14,000 pounds)	\$175.00
Class B tow (GVWR – 26,001 pounds)	Current CHP Rate
Class C tow (GVWR – 48,000 pounds)	Current CHP Rate

In the event that CITY exercises its right to extend the term of this Agreement pursuant to Paragraph 2, Term of Agreement, the maximum amount allowed for towing shall be:

Year 4

Class A tow (GVWR – 14,000 pounds)	\$180.00
Class B tow (GVWR – 26,001 pounds)	Current CHP Rate
Class C tow (GVWR – 48,000 pounds)	Current CHP Rate

Year 5

Class A tow (GVWR – 14,000 pounds)	\$185.00
Class B tow (GVWR – 26,001 pounds)	Current CHP Rate
Class C tow (GVWR – 48,000 pounds)	Current CHP Rate

Additional Charge for 2<sup>nd</sup> tow truck required for removal of a vehicle. (Must have direct approval by City of Newman officer on scene and must be itemized on the invoice.) \$83.00

Storage fees:

Year 1

Outside Daily Storage Fee .....	\$42.00
Inside Daily Storage Fee.....	\$42.00
Class B/C Storage Fee.....	\$45.00

Year 2 (366<sup>th</sup> day)

Outside Daily Storage Fee.....	Current CHP Rate
Inside Daily Storage Fee.....	Current CHP Rate
Class B/C Storage Fee.....	Current CHP Rate

Year 3 (731<sup>st</sup> day)

Outside Daily Storage Fee.....	Current CHP Rate
Inside Daily Storage Fee.....	Current CHP Rate
Class B/C Storage Fee.....	Current CHP Rate

After business hours gate fee..... ½ of current hourly rate

In the event that the CITY exercises its right to extend the term of this Agreement pursuant to Paragraph 2, Term of Agreement, the maximum amount allowed for storage fees shall be:

**Year 4**

Outside Daily Storage Fee.....	Current CHP Rate
Inside Daily Storage Fee.....	Current CHP Rate
Class B/C Storage Fee.....	Current CHP Rate

**Year 5**

Outside Daily Storage Fee.....	Current CHP Rate
Inside Daily Storage Fee.....	Current CHP Rate
Class B/C Storage Fee.....	Current CHP Rate

After business hours gate fee..... \$50.00

The above rates represent the maximum a FRANCHISEE may charge on a CITY generated non-consensual tow. A FRANCHISEE is not precluded from charging less when deemed appropriate. No FRANCHISEE, or their employee or agent, shall refer to any rate as the minimum required or set by the City of Newman.

- C. The schedule of rates charged by FRANCHISEE shall be available in the tow truck, and shall be presented upon demand to the person(s) for whom the non-consensual tow services were provided or his/her agent at the scene.
- D. Vehicles stored twenty-four (24) hours or less shall be charged for no more than one-day storage. Each day of storage thereafter shall be calculated by calendar day (Civil Code Section 3068.1).
- E. If a request for a non-consensual tow is cancelled by the CITY or vehicle's owner/agent prior to the FRANCHISEE taking possession of the vehicle, there shall be no charge to the CITY or to the vehicle owner by the FRANCHISEE
- F. FRANCHISEE may charge a fee for lien sale preparations in compliance with California Vehicle Code Section 22851.12. All lien preparations and/or sales performed by FRANCHISEE shall be done in strict compliance with all applicable laws. All forms shall be accurate and complete.
- G. Notwithstanding any other provision of this Agreement to the contrary, any violations of sections 15.A. through 15.G shall, at a minimum, be deemed a **failure to provide adequate service** and a material breach of this Agreement, and shall constitute grounds for immediate termination of this Agreement.
- H. FRANCHISEE shall furnish a fully itemized billing to the vehicle owner or agent at the time of payment and/or upon request of the vehicle owner or agent. Failure to do so shall, at a minimum, be deemed a **failure to provide adequate service**.
- I. FRANCHISEE shall accept a valid bank credit card or cash for payment of towing and/or storage by the registered owner, legal owner or the owner's agent claiming the vehicle (CVC Section 22651.1). Appropriate credit card equipment shall be located at the

primary business location and available for immediate processing from each tow truck. Failure to do so shall, at a minimum, be deemed a **failure to provide adequate service**

- J. A record of all vehicles towed by FRANCHISEE under this Agreement shall be retained by the FRANCHISEE and shall be readily available for immediate inspection and/or transcription or copying at the primary business location of the FRANCHISEE for a minimum of three (3) years. Failure to retain and provide complete and accurate records upon request of the CITY shall, at a minimum, be deemed **a failure to provide adequate service**. All records shall contain the following information
- i. Date and time vehicle towed
  - ii. Police Department Case Number
  - iii. License Plate/Vehicle Identification Number
  - iv. Date and time of vehicle release
  - v. Year, Make and Model of Vehicle
  - vi. Copy of Newman Police Dept Vehicle Release (if applicable)
  - vii. Date Lien Filed (if applicable)
  - viii. Date Lien Sale (if applicable)
  - ix. All Lien Documents (if applicable)
  - x. All DMV paperwork (if applicable)
- K. A trailer with a vessel as a load (e.g. boat, motorcycle, jet ski,) shall be considered one vehicle for the purposes of the maximum rate allowed for tow and storage.
- L. Any violation of 15A through 15M shall at a minimum be deemed **a failure to provide adequate service**.

## **16. RESPONSE / RESPONSE TIMES**

- A. FRANCHISEE shall respond to a dispatch order for a CITY generated tow and be on-scene within thirty (20) minutes of the time of dispatch by a City of Newman dispatcher, a police officer, a community service officer, employee, agent, or other officer of the City of Newman who has been duly authorized to request tow services. The dispatcher shall record the time of dispatch into the incident history. The dispatchers' computer entry record shall be the official time piece for the time of dispatch. If the tow truck arrives on scene after the thirty (20) minute requirement, the dispatcher or the officer on scene shall log the time of arrival into the incident history. The officers or dispatchers computer entry record shall be the official time piece for the time of arrival of the tow truck.

Failure of the FRANCHISEE to respond to a call and furnish a tow truck capable of towing the vehicle at the designated point of the tow within thirty (20) minutes shall, at a minimum, be deemed a **failure to provide adequate service**.

**Exception:** Tows requested off the Over Weight Vehicle List shall respond to a dispatch order and be on scene within forty-five (45) minutes of the time of dispatch by a City of Newman dispatcher, a police officer, community service officer, employee, agent, or other officer of the CITY who has been duly authorized to request such tow services. Failure of the FRANCHISEE to respond to a tow request from the Over Weight Vehicle List and furnish a tow truck capable of towing the vehicle at the designated point of tow within forty five (45) minutes shall, at a minimum, be deemed a **failure to provide adequate service**.

- B. Any officer or CITY employee may at his/her discretion cancel a tow that has not arrived on scene within the required time.
- C. FRANCHISEE shall maintain a phone line dedicated to Newman Police Department Dispatch. Said phone line will be staffed twenty-four (24) hours a day, seven (7) days a week, including weekends and holidays. FRANCHISEES failure to answer the dedicated phone line will be deemed a **failure to provide adequate service**.
- D. FRANCHISEES failure to respond to a call for service by the City of Newman for any reason shall be deemed a **failure to provide adequate service**.

#### **17. ROTATION TOW LIST**

- A. The City of Newman will make a good faith effort to provide an even distribution of work among the FRANCHISEES. A list shall be established for non-consensual towing of all vehicles with a GVWR of 10,000 pounds or less. FRANCHISEE agrees to the rotation system established by the City of Newman.
- B. A separate list (Over Weight Vehicle List) will be established for non-consensual towing of vehicles with a GVWR of 10,001 pounds or more. FRANCHISEES who own or lease a tow truck with a minimum GVWR of 26,001 pounds may be placed on the Over Weight Vehicle List on a voluntary basis. However, once placed on the Over Weight Vehicle List FRANCHISEE shall give thirty (30) calendar days written notice to the Franchise Tow Administrator in order to be removed from the Over Weight Vehicle List.
- C. This Agreement applies to non-consensual towing as defined in this Agreement. Nothing contained herein shall be construed to regulate consensual tows.
- D. CITY reserves the right to request any tow company, regardless of its position on the rotation tow list.

#### **18. AUDITING OF CHARGES AND SERVICES**

- A. The City of Newman reserves the right to audit all records, charges, and/or services provided by FRANCHISEE pursuant to this Agreement. The City of Newman duly authorized representative shall have access to and the right to examine, transcribe, and/or copy, during business hours, as defined in Section 11 B.i., any and all reports, records,

documents, files and personnel necessary to audit and verify charges and services provided by FRANCHISEE. A complete record of all vehicles towed by FRANCHISEE pursuant to this Agreement including, but not limited to; date and time of tow, Police Department case number, license plate number, vehicle identification number, date and time of release, year, make and model of vehicle, copy of Newman Police Department vehicle release (if applicable), all completed lien and sale documents (if applicable) and vehicle disposition shall be readily available for inspection at the primary business location of the FRANCHISEE and provided to the City of Newman immediately upon request, and shall be retained for a minimum of three (3) years.

## **19. RESPONSIBILITY**

- A. FRANCHISEE shall be responsible for the protection of all CITY generated towed and/or stored vehicles in its possession until the vehicle has been released to its owner, or disposed of through the legal process, and shall be responsible for safeguarding all articles or property left in the towed and/or stored vehicle.
- B. FRANCHISEE shall release personal property from a towed/stored vehicle at the request of the vehicle owner or his/her agent, accept under the below listed exceptions. (Personal property is considered to be items, which are not affixed to the vehicle; i.e. papers, cell phones, clothes, luggage, tools, cargo, etc.) EXCEPTION: No personal property shall be released from vehicles impounded by the City of Newman for evidence, investigation, asset forfeiture or vehicle forfeiture without prior authorization from the Newman Police Department.
- C. Any vehicle towed by the Newman Police Department for evidence, investigation, asset forfeiture and vehicle forfeiture (CVC Section 14607.6) and stored by the FRANCHISEE shall be stored at the primary storage facility and shall not be moved until authorized by the Chief of Police, the Tow Franchise Administrator or their designee. The need for inside storage shall be indicated on the tow sheet. Vehicles towed by the Newman Police Department for evidence, investigation, asset forfeiture and vehicle forfeiture (CVC Section 14607.6) shall not be lien sold until such time as the Newman Police Department Tow Franchise Administrator provides the FRANCHISEE with a written release of the vehicle.
- D. FRANCHISEE shall not release any vehicle that is marked as an "Agency Hold" on the Vehicle Report without a signed Newman Police Department Vehicle Release form.
- E. FRANCHISEE shall ensure that all debris and fluids are cleared from the scene of a CITY generated tow prior to leaving the scene.
- F. Any violation of sections 19.A thru 19.E shall, at a minimum, be deemed a **failure to provide adequate service**.

## **20. COMPLIANCE WITH THE LAW**

- A. FRANCHISEE and its tow truck driver(s) and employees must be in compliance with all terms and conditions of this Agreement and all applicable federal, state, and local laws, rules, and regulations which are in force or become effective during the franchise period

which, in any manner, affect towing and storage of vehicles, including, without limitation, the requirement that any person who drives a tow truck for FRANCHISEE is properly licensed and permitted and that all tow trucks meet any and all applicable Vehicle Code requirements.

- B. In the event that FRANCHISEE or any agent or employee of FRANCHISEE is cited, arrested and/or charged with any misdemeanor or felony driving offense, any crime involving stolen or embezzled vehicles, fraud related to the towing business, stolen or embezzled property, crimes of violence, driving while under the influence of alcohol and/or drugs, possession and/or sales of drugs or crimes of moral turpitude, FRANCHISEE may be immediately suspended or terminated at the discretion of the Chief of Police and/or FRANCHISEE's employee or agents Attendant Permit may be immediately suspended or revoked, notwithstanding any provision of this Agreement to the contrary. FRANCHISEE shall notify the Tow Administrator within seventy-two (72) hours of any citation or arrest of the FRANCHISEE or any known citation or arrest of any agent or employee of the FRANCHISEE.
- C. Any conviction of FRANCHISEE or any agent or employee of FRANCHISEE for any misdemeanor or felony driving offense, any crime involving stolen or embezzled vehicles, fraud related to the towing business, stolen or embezzled property, crimes of violence, driving while under the influence of alcohol and/or drugs, possession and/or sales of drugs or crimes of moral turpitude, notwithstanding any provision of this Agreement to the contrary, shall be grounds for immediate suspension or termination of this Agreement, at the discretion of the Chief of Police. FRANCHISEE shall notify the Tow Administrator within seventy-two (72) hours of any conviction of FRANCHISEE or any known conviction of an agent or employee of FRANCHISEE
- D. Any violation of 20A thru 20C shall, at a minimum, be deemed a **failure to provide adequate service.**

## **21. FAILURE TO PROVIDE ADEQUATE SERVICE/DISCIPLINARY ACTION**

- A. FRANCHISEE'S failure to meet **any** of the terms and conditions of this Agreement shall, at a minimum, be deemed a failure to provide adequate service. Any failure to provide adequate service is a **violation** of the terms of this Agreement and shall result in the following disciplinary action unless otherwise stated in this Agreement:
  - i. First violation within any rolling twelve (12) month period, Written Notice via certified mail
  - ii. Second violation within any rolling twelve (12) month period, Written Warning via certified mail.
  - iii. Third violation within any rolling twelve (12) month period, thirty (30) Day Suspension.
  - iv. Upon reinstatement following a suspension a new rolling twelve (12) month period will begin for the FRANCHISEE.

- v. Any two suspensions within any rolling three (3) year period shall result in termination of this Agreement.
- B. **Nothing herein shall be deemed to prohibit the Chief of Police, or his designee, from imposing an immediate suspension and/or termination on any FRANCHISEE and/or employee(s) whose conduct, in the opinion of the Chief of Police, or his designee, is considered to be a danger to the motoring public or who has engaged in conduct constituting a gross violation of this Agreement.**

## **22. EXPERIENCE/SALE OR TRANSFER OF BUSINESS**

- A. FRANCHISEE must have owned a towing business in the State of California for a minimum of two (2) years immediately preceding the date of its application for a non-exclusive non-consensual towing service franchise.
- B. FRANCHISEE agrees that sale or transfer of the controlling interest in FRANCHISEES Tow Company shall immediately terminate this Agreement.

## **23. REVIEW/APPEAL OF VIOLATION**

- A. FRANCHISEE may request a review of a **violation** within seven (7) calendar days of receipt of the notice of violation by submitting a request in writing to the Administrative Services Sergeant. If a review is requested by FRANCHISEE, it shall be done as soon as practicable by the Administrative Services Sergeant or his/her designee. FRANCHISEE shall be notified in writing of the Administrative Services Sergeants decision(s) within ten (10) business days of the date of completion of the review.
- B. Following a review, FRANCHISEE may appeal the Administrative Services Sergeants decision(s) by submitting a request in writing to the Chief of Police within seven (7) calendar days of receipt of the decision. If an appeal is requested, it shall be done as soon as practicable. The appeal shall be conducted by the Chief of Police or his/her designee. FRANCHISEE shall be notified in writing of the decision(s) of the Chief of Police within ten (10) business days of the date of the completion of the appeal. **The decision of the Chief of Police is final.**
- C. A suspension or termination resulting from a violation shall not be imposed until the review and/or appeal process for that violation has been exhausted, except where this Agreement permits an immediate suspension or termination or where a FRANCHISEE'S conduct is deemed to be a danger to the motoring public or who has engaged in conduct constituting a gross violation of this Agreement. Failure to request a review or appeal in writing within the time specified or failure of FRANCHISEE to appear at a scheduled review or appeal hearing shall constitute a waiver of his or her right to a review or appeal and adjudication of the violation and/or disciplinary action and the violation and/or disciplinary action shall become final.

## **24. MOTOR CARRIER PERMIT/OTHER PERMITS AND LICENSES**

- A. FRANCHISEE must possess a current/valid Department of Motor Vehicles Motor

Carrier Permit. Failure to do so shall be grounds for immediate suspension and/or termination of this Agreement.

- B. FRANCHISEE and his/her officers, officials, employees and agents shall obtain and maintain during the term of this Agreement all necessary licenses, permits and certificates required by law for the conduct of FRANCHISEE'S activities and for the provision of services hereunder, including a business license issued by the City of Newman.

Honorable Mayor and Members  
of the Newman City Council

Agenda Item: **10.d.**  
City Council Meeting  
of January 12, 2010

**AUTHORIZE CITY MANAGER TO ENTER INTO A CONTRACT WITH  
GEORGE OSNER, AICP FOR PLANNING SERVICES**

**RECOMMENDATION:**

Staff recommends the Council authorize the City Manager to enter into a contract with George Osner, AICP for contract Planning Services.

**BACKGROUND:**

Within the past month, the City received its first annexation proposal since the adoption of the Newman 2030 General Plan. The proposal includes development of commercial, business park, and residential properties. Subsequent to the application being submitted, staff met with the applicant and indicated that additional staffing would be necessary to move the proposal forward in a timely measure.

**ANALYSIS:**

Attached is a copy of Mr. Osner's resume. George is a well-respected member of the planning community and served as Modesto's Planning Manager for five (5) years; before retiring in 2005 after nearly 30 years of experience with Modesto. George currently provides on-call and project management services to the Cities of Atwater, Ceres, Lathrop and Modesto.

Based upon the current workload of the City Manager and the inexperience of planning staff with respect to large-scale, multi-jurisdictional projects, staff notified the applicant that an outside Planner would be necessary to move the project forward. The applicant has accepted this requirement and agreed to pay 100% of the cost of the planner. However, the planner will work for and directly report to the City. It should be anticipated that the contract will remain in place for the entire project, which should be estimated at approximately 12-18 months.

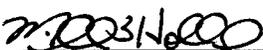
**FISCAL IMPACT:**

None. The project applicant has agreed to pay 100% of the cost of the contract planner; plus a 10% administration fee.

**CONCLUSION:**

With the recent submittal of a large scale annexation request, staff requests the Council consider a contract with George Osner for planning services. George is a local planner with over thirty (30) years of planning experience in Stanislaus County. He would serve as the lead planner (Stephanie would assist him) on the project and coordinate a multi-agency review and development of the environmental review process. All costs related to processing this application will be borne by the applicant. Staff recommends the Council authorize the City Manager to enter into a contract with George Osner for contract planning services.

Respectfully submitted,

  
\_\_\_\_\_  
Michael Holland  
City Manager

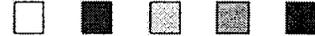
# George Osner, AICP

URBAN PLANNING CONSULTANT

1124 Brady Avenue, Modesto, CA 95350

209-985-3846

gosner@ainet.com



## Practice Areas

**Planning Management**

**General Plans**

**Specific Plans**

**Zoning Codes**

**Alternate Transportation**

**Capital Facilities Fees**

**Environment/CEQA**

**Development Processing**

**Systems and Processes**

**One-Stop Service Center**

**Training and Development**

**Management Coaching**

**Group Facilitation**

**Quality Neighborhoods**

## Objective

I intend to align myself with teams, groups, companies and public agencies that work to make the future brighter for generations to come. I seek to combine my people skills, creative nature, and technical expertise to achieve results for you and your organization.

## Professional History

2005-Current *Self-employed, Urban Planning Consultant*

- General Plan update/EIR for the City of Atwater.
- On-call environmental consulting services for the City of Modesto Public Works Department focused on capital improvement projects.
- On-call planning consulting services for the City of Ceres Community Development Department emphasizing major project management and development systems/process management
- On-call planning consulting services for the City of Modesto Community and Economic Development Department, with emphasis on zoning code updates and Housing Element implementation.
- Environmental document peer review and on-call planning management services for the City of Atwater Department of Community Development.
- Planning/environmental management auditing and organizational assessment/capacity building in partnership with Citygate Associates.
- On-call planning consulting services for the City of Lathrop Community Development Department including major project management.

Past Experience *City of Modesto - Community and Economic Development*

2000-2005 Planning Division Manager in the Community and Economic Development Department; Responsible for all aspects of Planning for the City of Modesto. Retired August 2005.

1994-2000 Development Services Manager. Portfolio included Current Planning, Building Inspection, and Engineering Permits.

1984-1994 Principal Planner for Current Planning.

1976-1984 Assistant and Associate Planner managing both Current and Advance Planning assignments.

## Education

Master of Arts Degree - Technology and Human Affairs, 1975  
*Washington University, St. Louis, Missouri*

Standard Secondary Life Teaching Credential (Science), 1971  
*Humboldt State University, Humboldt, California*

Bachelor of Arts Degree - Biology with emphasis in Ecology, 1970  
*University of California, Berkeley, California*

## Key Achievements

- Leadership Employee of the Year - City of Modesto - 1994
- Co-author - "Alternate Futures for the City of Modesto"
- Coordinator - Forward Modesto 4 Community Vision Project - City of Modesto
- Author - "Urban Trails" Non-Motorized Transportation Plan - City of Modesto
- Oversight of the City's Urban Growth Review process from 1977 to 2005
- Major role in the establishment and updating of Modesto's Capital Facilities Fee Program and Development Processing Fees
- Oversight and implementation of Modesto Urban Area General Plan and Pioneering Master EIR
- Management of the preparation and adoption of Specific Plans and Associated Finance Plans
- Instituted numerous measures to assist with internal and external communication and speed the development application processing, including Construction Industry Liaison Committee and Development Review Team
- Oversight and major role in establishment of the City/County one-stop permitting center
- Advanced abilities as a team builder within Planning staff and across department lines
- Prepared several Environmental Impact Reviews
- Special assignment: 9-month troubleshooting assignment to oversee the City of Modesto's Community Development Block Grant program, responsible for turnaround of a failing program
- Special assignment: Approximately one year as the City of Modesto's first Economic Development Specialist
- Secretary to the Planning Commission and Board of Zoning Adjustment from 1994-2005

## Skills and Activities

- American Planning Association. Director, Central Section/California Chapter
- American Institute of Certified Planners, # 9010
- Planners Emeritus Network Award for service to the profession, 2003
- Member, Association of Environmental Professionals
- Member, Congress for the New Urbanism
- Presenter and panel moderator, APA conferences
- Panel moderator, League of California Cities Planners Institute, 2000-2004
- Goal-setting Facilitator for Association of Environmental Professionals Board, 2003
- Trainer, Investment in Excellence program for the City of Modesto.
- Graduate and Trainer, Continuing Education for Public Officials
- Musician/Actor, local musical theater
- Leadership roles in local organizations
  - President, Modesto Engineers Club, 2000-2001
  - Cubmaster of Pack 177
  - Moderator of local church
  - Member of Board of Directors, Habitat for Humanity Stanislaus
- Hot Air Balloon Crew Chief
- Avid Cyclist, Charter member, steering committee, Modesto Family Fun Bike Festival and Bike-to-Work Day

## References

Personal and professional references will be graciously supplied upon request.

Honorable Mayor and Members  
of the Newman City Council

Agenda Item: **10.e.**  
City Council Meeting  
January 12, 2010

**REPORT ON APPOINTMENT OF NEW COMMISSIONER  
TO FILL VACANCY ON THE PLANNING COMMISSION**

**RECOMMENDATION:**

Consider appointment of a new Planning Commissioner to fill one vacancy on the Planning Commission.

**BACKGROUND:**

The City currently has one vacancy on the Planning Commission due to the resignation of Paul Wallace who was recently elected to the local School Board (an incompatible office). The term of said vacancy expires in February 2012. A notice was published in the West Side Index and five applications were received for the position.

The following citizens submitted applications for service:

- Lorna Sloan
- Christa Burgin (Withdrew- Ineligible due to residence outside City limits)
- Joel Andrews
- Stevyn Bass
- Jeff Vandervort

All of the candidate's applications are attached for your review. Potential questions for the candidates will be provided to the Council at the meeting should you decide to interview the candidates. The appointment to Planning Commission would be effective immediately.

**FISCAL IMPACT:**

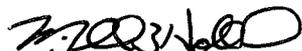
N/A

Respectfully submitted,

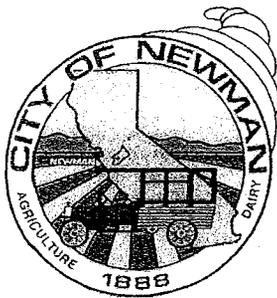


Mike Maier  
Deputy City Clerk

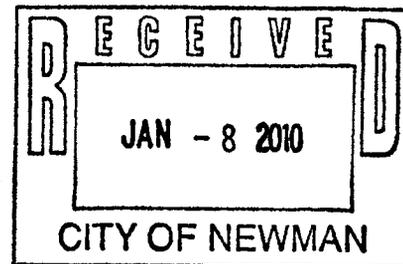
**REVIEWED/CONCUR:**



Michael E. Holland  
City Manager



# City of Newman APPLICATION FOR CITIZEN SERVICE



POSITION DESIRED:  Planning Commission  Parks & Recreation Commission  
 Architectural Review Committee  Other \_\_\_\_\_

NAME: LORNA SLOAN

ADDRESS: 541 FLOUR MILL DR.

HOME PHONE: 862-9834 BUSINESS PHONE: \_\_\_\_\_

OCCUPATION: PROFESSIONAL ORGANIZER

EDUCATION: (List highest year completed and all degrees): \_\_\_\_\_

See attached

Are there any workday evenings you could not meet?  Yes  No

If so please list: \_\_\_\_\_

Why are you interested in this position? see attached

What do you consider to be your major qualifications? SEE ATTACHED

Please attach a written statement containing any additional information you feel would be helpful to the City Council.

Lorna Sloan  
541 Flour Mill Drive  
Newman CA 95360  
862-9834

## CITY OF NEWMAN

### APPLICATION FOR CITIZEN SERVICE

#### **Question # 1**

##### EDUCATION:

Graduate: Orestimba High School  
Modesto Junior College: 30 units completed. General Education  
Fresno City College: 6- 8 units completed – critical thinking, writing, computers, and math.  
Adventures in Attitude, Certified Trainer  
PBS (Public Broadcast System) training – Selling at the Speed of Change 2005

#### **Question # 2**

##### **Why are you interested in this position?**

After 35 years away from Newman, I know have come home. My roots in this community are deep. I care about this community and want to see us prosper and grow in adherence to the adopted general plan.

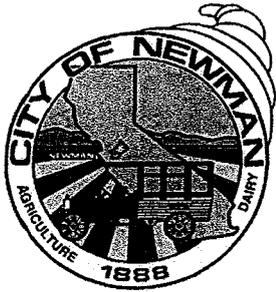
I am proud of Newman. Perhaps I can make a contribution going forward with a remembrance of the past. I am committed to forwarding the relevancy of the conversation at meetings.

#### **Question #3**

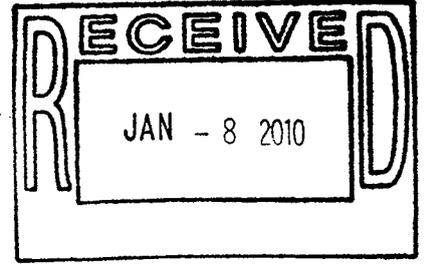
##### **What do you consider to be your major qualifications?**

My ability to connect with people of diverse interests and backgrounds. I am a good listener with a balanced perspective. Previous Board experience:

Board Member of the International Association of Dairy Industry Suppliers  
Board Member of Wet Side Theatre Foundation  
Member of the Gustine- Newman Soroptimist  
Board Member of Fresno County Refugee Assistance Committee



# City of Newman APPLICATION FOR CITIZEN SERVICE



**POSITION DESIRED:**  Planning Commission  Parks & Recreation Commission  
 Architectural Review Committee  Other \_\_\_\_\_

**NAME:** Christa Burgin

**ADDRESS:** 28406 Draper Road, Newman CA 95360

**HOME PHONE:** 209-862-2532 **BUSINESS PHONE:** 209 918-2650

**OCCUPATION:** Property Management

**EDUCATION: (List highest year completed and all degrees):** Graduate Degree- MA Construction Planning, Chelsea University, Certificate Construction Project Management, California State University, Dominguez Hills, AA- General Studies, Kings River Community College

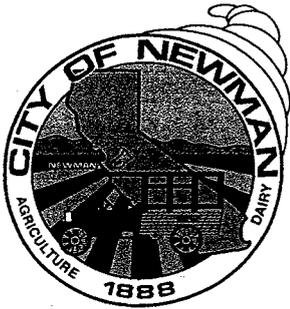
**Are there any workday evenings you could not meet?**  Yes  No  
**If so please list:** \_\_\_\_\_

**Why are you interested in this position?** I am interested in learning more about governmental regulations and the needs of a community as they pertain to growth within a city.

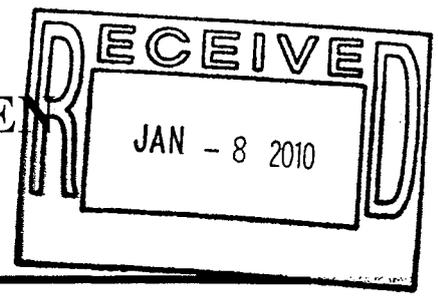
**What do you consider to be your major qualifications?** I believe my skill set and experience in custom home construction, facilities and commercial real estate management affords me the ability to see the needs of homeowners, contractors, industrial, tenants and landlords.

I enjoy the opportunity to be of service to my fellow citizens and I hope that my knowledge would be expanded if selected to serve on this commission.

**Please attach a written statement containing any additional information you feel would be helpful to the City Council.**



# City of Newman APPLICATION FOR CITIZEN SERVICE



POSITION DESIRED:  Planning Commission  Parks & Recreation Commission  
 Architectural Review Committee  Other \_\_\_\_\_

NAME: Joel Andrews

ADDRESS: 1230 Woodduck Ct.

HOME PHONE: (209) 277-7046 BUSINESS PHONE: (209) 895-8024

OCCUPATION: Associate City Planner (City of Patterson)

EDUCATION: (List highest year completed and all degrees): \_\_\_\_\_

Master of Public Administration (2009) Univ. of Colorado  
Bachelor of Science (2003) Brigham Young University

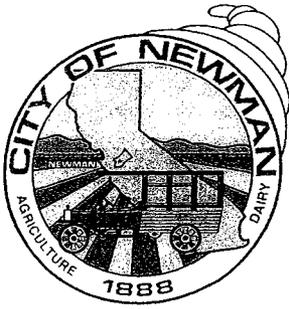
Are there any workday evenings you could not meet?  Yes  No

If so please list: Most Tuesdays, some 2nd and 4th Thursdays

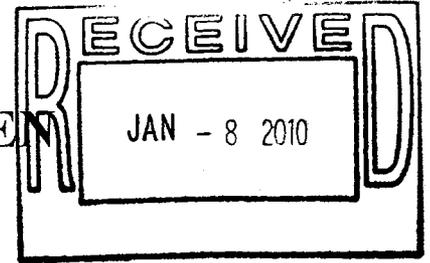
Why are you interested in this position? Good application of education and professional experience. Interest in development in Newman

What do you consider to be your major qualifications? Six years of professional experience as a planner, Education focused on planning values.

Please attach a written statement containing any additional information you feel would be helpful to the City Council.



# City of Newman APPLICATION FOR CITIZEN SERVICE



POSITION DESIRED:  Planning Commission  Parks & Recreation Commission  
 Architectural Review Committee  Other \_\_\_\_\_

NAME: Stevyn Elnora Bass

ADDRESS: 317 Cinnamon Teal Way

HOME PHONE: 209-862-9972 BUSINESS PHONE: \_\_\_\_\_

OCCUPATION: Licensed Marriage & Family Therapist, currently not working (MFC 38007)

EDUCATION: (List highest year completed and all degrees): Masters Degree, Clinical Psychology (May 1998), Masters Degree, Electrical Engineering (May, 1972), ~~AT~~ Bachelors Degree, Physics (Dec. 1971)

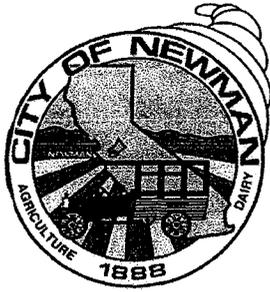
Are there any workday evenings you could not meet?  Yes  No

If so please list: \_\_\_\_\_

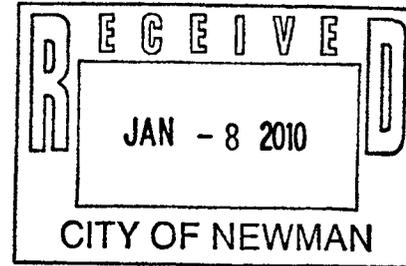
Why are you interested in this position? Resident here for past two years; do tutoring with children and would like to be involved in contributing ideas related to youth development and ideas for community support for adolescent & teens. I've thought of starting a practice in counseling - as I am a licensed MFC - and perhaps some of my ideas may be useful.

What do you consider to be your major qualifications? Enjoy planning and creative thinking and problem solving. I have excellent communication and leadership skills. Have enthusiasm and always approach problem solving with a system/global process. Thank you for your consideration.

Please attach a written statement containing any additional information you feel would be helpful to the City Council.



# City of Newman APPLICATION FOR CITIZEN SERVICE



**POSITION DESIRED:**  Planning Commission  Parks & Recreation Commission  
 Architectural Review Committee  Other \_\_\_\_\_

**NAME:** Jeffrey Vandervort

**ADDRESS:** 729 Whitechurch Way, Newman, CA 95360

**HOME PHONE:** 209-862-0547 **BUSINESS PHONE:** 408-846-2179

**OCCUPATION:** Adolescent Residential Treatment Facility Manager

**EDUCATION: (List highest year completed and all degrees):** High School Diploma

**Are there any workday evenings you could not meet?**  Yes  No  
**If so please list:** Wednesdays

**Why are you interested in this position?** I previously served two years on the Newman Planning Commission. I had reapplied for an additional term. However, a crisis at work prevented me from being present at the City Council meeting, and others applicants who were present were rightfully appointed.

I would very much like another opportunity to serve the community in the capacity of Planning Commissioner.

**What do you consider to be your major qualifications?** Past experience on the commission. I have attended several trainings/workshops relevant to the position. I very much care for the community and am committed to making a positive impact. I believe that I have and continue to show that commitment through volunteer service (West Side Theatre, 4H, Graffiti abatement). Thank you very much for your thoughtful consideration of my application.

**Please attach a written statement containing any additional information you feel would be helpful to the City Council.**