

AGENDA
NEWMAN CITY COUNCIL/REDEVELOPMENT AGENCY
REGULAR MEETING DECEMBER 14, 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. Report On Canvass Of Vote.
 - a. Adopt Resolution No. 2010- , Declaring The Results Of The Municipal Election Held On November 2, 2010.
 - b. Oath Of Office To Newly Elected Council Members.
6. Declaration Of Conflicts Of Interest.
7. Ceremonial Matters.
8. Items from the Public - Non-Agenda Items.
9. Consent Calendar
 - a. Waive All Readings Of Ordinances And Resolutions Except By Title.
 - b. Approval Of Warrants.
 - c. Approval Of Minutes Of The November 11, 2010 Regular Meeting.
 - d. Adopt Resolution No. 2010- , A Resolution Approving The Per Capita Park Improvement Project And Authorizing Ed Katen As Mayor And Michael E. Holland As City Clerk To Record A Notice Of Completion.
 - e. Adopt Resolution No. 2010- , A Resolution Adopting A New Job Description And Salary Range For Police Lieutenant.
10. Public Hearings
 - a. Adopt Resolution No. 2010- , A Resolution Declaring The Existence Of A Public Nuisance Under Ordinance No. 95-4.
11. 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, 2010.

- b. Consider Approval Of The Stanislaus County Annual Action Plan (Fiscal Year 2011-2012), Amendments To The Fiscal Year 2010-2011 NSP Annual Action And Fiscal Year 2007-2012 Consolidated Plans, Set A Public Hearing And Open 30 Day Public Comment Period.
- c. Adopt Resolution No. 2010- , A Resolution No. 2010- Authorizing The Investment Of Idle Pooled Cash With Chandler Asset Management.
- d. Adopt Resolution No. 2010- , Approving A Contract G Bar N Veterinary Clinic For Veterinary Services And Authorizing The City Manager To Execute Said Contract.

12. Items From District Five Stanislaus County Supervisor.

13. Items From The City Manager And Staff.

14. Items From City Council Members.

15. Adjourn To Closed Session

- a. Conference With Legal Counsel - Pending Litigation - SCM Hearthstone, LLC, A California Limited Company, Plaintiff, Vs. City Of Newman, A Municipal Corporation; Defendants, Case No. 650066 - One Case - G.C. 54956.9.
- b. Return To Open Session.

16. Adjournment.

Calendar of Events

- December 13 - NCLUSD Board Meeting - 6:00 P.M.
- December 14 - City Council - 7:00 P.M.
- December 16 - Planning Commission - Cancelled.
- December 21 - Two-On-Two Meeting With The School Board - 4:00 P.M.
- December 24 - Christmas Holiday- City Offices Closed.
- December 27-30 - City Furlough Days - City Offices Closed.
- December 28 - City Council - Cancelled.
- December 31 - New Year's Day Holiday - City Offices Closed.
- January 13 - Recreation Commission - 7:00 P.M.
- January 13 - NCLUSD Board Meeting - 6:00 P.M.
- January 11 - City Council - 7:00 P.M.
- January 16 - Two-On-Two Meeting With The School Board - 4:00 P.M.
- January 20 - Planning Commission - 7:00 P.M.
- January 17 - Martin Luther King Jr. Holiday- City Offices Closed.
- January 25 - City Council - 7:00 P.M.

AGENDA
NEWMAN PLANNING COMMISSION
REGULAR MEETING OF DECEMBER 16, 2010
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

DECEMBER 16, 2010 MEETING CANCELLED

AGENDA
NEWMAN CITY COUNCIL/REDEVELOPMENT AGENCY
REGULAR MEETING DECEMBER 21, 2010
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

DECEMBER 21, 2010 MEETING CANCELLED

Honorable Mayor and Members
of the Newman City Council

Agenda Item: **5.a.**
City Council Meeting
of December 14, 2010

REPORT ON CANVASS OF VOTE

RECOMMENDATION

Adopt Resolution No. 2010- , A Resolution Declaring The Results of the Municipal Election Held On November 2, 2010.

BACKGROUND

The Stanislaus County Clerk-Registrar of Voters has completed canvass of the election results. Following Roll Call (of current council members) council may introduce and adopt the attached resolution. The new council members will then be sworn in and seated.

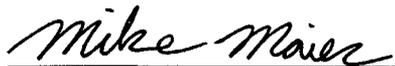
FISCAL IMPACT

None

ATTACHMENTS:

1. Resolution No. 2010- , A Resolution Declaring The Results of the Municipal Election Held On November 2, 2010.
2. Copy Of The Certified Election Results From The Tuesday, November 2, 2010 Municipal Election.

Respectfully submitted,



Mike Maier
Deputy City Clerk

REVIEWED/CONCUR:



Michael E. Holland
City Manager

RESOLUTION NO. 2010-

**A RESOLUTION DECLARING THE RESULTS OF THE MUNICIPAL ELECTION HELD ON
NOVEMBER 2, 2010**

WHEREAS, a Consolidated Presidential General Election was held and conducted in the City of Newman on November 2, 2010, as required by law; and,

WHEREAS, it appears that the voting precincts were properly established, the Election Officers were appointed and election supplies furnished, and, in all respects said election was held and conducted, and the votes cast thereat received and canvassed, and return thereof made and declared in time, form and manner, as required by the laws of the State of California governing elections in general law cities; and,

WHEREAS, the Council did authorize the City Clerk to canvass the ballots cast at said Consolidated General Election within 28 days following the election; and,

WHEREAS, the City Clerk has canvassed the returns of said election and certified the results to the City Council; and

WHEREAS, the City Council of the City of Newman met at the Council Chambers of the City of Newman on Tuesday, December 14, 2010 to accept the certification of the City Clerk and declare the results of said election and to install the new elected officers, as a result of which the Council finds that the number of votes cast and the names and persons voted for, and other matters required by law to be as follows, and hereinafter stated.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman as follows:

1. That the Consolidated Presidential General Election was held and conducted in the City of Newman on Tuesday, November 2, 2010 in time, form and manner as required by law.

2. That there were seven voting precincts established for the purpose of holding said election, consisting of the regular election precincts established for holding general, state and county elections, as follows:

ELECTION PRECINCT NO. 1; ELECTION PRECINCT NO. 2; ELECTION PRECINCT NO. 3; ELECTION PRECINCT NO. 4; ELECTION PRECINCT NO. 5, ELECTION PRECINCT NO. 6, and ELECTION PRECINCT NO. 7

3. That the whole number of votes cast in the City was 1,913 votes

4. That the names of the persons voted for and the offices which they were voted and the number of votes given in the City to each person is as follows:

For the office of Mayor for a term of two (2) years to expire in November, 2012.

ED KATEN	<u>1,455</u> votes
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For the office of Councilperson for a term of four (4) years to expire in November, 2014:

NICHOLAS CANDEA	<u>940</u> votes
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KEITH J. KORSGAARD	<u>535</u> votes
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DONALD V. HUTCHINS	<u>1,136</u> votes
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5. That at said Gubernatorial General Election Ed Katen was elected to the office of Mayor of the City of Newman for a full term of two (2) years to expire in November, 2012.

6. That at said General Municipal Election Nicholas Candea and Donald V. Hutchins were elected to the office of Council Member for the City of Newman for a full term of four (4) years to expire in November 2014.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 2010 by Council Member _____ who moved its adoption, which motion was duly seconded and it was upon roll call vote adopted.

AYES:
NOES:
ABSENT:

APPROVED:

Mayor of the City of Newman

ATTEST:

Deputy City Clerk



STATEMENT OF THE VOTE

FOR

STANISLAUS COUNTY

STATE OF CALIFORNIA

-CAST AT THE-

GUBERNATORIAL GENERAL ELECTION

-HELD-

TUESDAY, NOVEMBER 2, 2010

STATE OF CALIFORNIA

COUNTY OF STANISLAUS

} ss.

I, LEE LUNDRIGAN, Clerk Recorder & Registrar of Voters, of the above named county, in accordance with the provisions of Section 15301 of the California Elections Code, do hereby certify that the within is a true and correct statement of result of the votes cast in this county at the Gubernatorial General Election as determined by the official canvass of the returns of said election.

Witness my hand and seal, this 18th day of November 2010.

Lee Lundrigan
Clerk Recorder & Registrar of Voters
County of Stanislaus
State of California



	TOTAL VOTES	%	ELECTION DAY	MAIL PRECINCT	VOTE BY MAIL
PRECINCTS COUNTED (OF 390)	390	100.00			
REGISTERED VOTERS - TOTAL	229,057				
BALLOTS CAST - TOTAL	122,490		38,596	5,336	78,558
VOTER TURNOUT - TOTAL		53.48			

Governor

Vote for 1

(WITH 390 OF 390 PRECINCTS COUNTED)

LAURA WELLS (GRN)	1,642	1.36	454	60	1,128
MEG WHITMAN (REP)	60,084	49.76	18,533	2,937	38,614
DALE F. OGDEN (LIB)	1,508	1.25	450	55	1,003
JERRY BROWN (DEM)	52,510	43.48	17,118	1,991	33,401
CHELENE NIGHTINGALE (AIZ)	3,173	2.63	1,010	151	2,012
CARLOS ALVAREZ (PFZ)	1,412	1.17	471	50	891
WRITE-IN	426	.35	134	23	269
Over Votes	36		11	2	23
Under Votes	1,699		415	67	1,217

Lieutenant Governor

Vote for 1

(WITH 390 OF 390 PRECINCTS COUNTED)

JAMES "JIMI" CASTILLO (GRN)	1,939	1.64	711	77	1,151
C.T. WEBER (PFZ)	1,778	1.51	572	71	1,135
JIM KING (AIZ)	2,648	2.24	876	128	1,644
PAMELA J. BROWN (LIB)	5,889	4.99	1,826	230	3,833
GAVIN NEWSOM (DEM)	44,895	38.01	14,241	1,681	28,973
ABEL MALDONADO (REP)	59,947	50.75	18,592	2,910	38,445
WRITE-IN	1,033	.87	378	35	620
Over Votes	56		20	1	35
Under Votes	4,305		1,380	203	2,722

Secretary of State

Vote for 1

(WITH 390 OF 390 PRECINCTS COUNTED)

CHRISTINA TOBIN (LIB)	2,296	1.97	831	74	1,391
MARYLOU CABRAL (PFZ)	2,464	2.11	872	99	1,493
DEBRA BOWEN (DEM)	52,263	44.81	16,332	1,996	33,935
MERTON D. SHORT (AIZ)	2,340	2.01	703	126	1,511
ANN MENASCHE (GRN)	2,723	2.33	854	117	1,752
DAMON DUNN (REP)	54,321	46.58	17,062	2,636	34,623
WRITE-IN	219	.19	81	10	128
Over Votes	18		7	1	10
Under Votes	5,845		1,853	277	3,715

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
Member, State Board of Equalization					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
GEORGE RUNNER (REP)	55,784	49.38	17,284	2,710	35,790
CHRIS PARKER (DEM)	49,471	43.79	15,720	1,851	31,900
TOBY MITCHELL-SAWYER (PFZ)	2,862	2.53	919	121	1,822
WILLARD D. MICHLIN (LIB)	4,591	4.06	1,467	181	2,943
WRITE-IN	258	.23	76	13	169
Over Votes	17		5	0	12
Under Votes	9,506		3,124	460	5,922
United States Senator					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
DUANE ROBERTS (GRN)	1,789	1.50	523	77	1,189
BARBARA BOXER (DEM)	47,158	39.48	15,433	1,738	29,987
GAIL K. LIGHTFOOT (LIB)	2,455	2.06	741	82	1,632
MARSHA FEINLAND (PFZ)	2,029	1.70	594	71	1,364
CARLY FIORINA (REP)	63,814	53.43	19,707	3,140	40,967
EDWARD C. NOONAN (AIZ)	2,007	1.68	581	90	1,336
WRITE-IN	183	.15	44	8	131
Over Votes	22		8	4	10
Under Votes	3,033		965	126	1,942
United States Representative District 18					
Vote for 1					
(WITH 184 OF 184 PRECINCTS COUNTED)					
DENNIS CARDOZA (DEM)	26,915	57.44	8,616	1,100	17,199
MICHAEL CLARE BERRYHILL, SR. (REP)	19,704	42.05	6,145	1,135	12,424
WRITE-IN	237	.51	64	15	158
Over Votes	9		3	0	6
Under Votes	2,279		794	138	1,347
United States Representative District 19					
Vote for 1					
(WITH 206 OF 206 PRECINCTS COUNTED)					
LORAIN GOODWIN (DEM)	23,627	34.25	7,711	787	15,129
JEFF DENHAM (REP)	45,081	65.36	13,675	1,986	29,420
WRITE-IN	268	.39	89	11	168
Over Votes	7		3	0	4
Under Votes	4,362		1,495	164	2,703
State Senator District 12					
Vote for 1					
(WITH 243 OF 243 PRECINCTS COUNTED)					
ANTHONY CANNELLA (REP)	37,036	53.35	11,803	1,850	23,383
ANNA CABALLERO (DEM)	32,062	46.19	10,253	1,219	20,590
WRITE-IN	320	.46	91	15	214
Over Votes	11		6	0	5
Under Votes	3,423		1,068	169	2,186

	TOTAL VOTES	%	ELECTION DAY	MAIL PRECINCT	VOTE BY MAIL
Associate Justice of the Supreme Court Carlos R. Moreno Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	59,240	64.17	18,714	2,401	38,125
No.	33,073	35.83	10,699	1,452	20,922
Over Votes	20		9	1	10
Under Votes	30,156		9,173	1,482	19,501
Associate Justice, Court of Appeal, Fifth Appellate District, Brad R. Hill Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	65,797	72.08	20,214	2,789	42,794
No.	25,487	27.92	8,842	1,010	15,635
Over Votes	23		10	0	13
Under Votes	31,181		9,528	1,537	20,116
Associate Justice, Court of Appeal, Fifth Appellate District, Jennifer Detjen Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	63,144	69.51	19,418	2,627	41,099
No.	27,699	30.49	9,479	1,153	17,067
Over Votes	14		6	1	7
Under Votes	31,632		9,692	1,555	20,385
Associate Justice, Court of Appeal, Fifth Appellate District, Chuck Poochigian Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	61,774	67.44	19,031	2,654	40,089
No.	29,820	32.56	10,017	1,186	18,617
Over Votes	28		8	5	15
Under Votes	30,866		9,538	1,491	19,837
Associate Justice, Court of Appeal, Fifth Appellate District, Bert Levy Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	64,347	70.74	19,830	2,747	41,770
No.	26,622	29.26	9,058	1,050	16,514
Over Votes	7		4	0	3
Under Votes	31,512		9,702	1,539	20,271
Judge of the Superior Court Office 6 Vote for 1 (WITH 390 OF 390 PRECINCTS COUNTED)					
NANCY WILLIAMSEN	45,143	45.15	14,270	1,786	29,087
SHAWN D. BESSEY	54,134	54.14	16,626	2,437	35,071
WRITE-IN	716	.72	247	36	433
Over Votes	21		6	1	14
Under Votes	22,475		7,446	1,076	13,953

	TOTAL VOTES	%	ELECTION DAY	MAIL PRECINCT	VOTE BY MAIL
City of Patterson, Mayor					
Vote for 1					
(WITH 13 OF 13 PRECINCTS COUNTED)					
ANNETTE SMITH	1,608	44.75	571	49	988
LUIS I. MOLINA	1,961	54.58	841	66	1,054
WRITE-IN	24	.67	5	0	19
Over Votes	0		0	0	0
Under Votes	149		65	4	80
City of Turlock, Mayor					
Vote for 1					
(WITH 44 OF 44 PRECINCTS COUNTED)					
JOHN LAZAR	12,673	94.69	4,126	247	8,300
WRITE-IN	710	5.31	276	8	426
Over Votes	1		1	0	0
Under Votes	3,082		1,032	56	1,994
City of Hughson, Member, City Council					
Vote for 2					
(WITH 4 OF 4 PRECINCTS COUNTED)					
GEORGE CARR	790	27.27	275	0	515
MIGUEL OSEGUERA	554	19.12	208	0	346
BILLY GONZALES	490	16.91	195	0	295
MATT BEEKMAN	1,037	35.80	360	0	677
WRITE-IN	26	.90	12	0	14
Over Votes	2		0	0	2
Under Votes	841		340	0	501
City of Newman, Member, City Council					
Vote for 2					
(WITH 7 OF 7 PRECINCTS COUNTED)					
NICHOLAS CANDEA	940	35.43	377	0	563
KEITH J. KORSGAARD	535	20.17	200	0	335
DONALD V. HUTCHINS	1,136	42.82	462	0	674
WRITE-IN	42	1.58	21	0	21
Over Votes	2		0	0	2
Under Votes	1,171		528	0	643
City of Oakdale, Member, City Council					
Vote for 2					
(WITH 10 OF 10 PRECINCTS COUNTED)					
BILL CAMP	1,482	17.01	477	0	1,005
JOHN A. E. KANNO	1,548	17.76	490	0	1,058
MICHAEL PATRICK BRENNAN	1,749	20.07	560	0	1,189
MICHAEL MURRAY	1,740	19.97	511	0	1,229
JASON HOWARD	2,174	24.95	733	0	1,441
WRITE-IN	22	.25	10	0	12
Over Votes	46		8	0	38
Under Votes	2,965		1,023	0	1,942

	TOTAL VOTES	%	ELECTION DAY	MAIL PRECINCT	VOTE BY MAIL
Oak Valley Hospital District Director, Full Term					
Vote for 3					
(WITH 24 OF 24 PRECINCTS COUNTED)					
DANIEL CUMMINS	6,498	25.41	1,963	40	4,495
EDWARD CHOCK	5,119	20.02	1,395	36	3,688
WENDELL CHUN	5,048	19.74	1,400	21	3,627
ROBERT "BOB" WIKOFF	4,613	18.04	1,230	36	3,347
BELINDA K. ABELL	4,188	16.38	1,123	28	3,037
WRITE-IN	106	.41	40	0	66
Over Votes	18		0	0	18
Under Votes	11,994		3,994	94	7,906

Oak Valley Hospital District Director, Short Term					
Vote for 1					
(WITH 24 OF 24 PRECINCTS COUNTED)					
PAUL A. WESTBERG	4,353	42.30	1,360	45	2,948
LOUISE POOLEY SANDERS	5,902	57.36	1,623	29	4,250
WRITE-IN	35	.34	18	0	17
Over Votes	7		1	0	6
Under Votes	2,231		713	11	1,507

Proposition 19					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	44,629	37.16	15,123	1,794	27,712
No.	75,465	62.84	22,815	3,429	49,221
Over Votes	23		7	3	13
Under Votes	2,373		651	110	1,612

Proposition 20					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	71,768	63.55	21,356	3,376	47,036
No.	41,162	36.45	14,126	1,543	25,493
Over Votes	53		31	0	22
Under Votes	9,507		3,083	417	6,007

Proposition 21					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	39,432	33.33	13,099	1,554	24,779
No.	78,872	66.67	24,116	3,597	51,159
Over Votes	25		18	0	7
Under Votes	4,161		1,363	185	2,613

Proposition 22					
Vote for 1					
(WITH 390 OF 390 PRECINCTS COUNTED)					
Yes	77,134	67.06	22,979	3,525	50,630
No.	37,888	32.94	13,179	1,475	23,234
Over Votes	30		19	1	10
Under Votes	7,438		2,419	335	4,684

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
Measure I - Waterford Unified School Dist					
Vote for 1					
(WITH 8 OF 8 PRECINCTS COUNTED)					
Bonds Yes	849	38.78	303	28	518
Bonds No.	1,340	61.22	489	61	790
Over Votes	0		0	0	0
Under Votes	72		25	2	45
Measure G - City of Riverbank					
Vote for 1					
(WITH 12 OF 12 PRECINCTS COUNTED)					
Yes	1,790	40.63	640	0	1,150
No.	2,616	59.37	1,014	0	1,602
Over Votes	1		1	0	0
Under Votes	336		148	0	188
Measure J - City of Modesto					
Vote for 1					
(WITH 142 OF 142 PRECINCTS COUNTED)					
Yes	28,007	63.68	8,155	258	19,594
No.	15,972	36.32	5,411	113	10,448
Over Votes	5		1	0	4
Under Votes	7,914		2,599	67	5,248
Measure K - City of Modesto					
Vote for 1					
(WITH 142 OF 142 PRECINCTS COUNTED)					
Yes	28,340	65.14	8,301	255	19,784
No.	15,168	34.86	5,109	115	9,944
Over Votes	3		0	0	3
Under Votes	8,387		2,756	68	5,563
Measure L - City of Modesto					
Vote for 1					
(WITH 142 OF 142 PRECINCTS COUNTED)					
Yes	26,218	58.27	7,877	225	18,116
No.	18,778	41.73	5,940	160	12,678
Over Votes	8		5	0	3
Under Votes	6,894		2,344	53	4,497
Measure M - City of Patterson					
Vote for 1					
(WITH 13 OF 13 PRECINCTS COUNTED)					
Yes	1,373	37.75	545	31	797
No.	2,264	62.25	884	85	1,295
Over Votes	0		0	0	0
Under Votes	105		53	3	49

Date.: Nov 18, 2010
Time.: 2:34 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
038398	11/05/10	240.00	HECTOR GARCIA	SOCCER REFEREE/SET-UP/HECTOR GARCIA
038399	11/16/10	4200.00	PAUL ULLMER	TRANSPORT 4 AERATORS FROM WISCONSIN TO WWTP
038400	11/19/10	195.87	AIRGAS NCN	INDUSTRIAL OXYGEN/ACETYLENE 230 C.F.
038401	11/19/10	111.60	ALLIED AFFILIATED FUNDING, LP	POWER SUPPLY CORD FOR METER READING SYSTEM
038402	11/19/10	420.76	ARAMARK UNIFORM SERVICES	UNIFORM CLEANING/MAT RENTAL/TOWELS/OCT 2010
038403	11/19/10	149.50	ARROWHEAD MOUNTAIN SPRING	BOTTLED WATER/OCT 2010
038404	11/19/10	406.14	AT&T MOBILITY	WIRELESS ACCESS/10/3/10 TO 11/02/10/PD
038405	11/19/10	68.69	AT&T	MONTHLY SERVICE/668-3946/11-1 THRU 11-30-10
038405	11/19/10	62.23	AT&T	MONTHLY SERVICE/634-0508/11-1-10 THRU 11-30-10
038406	11/19/10	925.45	BASIC CHEMICAL SOL./INC.	350 GALS SODIUM HYPOCHLORITE/WELLS
038407	11/19/10	562.00	JAMES J. BELL	CONTRACT EVIDENCE CLERK/11-01 THRU 11-15-10/BELL
038408	11/19/10	78.00	BERTOLOTTI DISPOSAL	DROP BOX RENT/CORP YARD
038409	11/19/10	9420.00	BLUE SHIELD OF CALIFORNIA	HEALTH INSURANCE PREMIUM/DEC 2010
038410	11/19/10	59.50	BURTON'S FIRE, INC	70 WATT 120 VOLT LIGHT BULB
038411	11/19/10	344.54	BUSINESS CARD	FIRE DEPT/UNIFORM EMBLEMS
038411	11/19/10	140.00	BUSINESS CARD	PESTICIDE APPLICATOR SEMINAR FEES/MUTOZA/PARDO
038411	11/19/10	10.81	BUSINESS CARD	USB 4GB FLASH DRIVE
038411	11/19/10	88.05	BUSINESS CARD	1 BOX EXAM GLOVES
038412	11/19/10	485.52	CAL TRAFFIC SIGNS	11 DIRECTIONAL STREET SIGNS
038412	11/19/10	387.98	CAL TRAFFIC SIGNS	17 STREET NAME SIGNS/2 DIRECTIONAL SIGNS
038413	11/19/10	126.82	CENTRAL SANITARY SUPPLY	FACIAL TISSUE/VINYL GLOVES/PAPER TOWELS
038414	11/19/10	900.00	CODE PUBLISHING COMPANY	WEB HOSTING/MUNICIPAL CODE NOV 2010-NOV 2011
038415	11/19/10	1400.00	COMPUTER TUTOR	COMPUTER CLASSES/AUGUST 2010
038415	11/19/10	1400.00	COMPUTER TUTOR	COMPUTER CLASSES/SEPT 2010

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038415	11/19/10	1400.00	COMPUTER TUTOR	COMPUTER CLASSES/OCT 2010
038416	11/19/10	3297.49	CONTRACT SWEEPING SERVICES, IN	STREET SWEEPING SERVICES/OCT 2010
038417	11/19/10	10.83	CRESCENT SUPPLY CO. #1	NAME BAR/THOMPSON
038418	11/19/10	3216.00	CROP PRODUCTION SERVICES	11000 LBS FORAGE MIX/WWTP
038418	11/19/10	7556.70	CROP PRODUCTION SERVICES	123.63 TONS GYPSUM BULK/WWTP
038419	11/19/10	557.70	GARY WHITE	GRASSY HAY HAULING/WWTP
038420	11/19/10	85.00	DAVE PIRES	WEEKEND DRAIN CLEANING/MEMORIAL BLDG
038421	11/19/10	5415.00	EMPLOYMENT DEV DEPT/SUI	UNEMPLOYMENT FED EXTENDED BENEFITS/3RD QTRER 2010
038422	11/19/10	2435.26	ENERGY SYSTEMS	RADIATOR REPAIR FOR WELL #6
038423	11/19/10	15824.00	ENVIRONMENTAL TECHNIQUES INT	SLUDGE REMOVAL/AERATION BASIN #2/WWTP
038424	11/19/10	3824.88	FERGUSON WATERWORKS	PO #11-22
038425	11/19/10	573.75	GEOANALYTICAL LAB, INC.	WEEKLY BACTIS/BOD/TSS/NITRATES/OCT 2010
038426	11/19/10	501.50	GROENIGER & CO.	7 WRAP CLAMPS/PJ COUPLING
038426	11/19/10	2215.19	GROENIGER & CO.	PO #11-24
038426	11/19/10	104.70	GROENIGER & CO.	METER BOX/2 FIBERLYTE LIDS
038427	11/19/10	362.93	HARD DRIVE GRAPHICS	REFACED 3 CITY LIMIT SIGNS
038428	11/19/10	328.38	IKON OFFICE SOLUTIONS	COPIER LEASE 10/25/10 TO 11/24/10/PD
038429	11/19/10	1602.63	INFOSEND, INC	UTILITY BILL/LATE NOTICE MAILING/OCT 2010
038430	11/19/10	1105.43	IN-SYNCH SYSTEMS	MOBILE RECORDS MANAGEMENT SYSTEM/DEC 2010
038431	11/19/10	553.59	JOE'S LANDSCAPING & CONCRETE,	IRRIGATION SUPPLIES FOR ALL PARKS
038431	11/19/10	6.49	JOE'S LANDSCAPING & CONCRETE,	6" ROUND ICV BOX COVER
038432	11/19/10	875.00	JOSHUA HOLSAPPLE'S	SPREAD 125 TONS GYPSUM/WWTP
038433	11/19/10	1703.00	KAISER PERMANENTE	HEALTH INSURANCE PREMIUM/DEC 2010
038434	11/19/10	104.67	FRANK B. MARKS & SON, INC	CONCRETE SAND/CORP YARD

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038435	11/19/10	1534.34	MID VALLEY IT, INC	MONTHLY IT CONTRACT SERVICES/DEC 2010
038436	11/19/10	691.55	PATTERSON AUTO CARE, INC	MOUNT & BALANCE 4 TIRES/2007 CHEVY PICKUP
038437	11/19/10	660.00	CITY OF PATTERSON	VIDEO REIMBURSEMENT/NOV 2010
038437	11/19/10	250.00	CITY OF PATTERSON	FIRE DATA INPUT/AUG 2010
038437	11/19/10	250.00	CITY OF PATTERSON	FIRE DATA INPUT/SEPT 2010
038437	11/19/10	250.00	CITY OF PATTERSON	FIRE DATA INPUT/JULY 2010
038438	11/19/10	413155.47	PERMA-GREEN HYDROSEEDING	PROGRESS PAYMENT #4/DOWNTOWN PLAZA
038439	11/19/10	2914.20	PRECISION INSPECTION, INC	Bldg Reg Inspec BLDG REGU/OCT 2010
038439	11/19/10	85.00	PRECISION INSPECTION, INC	NEWMAN FAMILY APARTMENTS HOURLY INSPECTIONS
038439	11/19/10	190.00	PRECISION INSPECTION, INC	HOURLY BLDG INSPECTION/DOWNTOWN PLAZA
038440	11/19/10	200.00	SANDRA SANCHEZ	REFUND MEMORIAL BLDG DEPOSIT/SANDRA SANCHEZ
038441	11/19/10	45.00	MARIA ANGELICA SANCHEZ	REFUND PIONEER PARK RENTAL/ANJELICA SANCHEZ
038442	11/19/10	4829.35	SHELL FLEET PLUS	GAS AND DIESEL PURCHASES/OCT 2010
038443	11/19/10	154.48	SIERRA DISPLAY, INC.	500 C-7 CLEAR LIGHTS
038444	11/19/10	200.00	ELAINE SOUZA	REFUND MEMORIAL BLDG DEPOSIT/ELAINE SOUZA
038445	11/19/10	537.00	STATE OF CALIFORNIA	FBI FINGERPRINTS/FINGERPRINT APPS
038446	11/19/10	12.00	STAN CNTY CLERK RECORDER	RELEASE OF LIEN/915 BALSAM DR
038447	11/19/10	43.48	STAPLES ADVANTAGE	RECEIPTS BOOKS/CALCULATOR TAPE
038447	11/19/10	26.16	STAPLES ADVANTAGE	ENVELOPES/ENVELOPE MOISTENER/BATTERIES
038447	11/19/10	7.58	STAPLES ADVANTAGE	2011 MONTHLY DAY PLANNER
038447	11/19/10	55.68	STAPLES ADVANTAGE	5 SLOT WALLWORKS
038447	11/19/10	33.94	STAPLES ADVANTAGE	WIRELESS MOUSE/CASH REGISTER RIBBON/
038448	11/19/10	155.83	TRAVIS BORRELLI	PORTABLE RESTROOM RENTAL-SERVICE/OCT 2010
038449	11/19/10	37.22	T.H.E. OFFICE CITY	DESK STAPLER

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038449	11/19/10	193.93	T.H.E. OFFICE CITY	6 CASES COPY PAPER
038449	11/19/10	5.74	T.H.E. OFFICE CITY	AVERY LABELS
038449	11/19/10	128.98	T.H.E. OFFICE CITY	13 2011 CALENDARS
038449	11/19/10	431.18	T.H.E. OFFICE CITY	8 2011 CALENDARS
038450	11/19/10	72.38	WECO INDUSTRIES	SERVICE KIT FOR 1/2" AND 3/4" WARTHOG NOZZLE
038451	11/19/10	697.15	MATTOS NEWSPAPERS, INC.	LEGAL ADS/DISPLAY AD/BUSINESS CARDS
038452	11/19/10	709.09	WESTSIDE ANIMAL CLINIC	NATE NEUTERS/LUNA/MIKE/ZORROR/CHAKIRA/ROCKY/PEANUT
038452	11/19/10	872.41	WESTSIDE ANIMAL CLINIC	NATE NEUTERS/SCHMIT/LIZOLA/LOPEZ/PURDY/GRANADOS
038453	11/19/10	16.00	WEST SIDE PUBLIC SCALE	WEIGHT TAGS FOR HAY SALES/WWTP
038454	11/19/10	2268.30	YANCEY LUMBER COMPANY	PAINT/COPPER TUBE/FIELD PAINT/DOG FOOD/CONCRETE/
038455	11/19/10	38.64	ZEE MEDICAL SERVICE CO	GAUZE PADS/TAPE/ANTIBIOTIC OINTMENT/BANDAGES
Sub-Total:		507595.66		
Grn-Total:		507595.66		
Count:	83			

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038456	11/19/10	4603.44	AMERICAN SOCCER COMPANY, INC	SOCCER UNIFORMS
Sub-Total:		----- 4603.44		
Grn-Total:		----- 4603.44		
Count:	1			

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038457	12/10/10	1641.94	ABBOTT & KINDERMANN, LLP	SCM HEARTHSTONE LITIGATION THRU 11/20/10
038458	12/10/10	19718.89	AECOM USA, INC	ENGINEERING/DOWNTOWN PLAZA THRU 10/29/10
038458	12/10/10	291.60	AECOM USA, INC	GENERAL ENGINEERING SERVICES THRU 10/29/10/
038458	12/10/10	945.00	AECOM USA, INC	ENGINEERING UUD5A/5B AND MEETING THRU 10/29/10
038459	12/10/10	1080.00	KD ANDERSON & ASSOCIATES, INC	TRAFFIC ENGINEERING SERVICES/MASTER PLAN #3
038460	12/10/10	438.22	ARAMARK UNIFORM SERVICES	UNIFORM CLEANING/MAT RENTAL/TOWELS/NOV 2010
038461	12/10/10	1077.94	AT&T MOBILITY	CELL PHONE MONTHLY BILL/10/6 TO 11/5/10
038462	12/10/10	72.05	AT&T	MONTHLY TELEPHONE FOR 668-3946
038463	12/10/10	456.86	AT&T	MONTHLY LANDLINE PHONE CHARGES/10/13 TO 11/12/10
038463	12/10/10	125.11	AT&T	EMERGENCY DISPATCH LINE @ PD/10/20 TO 11/19/10
038464	12/10/10	462.25	AYRES HOTEL	LODGING FOR TRAINING/HUTCHINS/GONZALEZ
038465	12/10/10	491.75	JAMES J. BELL	CONTRACT SERVICES/EVIDENCE CLERK 11-16 TO 11-30-10
038466	12/10/10	53211.47	BERTOLOTTI DISPOSAL	MONTHLY GARBAGE SERVICE/NOV 2010
038467	12/10/10	1810.12	BEST BEST & KRIEGER, LLP	PROFESSIONAL SERVICES THRU 11/30/10
038468	12/10/10	48.55	B G AUTO	HY-GEAR HOSE CLAMP/DOWNTOWN CHRISTMAS
038469	12/10/10	1263.82	BURTON'S FIRE, INC	FILTER & OIL CHANGE/LUBE/RE-WIRED RADIO/PIERCE
038470	12/10/10	106.21	CAL TRAFFIC SIGNS	RIVETS FOR STREET SIGN INSTALLATIONS
038471	12/10/10	110.00	CALIFORNIA SOCIETY OF	ANNUAL CALIF MUNICIPAL FINANCE DIR DUES/2011
038472	12/10/10	3414.05	CALIFORNIA CONSULTING, LLC	MONTHLY RETAINER/GRANT & LOBBYING SERVICE/DEC 2010
038473	12/10/10	175.00	C.A.P.E. 2011 CONFERENCE	EVIDENCE TRAINING/2011 C.A.P.E CONF/JIM BELL
038474	12/10/10	100.00	JEFF CARTER	PARKING LOT RENT/DEC 2010
038475	12/10/10	998.00	CAVENAUGH & ASSOC.	REGISTRATION FOR POST TRNG/HUTCHINS & GONZALEZ
038476	12/10/10	227.50	CBA (ADMIN FEES)	DENTAL-VISION ADMIN FEES/DEC 2010
038477	12/10/10	139.58	C B MERCHANT SERVICES, INC	REIMBURSE BAD DEBT

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038478	12/10/10	550.51	CDW GOVERNMENT, INC	PO #11-33
038479	12/10/10	162.87	CIT TECHNOLOGY FIN SERV, INC	MS GSA OFFICE PRO/DEC 2010/PD
038480	12/10/10	50.00	CARL J. COELHO (CHUCK)	Veh Operation FIRE/DEC 2010
038481	12/10/10	94.90	COMCAST CABLE	HIGH SPEED INTERNET SERVICE 11/22 TO 12/21/10
038482	12/10/10	3297.49	CONTRACT SWEEPING SERVICES, IN	STREET SWEEPING SERVICES/NOV 2010
038483	12/10/10	778.38	CORBIN WILLITS SYS, INC.	SERVICE & ENHANCEMENT/DEC 2011
038484	12/10/10	104.29	L.N. CURTIS & SONS	3 SINGLE HEAD ADJUSTABLE SPANNER WRENCHES
038485	12/10/10	944.79	E&M ELECTRIC, INC.	REPLACED 2 PHOTO EYES ON 2 POLES
038485	12/10/10	65.16	E&M ELECTRIC, INC.	2 LU70 GE BULBS/WELL 1R
038485	12/10/10	203.87	E&M ELECTRIC, INC.	CHANGE OUT 2 LAMPS ON FRESNO ST/STREET LIGHTS
038485	12/10/10	176.06	E&M ELECTRIC, INC.	REPLACED PHOTO EYE/LIGHT BULB/TEEN CENTER
038485	12/10/10	154.51	E&M ELECTRIC, INC.	REPLACED PHOTO EYE & LAMP/FIRE DEPT
038486	12/10/10	99.99	ECONOMIC TIRE SHOP	TRUCK TIRE REPAIR/TUBE
038486	12/10/10	50.00	ECONOMIC TIRE SHOP	2 FRONT TIRES FOR MOWER #1
038486	12/10/10	16.21	ECONOMIC TIRE SHOP	1 TIRE REPAIR
038486	12/10/10	93.69	ECONOMIC TIRE SHOP	CHECK TIRE/ALIGNMENT
038487	12/10/10	1608.00	ENERPOWER	ELECTRIC ENERGY SERVICES 9/17/10 TO 10/17/10
038488	12/10/10	87.35	EMILY FARIA (NT)	UNREIMBURSED MEDICAL EXPENSE/FARIA
038489	12/10/10	34.95	FIREtoWIRE, INC	WEB HOSTING/ 12/17/10 TO 1/17/11
038490	12/10/10	42.85	GARTON TRACTOR	HYDROLIC HOSE FOR CASE TRACTOR
038490	12/10/10	5.92	GARTON TRACTOR	HYDROLIC CAPS FOR CASE TRACTOR
038490	12/10/10	.48	GARTON TRACTOR	LINCH PIN FOR BACKHOE
038490	12/10/10	197.62	GARTON TRACTOR	FILTERS FOR TRACTOR/LAWNMOWER AND ATV
038490	12/10/10	108.38	GARTON TRACTOR	1 DAY RENTAL UTILITY VEHICLE

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038491	12/10/10	731.26	GEORGE W. LOWRY, INC	250 GALLONS DYED DIESEL/WWTP
038492	12/10/10	250.00	EDGAR GONZALEZ	PER DIEM/E. GONZALEZ POST TRAINING
038493	12/10/10	200.00	CELIA GONZALEZ	REFUND MEMORIAL BLDG DEPOSIT/GONZALEZ
038494	12/10/10	151.18	GRANDFLOW	50 W-2'S AND 50 1099'S
038495	12/10/10	48395.94	HASKELL & HASKELL ENGINEERING/	PROGRESS PAYMENT #3/PER CAPITA PROJECT
038496	12/10/10	590.86	HEWLETT-PACKARD FINANCIAL SERV	HARDWARE LEASE 12/18/10 TO 1/17/11
038497	12/10/10	293.34	HUB INTERNATIONAL OF CA INS SE	LIABILITY INSURANCE PREMIUM/MARTINEZ/REYNAGA
038498	12/10/10	250.00	JASON HUTCHINS (NT)	PER DIEM/POST TRAINING/HUTCHINS
038499	12/10/10	647.04	IKON OFFICE SOLUTIONS	COPIER LEASE/11/10 TO 12/09/10/ADDTL COPIES/CH
038500	12/10/10	1586.62	INFOSEND, INC	UTILITY BILL/LATE NOTICE MAILING/NOV 2010
038501	12/10/10	1105.43	IN-SYNCH SYSTEMS	MOBILE RECORDS MANAGEMENT SYSTEM/JAN 2011
038502	12/10/10	16.57	IRRIGATION DESIGN & CONSTRUCTI	GASKET LUBE/COUPLINGS/PVC NIPPLES
038503	12/10/10	8240.00	JOE'S LANDSCAPING & CONCRETE,	LIGHTING & LANDSCAPE DISTRICT SERVICES/OCT 2010
038504	12/10/10	1974.00	KAISER PERMANENTE	HEALTH INSURANCE PREMIUM/JAN 2011
038505	12/10/10	156.37	ED KATEN (NT)	REIMBURSEMENT FOR MAYOR'S DINNER MEETING
038506	12/10/10	248.57	MALLARD EXPRESS AUTO	BATTERY/UNIT 501
038506	12/10/10	48.04	MALLARD EXPRESS AUTO	OIL AND FILTER CHANGE/UNIT 503
038507	12/10/10	200.00	FRANK B. MARKS & SON, INC	CONCRETE SAND/GRAVEL
038508	12/10/10	40.00	JOHN E. MARRIOTT	PER DIEM/TRAINING/MARRIOTT
038509	12/10/10	162.56	MID VALLEY IT, INC	REIMBURSEMENT FOR 1-YEAR GO GLOBAL MAINTENANCE REN
038510	12/10/10	28300.00	MOORE TWINING ASSOCIATES	ORESTIMBA FEASIBILITY STUDY/DRILLING/FIELD INVEST
038511	12/10/10	125.63	DOUG MUTOZA (NT)	REIMBURSEMENT FOR DOWNTOWN CHRISTMAS TREE
038512	12/10/10	300.00	CITY OF NEWMAN ACCTS RECEIVABL	REFUND HYDRANT PERMIT DEPOSIT/FAGUNDES #771-791
038513	12/10/10	633.39	NEWMAN ACE HARDWARE/JACT, INC	grafitti rmvr/trash can/batteries/cfl bulbs/ties

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038514	12/10/10	56.10	STEPHANIE OCASIO (NT)	REIMBURSEMENT FOR MILEAGE/CALTRANS MTG/OCASIO
038515	12/10/10	2599.00	OPERATING ENGINEERS/	HEALTH INSURANCE PREMIUM/JAN 2011
038516	12/10/10	924.00	GEORGE OSNER	PLANNING SERVICES/OCT 2010/MASTER PLAN #3
038517	12/10/10	528.00	BIANCA PARDO	ZUMBA INSTRUCTOR/NOV 2010 CLASSES
038518	12/10/10	250.00	CITY OF PATTERSON	FIRE DATA INPUT/OCT 2010
038519	12/10/10	315854.54	PERMA-GREEN HYDROSEEDING	PROGRESS PAYMENT #5/DOWNTOWN PLAZA CONSTRUCTION
038520	12/10/10	184.91	P G & E	NATURAL GAS PURCHASES/10/8/10 TO 11/05/10
038520	12/10/10	59552.32	P G & E	GAS AND ELECTRIC 5/18/10 TO 11/10/10
038521	12/10/10	6.36	PIONEER DRUG	WATER DEPARTMENT SUPPLIES
038522	12/10/10	165.00	PITNEY BOWES CREDIT CORP.	POSTAGE METER RENTAL 8-30 TO 11-30-10
038523	12/10/10	3096.66	PRECISION INSPECTION, INC	Bldg Reg Inspec BLDG REGU
038524	12/10/10	69.36	R-SAFE SPECIALTY	NEESE BOMBER JACKET
038525	12/10/10	7.22	RALEY'S IN STORE CHARGE	SUGAR/FOAM CUPS/WATER DEPT
038525	12/10/10	29.09	RALEY'S IN STORE CHARGE	SUGAR/COFFEE/COFFEE CREAMER/FOAM CUPS/CORP YARD
038526	12/10/10	75.00	LYDIA RENTERIA	REFUND MEMORIAL BLDG DEPOSIT/CORRAL-RENERIA
038527	12/10/10	200.00	ELISA REYNAGA	REFUND MEMORIAL BLDG DEPOSIT/REYNAGA
038528	12/10/10	5.00	MARTHA RODRIGUEZ	REFUND ONE ZUMBA CLASS REGISTRATION/RODRIGUEZ
038529	12/10/10	705.00	ROPERS, MAJESKI, KOHN & BENTLEY	EMPLOYMENT ADVICE AND COUNSEL/OCT 2010
038530	12/10/10	2094.12	RRM DESIGN GROUP, INC.	PROFESSIONAL SERVICES/DOWNTOWN PLAZA/OCT 2010
038531	12/10/10	494.00	SAN DIEGO REG TRAIN CENTR	RECORDS COURSE TRAINING REGISTRATION/L. ORNELAS
038532	12/10/10	788.03	SPRINGBROOK SOFTWARE	SOFTWARE BPS SERVICES/FIN, PAYROLL, UTILITY BILL
038533	12/10/10	12.00	STAN CNTY CLERK RECORDER	RELEASE OF LIEN/2113 CREEK PARK DR
038534	12/10/10	48.72	STANISLAUS COUNTY	REIMBURSEMENT FOR NATURAL GAS ALTERNATIVE FUEL TAX
038535	12/10/10	95.00	STATE WATER RESOURCES	WWTP CERTIFICATE RENEWAL/SOUTHARD/GRADE 1

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038536	12/10/10	100.00	STANISLAUS COUNTY FIRE CHIEFS'	2010-2011 FIRE CHIEFS ASSOCIATION DUES
038537	12/10/10	33.11	STAPLES ADVANTAGE	CLASP ENVELOPES/BINDER CLIPS/PERMANENT MARKERS
038538	12/10/10	838.00	STANISLAUS CNTY SHERIFF'S REGI	REGISTRATION/POST TRAINING/MARRIOTT
038539	12/10/10	4121.50	STANTEC CONSULTING SERVICES, I	PRE-TREATMENT PROGRAM ASSISTANCE/WWTP
038539	12/10/10	1204.88	STANTEC CONSULTING SERVICES, I	PO #11-19A
038539	12/10/10	744.50	STANTEC CONSULTING SERVICES, I	PO #11-02A
038539	12/10/10	2744.75	STANTEC CONSULTING SERVICES, I	PO #11-03A
038540	12/10/10	155.83	TRAVIS BORRELLI	PORTABLE RESTROOM RENTAL-SERVICE/NOV 2010
038541	12/10/10	1226.00	SWRCB FEES/ACCT OFFICE	ANNUAL PERMIT FEE/WWTP/RM#300879/2010-2011
038541	12/10/10	14586.00	SWRCB FEES/ACCT OFFICE	ANNUAL PERMIT FEE/WWTP/RM#146793 FISCAL 2010-2011
038542	12/10/10	41416.87	TEL STAR INSTRUMENTS, INC	PO #11-18
038543	12/10/10	165.00	BARBARA J. TOSTA	YOUNG AT HEART INSTRUCTOR/NOV 2010
038544	12/10/10	102.00	UNDERGRND SERV ALERT, INC	UNDERGROUND BILLABLE FAXES/JULY THRU OCT 2010
038545	12/10/10	10.39	VALLEY PARTS SERVICE	LIGHT BULB
038545	12/10/10	23.78	VALLEY PARTS SERVICE	ANTI-FREEZE
038545	12/10/10	5.86	VALLEY PARTS SERVICE	RADIATOR CAP/DODGE CHARGER
038545	12/10/10	15.43	VALLEY PARTS SERVICE	FUEL FILTER
038545	12/10/10	262.51	VALLEY PARTS SERVICE	FUEL PUMP ASSEMBLY/2002 CHEVY TRUCK
038545	12/10/10	25.80	VALLEY PARTS SERVICE	DOOR HANDLE
038545	12/10/10	20.57	VALLEY PARTS SERVICE	WIPER BLADES
038545	12/10/10	251.73	VALLEY PARTS SERVICE	AIR, FUEL, TRANSMISSION AND OIL FILTERS
038546	12/10/10	50.00	GEORGE VARGAS	MONTHLY GAS ALLOWANCE/DEC 2010
038547	12/10/10	727.50	WESTSIDE ANIMAL CLINIC	46 RABIES/35 DHLPP/16 KENNEL COUGH VACINES
038547	12/10/10	1384.00	WESTSIDE ANIMAL CLINIC	NATE NEUTERS AND SPAYS

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038547	12/10/10	1733.55	WESTSIDE ANIMAL CLINIC	HEALTH EXAMS/EUTHANASIA
038548	12/10/10	101.86	YANCEY LUMBER COMPANY	2 BAGS DOG FOOD
038548	12/10/10	487.66	YANCEY LUMBER COMPANY	LIGHTS/ROPE/SPRAYER TIP/GFI BOX/PADLOCK/PAINT
038549	12/10/10	34.12	ALMANZA, CECILIA	MQ CUSTOMER REFUND FOR ALM0004
038550	12/10/10	64.09	BOSCO, HANK J.	MQ CUSTOMER REFUND FOR BOS0003
038551	12/10/10	71.23	GALLO, PATRICK M.	MQ CUSTOMER REFUND FOR GAL0037
038552	12/10/10	78.21	CHURCH JESUS CHRIST LDS,	MQ CUSTOMER REFUND FOR LDS0001
038553	12/10/10	90.23	RODRIGUEZ, KARA	MQ CUSTOMER REFUND FOR ROD0091
Sub-Total:		652697.37		
Grn-Total:		652697.37		
Count:	128			

MINUTES
NEWMAN CITY COUNCIL/REDEVELOPMENT AGENCY
REGULAR MEETING NOVEMBER 9, 2010
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

1. **Call To Order** - Mayor Pro Tem Martina 7:00 P.M.
2. **Pledge Of Allegiance.**
3. **Invocation** - Mayor Pro Tem Martina.
4. **Roll Call PRESENT:** Davis, Candea And Mayor Pro Tem Martina.
ABSENT: Mayor Katen (Excused).
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 October 26, 2010 Regular Meeting.
 - d. Approve Increased Bid Award For The Per Capita Park Improvement Project.

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

9. **Public Hearings** - None.

10. Regular Business

- a. Approve Change Order To The Contract For The Newman Downtown Plaza Project To Add Bathrooms.

ACTION: On A Motion By Candea Seconded By Davis And Unanimously Carried, The Council Approved The Change Order To The Contract For The Newman Downtown Plaza Project To Add Bathrooms.

- b. Property Receivership Update.

The Council Directed Staff To Work With The City Attorney To Pursue Additional Means Of Dealing With Nuisance Properties.

c. Report On Site Lease Agreement With Open Range Communications, Inc.

ACTION: On A Motion By Davis Seconded By Candea And Unanimously Carried, The Council Approved The On Site Lease Agreement With Open Range Communications, Inc.

11. Items From District Five Stanislaus County Supervisor – None.

12. Items From The City Manager And Staff

City Manager Holland Explained That The Election Results Would Be Certified By November 30, 2010 And That The New Council Would Be Sworn-In On December 14, 2010. Holland Reminded the Council About the Upcoming City Holidays And Furloughs. He Notified Everyone That The City's Leaf and Brush Pick-Up Program Had Begun And That It Would End In March. Holland Reported That The City's Financial Audit Was Complete And That The Council Would Receive A Full Report At Their December 14, 2010 Meeting. He Noted That The Plaza Project Is Progressing Well And Commented That The City Would Be Ready For The Chamber Tree Lighting Event On December 4, 2010. Holland Thanked The Council For Approval Of The Plaza Project Change Order To Build The Restrooms.

Chief Richardson Reminded Everyone That You Can No Longer Make A Left Turn Off Of Inyo And On To Merced Street. Richardson Implored Residents To Drive Safely During The Holiday Season And To Be Cognizant Of The Change In Weather While Driving.

Public Works Director Reynolds Reported That The Change To The Intersection At Inyo And Merced Was To Provide Safe Pedestrian Routes. He Informed The Council That The Soil Boring Project Is 80 to 90% Complete And That An Underground District Project Meeting Had Been Scheduled. Reynolds Gave The Council An Update On The Plaza Project.

Finance Director Humphries Provided The Council With A Quarterly Update Regarding The City's Investments And Revenues.

Assistant Planner Ocasio Reported That The City Was Not Awarded The Proposition 84 Park Grant For The Aquatic Center Project. Ocasio Informed The Council That A State Representative Called The City And Noted That Newman Had A Very Strong Application But That Our Demographic Data Was Not As Dire As Competing Communities.

13. Items From City Council Members

Council Member Martina Stated That He Was Proud Of The City Of Newman For The Way The Council Candidates Ran Their Campaigns. He Reminded Everyone To Support The Orestimba High School Football Team And Thanked Staff For Their Efforts. Martina Closed By Reminding Everyone To Attend The Chamber Mixer On November 18, 2010 At 6:00 P.M. At The Freitas Egg Ranch.

14. Adjournment

ACTION: On Motion By Candea Seconded By Davis And Unanimously Carried, The Meeting Was Adjourned At 7:53 P.M.

Honorable Mayor and Members
of the Newman City Council

City Council Meeting
of December 14, 2010

**ADOPT RESOLUTION NO. 2010 - , APPROVING THE PER CAPITA PARK
IMPROVEMENT PROJECT AND AUTHORIZING ED KATEN AS MAYOR AND
MICHAEL E. HOLLAND AS CITY CLERK TO RECORD A NOTICE OF COMPLETION**

RECOMMENDATION:

It is recommended that the Newman City Council approve Resolution No. 2010- , approving the Per Capita Park Improvement Project and authorizing Ed Katen as Mayor, and Michael E. Holland as City Clerk to record a Notice of Completion.

BACKGROUND:

The City of Newman received funding in the amount of \$220,000.00 from The Per Capita Grant Program funded by The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002.

On May 25, 2010 the City Council allocated Per Capita funding towards the following projects:

- Barrington Park Rehabilitation Project
- Carlsen Park Development Project
- City-Wide Fitness Project
- Dog Park Development Project

In July 2010, staff released A Notice to Contractors (bid) online, to local Building Exchanges and published it in two local newspapers; two bids were received. Given the bids received and project budget, Council opted not to develop Carlsen Park and awarded Haskell and Haskell Engineering and Construction Services, Inc. the Per Capita Park Improvement Project bid on August 24, 2010.

As the project progressed, staff found opportunities to make additional improvements to Barrington and Pioneer Parks that were grant eligible. In an effort to make said improvements at a cost savings, staff requested quotations from the contractor. The City Council formally approved the bid award increase on November 9, 2010.

ANALYSIS:

A final walk-through inspection of the project was performed by the Public Works department and the project was deemed complete on Friday December 3, 2010.

FISCAL IMPACT:

Original Contract Amount:	\$169,626.04
<u>Additional Change Orders:</u>	<u>\$ 21,038.25</u>
Total:	\$190,664.29

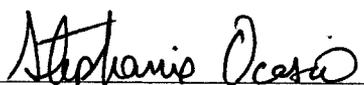
CONCLUSION:

Given the successful and timely completion of the Per Capita Park Improvement Project by Haskell and Haskell Engineering and Construction Services, Inc.; staff recommends that the Council adopt Resolution No. 2010 - , Approving the Per Capita Park Improvement Project and Authorizing Ed Katen as Mayor and Michael E. Holland as City Clerk to Record a Notice of Completion

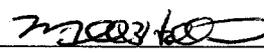
ATTACHMENTS:

1. Exhibit A – Resolution No. 2010-

Respectfully Submitted,


Stephanie Ocasio
Assistant Planner

REVIEWED/CONCUR:


Michael E. Holland
City Manager

RESOLUTION NO. 2010-

**A RESOLUTION APPROVING THE PER CAPITA PARK IMPROVEMENT PROJECT
AND AUTHORIZING ED KATEN AS MAYOR AND MICHAEL E. HOLLAND AS CITY
CLERK TO RECORD A NOTICE OF COMPLETION**

WHEREAS, on the 14th day of September, 2010, an agreement was entered into between the City of Newman and Haskell and Haskell Engineering and Construction Services, Inc. for the making of certain improvements in the City of Newman, County of Stanislaus, State of California, known as the Per Capita Park Improvement Project; and

WHEREAS, the improvement security referred to in said agreement was duly executed and filed by Contractor;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman as follows:

1. That the improvements referred to in said agreement and the maps and other matters referred to therein be, and the same hereby are, approved and accepted.
2. That Ed Katen, as Mayor and Michael E. Holland as City Clerk, are hereby authorized and directed to execute and record a Notice of Completion of said improvements.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 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 vote:

AYES:
NOES:
ABSENT:

APPROVED:

Ed Katen, Mayor

ATTEST:

Michael E. Holland, City Clerk

I hereby certify that the foregoing is a full, correct and true copy of a resolution passed by the City Council of the City of Newman, a municipal corporation of the County of Stanislaus, State of California, at a regular meeting held on December 14, 2010, and I further certify that said resolution is in full force and effect and has never been rescinded or modified.

DATED: _____, 2010.

City Clerk

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the City of Newman, a Municipal Corporation of the County of Stanislaus, State of California, entered into an Agreement dated September 14, 2010 with Haskell and Haskell Engineering and Construction Services, Inc., 17510 Ellen Street, Knights Ferry, California 95361 for the Per Capita Park Improvement Project in the City of Newman.

Construction of the above improvements were completed by the Contractor, Haskell and Haskell Engineering and Construction Services, Inc. on December 3, 2010 and accepted by the City Council of the City of Newman at their regular meeting held on the 14th day of December, 2010.

DATED:

CITY OF NEWMAN

By _____
Ed Katen, Mayor

STATE OF CALIFORNIA)

COUNTY OF STANISLAUS)

I ED KATEN being the first duly sworn, deposes and says:

That he is the Mayor of the City of Newman, a Municipal Corporation, that contracted for the performance of the project mentioned in the foregoing Notice: that he has read the same and knows the contents thereof, and that the facts stated therein are true.

Ed Katen, Mayor

Subscribed and sworn to before me
this _____ day of _____ 2010.

Notary Public

Honorable Mayor and Members
of the Newman City Council

Agenda Item: **9.e.**
City Council Meeting
of December 14, 2010

UPDATED JOB DESCRIPTION AND PAY SCALE FOR POLICE LIEUTENANT

RECOMMENDATION:

Adopt Resolution No.2010- , accepting and adopting new and updated job description and pay scale for the Police Lieutenant position.

BACKGROUND:

For the past four years the Police Department has operated with a Chief and two Sergeants. This was a tremendous burden on the department forcing field supervisors to double as administrative supervisors. Due to administrative changes within the Police Department a void needs to be filled at the administrative level. After research and discussion staff came to the conclusion the Police Department needed to restructure by adding a Police Lieutenant.

ANALYSIS:

The Police Department restructured on an interim basis for the past six months. Over those six months Staff closely evaluated the efficiency and production of the new structure, staff has seen a positive increase in work performance and supervision. Adoption of the new job description and pay scale will allow management to continue to work towards a new and more efficient department.

FISCAL IMPACT:

The following salary schedule is recommended for the Lieutenant position; \$6,041 - \$7,343 per month.

ATTACHMENTS:

1. Resolution No. 2010
2. Proposed job description.

CONCLUSION:

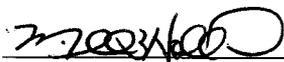
Staff recommends the Council accept and adopt the new and updated job description and pay scale. The new and updated description is based upon previous job description and Department Head input. Staff believes this is an important and necessary step towards the restructuring of the Police Department command staff.

Respectfully submitted,



Randy Richardson
Chief of Police

REVIEWED/CONCUR:



Michael Holland
City Manager

RESOLUTION NO. 2010-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWMAN ADOPTING A NEW JOB DESCRIPTION AND PAY SCALE FOR POLICE LIEUTENANT

WHEREAS, the City of Newman desires to provide updated job description and pay scale which provide clear definitions of employee job conditions, duties and requirements; and

WHEREAS, the police department is currently changing its command structure; and

WHEREAS, the Chief of Police and his staff have determined police lieutenant is a vital part of the current restructuring; and

WHEREAS, the City Manager and Police Chief have met to create a more accurate job description and pay scale; and

WHEREAS, the new job description more accurately reflects the actual duties and responsibilities, as well as the required knowledge abilities and skills; and

WHEREAS, adoption of the police lieutenant job description will allow management to continue to work towards a new and more efficient department; and

WHEREAS, the following salary schedule is recommended for the Lieutenant position; \$6,041 to \$7,343 per month; and

WHEREAS, the attached document known as the City of Newman Job Description for Police Lieutenant has been prepared by the Chief of Police and recommended to the City Council; and

WHEREAS, the City Council of the City of Newman has reviewed the Class Specifications.

NOW, THEREFORE BE IT RESOLVED that the City Council of the city of Newman does hereby adopt the police lieutenant job description and pay scale to the City of Newman Class Specifications attached as Exhibit "2".

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 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:

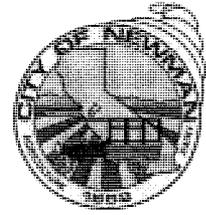
APPROVED:

Mayor of the City of Newman

ATTEST:

Deputy City Clerk

CITY OF NEWMAN



Job Title: POLICE LIEUTENANT

Definition:

Under the general administrative direction of the Chief of Police, plans, organizes, directs, coordinates, prepares budgets and operates one of three divisions – Field Operations, Support Services, and Investigations. The lieutenant represents the department in public activities and facilitates positive relationships with other agencies and organizations.

Essential Job Duties:

The following tasks are essential for this position. Incumbents in this classification may not perform all of these tasks, or may perform similar related tasks not listed here.

1. Works with minimal direct supervision, exercising independent judgment and initiative in a number of complex, responsible and sensitive areas.
2. Exercises direct supervision over professional, technical and clerical staff.
3. Directs, controls, reviews, staffs, and coordinates, for the work of Field Operations, Investigations or Support Services.
4. Enforces City, County, State and Federal laws.
5. Protects against municipal code violations through the identification, documentation, and enforcing of these violations.
6. Ensures that officers are actively pursuing and processing code enforcement violations.
7. Participates in all normal patrol activities including issuing citations, making arrests, administering first aid, and transporting prisoners.
8. Develops, maintains, directs, coordinates, and trains all department volunteer programs (such as Citizen Volunteer Program and Explorer Program), and community outreach programs (such as Neighborhood Watch, Crime Tip, and Night Eyes).
9. Responsible for the scheduling of routine staffing each month and the scheduling for events, such as the Fall Festival, Safety Fair/Bicycle Rodeo, and other events which come up yearly or periodically.
10. Responsible for maintaining all department training including scheduling, securing the courses, and maintaining training records.
11. Coordinates department efforts with allied agencies, attends meetings as department member of the police management team.
12. Attends meetings seminars and classes, as directed by the Chief of Police.
13. Acts as the back up Evidence Clerk in their absence and maintains the proper evidence room management.
14. Prepares and maintains grants and other Federal and State inquiries or mandated reports.
15. Responsible for updating and development of Department Policies.
16. Maintains all Department equipment which includes vehicles, office equipment, weapons, PAS devices, etc. Ensures it is functioning properly and repairs are done promptly.
17. Handles administrative hearings, Bike Court and any other administrative type duties.
18. Provides, investigates and recommends to the City regarding issuance of all permits and licenses requiring Police authorization.
19. Assists in the development and maintenance of the Department's budget.

Essential Job Duties (cont.):

20. Reviews employee's performance and conducts career development counseling.
21. Conducts studies, analyzes data and prepares policy, procedures, and research reports.
22. Responds to employee and citizen complaints.
23. Provides leadership and guidance for detectives, uniformed officers, civilian and volunteer employees.
24. Effectively deals with organizational and community changes.
25. Displays loyalty to the Police Code of Ethics, adheres to the direction and spirit of the City Council and community.
26. Supervises and participates in program development and management; assists in goal and objective setting; assists in development of and implementation of policies and procedures.
27. Responds to, and manages critical incidents, directs major crime scenes and natural disasters.
28. Performs other related duties as required.

Minimum Knowledge, Skill and Ability:

Knowledge of:

- . Organizational and management practices as applied to modern police concepts and police administration.
- . Understands and is committed to the philosophy of Community-oriented policing.
- . Pertinent Federal, State and local laws, codes, regulations, and relevant court case decisions.
- . Effective communication techniques, including strong public speaking abilities.
- . Modern personnel management practices, including strong conflict resolution skills, employee selection, training, employee career development, scheduling, discipline and performance appraisals.
- . Research methods and sources of information related to a broad range of municipal police programs, services and administration.

Skill and Ability to:

- . Provide resourcefulness in all facets of modern and progressive law enforcement management.
- . Develop programs, directives, guidelines and procedures, prepare staff reports with options and recommendations.
- . Communicate clearly, objectively and effectively, both orally and in writing while in stressful situations.
- . Analyze situations accurately and swiftly, and adopt an effective course of action.
- . Be perceptive and innovative in the prediction and recognition of trends and problems.
- . Utilize personal computers and computer software to perform specialized functions.

Training and Experience:

Any combination equivalent to training and experience that could likely provide the required knowledge, skills and abilities would be qualifying. A typical way to obtain the knowledge, skills and abilities would be: equivalent to an Associate degree from an accredited college with major course works in administration of justice, criminology, police science or a related field and two years of responsible professional experience at the rank of police sergeant for an outside agency or one year (off probationary period) as a police sergeant with the Newman Police Department.

License and Certificates:

Possession of a valid California Driver's license. Possession of P.O.S.T. Intermediate and Supervisory Certificate. Must obtain P.O.S.T. Advanced Certificate within two years of appointment.

Physical Requirements and Working Conditions:

- . Maintain physical ability and stamina to meet police and safety standards.
- . Require vision (which may be corrected) to drive vehicles, make valid identifications, use firearms, and write reports.
- . Require hearing sufficient to converse on Radio and telephone in person over incident noise, and to be alert to situations of danger.
- . Require the body mobility to make rapid transitions from rest to near maximal exertion without warm-up periods, and stamina and endurance necessary in the apprehension of combative suspects.
- . Use of hands and fingers to write, utilize safety gear, and drive vehicles under emergency conditions.
- . Ability to distinguish hazardous odors.
- . Perform lifting, pushing and/or pulling as necessary which normally does not exceed 50 pounds and is an infrequent aspect of the job.
- . Subject to inside and outside environmental conditions.
- . May be required to work evenings or weekends.

Honorable Mayor and Members
of the Newman City Council

Agenda Item: **10.a.**
City Council Meeting
of December 14, 2010

REPORT ON NUISANCE ABATEMENT

RECOMMENDATION:

Adopt Resolution No. 2010- , Declaring The Existence Of A Public Nuisance Under Ordinance No. 95-4.

BACKGROUND:

Abatement notices for property maintenance were sent to several properties in accordance with Ordinance 95-4, Chapter 2, Title 8-2-3.

ANALYSIS:

This notice informs property owners of all nuisance abatement procedures, option and their right to object at a public hearing. It is anticipated that many property owners will comply with the abatement notices prior to the hearing date. A final compliance survey will be done on Monday, December 13, 2010. A list of properties that have not complied with the abatement notice will be handed out at the council meeting prior to the public hearing.

FISCAL IMPACT:

None

CONCLUSION:

This staff report is submitted for City Council consideration and possible future action.

ATTACHMENTS:

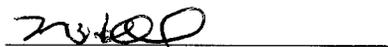
1. Resolution No. 2010- , a resolution declaring the existence of a public nuisance
2. Exhibit A – Abatement List

Respectfully submitted,



Randy Richardson, Chief of Police

REVIEWED/CONCUR:



Michael Holland, City Manager

RESOLUTION NO. 2010-

**A RESOLUTION DECLARING THE EXISTENCE OF A PUBLIC NUISANCE UNDER
ORDINANCE NO. 95-4**

WHEREAS, the Chief of Police has reported a nuisance as outlined in Section 8-2-2 of the Newman Municipal Code located and existing upon property in the City of Newman in violation of Ordinance No. 95-4 of the City of Newman, a description of said property being attached hereto and made a part of this resolution by this reference; and,

WHEREAS, the Chief of Police caused notice to be mailed to the respective owners of the subject properties as in said Ordinance provided, said notice giving notice to abate said nuisance and setting a time and place for hearing objections to the proposed abatement; and,

WHEREAS, said hearing was held on December 14, 2010, at 7:00 p.m., as in said notice provided; and,

WHEREAS, no objections to the proposed abatement were received at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman that said City Council of the City of Newman finds that a condition exists with regard to the properties in said City which is dangerous to life, limb and property, and to the public health, safety and morals, in that weeds, rubbish, dirt and rank growth are growing, located and existing upon said property in violation of the provisions of Ordinance No. 95-4 of the City of Newman, which endangers and may injure neighboring property and endangers and injures the welfare of residents in the vicinity of said property, and which is a fire hazard; that a description of said properties is attached hereto and made a part of this resolution by this reference.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 2010 by Council Member _____, who moved its adoption, which motion was duly seconded and was adopted upon roll call vote.

AYES:
NOES:
ABSENT:

APPROVED:

Mayor

ATTEST:

Deputy City Clerk

City of Newman
Abatement list

1. 1549 P Street

Tall grass and weeds through out the front yard of the property

2. 1955 N Street

Tall grass and weeds through out the empty lot

33 and Inyo Partners
P.O. Box 846
Newman, Ca 95360

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS,
DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance

at: 1955 N Street, APN No. 128-060-023-000,

Tall grass and weeds throughout the empty lots, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on November 23, 2010 at 7:00 p.m., at which time and place all objections will be heard and given due consideration.

Dated: October 21, 2010

Jessica Tobin
Community Service Officer

33 and Inyo Partners
P.O. Box 846
Newman, Ca 95360

Second Notice

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS, DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1955 N Street, APN No. 128-060-023-000,
Tall grass and weeds throughout the empty lots, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on November 23, 2010 at 7:00 p.m., at which time and place all objections will be heard and given due consideration.

Dated: November 1, 2010

Jessica Tobin
Community Service Officer

33 and Inyo Partners
P.O. Box 846
Newman, Ca 95360

THIRD AND FINAL NOTICE

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS,
DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance

at: 1955 N Street, APN No. 128-060-023-000,

Tall grass and weeds throughout the empty lots, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on November 23, 2010 at 7:00 p.m., at which time and place all objections will be heard and given due consideration.

Dated: November 10, 2010

Randy Richardson
Chief of Police

33 and Inyo Partners
P.O. Box 846
Newman, Ca 95360

THIRD AND FINAL NOTICE

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS, DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1955 N Street, APN No. 128-060-023-000,
Tall grass and weeds throughout the empty lots, which must be abated by the destruction, or removal thereof within 7 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on **December 14, 2010** at **7:00 p.m.**, at which time and place all objections will be heard and given due consideration.

Dated: December 6, 2010

Jessica Tobin
Community Service Officer





Chuck Youngblood
1549 P Street
Newman, Ca 95360

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS,
DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1549 P Street, APN No. 128-008-020-000,

Tall grass and weeds throughout the front and backyard of the property, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on November 23, 2010 at 7:00 p.m., at which time and place all objections will be heard and given due consideration.

Dated: October 21, 2010

Jessica Tobin
Community Service Officer

Chuck Youngblood
1549 P Street
Newman, Ca 95360

Second Notice

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS, DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1549 P Street, APN No. 128-008-020-000,
Tall grass and weeds throughout the front and backyard of the property, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on **November 23, 2010** at **7:00 p.m.**, at which time and place all objections will be heard and given due consideration.

Dated: November 1, 2010

Jessica Tobin
Community Service Officer

Chuck Youngblood
1549 P Street
Newman, Ca 95360

THIRD AND FINAL NOTICE

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS, DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1549 P Street, APN No. 128-008-020-000,
Tall grass and weeds throughout the front and backyard of the property, which must be abated by the destruction, or removal thereof within 10 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on **November 23, 2010** at **7:00 p.m.**, at which time and place all objections will be heard and given due consideration.

Dated: November 10, 2010

Randy Richardson
Chief of Police

Chuck Youngblood
1549 P Street
Newman, Ca 95360

THIRD AND FINAL NOTICE

NOTICE TO ABATE PUBLIC NUISANCE BY THE REMOVAL OF WEEDS, DIRT, RUBBISH AND/OR RANK GROWTH

NOTICE IS HEREBY GIVEN THAT:

Pursuant to the provisions of Chapter 2, Title 8 of the City Code of Newman, the following conditions, as declared in Section 8-2-3, constitutes a public nuisance at: 1549 P Street, APN No. 128-008-020-000,
Tall grass and weeds throughout the front and backyard of the property, which must be abated by the destruction, or removal thereof within 7 days of the date of the notice.

All responsible persons owning, managing or having control or change or occupancy of any such private property shall, without delay, destroy or remove such public nuisances, as defined above, from their property and from their half of the abutting street and alley between the lot lines, as extended, or such public nuisances will be destroyed or removed and such nuisances abated by City authorities, in which case the cost of destruction or removal will be assessed upon the lots and lands, from, or on which, or abutting the streets and alleys from, or on which, such nuisance was abated, and such costs will constitute a lien upon the lots or parcels until paid and will be collected on the next tax roll upon which Municipal taxes are collected.

All Property owners having objections to the proposed abatement of the nuisance are hereby notified to attend a meeting of the City Council of the City of Newman to be held on **December 14, 2010** at **7:00 p.m.**, at which time and place all objections will be heard and given due consideration.

Dated: December 6, 2010

Jessica Tobin
Community Service Officer



11.15.2010 10:06

Honorable Mayor and Members
of the Newman City Council

Agenda Item: **11.a.**
City Council Meeting
of December 14, 2010

**RECEIVE AND FILE THE CERTIFIED AUDITS OF THE CITY OF NEWMAN AND THE CITY
OF NEWMAN REDEVELOPMENT AGENCY FOR THE PERIOD ENDING JUNE 30, 2010**

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, 2010.

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, 2010 and 2009, 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 \$2,978,834. Page 23 shows that figure is actually an increase from the beginning Fund Balance of \$2,970,511 by \$8,323. Total General Fund Expenditures were \$3,608,701, a decrease of \$435,233 over the previous fiscal year. So a reserve of \$2,978,834 is 82.5% 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 \$612,525. 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 \$158,038.

Page 10 of the Redevelopment Agency Audit shows the Unreserved Fund Balances of the Redevelopment Agency and the Housing Authority at \$(26,837) and \$766,810, respectively. The negative fund balance of the Redevelopment Agency was due in part to the passing of ABX4-26 requiring the Redevelopment Agency to make a \$402,877 payment to the Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF).

FISCAL IMPACT:

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

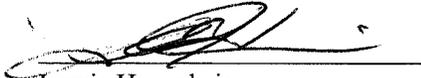
CONCLUSION:

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.

ATTACHMENTS:

1. Resolution No. 2010- & RDA Resolution No. 2010-
2. City of Newman Annual Financial Report3
3. City of Newman Redevelopment Agency Component Unit Annual Financial Report

Respectfully submitted:



Lewis Humphries
Finance Director

REVIEWED/CONCUR:



Michael Holland
City Manager

RESOLUTION NO. 2010-
RDA RESOLUTION NO. 2010-

A RESOLUTION RECEIVING AND ACCEPTING THE GENERAL PURPOSE FINANCIAL STATEMENT, NEWMAN REDEVELOPMENT AGENCY, AND TRANSPORTATION DEVELOPMENT ACT FUNDS AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2010

WHEREAS, there has been submitted to the City Council of the City of Newman by CLENDENIN BIRD & COMPANY, LLP, CERTIFIED PUBLIC ACCOUNTANT, the annual General Purpose Financial Statement, Newman Redevelopment Agency and Transportation Development Act Funds Audit for the fiscal year ending June 30, 2010; and

WHEREAS, said Annual Financial Reports have been examined and considered by the City Council of the City of Newman.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman that the General Purpose Financial Statement, Newman Redevelopment Agency, And Transportation Development Act Funds Audit of the City of Newman for the fiscal year ended June 30, 2010, submitted by CLENDENIN BIRD & COMPANY, LLP, CERTIFIED PUBLIC ACCOUNTANT, is hereby received and accepted.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 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 vote:

AYES:

NOES:

ABSENT:

APPROVED:

Mayor of the City of Newman

ATTEST:

Executive Director/Secretary of the RDA

CITY OF NEWMAN
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

CITY OF NEWMAN, CALIFORNIA

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Cathy L. Gatewood, EA

Constance Hillas Bird, CPA
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Robert C. Kehl
Sara Geer

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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 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, 2010

**City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(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, 2010. 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 2010. Revenues as sales tax and property tax decreased. The City's financial highlights are presented below:

FISCAL YEAR 2010 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2010 include the following:

Entity-wide:

- The City's total net assets were \$32,771,967 as of June 30, 2010. Of this total, \$21,967,041 were Governmental assets and \$10,804,926 were Business-type assets.
- Entity-wide Governmental revenues include program revenues of \$2,954,776 and general revenues and transfers of \$2,772,407 for a total of \$5,727,183.
- Entity-wide Governmental expenses were \$5,826,371.
- Entity-wide Business-type program revenues and interest revenue were \$3,364,445 while Business-type expenses and transfers were \$2,469,899.

Fund Level:

- Governmental Fund balances decreased \$943,322 in fiscal year 2010.
- Governmental Fund revenues decreased \$505,350 in fiscal year 2010.
- Governmental Fund expenditures increased \$442,336 in fiscal year 2010.

General Fund:

- General Fund revenues of \$3,271,725 were \$297,609 less than the prior year.
- General Fund expenditures of \$3,608,701 represent an decrease of \$435,233 over the prior year.
- General Fund balance of \$2,978,834 as of June 30, 2010, is up \$8,323 from the fiscal year 2009's fund balance of \$2,970,511.

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, 2010
(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, 2010
(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 four Major Governmental Funds in addition to the General Fund: The CDBG Fund (Funds 15, 19 and 26), the Public Facility Improvement Fund, the Redevelopment Capital Fund, and the Storm Drain 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

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Statement of Activities, while Tables 4 and 5 focus on the City's Business-type Statement of Net Assets and Statement of Activities.

Governmental Activities

Table 1
Governmental Net Assets at June 30, 2010

	2010	2009
Cash and Investments	\$ 10,567,413	\$ 11,923,454
Other Assets	5,181,513	4,970,934
Capital Assets	11,029,780	10,322,064
Total Assets	<u>26,778,706</u>	<u>27,216,452</u>
Long-Term Debt Outstanding	2,738,241	2,888,970
Other Liabilities	2,073,846	2,261,253
Total Liabilities	<u>4,812,087</u>	<u>5,150,223</u>
Net Assets:		
Invested In Capital Assets, Net of Debt	8,291,539	7,433,094
Restricted	10,268,268	11,123,935
Unrestricted	3,406,812	3,509,200
Total Net Assets	<u>\$ 21,966,619</u>	<u>\$ 22,066,229</u>

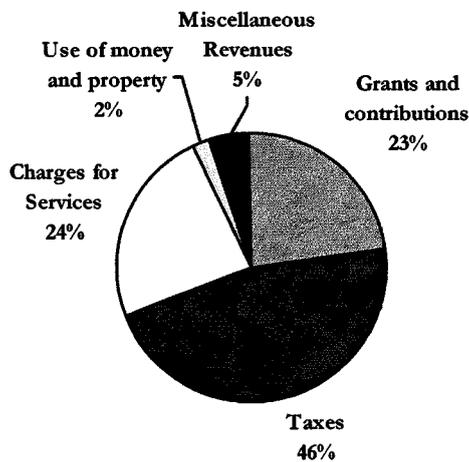
The City's governmental net assets amounted to \$21,966,619 as of June 30, 2010, a decrease of \$99,610 from 2009. This decrease is the Change in Net Assets reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net assets as of June 30, 2010 comprised the following:

- Cash and investments comprised \$10,306,308 in the city treasury and \$261,527 of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note III to the financial statements.
- Receivables comprised \$378,373 of current receivables and loans receivable for \$4,795,671.
- Capital assets of \$11,029,780, 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 \$1,952,250.
- Accrued compensated absence liabilities payable to employees of \$121,596, as explained in Note III G to the financial statements.

**City of Newman
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Fiscal Year Ended June 30, 2010
 (Unaudited)**

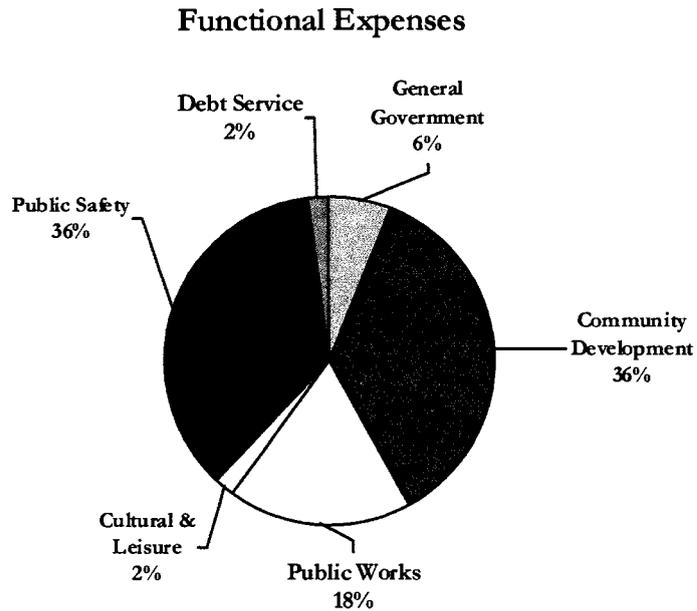
- Long-term debt of \$2,738,241 of which \$2,580,730 is due in future years and \$157,511 is due currently.
- Net assets invested in capital assets, net of related debt, of \$8,291,539, representing the City's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- Restricted net assets totaling \$10,268,268, 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 \$3,406,812 of unrestricted net assets as of June 30, 2010.

Sources of Revenues



As the Sources of Revenue Chart above shows, \$2,653,995, or 46%, of the City's fiscal year 2010 governmental activities revenue came from taxes, while \$1,298,872, or 23%, came from grants and contributions, \$1,655,904, or 24%, 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, 2010
(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 \$344,965, or 6%, of total government expenses, community development and planning is \$2,095,837, or 36%, Public Safety is \$2,084,000, or 36%, Public Works is \$1,061,949, or 18%, Culture & Leisure is \$88,436, or 2%, and Debt Service is \$151,606 or 2%.

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.

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Table 2
Change In Governmental Net Assets:

	2010
Expenses	
General Government	\$ 344,965
Public Safety	2,084,000
Public Works	1,061,949
Community Development	2,095,837
Culture And Leisure	88,436
Interest on Long-Term Debt	151,606
Total Expenses	<u>5,826,793</u>
Revenues	
Program Revenues	
Charges For Services	1,655,904
Operating and Capital Grants	<u>1,298,872</u>
Total Program Revenues	2,954,776
General Revenues	
Taxes	2,653,995
Use of Money and Property	92,912
Other	<u>25,500</u>
Total General Revenues	<u>2,772,407</u>
Total Revenues	<u>5,727,183</u>
Change in Governmental Net Assets	<u>\$ (99,610)</u>

As the Sources of Revenue Chart and Table 2 above show, \$2,954,776, or 52%, of the City's fiscal year 2010 governmental revenue, came from program revenues and \$2,772,407, or 48%, came from general revenues such as taxes and interest and transfers.

Program revenues were composed of charges for services of \$1,655,904, which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$1,298,872 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.

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.

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Table 3
Governmental Activities

	Net (Expense) Revenue From Services 2010
General Government	\$ 1,057,257
Public Safety	(1,853,589)
Public Works	(17,953)
Community Development	(1,817,690)
Culture And Leisure	(88,436)
Interest on Long-Term Debt	(151,606)
Totals	<u>(2,872,017)</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 1
Business Net Assets at June 30, 2010

	2010	2009
Cash and Investments	\$ 7,723,749	\$ 7,506,981
Other Assets	320,608	417,267
Capital Assets	5,450,373	4,845,303
Total Assets	<u>13,494,730</u>	<u>12,769,551</u>
Long-Term Debt Outstanding	2,374,000	2,585,000
Other Liabilities	315,804	274,171
Total Liabilities	<u>2,689,804</u>	<u>2,859,171</u>
Net Assets:		
Invested In Capital Assets, Net of Debt	3,076,373	2,260,303
Restricted	282,359	282,430
Unrestricted	7,446,194	7,367,647
Total Net Assets	<u>\$ 10,804,926</u>	<u>\$ 9,910,380</u>

**City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)**

The net assets of business-type activities increased \$894,546 in fiscal year 2010.

Table 5
Change In Business-Type Net Assets:

	Net (Expense) Revenue From Services 2010	Net (Expense) Revenue From Services 2009
Water Fund	\$ 692	\$ 27,240
Sewer Fund	856,867	773,555
Totals	<u>\$ 857,559</u>	<u>\$ 800,795</u>

Analyses of Major Funds

Governmental Funds

General Fund

General Fund revenues decreased \$297,609 this fiscal year due primarily to decreases in tax revenue. Actual revenues exceeded budgeted amounts by \$191,077. Property taxes decreased \$97,615 as assessed valuations decreased due to falling real estate values. Charges for services were up \$46,386, due to increases in administrative fees, reimbursed salaries and other miscellaneous revenues.

General Fund expenditures were \$3,608,701, a decrease of \$435,233 from the prior year. Expenditures were \$123,406 less than budgeted, primarily related to cost reductions associated with Public Works and Public Safety.

As of June 30, 2010, the General Fund's unreserved fund balance totaled \$2,978,834. The unreserved portion of fund balance represents available liquid resources.

CDBG Fund

This fund is used to account for grants received to loan out to 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. Current Receivable from Valley Manor Housing is \$975,000.

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Public Facility Improvement Fund

This fund accounts for the improvement of public facilities funded by developer fees. In fiscal year 2010, the fund received \$43,128 in developer fees. Developer fee revenue decreased \$107,510 from the prior year due to a decrease in construction projects.

The fund's fiscal year end fund balance of \$4,138,383 represents developer fees that have not yet been expended on public facility projects and improvements.

Storm Drain Fund

The fees accounted for here are to be used for expansion and improvements to the City's storm drain system. The fund currently shows a negative balance due to the Fee Credit Parks liability. As homes are built these fee credits become revenues.

Proprietary Funds

Water Fund

Operating Revenues decreased \$12,114 to a total of \$892,845 in fiscal year 2010 due to a decline in usage. Operating Expenses increased \$97,476 to a total of \$956,694. There was a resulting operating loss of \$63,849. Due to increases in Connection Fee Revenues the fund's net assets increased \$15,527, to a new total of \$2,857,363.

Sewer Fund

Net assets of the Sewer Fund increased \$879,019 in fiscal year 2010 to a total of \$7,947,563. This increase came from an increase in rates charged and increases in connection fees.

As of June 30, 2010, the fund's net assets were \$7,947,563, of which \$1,791,363 was invested in capital assets, net of related debt, \$282,359 is restricted for Debt Service and \$5,873,841 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 2010, 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 2010 the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 6 below:

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Table 6
Capital Assets at Year End

	June 30, 2010	June 30, 2009
Governmental Activities		
Land	\$ 3,360,205	\$ 3,360,205
Construction in Progress	1,170,854	636,870
Streets and Roads	3,506,657	3,506,657
Buildings	4,139,829	3,661,285
Equipment	2,599,953	2,483,749
Accumulated Depreciation	<u>(3,747,718)</u>	<u>(3,326,702)</u>
Governmental Activities Capital		
Assets Net	<u>\$ 11,029,780</u>	<u>\$ 10,322,064</u>
Business-Type Activities		
Land	\$ 1,460,000	\$ 1,460,000
Construction in Progress	9,340	77,813
Buildings	107,566	107,566
Plant and Equipment	7,973,961	7,086,422
Accumulated Depreciation	<u>(4,100,494)</u>	<u>(3,886,497)</u>
Business-Type Activities Capital		
Assets Net	<u>\$ 5,450,373</u>	<u>\$ 4,845,304</u>

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

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 III E to the financial statements.

DEBT ADMINISTRATION

The City issued no new bonded debt in fiscal year 2010. The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note III G to the financial statements. As of June 30, 2010, the City's debt comprised:

City of Newman
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Table 7
 Outstanding Debt

	June 30, 2010	June 30, 2009
<u>Governmental Activity Debt:</u>		
<u>Certificates of Participation:</u>		
1997 Tax allocation and housing, 5.375%-6.200%, due 8/1/27	\$ 2,620,000	\$ 2,735,000
<u>Other Long Term Obligations:</u>		
Note, 5%, due 9/26/12	118,242	153,970
Total Governmental Activity Debt	<u>\$ 2,738,242</u>	<u>\$ 2,888,970</u>
<u>Business-type Activity Debt:</u>		
<u>Certificates of Participation:</u>		
1991 Sewer treatment facility, 3.60%-5.3%, due 5/1/18	\$ 1,800,000	\$ 1,980,000
<u>Revenue Bonds:</u>		
1982 Water Revenue Bonds, Series B, 5.00%, due in 2022	574,000	605,000
Total Business-type Activity Debt:	<u>\$ 2,374,000</u>	<u>\$ 2,585,000</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.

CITY OF NEWMAN
STATEMENTS OF NET ASSETS
JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009

	Primary Government		Totals	
	Governmental Activities	Proprietary Activities	2010	2009
ASSETS				
Cash And Investments	10,305,886	7,441,390	17,747,276	18,870,117
Cash With Fiscal Agent	261,527	282,359	543,886	560,318
Accounts Receivable	378,373	320,608	698,981	731,220
Loans Receivable	4,795,671	0	4,795,671	4,602,786
Prepaid Expenses	7,469	0	7,469	54,195
Capital Assets (Net Of Accumulated Depreciation):				
Land	3,360,205	1,460,000	4,820,205	4,820,205
Construction In Progress	1,170,854	9,340	1,180,194	714,683
Buildings And Improvements	2,679,735	3,790,997	6,470,732	5,411,248
Equipment And Vehicles	985,064	21,036	1,006,100	1,076,860
Infrastructure	2,833,922	169,000	3,002,922	3,144,371
Total Assets	<u>26,778,706</u>	<u>13,494,730</u>	<u>40,273,436</u>	<u>39,986,003</u>
LIABILITIES				
Accounts Payable And Other Current Liabilities	1,952,250	267,035	2,219,285	2,384,293
Compensated Absences	121,596	48,769	170,365	151,132
Long-Term Liabilities:				
Due Within One Year	157,511	211,000	368,511	361,728
Due In More Than One Year	<u>2,580,730</u>	<u>2,163,000</u>	<u>4,743,730</u>	<u>5,112,242</u>
Total Liabilities	<u>4,812,087</u>	<u>2,689,804</u>	<u>7,501,891</u>	<u>8,009,395</u>
NET ASSETS				
Invested In Capital Assets Net Of Related Debt	8,291,539	3,076,373	11,367,912	9,693,397
Restricted For:				
Capital Projects	4,431,622	0	4,431,622	4,697,048
Community Development Projects	4,969,903	0	4,969,903	5,527,148
Debt Service	866,743	282,359	1,149,102	1,182,169
Unrestricted	<u>3,406,812</u>	<u>7,446,194</u>	<u>10,853,006</u>	<u>10,876,846</u>
Total Net Assets	<u>21,966,619</u>	<u>10,804,926</u>	<u>32,771,545</u>	<u>31,976,608</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Functions/Programs	Expenses
Primary Government:	
Governmental Activities:	
General Government	344,965
Public Safety	2,084,000
Public Works	1,061,949
Community Development	2,095,837
Culture And Leisure	88,436
Interest on Long-Term Debt	151,606
Total Governmental Activities	<u>5,826,793</u>
Business-Type Activities	
Water Services	986,169
Sewer Services	<u>1,458,230</u>
Total Business-Type Activities	<u>2,444,399</u>
Total Primary Government	<u><u>8,271,192</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	Proprietary Activities	Total	
					2010	2009
1,395,595	6,627	0	1,057,257	0	1,057,257	719,361
85,523	133,637	11,251	(1,853,589)	0	(1,853,589)	(1,980,667)
145,094	0	898,902	(17,953)	0	(17,953)	316,220
29,692	5,000	243,455	(1,817,690)	0	(1,817,690)	(1,673,590)
0	0	0	(88,436)	0	(88,436)	(150,719)
0	0	0	(151,606)	0	(151,606)	(159,181)
<u>1,655,904</u>	<u>145,264</u>	<u>1,153,608</u>	<u>(2,872,017)</u>	<u>0</u>	<u>(2,872,017)</u>	<u>(2,928,576)</u>
986,861	0	0	0	692	692	27,240
<u>2,315,097</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>856,867</u>	<u>856,867</u>	<u>773,555</u>
<u>3,301,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>857,559</u>	<u>857,559</u>	<u>800,795</u>
<u>4,957,862</u>	<u>145,264</u>	<u>1,153,608</u>	<u>(2,872,017)</u>	<u>857,559</u>	<u>(2,014,458)</u>	<u>(2,127,781)</u>
General Revenues:						
Taxes:						
Property Tax			1,219,152	0	1,219,152	1,547,512
Sales Tax			310,958	0	310,958	436,866
Motor Vehicle Tax			629,537	0	629,537	762,863
Franchise Tax			109,714	0	109,714	124,136
Other Taxes			384,634	0	384,634	420,524
Investment Earnings			92,912	62,487	155,399	391,986
Transfers			25,500	(25,500)	(0)	0
Total General Revenues And Transfers			<u>2,772,407</u>	<u>36,987</u>	<u>2,809,394</u>	<u>3,683,887</u>
Change In Net Assets			(99,610)	894,546	794,936	1,556,106
Net Assets - Beginning			<u>22,066,229</u>	<u>9,910,380</u>	<u>31,976,609</u>	<u>30,420,503</u>
Net Assets - Ending			<u>21,966,619</u>	<u>10,804,926</u>	<u>32,771,545</u>	<u>31,976,609</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	<u>General</u>	<u>CDBG</u>	<u>Public Facility Improvement Fund</u>
Assets			
Cash And Investments	3,579,127	663,913	4,138,383
Cash with Fiscal Agent	0	0	0
Accounts Receivable	205,219	10,495	0
Loans Receivable	0	4,095,281	0
Prepaid Expenses	7,469	0	0
Total Assets	<u>3,791,815</u>	<u>4,769,689</u>	<u>4,138,383</u>
Liabilities			
Accounts Payable	182,991	1,716	0
Compensated Absences	0	0	0
Other Liabilities	629,990	0	0
Total Liabilities	<u>812,981</u>	<u>1,716</u>	<u>0</u>
Fund Balances			
Reserved	0	0	0
Unreserved	2,978,834	4,767,973	4,138,383
Total Fund Balances	<u>2,978,834</u>	<u>4,767,973</u>	<u>4,138,383</u>
Total Liabilities And Fund Balances	<u>3,791,815</u>	<u>4,769,689</u>	<u>4,138,383</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Redevelopment Capital Fund	Storm Drain Fund	Other Funds	Total Governmental Funds	
			2010	2009
3,239	158,038	1,763,186	10,305,886	11,645,566
261,527	0	0	261,527	277,888
0	0	162,659	378,373	313,953
557,790	0	142,600	4,795,671	4,602,786
0	0	0	7,469	54,195
<u>822,556</u>	<u>158,038</u>	<u>2,068,445</u>	<u>15,748,926</u>	<u>16,894,388</u>
73,144	0	181,433	439,284	653,519
9,639	0	390	10,029	6,450
0	770,563	112,413	1,512,966	1,504,028
<u>82,783</u>	<u>770,563</u>	<u>294,236</u>	<u>1,962,279</u>	<u>2,163,997</u>
0	0	0	0	0
739,773	(612,525)	1,774,209	13,786,647	14,730,391
<u>739,773</u>	<u>(612,525)</u>	<u>1,774,209</u>	<u>13,786,647</u>	<u>14,730,391</u>
<u>822,556</u>	<u>158,038</u>	<u>2,068,445</u>	<u>15,748,926</u>	<u>16,894,388</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

Total fund balances - governmental funds 13,786,647

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	1,170,854	
Infrastruture net of \$672,735 accumulated depreciation	2,833,922	
Buildings and Improvements, net of \$1,460,094 accumulated depreciation	2,679,735	
Equipment and Vehicles, net of \$1,614,889 accumulated depreciation	<u>985,064</u>	
Total capital assets		11,029,780

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	(2,738,241)	
Compensated absences	<u>(111,567)</u>	
Total long-term liabilities		(2,849,808)

Total net assets - governmental activities 21,966,619

**CITY OF NEWMAN
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	<u>General</u>	<u>CDBG</u>	<u>Public Facility Improvement Fund</u>
Revenues			
Property Tax	567,554	0	0
Sales Tax	310,958	0	0
Other Tax And Franchises	764,221	0	0
Licenses And Permits	137,843	0	0
Fines And Forfeitures	105,444	0	0
Investment Earnings	31,391	1,995	35,144
Intergovernmental	33,538	243,455	0
Impact Fees	0	0	43,128
Service Charges And Miscellaneous	1,320,776	1,121	0
Total Revenues	<u>3,271,725</u>	<u>246,571</u>	<u>78,272</u>
Expenditures			
Current			
General Government	284,323	0	0
Public Safety	1,964,135	0	0
Public Works	409,944	0	21,336
Community Development	872,429	11,028	0
Culture And Leisure	77,870	0	0
Debt Service			
Principal	0	0	12,504
Interest & Other Charges	0	0	2,689
Capital Outlay	0	0	0
Total Expenditures	<u>3,608,701</u>	<u>11,028</u>	<u>36,529</u>
Excess (Deficiency) Of Revenues			
Over Expenditures	<u>(336,976)</u>	<u>235,543</u>	<u>41,743</u>
Other Financing Sources (Uses)			
Operating Transfers In	345,299	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	<u>345,299</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	8,323	235,543	41,743
Fund Balance - Beginning	<u>2,970,511</u>	<u>4,532,430</u>	<u>4,096,640</u>
Fund Balance- Ending	<u><u>2,978,834</u></u>	<u><u>4,767,973</u></u>	<u><u>4,138,383</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Redevelopment Agency Fund	Storm Drain Fund	Other Funds	Total Governmental Funds	
			2010	2009
651,598	0	0	1,219,152	1,547,512
0	0	0	310,958	436,866
0	0	359,664	1,123,885	1,307,523
0	0	9,964	147,807	99,355
0	0	0	105,444	40,448
5,820	1,342	17,220	92,912	256,420
0	0	1,021,879	1,298,872	1,046,758
0	1,488	6,305	50,921	195,962
25,071	317	4,446	1,351,731	1,276,188
<u>682,489</u>	<u>3,147</u>	<u>1,419,478</u>	<u>5,701,682</u>	<u>6,207,032</u>
0	0	18,484	302,807	531,821
0	0	3,687	1,967,822	2,081,985
0	0	429,260	860,540	660,365
902,947	0	244,418	2,030,822	1,627,913
0	0	0	77,870	140,842
115,000	0	23,224	150,728	159,030
143,923	0	4,994	151,606	159,181
57,669	0	1,071,062	1,128,731	867,031
<u>1,219,539</u>	<u>0</u>	<u>1,795,129</u>	<u>6,670,926</u>	<u>6,228,168</u>
(537,050)	3,147	(375,651)	(969,244)	(21,136)
25,500	0	475,328	846,127	770,347
(268,328)	0	(552,299)	(820,627)	(584,732)
(242,828)	0	(76,971)	25,500	185,615
(779,878)	3,147	(452,622)	(943,744)	164,479
<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>739,773</u>	<u>(612,525)</u>	<u>1,774,209</u>	<u>13,786,647</u>	<u>14,730,391</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, 2010**

Net change in fund balances - total governmental funds (943,744)

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 (\$1,128,731) exceeded depreciation (\$421,016) in the current period. 707,715

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. 150,728

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. (14,309)

Changes in net assets of governmental activities (99,610)

**CITY OF NEWMAN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2009 Actual
	Original	Final			
REVENUES					
Property Tax	502,724	502,724	567,554	64,830	665,169
Sales Tax	450,000	300,000	310,958	10,958	436,866
Other Tax And Franchise Fees	793,000	793,000	764,221	(28,779)	923,569
Licenses And Permits	87,350	87,350	137,843	50,493	89,176
Intergovernmental	43,000	43,000	33,538	(9,462)	36,922
Fines And Forfeitures	52,500	52,500	105,444	52,944	40,448
Investment Earnings	100,000	50,000	31,391	(18,609)	102,793
Service Charges And Miscellaneous	<u>1,252,074</u>	<u>1,252,074</u>	<u>1,320,776</u>	<u>68,702</u>	<u>1,274,391</u>
Total Revenues	<u>3,280,648</u>	<u>3,080,648</u>	<u>3,271,725</u>	<u>191,077</u>	<u>3,569,334</u>
EXPENDITURES					
General Government	296,773	305,262	284,323	(20,939)	461,172
Public Safety	1,927,589	2,004,472	1,964,135	(40,337)	2,046,896
Public Works	501,701	507,179	409,944	(97,235)	545,676
Community Development	810,777	812,568	872,429	59,861	849,348
Recreation And Leisure	101,984	102,626	77,870	(24,756)	140,842
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,638,824</u>	<u>3,732,107</u>	<u>3,608,701</u>	<u>(123,406)</u>	<u>4,043,934</u>
Excess (Deficiency) Of Revenues Over Expenditures	(358,176)	(651,459)	(336,976)	314,483	(474,600)
OTHER FINANCING SOURCES (USES)					
Transfers In	277,596	340,088	345,299	5,211	361,385
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(25,000)</u>
Total Other Financing Sources And (Uses)	<u>277,596</u>	<u>340,088</u>	<u>345,299</u>	<u>5,211</u>	<u>336,385</u>
Net Change In Fund Balance	(80,580)	(311,371)	8,323	319,694	(138,215)
Fund Balance - Beginning	<u>2,970,511</u>	<u>2,970,511</u>	<u>2,970,511</u>	<u>0</u>	<u>3,108,726</u>
Fund Balance - Ending	<u>2,889,931</u>	<u>2,659,140</u>	<u>2,978,834</u>	<u>319,694</u>	<u>2,970,511</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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010			Variance With Final Budget Over (Under)	2009 Actual
	Budgeted Amounts		Actual		
	Original	Final			
General Government					
City Council	34,503	34,503	24,616	(9,887)	35,864
City Manager	102,545	109,276	118,928	9,652	259,766
City Clerk	36,386	36,741	31,458	(5,283)	42,183
Finance And Treasurer	123,339	124,742	109,321	(15,421)	123,359
Total General Government	<u>296,773</u>	<u>305,262</u>	<u>284,323</u>	<u>(20,939)</u>	<u>461,172</u>
Public Safety					
Police	1,807,568	1,884,451	1,881,267	(3,184)	1,953,579
Fire	120,021	120,021	82,868	(37,153)	93,317
Total Public Safety	<u>1,927,589</u>	<u>2,004,472</u>	<u>1,964,135</u>	<u>(40,337)</u>	<u>2,046,896</u>
Public Works					
Government Buildings	58,905	59,298	49,964	(9,334)	45,843
Government Auxiliary	81,905	81,906	80,139	(1,767)	79,124
Street Maintenance	218,175	219,690	159,037	(60,653)	262,779
Parks	142,716	146,285	120,804	(25,481)	157,930
Total Public Works	<u>501,701</u>	<u>507,179</u>	<u>409,944</u>	<u>(97,235)</u>	<u>545,676</u>
Community Development					
Planning	106,009	107,049	105,384	(1,665)	114,383
Building Regulation	87,268	87,969	118,538	30,569	103,099
Refuse Disposal	588,000	588,000	609,946	21,946	587,618
Corporation Yard	9,500	9,550	9,487	(63)	4,147
Engineering	20,000	20,000	29,074	9,074	40,101
Total Community Development	<u>810,777</u>	<u>812,568</u>	<u>872,429</u>	<u>59,861</u>	<u>849,348</u>
Recreation And Leisure					
Recreation	101,984	102,626	77,870	(24,756)	140,842
Total Culture And Leisure	<u>101,984</u>	<u>102,626</u>	<u>77,870</u>	<u>(24,756)</u>	<u>140,842</u>
Total General Fund	<u>3,638,824</u>	<u>3,732,107</u>	<u>3,608,701</u>	<u>(123,406)</u>	<u>4,043,934</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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010		Actual	Variance With Final Budget Over (Under)	2009 Actual
	Budgeted Amounts				
	Original	Final			
REVENUES					
Interest Income	2,000	2,000	1,995	(5)	11,651
Program Income	25,000	25,000	1,121	(23,879)	0
Intergovernmental	0	0	243,455	243,455	0
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>246,571</u>	<u>219,571</u>	<u>11,651</u>
EXPENDITURES					
Supplies And Services	13,000	13,000	11,028	(1,972)	12,976
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>11,028</u>	<u>(1,972)</u>	<u>12,976</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>14,000</u>	<u>14,000</u>	<u>235,543</u>	<u>221,543</u>	<u>(1,325)</u>
OTHER FINANCING SOURCES (USES)					
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	14,000	14,000	235,543	221,543	(1,325)
Fund Balance - Beginning	<u>4,532,430</u>	<u>4,532,430</u>	<u>4,532,430</u>	<u>0</u>	<u>4,533,755</u>
Fund Balance - Ending	<u>4,546,430</u>	<u>4,546,430</u>	<u>4,767,973</u>	<u>221,543</u>	<u>4,532,430</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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010		Actual	Variance With Final Budget Over (Under)	2009 Actual
	Budgeted Amounts				
	Original	Final			
REVENUES					
Interest Income	48,000	28,000	35,144	7,144	75,528
Impact Fees	121,181	121,181	43,128	(78,053)	150,638
Total Revenues	169,181	149,181	78,272	(70,909)	226,166
EXPENDITURES					
Supplies And Services	54,000	54,000	21,336	(32,664)	42,831
Capital Outlay	0	0	0	0	14,268
Debt Service					
Principal	12,050	12,505	12,504	(1)	11,910
Interest & Other Charges	2,689	2,689	2,689	0	3,283
Total Expenditures	68,739	69,194	36,529	(32,665)	72,292
Excess (Deficiency) Of Revenues Over Expenditures	100,442	79,987	41,743	(38,244)	153,874
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources And (Uses)	0	0	0	0	0
Net Change In Fund Balance	100,442	79,987	41,743	(38,244)	153,874
Fund Balance - Beginning	4,096,640	4,096,640	4,096,640	0	3,942,766
Fund Balance - Ending	4,197,082	4,176,627	4,138,383	(38,244)	4,096,640

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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010				
	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)	2009 Actual
	Original	Final			
REVENUES					
Property Taxes	860,948	859,958	651,598	(208,360)	882,343
Interest Income	14,640	6,190	5,820	(370)	22,037
Intergovernmental	0	0	0	0	0
Miscellaneous Revenues	24,744	424,744	25,071	(399,673)	0
Total Revenues	<u>900,332</u>	<u>1,290,892</u>	<u>682,489</u>	<u>(608,403)</u>	<u>904,380</u>
EXPENDITURES					
Salaries And Benefits	132,977	118,446	147,608	29,162	113,892
Supplies And Services	396,797	298,280	755,339	457,059	466,913
Capital Outlay	5,000	5,000	57,669	52,669	30,180
Debt Service					
Principal	115,000	115,000	115,000	0	125,000
Interest & Other Charges	143,923	143,923	143,923	0	149,800
Total Expenditures	<u>793,697</u>	<u>680,649</u>	<u>1,219,539</u>	<u>538,890</u>	<u>885,785</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>106,635</u>	<u>610,243</u>	<u>(537,050)</u>	<u>(1,147,293)</u>	<u>18,595</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	25,500	25,500	25,500	0	0
Transfers Out	(523,417)	(523,517)	(268,328)	255,189	(178,347)
Total Other Financing Sources And (Uses)	<u>(497,917)</u>	<u>(498,017)</u>	<u>(242,828)</u>	<u>255,189</u>	<u>(178,347)</u>
Net Change In Fund Balance	(391,282)	112,226	(779,878)	(892,104)	(159,752)
Fund Balance - Beginning	<u>1,519,651</u>	<u>1,519,651</u>	<u>1,519,651</u>	<u>0</u>	<u>1,679,403</u>
Fund Balance - Ending	<u>1,128,369</u>	<u>1,631,877</u>	<u>739,773</u>	<u>(892,104)</u>	<u>1,519,651</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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	2010		Actual	Variance With Final Budget Over (Under)	2009 Actual
	Budgeted Amounts				
	Original	Final			
REVENUES					
Interest Income	2,000	1,200	1,342	142	2,819
Impact Fees	0	0	1,488	1,488	10,314
Service Charges And Miscellaneous	0	0	317	317	53
Total Revenues	<u>2,000</u>	<u>1,200</u>	<u>3,147</u>	<u>1,947</u>	<u>13,186</u>
EXPENDITURES					
Supplies And Services	25,000	25,000	0	(25,000)	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>
Excess (Deficiency) Of Revenues Over Expenditures	(23,000)	(23,800)	<u>3,147</u>	<u>26,947</u>	<u>13,186</u>
OTHER FINANCING SOURCES (USES)					
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	(23,000)	(23,800)	3,147	26,947	13,186
Fund Balance - Beginning	(615,672)	(615,672)	(615,672)	0	(628,858)
Fund Balance - Ending	<u>(638,672)</u>	<u>(639,472)</u>	<u>(612,525)</u>	<u>26,947</u>	<u>(615,672)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS**

JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009

Business-Type Activities-Enterprise Funds

	Sewer Fund	Water Fund	Totals	
			2010	2009
Assets				
Cash And Investments	5,708,882	1,732,508	7,441,390	7,224,551
Cash With Fiscal Agent	282,359	0	282,359	282,430
Accounts Receivable	225,649	94,959	320,608	417,267
Fixed Assets	6,778,063	2,763,464	9,541,527	8,653,987
Accumulated Depreciation	(3,196,040)	(904,454)	(4,100,494)	(3,886,497)
Work In Progress	9,340	0	9,340	77,813
Total Assets	9,808,253	3,686,477	13,494,730	12,769,551
Liabilities				
Accounts Payable	32,123	41,641	73,764	61,847
Customer Deposits	0	92,281	92,281	63,909
Compensated Absences	28,567	20,202	48,769	47,425
Other Liabilities	0	100,990	100,990	100,990
Loan Payable	1,800,000	0	1,800,000	1,980,000
Bond Payable	0	574,000	574,000	605,000
Total Liabilities	1,860,690	829,114	2,689,804	2,859,171
Net Assets				
Invested In Capital Assets, Net Of Related Debt	1,791,363	1,285,010	3,076,373	2,260,303
Restricted For Debt Service	282,359	0	282,359	282,430
Unrestricted	5,873,841	1,572,353	7,446,194	7,367,647
Total Net Assets	7,947,563	2,857,363	10,804,926	9,910,380

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	Business-Type Activities-Enterprise Funds			
	Sewer Fund	Water Fund	Totals	
			2010	2009
Operating Revenues				
Service Charges	2,012,545	864,824	2,877,369	2,700,575
Miscellaneous Revenues	73,604	28,021	101,625	131,203
Total Operating Revenues	<u>2,086,149</u>	<u>892,845</u>	<u>2,978,994</u>	<u>2,831,778</u>
Operating Expenses				
Employee Services	432,881	365,987	798,868	859,956
Supplies And Services	785,822	516,184	1,302,006	992,402
Depreciation	139,474	74,523	213,997	200,647
Total Operating Expenses	<u>1,358,177</u>	<u>956,694</u>	<u>2,314,871</u>	<u>2,053,005</u>
Operating Income (Loss)	<u>727,972</u>	<u>(63,849)</u>	<u>664,123</u>	<u>778,773</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	47,652	14,835	62,487	135,566
Connection Fees	123,305	92,731	216,036	19,125
Development Fees	105,643	1,285	106,928	141,745
Development Contribution	0	0	0	0
Interest Expense	<u>(100,053)</u>	<u>(29,475)</u>	<u>(129,528)</u>	<u>(138,848)</u>
Total Nonoperating Revenues (Expenses)	<u>176,547</u>	<u>79,376</u>	<u>255,923</u>	<u>157,588</u>
Income Before Transfers	<u>904,519</u>	<u>15,527</u>	<u>920,046</u>	<u>936,361</u>
Operating Transfer In	190,000	0	190,000	0
Operating Transfer Out	<u>(215,500)</u>	<u>0</u>	<u>(215,500)</u>	<u>(185,615)</u>
Total Other Financing Sources (Uses)	<u>(25,500)</u>	<u>0</u>	<u>(25,500)</u>	<u>(185,615)</u>
Change In Net Assets	879,019	15,527	894,546	750,746
Total Net Assets - Beginning	<u>7,068,544</u>	<u>2,841,836</u>	<u>9,910,380</u>	<u>9,159,634</u>
Total Net Assets - Ending	<u><u>7,947,563</u></u>	<u><u>2,857,363</u></u>	<u><u>10,804,926</u></u>	<u><u>9,910,380</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	Business-Type Activities-Enterprise Funds			
	Sewer Fund	Water Fund	Totals	
			2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers And Users	2,186,757	917,268	3,104,025	2,764,803
Payments To Suppliers	(785,604)	(504,484)	(1,290,087)	(1,014,263)
Payments To Employees	(430,337)	(367,188)	(797,525)	(862,927)
Net Cash Provided By Operating Activities	<u>970,816</u>	<u>45,596</u>	<u>1,016,412</u>	<u>887,612</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer Ins	190,000	0	190,000	0
Transfer Out	(215,500)	0	(215,500)	(185,615)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(25,500)</u>	<u>0</u>	<u>(25,500)</u>	<u>(185,615)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection Fees	123,305	92,730	216,035	19,125
Development Fees	105,643	1,285	106,928	141,745
Purchase Of Capital Assets	(809,066)	(10,000)	(819,066)	(118,977)
Principal Paid On Capital Debt	(180,000)	(31,000)	(211,000)	(198,999)
Interest Paid On Capital Debt	(100,053)	(29,475)	(129,528)	(138,848)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(860,171)</u>	<u>23,540</u>	<u>(836,631)</u>	<u>(295,954)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>47,652</u>	<u>14,835</u>	<u>62,487</u>	<u>135,566</u>
Net Cash Provided By Investing Activities	<u>47,652</u>	<u>14,835</u>	<u>62,487</u>	<u>135,566</u>
Net Increase In Cash And Cash Equivalents	132,797	83,971	216,768	541,609
Cash And Equivalents, July 1	<u>5,858,444</u>	<u>1,648,537</u>	<u>7,506,981</u>	<u>6,965,372</u>
Cash And Equivalents, June 30	<u>5,991,241</u>	<u>1,732,508</u>	<u>7,723,749</u>	<u>7,506,981</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities	Business-Type Activities-Enterprise Funds			
	Sewer Fund	Water Fund	Totals	
			2010	2009
Operating Income	727,972	(63,849)	664,123	(225,048)
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities				
Depreciation Expense	139,474	74,523	213,997	196,878
(Increase) Decrease In Accounts Receivable	100,608	(3,949)	96,659	(65,263)
Increase (Decrease) In Accounts Payable	218	11,699	11,917	(48,073)
Compensated Absences	2,544	(1,200)	1,344	8,462
Customer Deposits	0	28,372	28,372	8,001
Net Cash Provided (Used) By Operating Activities	<u>970,816</u>	<u>45,596</u>	<u>1,016,412</u>	<u>(125,043)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

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, 2010 AND 2009

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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

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.

CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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:

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

1. Cash and Investments (continued)

- 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 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 January 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 January 1st, and on the date of transfer of title, and the date of new construction.

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

3. Property Taxes (continued)

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

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

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

4. Prepaid Items

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

5. Restricted Assets

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

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, 2010 AND 2009**

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, 2010 AND 2009**

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, 2010, the following fund has a deficit fund balance:

Storm Drain Fund	\$612,525
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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, 2010 AND 2009**

III. DETAILED NOTES ON ALL FUNDS

A. Cash And Investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	17,747,276
Cash and investments held by bond trustee	<u>543,886</u>
Total cash and investments	<u>18,291,162</u>

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

Cash on hand	1,000
Deposits with financial institutions	3,898,220
Investments in LAIF	<u>14,391,942</u>
Total cash and investments	<u>18,291,162</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>14,391,942</u>	7.1 months average maturity
Total	<u>14,391,942</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
JUNE 30, 2010 AND 2009**

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.

\$1,301,191 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
JUNE 30, 2010 AND 2009**

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, 2010 is \$543,886 and consists of \$282,359 in the Sewer Fund and \$261,527 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, 2010 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>CDBG</u>	<u>Non-Major Govern- mental</u>	<u>Total</u>
Governmental Activities:				
Utility Billing	83,039	0	0	83,039
Intergovernmental	85,932	10,455	162,699	259,086
Other	36,248	0	0	36,248
Total	<u>205,219</u>	<u>10,455</u>	<u>162,699</u>	<u>378,373</u>

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Business-Type Activities:			
Utility Billing	89,338	150,557	239,895
Other	5,621	75,092	80,713
Total	<u>94,959</u>	<u>225,649</u>	<u>320,608</u>

CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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, 2010 is \$4,095,281. Additional Loans Receivable of the Redevelopment Agency are as follows:

The Agency had the following loans receivables as of June 30, 2010:

Westside Village	377,790
Jose Reynose	<u>180,000</u>
Total	<u>557,790</u>

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, 2010 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, 2010 was \$180,000.

D. Evaluation of Subsequent Events

The City has evaluated subsequent events through November 4, 2010, the date which the financial statements were available to be issued.

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

E. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental-type Activities				
Capital assets not being depreciated:				
Land	3,360,205	0	0	3,360,205
Construction In Progress	<u>636,870</u>	<u>1,012,528</u>	<u>(478,544)</u>	<u>1,170,854</u>
Total capital assets not being depreciated	<u>3,997,075</u>	<u>1,012,528</u>	<u>(478,544)</u>	<u>4,531,059</u>
Capital assets being depreciated:				
Infrastructure	3,506,657	0	0	3,506,657
Equipment And Vehicles	2,483,749	116,204	0	2,599,953
Building And Improvements	<u>3,661,285</u>	<u>478,544</u>	<u>0</u>	<u>4,139,829</u>
Total capital assets being depreciated	<u>9,651,691</u>	<u>594,748</u>	<u>0</u>	<u>10,246,439</u>
Less accumulated depreciation for:				
Infrastructure	(549,014)	(123,721)	0	(672,735)
Equipment And Vehicles	(1,433,107)	(181,782)	0	(1,614,889)
Building And Improvements	<u>(1,344,581)</u>	<u>(115,513)</u>	<u>0</u>	<u>(1,460,094)</u>
Total accumulated depreciation	<u>(3,326,702)</u>	<u>(421,016)</u>	<u>0</u>	<u>(3,747,718)</u>
Net capital assets being depreciated	<u>6,324,989</u>	<u>173,732</u>	<u>0</u>	<u>6,498,721</u>
Total net capital assets - Governmental-type activities	<u>10,322,064</u>	<u>1,186,260</u>	<u>(478,544)</u>	<u>11,029,780</u>

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

Government Activities:

General Government	27,848
Public Safety	116,178
Public Works	201,409
Community Development	65,015
Culture And Leisure	<u>10,566</u>
Total Depreciation Expense – Government Activities	<u>421,016</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

E. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	1,460,000	0	0	1,460,000
Construction In Progress	<u>77,813</u>	<u>799,066</u>	<u>(867,539)</u>	<u>9,340</u>
Total capital assets not being depreciated	<u>1,537,813</u>	<u>799,066</u>	<u>(867,539)</u>	<u>1,469,340</u>
Capital assets being depreciated:				
Infrastructure	6,239,417	867,539	0	7,106,956
Equipment And Vehicles	847,005	20,000	0	867,005
Building And Improvements	<u>107,566</u>	<u>0</u>	<u>0</u>	<u>107,566</u>
Total capital assets being depreciated	<u>7,193,988</u>	<u>887,539</u>	<u>0</u>	<u>8,081,527</u>
Less accumulated depreciation for:				
Infrastructure	(3,147,394)	(171,086)	0	(3,318,480)
Equipment And Vehicles	(660,448)	(37,729)	0	(698,177)
Building And Improvements	<u>(78,655)</u>	<u>(5,182)</u>	<u>0</u>	<u>(83,837)</u>
Total accumulated depreciation	<u>(3,886,497)</u>	<u>(213,997)</u>	<u>0</u>	<u>(4,100,494)</u>
Net capital assets being depreciated	<u>3,307,491</u>	<u>673,542</u>	<u>0</u>	<u>3,981,033</u>
Total net capital assets - Business-type activities	<u>4,845,304</u>	<u>1,472,608</u>	<u>(867,539)</u>	<u>5,450,373</u>

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

Business- Type Activities:

Water	74,523
Sewer	<u>139,474</u>
Total Depreciation Expense – Business-Type Activities	<u>213,997</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

F. Transfers

Interfund transfers for the year ended June 30, 2010 consisted of the following amounts:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	345,299	0
Federal Grants	268,328	0
State Grants	207,000	0
Gas Tax	0	178,685
COPS Grant	0	100,000
Federal Grants	0	63,792
K-9	0	2,822
Park Fac	0	182,000
Local Transportation	0	25,000
Redevelopment	25,500	268,328
Sewer	190,000	215,500
Total	<u>1,036,127</u>	<u>1,036,127</u>

G. Long-Term Debt

Long-term debt consists of the following:

Governmental-Type Activities:

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 \$118,242 as of June 30, 2010.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	37,511	5,900	43,411
2012	39,383	4,028	43,411
2013	41,348	2,063	43,411
Total	<u>118,242</u>	<u>11,991</u>	<u>130,233</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

G. Long-Term Debt (continued)

Certificates of Participation

In the year ended June 30, 1997 the City issued tax allocation project and housing bonds. The bonds payable were \$2,620,000 as of June 30, 2010.

Year Ending June 30	Principal	Interest	Total
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	135,000	111,515	246,515
2016-2020	700,000	441,471	1,141,471
2021-2025	760,000	245,369	1,005,369
2026-2028	525,000	48,375	573,375
Total	<u>2,620,000</u>	<u>1,360,443</u>	<u>3,980,443</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, 2010 is \$574,000.

Year Ending June 30	Principal	Interest	Total
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	39,000	20,725	59,725
2016-2020	228,000	71,375	299,375
2021-2023	167,000	10,260	177,260
Total	<u>574,000</u>	<u>203,660</u>	<u>777,660</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

G. Long-Term Debt (continued)

Certificates of Participation

The City issued certifications of participation in May 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, 2010 were \$1,800,000.

Year Ending June 30	Principal	Interest	Total
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	230,000	51,330	281,330
2016-2017	760,000	80,813	840,813
Total	1,800,000	440,975	2,240,975

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, 2010:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Loans Payable	153,969	0	(35,728)	118,241	37,511
Certificate of Participation	2,735,000	0	(115,000)	2,620,000	120,000
Compensated Absences	103,707	17,665	0	121,372	0
Long-term liabilities of Governmental Activities	<u>2,992,676</u>	<u>17,665</u>	<u>(150,728)</u>	<u>2,859,613</u>	<u>157,511</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

G. Long-Term Debt (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds	605,000	0	(31,000)	574,000	3,200
Certificate of Participation	1,980,000	0	(180,000)	1,800,000	190,000
Compensated Absences	<u>47,425</u>	<u>1,294</u>	<u>0</u>	<u>48,719</u>	<u>0</u>
Long-term liabilities of Business-Type Activities	<u>2,632,425</u>	<u>1,294</u>	<u>(211,000)</u>	<u>2,422,719</u>	<u>193,200</u>

H. Payables And Other Liabilities

Payables at June 30, 2010 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>Redevelop- ment Agency</u>	<u>Non- major Govern- mental</u>	<u>Total</u>
Governmental Activities:							
Vendors	182,991	0	0	1,716	73,144	181,433	439,284
Developer							
Deposits	<u>629,990</u>	<u>770,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>112,413</u>	<u>1,512,966</u>
Total	<u>812,981</u>	<u>770,563</u>	<u>0</u>	<u>1,716</u>	<u>73,144</u>	<u>293,846</u>	<u>1,952,250</u>

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

H. Payables And Other Liabilities (continued)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Business-Type Activities:			
Vendors	41,641	32,123	73,764
Customer Deposits	92,281	0	92,281
Developer Deposits	100,990	0	100,990
Total	<u>234,912</u>	<u>32,123</u>	<u>267,035</u>

I. Proposition 1A Borrowing by State of California

Under the provision of Proposition 1A and part of the 2009-2010 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax and supplemental property tax apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Newman was \$116,772.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of property tax reduction. All transaction cost of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

J. Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF)

On February 9, 2010 the Agency Board of Directors authorizing a loan of \$402,877 (the LMIHF Loan) from the Housing Fund to the Redevelopment Fund at 0% interest. The purpose for this loan was to comply with State Legislation ABX4-26 which among other things required the Redevelopment Agency to make payments to the Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF). Statute allows for the Agency to borrow funds from its Low and Moderate Income Housing Fund if there are insufficient other monies to make the required payment.

According to SB68 the Redevelopment Fund until 2015 to repay the May 2010 payment (\$402,877) and until 2016 to repay the payment that will be made in May 2011 (estimated to be \$83,000). The Redevelopment Agency does not have a repayment schedule but plans to repay it before the 5 year deadline to avoid incurring any interest charges.

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, 2010 AND 2009**

A. Risk Management (continued)

The financial position and results of operations for the CSJVRMA, as of June 30, 2009, are presented below:

Total Assets	<u>63,349,322</u>
Total Liabilities	54,045,869
Total Net Assets	<u>9,303,453</u>
Total Liabilities & Retained Earnings	<u>63,349,322</u>
Total Revenues for Year	28,146,623
Total Expenses for Year	<u>28,543,025</u>
Net Income for Year	<u>(396,402)</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.

**CITY OF NEWMAN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

C. Employee Retirement Systems and Plans (continued)

The current rate is 17.672% for non-safety employees, 30.367% of police employees, of annual covered payroll.

For June 30, 2010, the City's annual pension cost was \$400,072 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 Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/08	\$337,693	100%	0
06/30/09	\$376,800	100%	0
06/30/10	\$400,072	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.

**CITY OF NEWMAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009

Special Revenue

	Program Income Misc. Fund	Park Facility Fee Fund	State Grants Fund	Safety Grants Fund	Abandoned Vehicle Program
Assets					
Cash And Investments	1,585	190,536	32,200	185,112	11,289
Cash with Fiscal Agent	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
Due From Other Funds	0	0	0	0	0
Total Assets	1,585	190,536	32,200	185,112	11,289
Liabilities And Fund Balances					
Liabilities					
Accounts Payable	0	0	113,105	12,943	0
Compensated Absences	0	0	0	0	47
Other Liabilities	0	110,546	0	0	0
Due To Other Funds	0	0	0	0	0
Total Liabilities	0	110,546	113,105	12,943	47
Fund Balances					
Reserved	0	0	0	0	0
Unreserved	1,585	79,990	(80,905)	172,169	11,242
Total Fund Balances	1,585	79,990	(80,905)	172,169	11,242
Total Liabilities And Fund Balances	1,585	190,536	32,200	185,112	11,289

**CITY OF NEWMAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Special Revenue

Gas Tax Fund	Employee Home Loan Fund	K-9 Fund	COPS Grant Fund	Asset Forfeit Fund	Local Transportation Fund	County CDBG Construction Fund
0	21,009	1	23,887	985	628,869	(20,344)
0	0	0	0	0	0	0
0	0	0	25,000	0	27,106	110,553
0	142,600	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>163,609</u>	<u>1</u>	<u>48,887</u>	<u>985</u>	<u>655,975</u>	<u>90,209</u>
0	0	0	0	0	2,334	8,918
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>2,334</u>	<u>8,918</u>
0	0	0	0	0	0	0
0	163,609	1	48,887	985	653,641	81,291
0	163,609	1	48,887	985	653,641	81,291
<u>0</u>	<u>163,609</u>	<u>1</u>	<u>48,887</u>	<u>985</u>	<u>655,975</u>	<u>90,209</u>

**CITY OF NEWMAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Special Revenue

	Business License Surcharge Fund	Lighting Landscape District Fund	Contingency Fund	Capital Repair Replacement Fund	Total Non-Major Special Revenue Funds	
					2010	2009
Assets						
Cash And Investments	3,886	125,926	199,226	359,019	1,763,186	1,983,677
Cash with Fiscal Agent	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	162,659	133,003
Loans Receivable	0	0	0	0	142,600	40,000
Due From Other Funds	0	0	0	0	0	0
Total Assets	3,886	125,926	199,226	359,019	2,068,445	2,156,680
Liabilities And Fund Balances						
Liabilities						
Accounts Payable	0	11,199	0	32,934	181,433	116,014
Compensated Absences	0	343	0	0	390	0
Other Liabilities	1,867	0	0	0	112,413	110,546
Due To Other Funds	0	0	0	0	0	0
Total Liabilities	1,867	11,542	0	32,934	294,236	226,560
Fund Balances						
Reserved	0	0	0	0	0	0
Unreserved	2,019	114,384	199,226	326,085	1,774,209	1,930,120
Total Fund Balances	2,019	114,384	199,226	326,085	1,774,209	1,930,120
Total Liabilities And Fund Balances	3,886	125,926	199,226	359,019	2,068,445	2,156,680

**CITY OF NEWMAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Special Revenue

	Program Income Misc. Fund	Park Facility Fee Fund	State Grants Fund	Safety Grants Fund	Abandoned Vehicle Program
Revenues					
Investment Earnings	14	3,167	889	44	86
Intergovernmental	0	0	159,219	56,188	6,627
Property Taxes	0	0	0	0	0
Other Taxes	0	0	0	0	0
Impact Fees	0	6,305	0	0	0
Licenses And Permits	0	0	0	0	0
Service Charges And Miscellaneous	0	0	0	0	0
Total Revenues	14	9,472	160,108	56,232	6,713
Expenditures					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	3,577
Public Works	0	0	325,489	287	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	485,976	87,970	0
Total Expenditures	0	0	811,465	88,257	3,577
Excess(Deficiency) Of Revenues Over Expenditures	14	9,472	(651,357)	(32,025)	3,136
Other Financing Sources (Uses)					
Operating Transfers In	0	0	207,000	268,328	0
Operating Transfers Out	0	(182,000)	0	(63,792)	0
Total Other Financing Sources (Uses)	0	(182,000)	207,000	204,536	0
Net Change In Fund Balances	14	(172,528)	(444,357)	172,511	3,136
Fund Balance - Beginning	1,571	252,518	363,452	(342)	8,106
Fund Balance - Ending	1,585	79,990	(80,905)	172,169	11,242

**CITY OF NEWMAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Special Revenue

Gas Tax Fund	Employee Home Loan Fund	K-9 Fund	COPS Grant Fund	Asset Forfeit Fund	Local Transportation Fund	County CDBG Construction Fund	Business License Surcharge Fund
550	143	0	740	8	4,969	170	46
0	0	0	100,099	0	303,765	395,981	0
0	0	0	0	0	0	0	0
178,135	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	9,964
0	0	338	0	0	108	3,883	0
<u>178,685</u>	<u>143</u>	<u>338</u>	<u>100,839</u>	<u>8</u>	<u>308,842</u>	<u>400,034</u>	<u>10,010</u>
0	0	0	0	0	0	0	8,613
0	0	110	0	0	0	0	0
0	0	0	0	0	5,431	98,053	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	132,576	313,333	0
0	0	110	0	0	138,007	411,386	8,613
<u>178,685</u>	<u>143</u>	<u>228</u>	<u>100,839</u>	<u>8</u>	<u>170,835</u>	<u>(11,352)</u>	<u>1,397</u>
0	0	0	0	0	0	0	0
<u>(178,685)</u>	<u>0</u>	<u>(2,822)</u>	<u>(100,000)</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>	<u>0</u>
<u>(178,685)</u>	<u>0</u>	<u>(2,822)</u>	<u>(100,000)</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>	<u>0</u>
0	143	(2,594)	839	8	145,835	(11,352)	1,397
0	163,466	2,595	48,048	977	507,806	92,643	622
0	163,609	1	48,887	985	653,641	81,291	2,019

**CITY OF NEWMAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

Special Revenue

	Lighting Landscape District Fund	Contingency Fund	Capital Repair Replacement Fund	Total Non-Major Special Revenue Funds	
				2010	2009
Revenues					
Investment Earnings	1,544	1,690	3,160	17,220	41,592
Intergovernmental	0	0	0	1,021,879	1,009,836
Property Taxes	0	0	0	0	0
Other Taxes	181,529	0	0	359,664	383,954
Impact Fees	0	0	0	6,305	35,010
Licenses And Permits	0	0	0	9,964	10,179
Service Charges And Miscellaneous	117	0	0	4,446	1,744
Total Revenues	183,190	1,690	3,160	1,419,478	1,482,315
Expenditures					
General Government	0	0	9,871	18,484	70,649
Public Safety	0	0	0	3,687	35,089
Public Works	0	0	0	429,260	71,858
Community Development	244,418	0	0	244,418	184,784
Culture And Leisure	0	0	0	0	0
Debt Service					
Principal	0	0	23,224	23,224	22,120
Interest & Other Charges	0	0	4,994	4,994	6,098
Capital Outlay	0	0	51,207	1,071,062	822,583
Total Expenditures	244,418	0	89,296	1,795,129	1,213,181
Excess(Deficiency) Of Revenues Over Expenditures	(61,228)	1,690	(86,136)	(375,651)	269,134
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	475,328	408,962
Operating Transfers Out	0	0	0	(552,299)	(381,385)
Total Other Financing Sources (Uses)	0	0	0	(76,971)	27,577
Net Change In Fund Balances	(61,228)	1,690	(86,136)	(452,622)	296,711
Fund Balance - Beginning	175,612	197,536	412,221	2,226,831	1,930,120
Fund Balance - Ending	114,384	199,226	326,085	1,774,209	2,226,831

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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, 2010 and 2009, and have issued our report thereon dated November 4, 2010. 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,

CLENDENIN BIRD & COMPANY, PC

Modesto, California

November 4, 2010

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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, 2010 and 2009, and have issued our report thereon dated November 4, 2010. 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,

CLENDENIN BIRD & COMPANY, PC

Modesto, California
November 4, 2010

CITY OF NEWMAN
REDEVELOPMENT AGENCY
COMPONENT UNIT
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

**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, 2010 and 2009, 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, 2010 and 2009, 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.

**City of Newman Redevelopment Agency
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2010
 (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, 2010. 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 2009-2010 with comparative totals for the previous three fiscal years.

Fiscal Year Receipt	2009-2010	2008-2009	2007-2008	2006-2007
Total for the year	\$ 651,598	\$ 882,343	\$ 926,507	\$ 1,031,235

The assets of the Agency exceeded its liabilities at the close of the fiscal year by \$255,795 (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 \$739,773 which is a decrease of \$779,878 in comparison with the prior year. A significant portion of this decline was the passing of State Legislation ABX4-26 requiring the Redevelopment Agency to make a \$402,877 payment to the Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF). An additional SERAF payment in 2010-2011 of \$83,000 is also required.

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.

**City of Newman Redevelopment Agency
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)**

Redevelopment Agency Net Assets:		
	2010	2009
Current Assets	\$ 822,546	\$ 1,690,547
Noncurrent Assets	2,136,022	2,136,158
Total Assets	<u>2,958,568</u>	<u>3,826,705</u>
Current Liabilities	82,783	170,896
Noncurrent Liabilities	2,620,000	2,735,000
Total Liabilities	<u>2,702,783</u>	<u>2,905,896</u>
Net Assets:		
Invested In capital Assets	(483,978)	(598,842)
Restricted	1,001,300	1,631,813
Unrestricted	<u>(261,527)</u>	<u>(112,162)</u>
Total Net Assets	<u>\$ 255,795</u>	<u>\$ 920,809</u>

There was a decrease of \$665,014 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 Change In Net Assets:		
	2010	2009
General Revenues:		
Property Tax (Tax Increments)	\$ 651,598	\$ 882,343
Miscellaneous and Transfers	(217,757)	(178,347)
Use of Money and Property	5,820	22,037
Total General Revenues	439,661	726,033
Net Expenses	1,104,675	787,989
Change In Net Assets:	(665,014)	(61,956)
Net Assets Beginning of Year	920,809	982,765
Net Assets End of Year	<u>\$ 255,795</u>	<u>\$ 920,809</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.

**CITY OF NEWMAN
REDEVELOPMENT AGENCY
STATEMENT OF NET ASSETS
JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	Primary Government		
	Governmental Activities	Totals	
		2010	2009
ASSETS			
Cash And Investments	3,239	3,239	832,614
Cash with Fiscal Agent	261,527	261,527	277,888
Accounts Receivable	0	0	0
Loans Receivable	557,790	557,790	580,045
Capital Assets (Net Of Accumulated Depreciation):			
Land	1,262,332	1,262,332	1,262,332
Construction In Progress	57,669	57,669	0
Buildings And Improvements	172,103	172,103	182,702
Infrastructure	643,918	643,918	691,124
Total Assets	<u>2,958,578</u>	<u>2,958,578</u>	<u>3,826,705</u>
LIABILITIES			
Accounts Payable And Other			
Current Liabilities	73,144	73,144	164,818
Compensated Absences	9,639	9,639	6,078
Long-Term Liabilities:			
Due Within One Year	120,000	120,000	115,000
Due In More Than One Year	2,500,000	2,500,000	2,620,000
Total Liabilities	<u>2,702,783</u>	<u>2,702,783</u>	<u>2,905,896</u>
NET ASSETS			
Invested In Capital Assets			
Net Of Related Debt	(483,978)	(483,978)	(598,842)
Restricted For			
Community Development Projects	739,773	739,773	1,347,847
Debt Service	261,527	261,527	283,966
Unrestricted	(261,527)	(261,527)	(112,162)
Total Net Assets	<u>255,795</u>	<u>255,795</u>	<u>920,809</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	2010	Totals 2009
0	0	0	(402,877)	(402,877)	0
0	0	0	(508,262)	(508,262)	(584,490)
0	0	0	(49,613)	(49,613)	(53,699)
0	0	0	(143,923)	(143,923)	(149,800)
0	0	0	(1,104,675)	(1,104,675)	(787,989)
0	0	0	(1,104,675)	(1,104,675)	(787,989)

General Revenues:

Taxes:			
Property Tax Increments	651,598	651,598	882,343
Investment Earnings	5,820	5,820	22,037
Intergovernmental	0	0	0
Service Charges And Miscellaneous Transfers	25,071	25,071	0
	(242,828)	(242,828)	(178,347)
Total General Revenues And Transfers	439,661	439,661	726,033
Change In Net Assets	(665,014)	(665,014)	(61,956)
Net Assets - Beginning	920,809	920,809	982,765
Net Assets - Ending	255,795	255,795	920,809

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
JUNE 30, 2010**

Total fund balances - governmental funds		739,773
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	
Construction In Progress	57,669	
Buildings and improvements, net of \$59,450, accumulated depreciation	172,103	
Infrastructure, net of \$300,196 accumulated depreciation	<u>643,918</u>	
Total capital assets		2,136,022
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	<u>(2,620,000)</u>	
Total long-term liabilities		<u>(2,620,000)</u>
Total net assets - governmental activities		<u>255,795</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, 2010**

Net change in fund balances - total governmental funds (779,878)

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 (\$57,805) exceeded capital outlay (\$57,669) in the current period. (136)

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. 115,000

Changes in net assets of governmental activities (665,014)

**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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance	2009 Actual
	Original	Final		With Final Budget Over (Under)	
REVENUES					
Property Tax Increments	169,372	169,372	130,320	(39,052)	176,469
Investment Earnings	3,000	5,000	5,984	984	12,889
Service Charges And Miscellaneous	0	0	498	498	0
Total Revenues	<u>172,372</u>	<u>174,372</u>	<u>136,802</u>	<u>(37,570)</u>	<u>189,358</u>
EXPENDITURES					
Salaries And Benefits	26,596	23,690	28,544	4,854	21,562
Supplies And Services	20,000	23,257	57,665	34,408	7,774
Debt Service					
Principal	23,000	23,000	23,000	0	25,000
Interest	<u>28,785</u>	<u>28,785</u>	<u>28,785</u>	<u>0</u>	<u>29,960</u>
Total Expenditures	<u>98,381</u>	<u>98,732</u>	<u>137,994</u>	<u>39,262</u>	<u>84,296</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>73,991</u>	<u>75,640</u>	<u>(1,192)</u>	<u>(76,832)</u>	<u>105,062</u>
OTHER FINANCING SOURCES (USES)					
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	73,991	75,640	(1,192)	(76,832)	105,062
Fund Balance - Beginning	<u>767,802</u>	<u>767,802</u>	<u>767,802</u>	<u>0</u>	<u>662,740</u>
Fund Balance - Ending	<u>841,793</u>	<u>843,442</u>	<u>766,610</u>	<u>(76,832)</u>	<u>767,802</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF NEWMAN
REDEVELOPMENT AGENCY
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

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, 2010 AND 2009**

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, 2010 AND 2009**

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
Storm Drains	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, 2010 AND 2009**

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	3,239
Cash with Fiscal Agent	<u>261,527</u>
Total cash and investments	<u>264,766</u>

Cash and investments as of June 30, 2010 consist of the following:

Investment in Local Agency Investment Fund (LAIF)	3,239
Deposit with financial institution	<u>261,527</u>
Total cash and investments	<u>264,766</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>3,239</u>	7.1 months average maturity
Total	<u>3,239</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, 2010 AND 2009**

B. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental-type Activities				
Capital assets not being depreciated:				
Land	1,262,332	0	0	1,262,332
Construction In Progress	<u>0</u>	<u>57,669</u>	<u>0</u>	<u>57,669</u>
Total capital assets not being depreciated	<u>1,262,332</u>	<u>57,669</u>	<u>0</u>	<u>1,320,001</u>
Capital assets being depreciated:				
Infrastructure	944,114	0	0	944,114
Building And Improvements	<u>225,553</u>	<u>0</u>	<u>0</u>	<u>225,553</u>
Total capital assets being depreciated	<u>1,169,667</u>	<u>0</u>	<u>0</u>	<u>1,169,667</u>
Less accumulated depreciation for:				
Infrastructure	(252,990)	(47,206)	0	(300,196)
Building And Improvements	(42,851)	(10,599)	0	(53,450)
Total accumulated depreciation	<u>(295,841)</u>	<u>(57,805)</u>	<u>0</u>	<u>(353,646)</u>
Net capital assets being depreciated	<u>873,826</u>	<u>(57,805)</u>	<u>0</u>	<u>816,021</u>
Total net capital assets - Governmental-type activities	<u>2,136,158</u>	<u>(136)</u>	<u>0</u>	<u>2,136,022</u>

Depreciation was charged to functions/programs of governmental activities for the year ended June 30, 2010 as follows:

General government	5,486
Community Development	<u>52,319</u>
Total depreciation expense – governmental	<u>57,805</u>

**CITY OF NEWMAN
REDEVELOPMENT AGENCY
NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

D. Long-Term Debt (continued)

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, 2010:

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
Governmental Activities:				
Certificates of Participation	2,735,000	0	(115,000)	2,620,000
Total long-term liabilities	<u>2,735,000</u>	<u>0</u>	<u>(115,000)</u>	<u>2,620,000</u>

E. Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF)

On February 9, 2010 the Agency Board of Directors authorizing a loan of \$402,877 (the LMIHF Loan) from the Housing Fund to the Redevelopment Fund at 0% interest. The purpose for this loan was to comply with State Legislation ABX4-26 which among other things required the Redevelopment Agency to make payments to the Stanislaus County Supplemental Education Revenue Augmentation Fund (SERAF). Statute allows for the Agency to borrow funds from its Low and Moderate Income Housing Fund if there are insufficient other monies to make the required payment.

According to SB68 the Redevelopment Fund until 2015 to repay the May 2010 payment (\$402,877) and until 2016 to repay the payment that will be made in May 2011 (estimated to be \$83,000). Redevelopment monies come from tax increments. With the recent reduction in housing prices the Agency needs to look at the newly reduced tax increments. Should the values fall to the Redevelopment inception date levels there would be little to no tax increment. In the near future, most likely prior to the second SERAF payment, the Agency will have more information from which to create a more accurate repayment schedule. Currently the Agency is planning to repay the loan prior to the 5 year deadline to avoid incurring any interest charges.

F. Evaluation of Subsequent Events

The Agency has evaluated subsequent events through November 4, 2010, the date which the financial statements were available to be issued.

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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, 2010 and 2009, and have issued our report thereon dated November 4, 2010. 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

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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, 2010 and 2009, and have issued our report thereon dated November 4, 2010. 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, 2010

Honorable Mayor and Members
of the Newman City Council

Agenda Item: 11.b.
City Council Meeting
of December 14, 2010

**CONSIDER FOR APPROVAL THE STANISLAUS COUNTY ANNUAL ACTION PLAN (FY 11-12),
AMENDMENTS TO THE FY 2010-2011 NSP ANNUAL ACTION AND FY 2007-2012
CONSOLIDATED PLANS AND OPEN 30 DAY PUBLIC COMMENT PERIOD**

RECOMMENDATION:

1. Release draft plan for the required 30 day public comment period
2. Set public hearing for February 8, 2011 at 7:00 pm or thereafter to close public comment period and consider approval of the Draft Annual Action Plan and amendments to the FY 2010-2011 NSP Annual Action and FY 2007-2012 Consolidated Plans.

BACKGROUND:

The City of Newman is part of a six-member CDBG/ESG consortium that is lead by Stanislaus County. The Annual Action Plan has been developed to aid the consortium in achieving both federal and general CDBG goals. The 2011-2012 Annual Action Plan outlines the goals and policies for utilizing CDBG and HOME funds to assist low income households and persons in the areas of housing, associated infrastructure and economic development. The overriding consideration required by the CDBG and ESG programs is to benefit those members of the population that meet the definition of "Targeted Income". A person under this definition is one who earns 80% or less of the median area income. The 2009 median area income in Stanislaus County for one person is \$33,400.00.

ANALYSIS:

The Stanislaus County CDBG Consortium is anticipating approximately a \$2.4 Million CDBG and \$109,000.00 Emergency Shelter Grant (ESG) Award in FY 2011/2012.

In order to receive these funds, the CDBG Consortium is required to prepare an Annual Action Plan outlining its goals and projects for the upcoming fiscal year. Each member of the consortia must adopt the plan in order for the lead agency (Stanislaus County) to prepare and finalize the AAP and submit it to the Department of Housing and Urban Development (HUD).

In addition to the AAP, the Stanislaus County CDBG Consortium is proposing to amend the FY 2010-2011 Neighborhood Stabilization Plan AAP and FY 2007-2012 Consolidated Plan. The Amendment to the NSP FY 2010-2011 Annual Action and FY 2007-2012 Consolidated Plans will permit the NSP Consortium to receive NSP3 funding in the 2011/2012 fiscal year.

FISCAL IMPACT:

Positive, approval of the AAP and amendments will allow the Consortia lead agency (Stanislaus County) to prepare and finalize the plan for HUD submittal and subsequent CDBG funding qualification and allocation(s).

CONCLUSION:

Staff recommends that the Council release the draft plan for the required minimum 30 day comment period and set the public hearing for February 8, 2011 at 7:00 pm or thereafter to close public comment period and consider approval of the Draft Annual Action Plan and amendments to the FY 2010-2011 NSP Annual Action and FY 2007-2012 Consolidated Plans.

ATTACHMENTS:

An excerpted copy of the Draft Annual Action Plan (AAP) will be provided at the City Council meeting.

Respectfully submitted,



Stephanie Ocasio
Assistant Planner

REVIEWED/CONCUR:



Michael Holland
City Manager

Honorable Mayor and Members
of the Newman City Council

Agenda Item: **11.c.**
City Council Meeting
of December 14, 2010

AUTHORIZATION OF THE INVESTMENT OF FUNDS WITH CHANDLER ASSET MANAGEMENT

RECOMMENDATION:

It is recommended that the Newman City Council approve Resolution No. 2010- authorizing the investment of idle pooled cash with Chandler Asset Management.

BACKGROUND:

The City of Newman's cash management system is designed to monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as investments meet the criteria established for safety and liquidity. The State of California Government Code requires the City to follow the Prudent Man Rule (Government Code Section 27000.3 and 53600 et. seq.). This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent.

ANALYSIS:

Currently the City maintains a portion of its cash balances with Bank of the West for day to day cash requirements, while the remainder of the City's cash is placed in investment portfolios with LAIF, Bank of the West, and UBS Financial Services, Inc. Monies placed with LAIF are considered very liquid. If an authorized individual contacts LAIF prior to 10:00a.m., LAIF will transfer up to \$10 Million to our Bank of the West checking account, the same day. Due to this level of liquidity, the yield on these investments typically trails below other investment facilities. In the last 3 years the City's balance with LAIF has never dropped below \$13 Million on their quarterly reports. We see an opportunity to move some of those funds to a slightly less liquid, higher yield investment facility. Chandler Asset Management is the investment arm of the CSJVRMA and handles investments for many local agencies including: Livingston, Atwater, Ripon and Patterson. Their returns have been above LAIF for the last 10 years. The portion of funds transferred, to Chandler Asset Management, are available for withdrawal only once a month. If we transfer only idle investment funds (i.e. not currently needed), we will improve our yield while still maintaining a more than sufficient balance of very liquid funds.

FISCAL IMPACT:

An improvement in the yield of our pooled cash investments.

CONCLUSION:

Staff recommends the City Council approve Resolution No. 2010- authorizing Chandler Asset Management as an additional investment facility.

ATTACHMENTS:

1. Resolution No. 2010-
2. Chandler Asset Management Historical Return vs. LAIF
3. LAIF quarterly balance reports

Respectfully submitted:



Lewis Humphries
Finance Director

REVIEWED/CONCUR:



Michael Holland
City Manager

RESOLUTION NO. 2010-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWMAN AUTHORIZING
THE INVESTMENT OF FUNDS WITH CHANDLER ASSET MANAGEMENT**

WHEREAS, The City of Newman operates it's temporary pooled idle cash investments under the Prudent Man Rule (formerly Civil Code Section 2261, et. seq.; now Government Code Section 27000.3).

WHEREAS, The City of Newman follows investment guidelines under current legislation of the State of California (Government Code Section 53600 et. seq.).

WHEREAS, The City of Newman has an established investment policy and recognizes the responsibility to review it's investment portfolio for performance, and to seek opportunities to improve it's yield on investments while following the other investment policy's guidelines of liquidity and safety.

WHEREAS, Chandler Asset Management, Inc. follows the Civil Code and the State of California Government codes regarding investments, handles the investments of other local agencies, and invests within the Investment Policy of the City of Newman.

NOW, THEREFORE, BE IT RESOLVED that the City of Newman authorizes Chandler Asset Management as another investment facility of the City's temporary pooled idle cash and authorizes the transfer of funds to and from Chandler Asset Management as is deemed by the City Manager and Finance Director.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December, 2010 by _____, 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

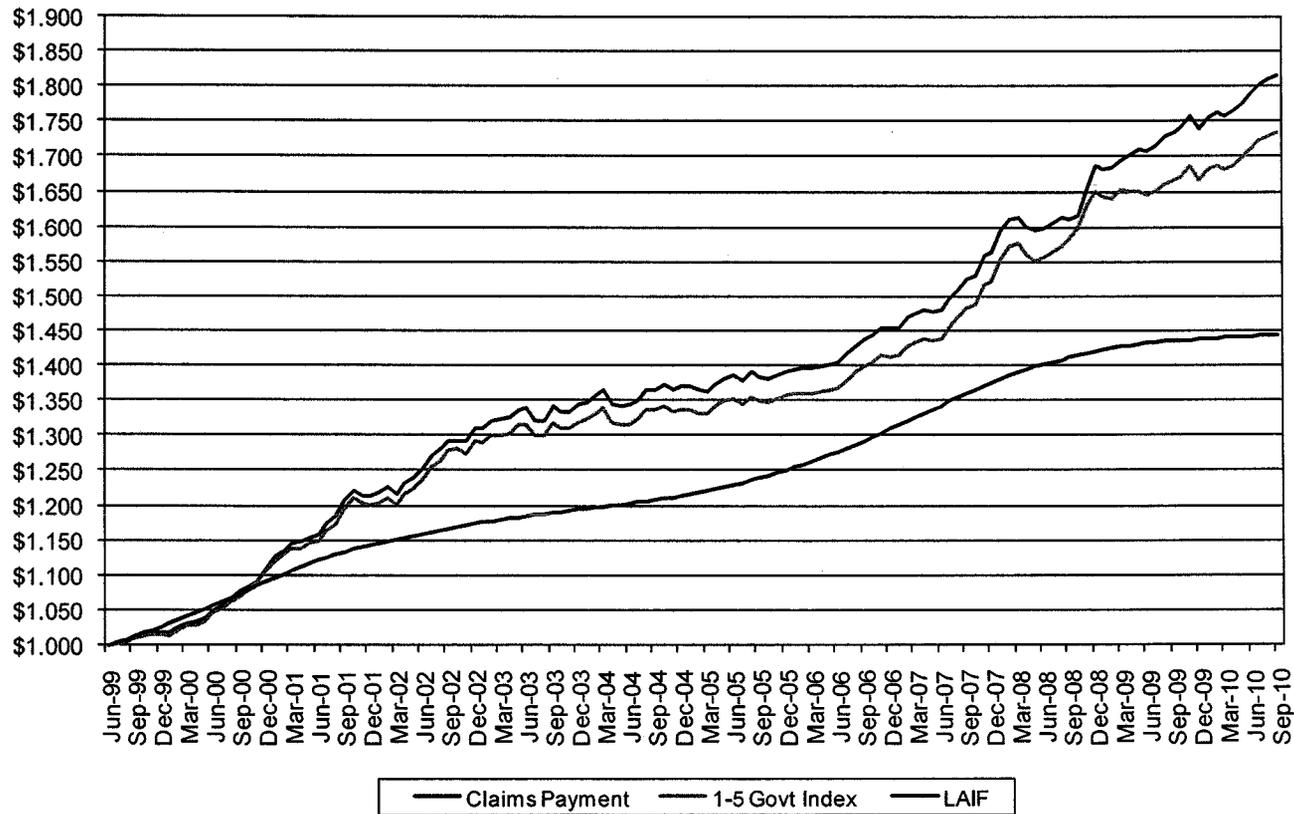
ATTEST:

Deputy City Clerk of the City of Newman



HISTORICAL RETURN

**CSJVRMA Claims Payment
Growth of \$1 million**



Historical return on \$1 million invested in June 1999		
	9/30/2010	Return
LAIF	\$1,443,873	3.32%
1-5 Govt Index	\$1,734,783	5.02%
Claims Payment	\$1,815,578	5.44%

DATE	LAIF BALANCES
6/30/2007	\$ 14,164,245.79
9/30/2007	\$ 14,537,195.86
12/31/2007	\$ 14,717,984.13
3/31/2008	\$ 14,870,568.77
6/30/2008	\$ 14,985,190.40
9/30/2008	\$ 15,089,781.34
12/31/2008	\$ 15,186,149.28
3/31/2009	\$ 15,257,521.85
6/30/2009	\$ 15,314,867.02
9/30/2009	\$ 15,349,500.58
12/31/2009	\$ 14,372,197.65
3/31/2010	\$ 14,391,941.57
6/30/2010	\$ 14,411,894.16
9/30/2010	\$ 14,430,507.22

Average Balance \$ 14,791,396.12

Lowest Balance \$ 14,164,245.79

Highest Balance \$ 15,349,500.58

Standard Deviation \$ 408,029.26

Honorable Mayor and Members
of the Newman City Council

APPROVAL OF VETERINARY SERVICES CONTRACT WITH G-N VETERINARY CLINIC

RECOMMENDATION:

1. Adopt Resolution No. 2010- , a resolution approving a veterinary services contract with G-N Veterinary Clinic.
2. Authorize the City Manager to execute said contract with G-N Veterinary Clinic for veterinary services.

BACKGROUND:

Beginning January 1, 2009 the Newman Police Department assumed animal control duties for the City of Newman. As a result, the city was required to provide some veterinary services to animals that come into the care and custody of the police department. On June 1, 2010 the Newman Police Department Animal Shelter opened, increasing our responsibility to each animal we come in contact with.

ANALYSIS:

On January 1, 2009 the Police Department requested proposals from two local veterinary hospitals. Both hospitals submitted proposals. A committee reviewed the submitted proposals and determined the proposal from Westside Animal Hospital best represented the city's interest, however since the opening of our animal shelter, we have seen a tremendous increase in animals needing veterinary service. Staff became concerned with our current providers' service and costs. Staff invoked its right per our contract and terminated our agreement with Westside Animal Hospital by providing a thirty day written notice which will become effective January 1, 2011. Staff contacted G-N Veterinary Clinic and asked them to provide a proposal that included all services associated with an animal shelter, including emergency services. G-N Veterinary Clinic provided staff with a flat rate plan which will be a substantial cost savings to the City.

FISCAL IMPACT:

G-N Veterinary Clinic has proposed a flat rate of \$800.00 per month totaling \$9,600.00 per year for routine and emergency services. A number of animals will also be seen under this new contract through our annual license/vaccination clinics that will be held in partnership with G-N Veterinary Clinic. All costs related to our annual license/vaccination clinics are expected to be covered through licensing fees as well as animal related administrative fines.

ATTACHMENTS:

1. Resolution No.2010- , a resolution approving a veterinary services contract with G-N Veterinary Clinic.
2. Exhibit A – Contract and proposal of fees.

CONCLUSION:

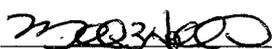
This staff report is submitted for City Council consideration and action. The proposed contract best serves the City of Newman animal control program, Newman's residents, and G-N Veterinary Clinic.

Respectfully submitted,



Randy Richardson, Chief of Police

REVIEWED/CONCUR:



Michael Holland, City Manager
City Manager

RESOLUTION NO. 2010-

APPROVAL OF VETERINARY SERVICES CONTRACT WITH WESTSIDE ANIMAL HOSPITAL

WHEREAS, the City Manager of the City of Newman has recommended that the City Council approve a contract with G-N Veterinary Clinic for veterinary services related to the City of Newman's animal services program; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newman and in accordance with the recommendations of the City Manager the contract with G-N Veterinary Clinic is approved.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 14th day of December by Council Member _____, who moved its adoption which motion was duly seconded and was upon roll call carried and the resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Mayor of the City of Newman

ATTEST:

Deputy City Clerk of the City of Newman

INDEPENDENT CONTRACTOR SERVICES AGREEMENT
Between
G-N Veterinary Clinic
And the
CITY OF NEWMAN

THIS AGREEMENT is entered into this 1st day of January, 2011, by and between G-N Veterinary Clinic, hereinafter referred to as "CONTRACTOR" and the CITY OF NEWMAN, a municipal corporation of the State of California, hereinafter referred to as "CITY."

NOW, THEREFORE, CITY hereby engages the services of CONTRACTOR and, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

TERM: This Agreement shall be for a period of two years, commencing on January 1, 2011 and ending on January 1, 2013. Either party may terminate this Agreement upon thirty days written notice to the other party.

SERVICES:

- a) **Scope of Work:** CONTRACTOR agrees to provide CITY with 24-hour-a-day limited, emergency treatment of injured animals. If CONTRACTOR is unavailable for four (4) or more requests for service during a twelve (12) month period this agreement may be cancelled without recourse.
- b) **Consultation:** CONTRACTOR shall provide consultation to Animal Control Services free of charge.
- c) **Low cost Clinics:** CONTRACTOR agrees to participate (as defined in Attachment A) in at least two (2) low cost mutually sponsored "license-vaccination-spay/neuter" clinic each year at a location to be determined by the CITY. Additional, clinics can occur by mutual agreement between the parties. The CITY will provide i) animal restraint via the Animal Control Officer (ACO) and ii) staff to process all monies and required paperwork. CONTRACTOR will provide veterinarian and staff to prepare and perform vaccinations, micro-chipping, and to provide technical and support information to both animal owners and CITY personnel. For liability reasons, CONTRACTOR staff will not restrain the animals.
- d) **Treatment:** Animals being treated by the CONTRACTOR pursuant to this agreement fall into one of three categories:
 1. **Stray with no owner information available.** Treatment of animals without owner information and in the care, custody, and control of the CITY will only include the necessary treatment(s) to reduce suffering or stabilize the animal. The treatments can include stabilization and management of pain/suffering due to the animal's condition. Generally, animals with significant injury or illness that are not deemed adoptable should be euthanized to avoid suffering and excessive expense of taxpayer dollars. The evaluation and treatment of the animal should not exceed **\$250.00**. If in the opinion of the concerned parties the animal cannot be stabilized within these guidelines the animal will be euthanized. If the animal is euthanized the next available ACO will transport the animal to the Shelter for disposal. CITY will pick up and/or dispose of animals delivered to

CONTRACTOR by Newman Animal Control or Police Officers within three (3) days.

2. Animals where owner information is available, but owner is not reachable in timely fashion for the injury involved. These cases will be treated as in Paragraph "a" above. CITY will inform the attendees of CITY's low-cost "license-vaccination-spay/neuter" clinics of this policy via posting or handouts.
 3. Animals where owner information is available and owner is reachable in timely fashion for the injury involved. In these cases, the CONTRACTOR agrees to directly invoice the owner (using a policy of "payment before treatment") without any involvement of the CITY. However, if owner defaults on payment, CITY agrees to assist in collection of in any way legally possible.
- e) **Euthanasia:** For all animals brought to the CONTRACTOR by the CITY, CONTRACTOR shall perform euthanasia services only at the request of CITY. CONTRACTOR has no responsibility to contact an owner or owners before providing euthanasia services for CITY. CITY shall be solely responsible to contact owners (if owner is known) before CONTRACTOR provides euthanasia services for CITY. Liability for any claims based on the failure to contact an owner before euthanasia services where provided shall be the sole responsibility of CITY.
- f) **Additional Services:** Additional services are outlined with Attachment A.

FEES: As outlined in Attachment A.

INSURANCE REQUIREMENTS: CONTRACTOR shall, at its own expense, obtain and maintain in effect at all times during the life of this Agreement, general liability, including professional malpractice, insurance with combined single limits of \$1,000,000. All CONTRACTOR policies shall contain an endorsement that written notice shall be given to CITY at least thirty (30) days prior to termination, cancellation, or reduction of coverage in the policy or policies.

INDEMNIFICATION: Each party shall defend, indemnify and hold the other party, its subsidiaries and affiliates, and the officers, directors, employees and agents of each of them (the "Indemnified Parties") harmless from and against any claims, liens, expenses, costs, liabilities, damages, losses, demands, actions or causes of action of whatever kind or nature (collectively "Claims") incurred by reason of any negligent acts, errors or omissions of that party, its agents or employees arising out of or in any way connected with this Agreement. If either party becomes liable for damages caused by such party's solely negligent or wrongful acts or omissions, the negligent party shall pay such damages without contribution from the other party.

NO EMPLOYER-EMPLOYEE RELATIONSHIP: No relationship of employer or employee is created by this Agreement. It is understood that CONTRACTOR will act hereunder as an independent contractor and shall have no claim number under this Agreement or otherwise against CITY for vacation with pay, sick leave, retirement, medical, dental, social security, workers' compensation, disability or unemployment insurance benefits or employee benefits of any kind. The parties agree that CONTRACTOR will not be treated as an employee for federal or state tax purposes.

GOVERNING LAW: The validity of this Agreement and of any of its terms or provisions as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective officers thereunto duly authorized on the date first reflected hereinabove.

CITY OF NEWMAN, a municipal corporation

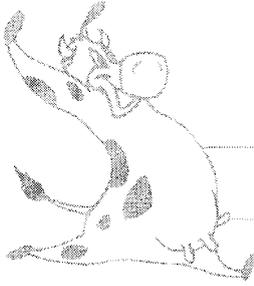
G-N Veterinary Clinic

By: _____
Michael E. Holland, City Manager

By: _____
Cathy Wallace DVM, MPVM

APPROVED AS TO FORM:

By: _____
Thomas Hallinan, City Attorney



G^{bar}N
Veterinary Clinic

2025 N Street • Newman, Calif., 95360
Office: (209) 862-2688 • Fax: (209) 862-2690

December 2, 2010

Chief Richardson,

Here is an addendum to the previous proposal:

Increase the base cost to \$800/month

The definition of "perform all services necessary including oversight of facilities, medical supervision and training of animal services staff for a monthly fee" would include:

- Train AS staff to vaccinate and euthanize animals and facilitate getting staff certified for euthanasia.
- Supply and monitor controlled substances as needed
- Oversee the medical programs at the shelter, including teaching simple first aid to staff, vaccine protocols, cleaning and general safety of facility
- Treatment of sick and injured animals limited to stabilization and minor treatment not to exceed a value of \$250/case (at our regular prices).
- Include a doctor to staff two 3 hour vaccine clinics per year

We could include the DHLPP vaccine in the \$800 monthly fee, but not to exceed 300 doses/yr.

Services outside the monthly fee (spays, neuters and vaccines for the vaccine clinics) would be charged as follows:

- Dogs: Spay \$100
Neuter \$75
- Cats Spay \$60
Neuter \$30

Vaccine clinic: G-N Veterinary Clinic would sell the Duramune (distemper/parvo/lepto/hepatitis vaccine) by the flat and rabies by the 10 dose tank to the city at cost plus 10%. Current pricing would make the DHLPP vaccines \$6.60 each or \$165/flat and rabies \$1.92 each, \$19.20/tank.

Sincerely,

Cathy Wallace