



City of San Juan Bautista

The “City of History”

www.san-juan-bautista.ca.us

CITY COUNCIL REGULAR MEETING TUESDAY, JANUARY 16, 2024, 5:00 P.M.

HYBRID MEETING

City Hall, Council Chambers
311 Second Street, San Juan Bautista, California

AGENDA

ZOOM WEBINAR PARTICIPATION

The meeting can also be accessed by the public in the following methods: Through Zoom (<https://zoom.us/join>) per the instruction stated below, and on Facebook.

Please note: If all Council Members are present in person, public participation by Zoom or viewing on Facebook is for convenience only and is not required by law. If the Zoom or Facebook feed is lost for any reason the meeting may be paused while a fix is attempted but the meeting may continue at the discretion of the presiding officer.

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1. CALL TO ORDER

- A. Pledge of Allegiance
- B. Roll Call

2. CLOSED SESSION – 5:00 P.M. – 6:00 P.M.

Receive public communications from the audience on Closed session items. The City Council will recess to closed session pursuant to:

- a. **Conference with Legal Counsel—Anticipated Litigation** – (Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case.)

3. PROCLAMATION

- A. St. Francis Retreat, 75th Anniversary

4. PRESENTATION

- A. San Benito Areas Water Supply and Treatment Master Plan – Holly Kennedy
- B. San Benito Leadership Institute - Omar Rosa

5. PUBLIC HEARING

- A. **A Resolution of the City Council of the City Of San Juan Bautista Denying the Appeal Filed On November 28, 2023 by Cassie and Isaiah Jimenez (“Owner”) Of the City Manager’s Interpretation of two Municipal Codes Applicable to the Substantial Reconstruction Owner’s Property at 701 Third Street, San Juan Bautista, (APAN 002-330-009) Based on City and State Code Requirements to Construct Fire Sprinklers (State Fire Code 102.1(5)(B), 903.2.8, and 903.3 Adopted by Ordinance 2023-02) and for Sewer Laterals (Municipal Code 5-9-315, 320 and 325) Ordinance.**

Recommendation: Approve a **RESOLUTION** denying the Appeal filed on November 28, 2023, by Cassie and Isaiah Jimenez (“Owners”) of the City Manager’s interpretation of the Municipal Code and State code requirements as they apply to the substantial reconstruction of their property at 7021 Third Street to construct fire sprinklers (state fire code 102.1(5)(b), 903.2.8, and 903.3 adopted by ordinance 2023-02) and for sewer laterals (municipal code 5-9-315, 320 and 325).

6. PUBLIC COMMENT

Public comments generally are limited to three minutes per speaker on items that are not on the agenda and are under the City’s subject matter jurisdiction. The Mayor may further limit the time for public comments depending on the agenda schedule.

7. INFORMATIONAL ITEMS AND REPORTS

- A. Treasurer’s Report and Monthly Financial Statements
Receive Report from City Treasurer Michelle Sabathia
- B. Reports from City Council Representatives to Regional Organizations and Committees
- C. City Council and Staff Announcements
This is an opportunity for the Council and staff to share the community calendar and announce upcoming dates of interest to the general public.
- D. City Manager’s Report
 - a. Fire Department Update
 - b. Sheriff Department Update

8. CONSENT

All matters listed under the San Juan Bautista City Council Consent Agenda may be enacted by one motion unless a member of the City Council or the public requests discussion or a separate vote.

- A. Approve the Affidavit of Posting Agenda.
- B. Waive the Reading of Ordinances and Resolutions on the Agenda Beyond the Title.
- C. Approve a **RESOLUTION** Authorizing the City Manager to enter into an Agreement with Amilia SmartRec for the Purchase of an Annual subscription of a Recreation Management Software.

- D. Approve a **RESOLUTION** Authorizing the City Manager to Execute a Professional Services Agreement with Rojas Communication Group to Lobby on behalf of the City to State and Federal Legislators to Receive Grant and Low-Interest Loans to Pay for its Water Compliance project.
- E. Approve the Regular Meeting Minutes of October 17, 2023.
- F. Approve the Special Meeting Minutes of November 14, 2023.
- G. Approve the Regular Meeting Minutes of December 19, 2023.

9. ACTION ITEMS

The Recommendation indicates the staff recommendation at the time the agenda was prepared. That recommendation does not limit the City Council alternative actions on any matter before it.

A. Fiscal Year 2022-2023 Audit Presentation by Ryan Jolley; and Approve a Resolution Accepting the San Juan Bautista Municipal Audit for Fiscal Year 2022-2023

Recommendation: Approve a **RESOLUTION** Accepting the San Juan Bautista Municipal Audit for Fiscal year 2022-2023.

B. Mayor's Selection of Representatives to Committees, Regional Boards, etc.

Recommendation: Consider changes to the Committee Assignments based on the Discretion of the Mayor.

10. ADJOURNMENT

AGENDA MATERIAL / ADDENDUM

Any addendums will be posted not later than 72-hours before regular meetings or 24-hours of special meetings, unless otherwise allowed under the Brown Act. City Council reports may be viewed at the City of San Juan Bautista City Hall at 311 Second Street San Juan Bautista, and are posted on the City website www.san-juan-bautista.ca.us subject to Staff's ability to post the documents before the meeting, or by emailing Deputy City Clerk Elizabeth Soto at deputycityclerk@san-juan-bautista.ca.us or calling (831) 623-4661 during normal business hours.

In compliance with the Americans with Disabilities Act, and Govt. Code 54953(a), the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the Deputy City Clerk Elizabeth Soto, a minimum of 48 hours prior to the meeting at (831) 623-4661.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code §54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

PUBLIC COMMENT PROCEDURES

If you wish to make a general public comment and are attending in person, please fill out a speaker card. If you are attending via Zoom, join the Zoom Webinar, and use the "Raise Hand" or if joining by telephone, press *9 on your telephone keypad icon.

SUBMISSION OF PUBLIC COMMENTS

Written comments may be submitted via mail to the Deputy City Clerk at City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to deputycityclerk@san-juan-bautista.ca.us no later than 3:00 p.m. on the day of the meeting. Written comments will be read into the record provided that the reading does not exceed three (3) minutes.

PUBLIC NOTIFICATION

This agenda was posted on Friday, January 12, 2023, on the bulletin board at City Hall, 311 Second Street, the bulletin board at the City Library, 801 Second Street, the bulletin board at the entrance to the United States Post Office, 301 The Alameda, and the City's website. Meetings are streamed live at <https://www.facebook.com/cityofsanjuanbautista/>.

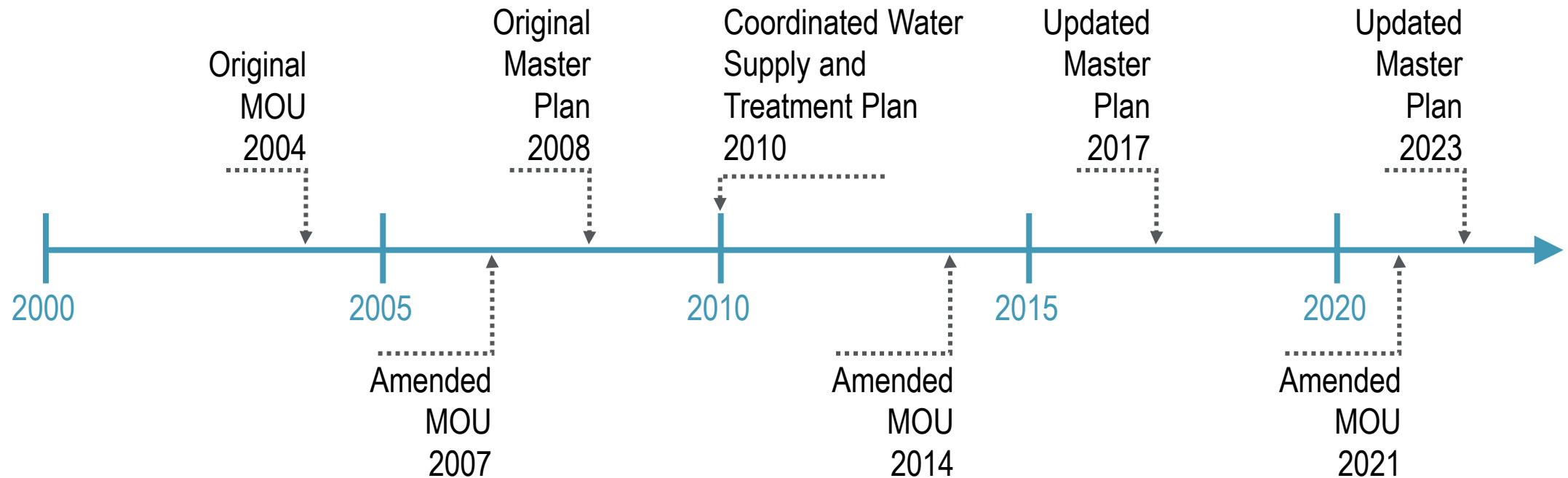
San Benito Urban Areas Water Supply and Treatment Master Plan



January 16, 2024

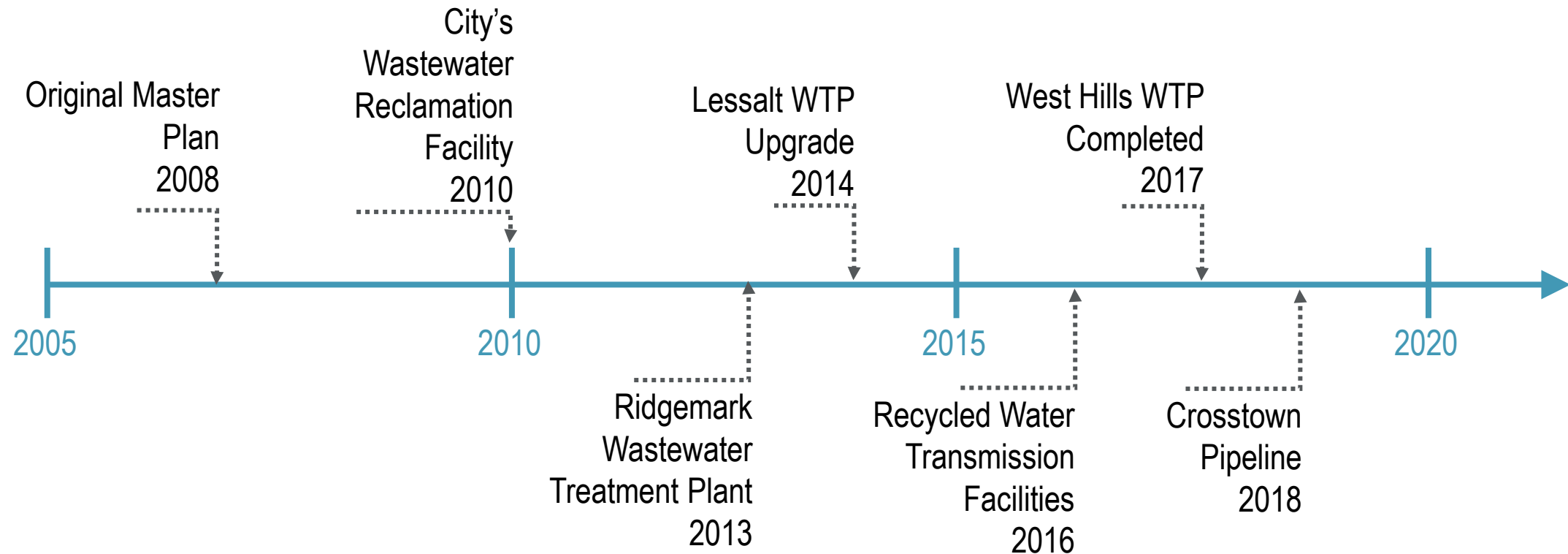
Background

- Agencies recognized the need to coordinate on water and wastewater planning and implementation
- A coordinated Master Plan was identified as the best method to incorporate all agencies needs and concerns



Major Accomplishments

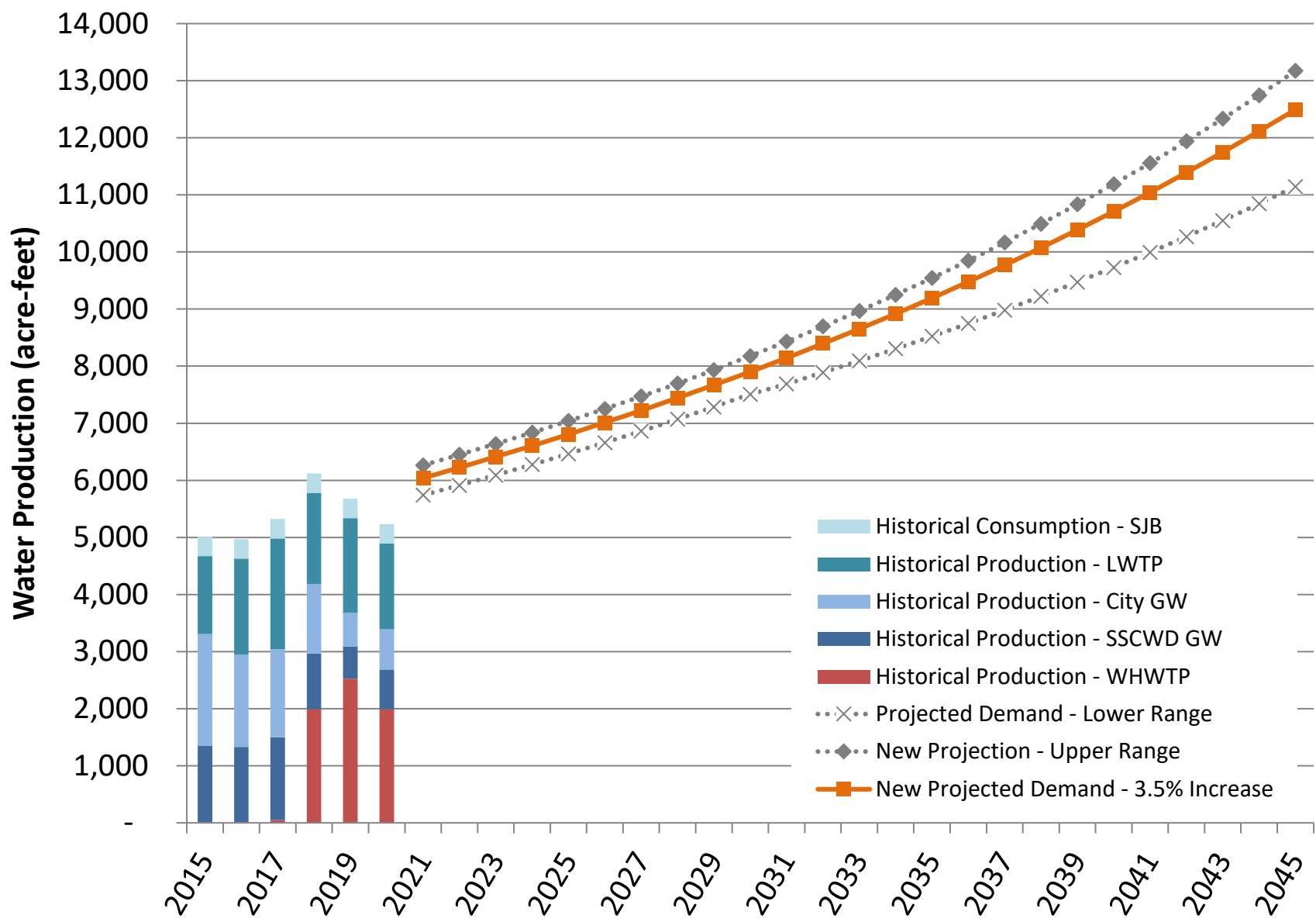
Approximately \$150M in Capital Infrastructure



Objectives of the Master Plan Update

- Provide continuous improvement towards achieving drinking water and recycled water quality goals. Hardness is the focus for M&I supply.
- Continue efforts to identify and implement water supply options to increase dry year water supply reliability.
- Provide reliable and sustainable water supply to respond to long-term growth needs.
- Address and mitigate impacts to groundwater quality and supply
- Coordinate with ongoing programs including SGMA, the Managed Aquifer Recharge (MAR) project, and supply of treated surface water to SJB.
- Continue to address water, [*wastewater, and recycled water*] needs through coordinated regional solutions.

Water Demand Forecast

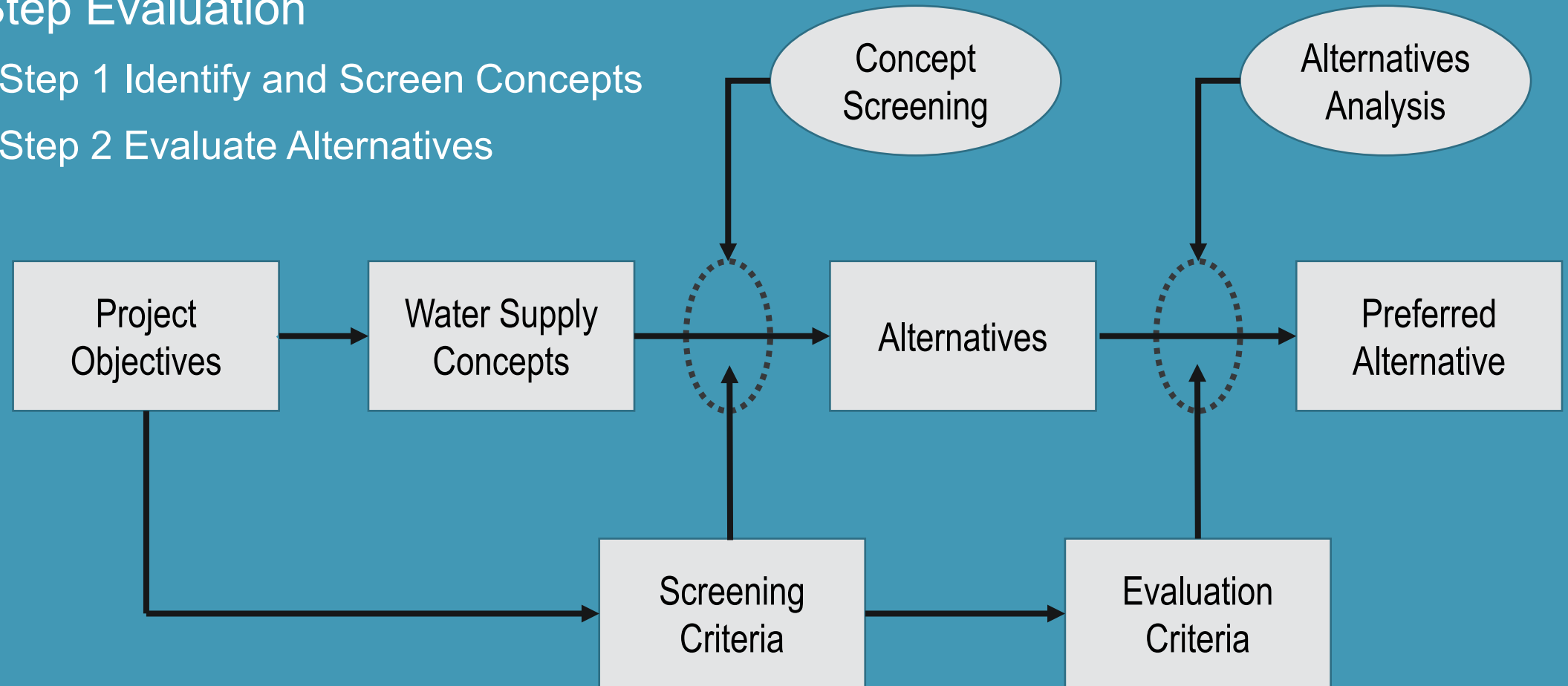


Forecasted Demands	
Year	Demand (AFY)
2025	6,810
2030	7,900
2035	9,190
2040	10,710
2045	12,500

~1,200 AFY Supply is Needed to Improve Reliability for Existing Customers

Approach for Water Supply Evaluation

- 2 Step Evaluation
 - Step 1 Identify and Screen Concepts
 - Step 2 Evaluate Alternatives



Surface Water Storage Concepts

- Expand San Justo Reservoir
- Expand Paicines Reservoir
- New Hawkins Reservoir
- New Off Stream Reservoir in Lone Tree Valley
- Pacheco Reservoir Expansion Project
- BF Sisk Dam Raise (San Luis Reservoir Expansion)



Groundwater Concepts

- North Area Groundwater
- Groundwater Demineralization
- Expand Percolation
- Indirect Potable Reuse
- Aquifer Storage and Recovery
- Semitropic Groundwater Bank (out of basin storage)



Water Supply Alternatives Evaluation

	Increases Use of Existing CVP Allocations	Increases Dry Year Water Supply Reliability	Maximizes Local Control and Resources	Minimizes Implementation Risks	Capital Cost	Yield Cost	Total	Comments
Expand San Justo	3	3	3	1	1	1	12	Permitting/environmental, leakage
Expand Paicines	3	3	3	1	2	2	14	Permitting/environmental
New Hawkins Reservoir	3	3	3	1	1	1	12	Permitting/environmental, land acquisition
New Reservoir in Lone Tree	3	3	3	1	1	1	12	Permitting/environmental, land acquisition
BF Sisk Dam Raise	3	3	1	2	3	3	15	Strong Agency Support/Contract for Access to Supply
Pacheco Reservoir	3	3	1	2	2	1	12	Significant cost increases
North Area Groundwater	1	2	3	3	3	3	15	Requires water in HC for blending, challenge in dry years
ASR Wells	3	2	3	2	3	3	16	Permitting/environmental

Summary:

1. ASR Wells includes water treatment and has relative low Capital and Yield Costs – Priority 1
2. BF Sisk Dam Raise Moving forward with Federal Support – Priority 2
3. North Area Groundwater enhances dry year reliability – Priority 3
4. Pacheco Reservoir is moving forward. Due to High Costs, consider alternative funding strategies for participation – Priority 4
5. Others should be reevaluated in future Master Plan Updates

Grant Opportunities to fund ASR

Grant Opportunity	Target Grant Request	Grant Award	Match Required
DWR – IRWM	\$1.8M	\$1.8M	50%
DWR – SGMA Round 2	\$20M	\$11.5M	0%
USBR – Small Storage	~\$9.2M	Applied in November	75%
Potential Total Grant Funding	\$31M		

Accelerated Drought Response Project (ADRoP)

Purpose

- Accelerate ASR Project to meet grant funding timelines

Project Capacity

- 2,700 AF Storage Capacity
- 1,035 AFY yield in dry years

Project Components

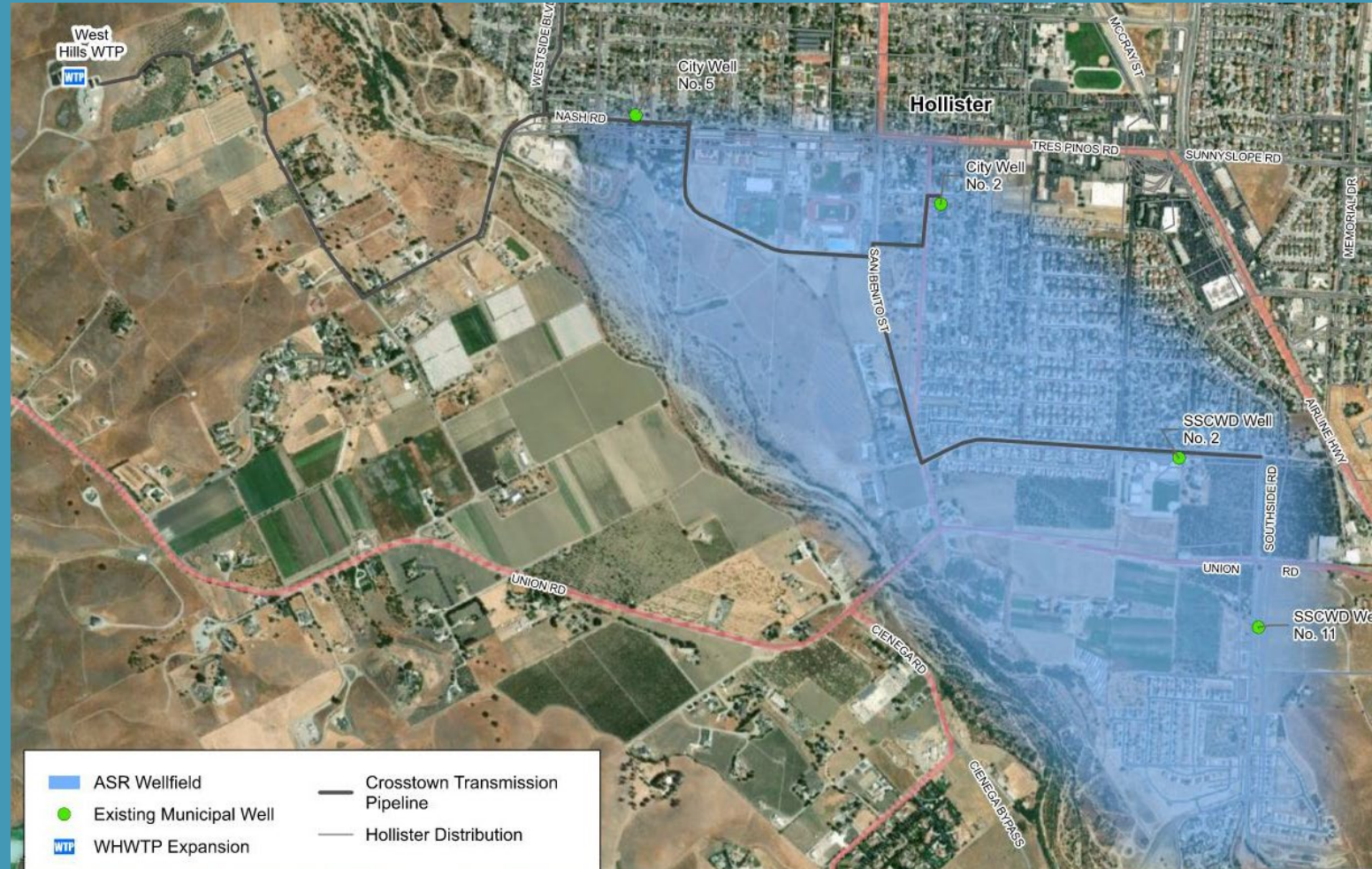
- Up to 5 ASR Wells
- Expansion of West Hills WTP
- New Transmission Pipelines and Appurtenances

Schedule

- Now through mid-2026

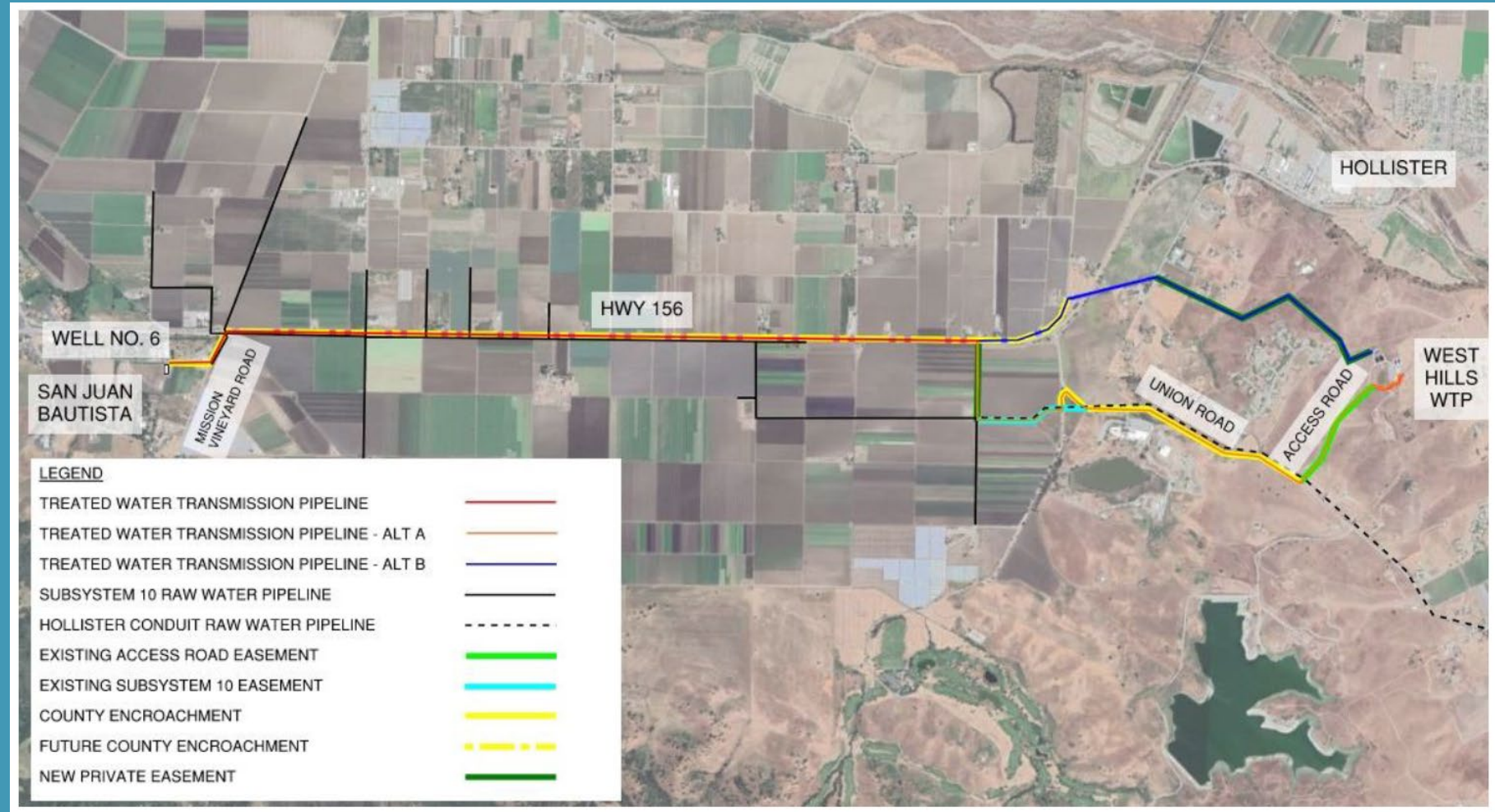
Cost

- ~\$40 Million CapEx



San Juan Bautista Treated Water Transmission Pipeline

- New source of supply from West Hills WTP
- ~6 mile HDPE pipeline
- Connection near Well No. 6
- Construction Cost: ~\$8M



Next Steps

- Complete Design and Permitting of ADRoP, Initiate Construction
- Keep multiple supply options in play to provide long term flexibility (including contract purchases, transfers, ASR, NAGW, BF Sisk, and PREP)
- Complete design and permitting for the SJB Pipeline
- Funding and Financing Strategies
- Update Institutional Agreements
- Stakeholder Outreach
- Update Master Plan in 5 years

Questions + Discussion

San Benito Leadership Institute



**A preview of the new leadership development program
for San Benito County**

City of San Juan Bautista City Council
January, 2024

Charting our course: August 2022- now

Committee Members:

Elias Barocio,
Joshua Basanese,
Rosie Betanio,
Pamela Brown,
Phil Fortino,
Corinne Kappeler,
Sarah Nordwick,
Omar Rosa,
Dr. Kathleen Rose,



Liz Sparling,
Celina Stotler
Eric Taylor,
Kari Valdes,
Brenda Weatherly,
Shannon Wilkinson,
Alexis Winder,
Mayra Zendejas

Values, Vision & Purpose of San Benito Leadership Institute

Vision: We envision San Benito County thriving with diverse, committed, and educated leaders.

Values: We believe in **integrity, inclusivity, equity, and selflessness** for the benefit of all residents of San Benito County. Our program is driven by our values and a belief in the **value of good leadership.**

Purpose: To build a stronger community by cultivating a diverse group of new, emerging, and existing leaders who will effectively serve, unite and benefit the residents of San Benito County.

Overview: San Benito Leadership Institute

- **Nine full day seminar sessions**
- **September through May**
- **Meetings will consist of:**
 - Half-day immersion in a civic topic, and
 - Half-day of leadership development, or
 - Board skills development training

Participants also:

- Receive assessments and individual skills development feedback
- Connect meaningfully with their assigned cohort throughout the program to achieve a goal
- Build relationships with all members of the program
- Actively work on a personal leadership development plan

Civic Issues

- Arts and Culture
- Economic Development
- Education
- Justice & Safety
- Diversity, Equity & Inclusion

Leadership Development

- Connecting
- Emotional Intelligence
- Aligning with Purpose
- Legacy
- Self-Awareness
- Stress Management and Mental Health
- Diversity, Equity & Inclusion

Board Service Training

- Fundraising
- Governance
- Board Placement
- Philanthropy
- Public/Private Partnerships
- Diversity, Equity & Inclusion

A typical program day for SBLI

- Leadership Assessment (ex. Myers Briggs)
- Appreciative Inquiry exercise (case study aligned with modules)
- *Crucial Conversations* demonstration
- Conflict resolution personal style exercise
- Panel Discussion: Local Leaders/Guest Lectures
- Diversity, Equity, Inclusion concluding activity (modeled after 21 Day Community Equity Challenge)
- 15-minute reflective journaling



Highlight: The Equity Challenge

The Equity Challenge is a powerful opportunity to develop a deeper understanding of how inequity and racism affect our lives and our community.

The experience **deepens understanding**, suggests ways to **take action**, and helps launch what we hope will be **a lifelong commitment to improving equity and inclusion** in our community.



Program Highlight: SIMSOC experience

The Simulated Society (SIMSOC) experience is a dynamic role-playing simulation that immerses participants in a lifelike societal environment.

Through hands-on decision-making, it offers a transformative opportunity for leaders to understand intricate systems, make informed choices, and enhance critical thinking.



Program Cost & Sponsorship Opportunities

→ **Startup Funding:** Seed funding from the Community Foundation for San Benito County of \$25,000 to design the program and curriculum and hire a part-time Program Manager.

→ **Cost to Participants:** \$1500

→ **Number of Participants per program:** 25

Sponsorship from Local Business:

Support the next generation of informed and engaged local leaders by investing in San Benito Community Leadership program with your Sponsorship

- **Pinnacle Sponsorship - \$20,000 - \$25,000**
- **Legacy Sponsorship – \$10,000 - \$15,000**
- **Corporate Sponsorship - \$5,000**

San Benito Leadership Institute



**We invite the City of San Juan Bautista to support
San Benito Leadership Institute**

Thank You!



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

DATE: JANUARY 16, 2024

DEPARTMENT: CITY MANAGER

FROM: DON REYNOLDS

BY: DON REYNOLDS

TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA DENYING THE APPEAL FILED ON NOVEMBER 28, 2023 BY CASSIE AND ISAIAH JIMENEZ (“OWNER”) OF THE CITY MANAGER’S INTERPRETATION OF TWO MUNICIPAL CODES APPLICABLE TO THE SUBSTANTIAL RECONSTRUCTION OWNER’S PROPERTY AT 701 THIRD STREET, SAN JUAN BAUTISTA, (APN 002-330-009) BASED ON CITY AND STATE CODE REQUIREMENTS TO CONSTRUCT FIRE SPRINKLERS (STATE FIRE CODE 102.1(5)(B), 903.2.8, AND 903.3 ADOPTED BY ORDINANCE 2023-02) AND FOR SEWER LATERALS (MUNICIPAL CODE 5-9-315, 320 AND 325)

RECOMMENDED MOTION:

Receive a motion to Approve the attached Resolution denying the Appeal filed on November 28, 2023, by Cassie and Isaiah Jimenez (“Owners”) of the City Manager’s interpretation of the Municipal Code and State code requirements as they apply to the substantial reconstruction of their property at 7021 Third Street to construct fire sprinklers (state fire code 102.1(5)(b), 903.2.8, and 903.3 adopted by ordinance 2023-02) and for sewer laterals (municipal code 5-9-315, 320 and 325).

RECOMMENDATION:

It is recommended that the City Council adopt the proposed Resolution and deny the Owner’s appeal.

BACKGROUND:

On June 6, 2023, the Historic Resources Board and Planning Commission approved the site design and review of the historic residence at 701 Third Street owned by Cassi and Isaiah Jimenez (Owners). The project was presented to be a minor alteration adding 47 square feet to the existing 747 square foot home connecting the existing Accessory Dwelling Unit behind it. The Building Permit was subsequently issued June 21st 2023.

A “stop work order” was issued by the Building Official when it became clear that the demolition to the historic home was substantially more than the work approved in the Building Permit. The scope of work was reconsidered and was changed to a substantial reconstruction of the home, after it was confirmed that only two walls remained standing, with a partial roof and floor.

The day of the November 7, 2023 Commission meeting, staff informed the applicant that two City codes apply to a substantial reconstruction project that do not apply to minor alterations; Municipal Code and State code requirements to construct fire sprinklers (state fire code 102.1(5)(b), 903.2.8, and 903.3 adopted by ordinance 2023-02) and for sewer laterals (Municipal Code 5-9-315, 320 and 325). The Commission intentionally omitted these two Codes from the “Conditions of Approval” before approving the Resolution. Planning Commission approved Resolution 2023-07 for the substantial reconstruction (attached) with conditions only related to the historic nature of the building.

The Fire Marshal first shared the Fire Sprinkler Requirement with the owner June 22, 2023, when the original building permit was issued as shown in the second attachment. City Engineer provided the City with its requirement November 17, 2023. In an email November 20, 2023, the City formally advised the Owners of these two requirements. The City received the Owner’s notice to appeal these two codes as they apply to this project November 28th. The City Manager’s interpretation of the Codes agrees with that of the City Engineer and Fire Marshall, and concludes that the two codes apply to this substantial reconstruction regardless of whether or not they are considered to be a “project condition.”

The attached City Code 5-9-900 allows a property to appeal the City Manager’s interpretation of these Municipal Code. The appellants met these requirements and pad the fees.

The project received its new Building Permit December 21, 2023. Construction has resumed.

ATTACHMENTS:

1. Draft Resolution
2. Planning Commission Resolution 2023-07
3. Fire and Engineering code interpretations provided to Owners
4. Municipal Code 5-9-900

DRAFT
RESOLUTION NO. 2024-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
DENYING THE APPEAL FILED BY CASSIE AND ISAIAH JIMENEZ (“OWNER”)
NOVEMBER 28, 2023, OF THE CITY MANAGER’S INTERPRETATION OF TWO
MUNICIPAL CODES AND STATE CODE REQUIREMENTS TO CONSTRUCT FIRE
SPRINKLERS (STATE FIRE CODE 102.1(5)(B), 903.2.8, AND 903.3 ADOPTED BY
ORDINANCE 2023-02) AND SEWER LATERALS (MUNICIPAL CODE 5-9-315, 320
AND 325) DEEMED TO BE APPLICABLE TO THE SUBSTANTIAL
RECONSTRUCTION OF THEIR PROPERTY AT 701 THIRD STREET, SAN JUAN
BAUTISTA (APN: 002-330-009)**

WHEREAS, at the June 6th 2023 Historic Resources Board and Planning Commission meetings, the Planning Commission approved Resolution 2023-02 allowing the addition of 47 square feet to the 747 square foot residence that will connect an existing accessory dwelling unit behind at the Owners home at 701 Third Street to the residence; and

WHEREAS, the Building Permit was issued June 21, 2023, and while under construction, staff noticed that the construction far exceeded that described in the approved Building Permit plans, and Resolution 2023-02, causing the City to issue a “stop work order;” and

WHEREAS, it was determined that the Owner’s home was no longer a historic building because of the extent of the demolition of the historic fabric of the building that left only two walls standing, a partial roof, and partial floor; and

WHEREAS, the Planning Commission approved Resolution 2023-07 on November 7, 2023, with a new set of conditions related to the substantial remodel of the home and making certain the reconstruction resembles the original architectural design; and

WHEREAS, On November 7, 2023, just prior to the hearing, the City brought to the attention of the owner that due to the change from a small alteration to one of substantial remodel, that two municipal codes were triggered and now apply to the project that include the requirement to construct fire sprinklers (State Fire Code 102.1(5)(b), 903.2.8, and 903.3 adopted by City Ordinance 2023-02) and the requirement to connect the sewer lateral directly to the sewer main, or come to agreement with neighbors sharing the same lateral for mutual responsibility to maintain the exiting lateral (Municipal Codes 5-9-315, 320 and 325); and

WHEREAS, at the November 7, 2023 hearing the Owner made it clear that they disagreed with the City Manager’s determination that the two municipal codes applied to their project; and

WHEREAS, Municipal Code Section 5-9-900 provides that “any user, permittee, or other person aggrieved by any decision, determination, ruling or order of the City Manager may, within

10-days from and after the date of the same, appeal the same to the City Council; by filing a written notice of appeal, in duplicate, which shall set forth specifically wherein the City Manager was in error;” and

WHEREAS, Per the Commission’s request, Resolution 2023-07 does not include these two municipal codes as “conditions” but the City Manager has interpreted the Municipal Code to be applicable regardless of the Commission’s action; and

WHEREAS, Formal notice from City staff was sent by Email November 20, 2023, confirming and advising the Owner of the Fire Sprinkler and Sewer Lateral laws and in less than 10-days on November 28, 2023 the Owner paid for and submitted a written Notice of Appeal attached to this Resolution; and

WHEREAS, the City Manager has reviewed the merits of the appeal, the contentions, evidence submitted, staff responses and all information on the record, including the project application, Historic Review Board, Planning Commission reports and detailed testimony; and

WHEREAS, based upon the whole record before the City Manager and considering the changes to the project situated at 701 Third Street (APN: 002-330-009), recommends that the City Council find that the Appeal of the City Manager’s interpretation of the Municipal Code is not supported by the claims made by the Owner, and deny their Appeal.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA NOW HEREBY FINDS:

1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.
2. That it hereby agrees with the City Manager’s interpretation the Municipal Code specifically the requirement to construct fire sprinklers (State Fire Code 102.1(5)(b), 903.2.8, and 903.3 adopted by City Ordinance 2023-02) and the requirement to connect the sewer lateral directly to the sewer main, or come to agreement with neighbors sharing the same lateral for mutual responsibility to maintain the exiting lateral (Municipal Codes 5-9-315, 320 and 325
3. That it hereby denies the appeal attached to this Resolution filed by the Owners of 701 Third Street (APN 022-033-090).

PASSED AND APPROVED by the City Council of the City of San Juan Bautista on this 16th day of January 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Scott Freels, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

Attachment:

1. Notice of Appeal and attached letter

PLANNING COMMISSION RESOLUTION NO. 2023-07

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SAN JUAN BAUTISTA APPROVING A SITE PLAN AND DESIGN REVIEW PERMIT TO REMODEL AND CONNECT AN EXISTING 747 SQ.FT. SINGLE FAMILY HOME FORMERLY DESIGNATED AS A HISTORICAL RESOURCE TO AN EXISTING 504 SQ.FT. ACCESSORY DWELLING UNIT ON PROPERTY KNOWN AS 701 THIRD STREET (APN 002-330-009). (JIMENEZ)

WHEREAS, Isaiah Jimenez (Applicant) applied for Site Plan and Design Permit for Historic Resources to allow construction of approximately 47 sq. ft. addition to the rear of the existing residence thereby connecting the existing residence to an existing ADU located behind the residence; and

WHEREAS, the structure has been referenced in the City's Historical Resource Inventory with a Status Code of 7R; requiring an evaluation of the historical significance of the structure prior to any alteration for which a major or minor Site Plan and Design Permit is required; and

WHEREAS, a Phase 2 Evaluation was completed on behalf of the City by Margaret E. (Meg) Clovis, M.A. (May 9, 2023,) in accordance with SJB MC section 11-06-120 (C) (5) regarding consistency with Secretary of the Interior Standards for the Treatment of Historic Properties, and determined that the existing residence on the site is a locally significant Historical Resource (Status Code 5S2); and

WHEREAS, on June 6, 2023 the Planning Commission approved Resolution 2023-02 enabling construction subject to conditions and based on findings contained therein;

WHEREAS, during construction (Building Permit #2023-003) extensive changes in the scope of the project occurred due to deterioration of key structural elements of the historic residence, resulting in the unplanned failure of exterior walls, foundation and roof support systems of the historic structure. Demolition and clearance of related materials has occurred and the applicant has prepared revised construction plan attached hereto as Exhibit "A".

WHEREAS, a Phase One Addendum evaluation and corresponding DPR Form have been completed evaluating the historical integrity of the existing residence (Margaret E. (Meg) Clovis, October 2023; attached Exhibit "B") concluding as follows: "The German House located at 701 Third Street was determined to be an historic resource in April 2023. The rehabilitation process to date has led to the significant loss of original materials, design attributes, and structural components thereby impacting the building's historical eligibility and integrity. The work to date has created a substantial adverse change to the historic resource and it can no longer be considered an historic resource as defined by CEQA." The California Historical Resource Status Code (DPR form Exhibit B) has been accordingly changed from 5S3 (individually eligible for local listing or designation through survey evaluation) to 6Z (ineligible for National Register, California Register, or local designation through survey evaluation).

WHEREAS, the Phase One addendum recommends the following: “The German House is located in an historic San Juan Bautista neighborhood. In order to maintain the character of the neighborhood, it is recommended that every effort be made to retain, stabilize, and rehabilitate the remaining front porch and support posts, and the symmetry of the façade which includes the central front door flanked by two double hung windows. Both the front porch and symmetrical façade were originally character-defining features. It is also recommended that the original side-gabled roof design is retained.

“To ensure the retention of these features, it is also recommended that the project be monitored by a structural engineer or historic architect, so that further loss of original fabric and design elements are not lost.”

WHEREAS, the Historic Review Board considered the recommendation of the Architectural Historian (October, 2023) in accordance with Municipal Code Section 11-06-120 (C) (2) and determined that proposed alterations to the existing structure on the site have been evaluated against the City criteria for listing in the Register, and have been determined to have a status code of 6Z (found ineligible for NR,CR or Local designation through survey evaluation) projects shall be categorically exempt from CEQA and no further review shall be required.

NOW THEREFORE BE IT RESOLVED that Planning Commission approves the Site Plan and Design Review Permit based on findings and subject to conditions as follows:

1. **FINDINGS:** The project meets the standards set forth in SJBMC Section 11-18-040 is required to make for all proposed Site Plan and Design Review Permit applications, as follows:
 - (A) The project is consistent with the standards and requirements of the San Juan Bautista Municipal Code. In particular, the project is consistent with maximum yard, coverage and setback requirements referenced in the staff report. The project is also consistent with relevant provisions of SJB MC Section 11-06 regarding the evaluation of projects by a qualified Architectural Historian as referenced in the staff report dated November 3, 2023.
 - (B) The project is consistent with the goals and policies of the General Plan and any applicable specific or community plans. In particular the project is consistent with Goals, Policies and Objectives that require review of project plans and development to ensure retention of the historic character of San Juan Bautista.

Evidence: the staff report dated November 3, 2023; Plans attached hereto as Exhibit “A” dated October, 2022; Historic Resource Evaluation, (Margaret E. (Meg) Clovis October, 2023

- (C) The project contributes to safeguarding the City’s heritage and cultural and historic resources.

Evidence: the project has been evaluated and conditions of approval require that the addition be constructed to be consistent with character of adjacent and surrounding

development defining features of with exterior siding that is differentiated from that of the Historical Resource. Colors will be uniform for all portions of the body of the combined structure with lighter colors for the body of the residence and slightly darker color for the trim.

- (D) The project is compatible with the surrounding character of the environment because the architectural design, materials and colors harmonize with the character of surrounding development, or other improvements on the site and specific design elements.

Evidence: Plans and elevations illustrate that addition will be visually differentiated from the Historical Resource thereby ensuring that character defining features are maintained. Conditions of approval require the retention of character defining features gable roof ends and symmetrical front elevation, porch and support posts.

- (E) The location and configuration of the project harmonizes with the site and with surrounding sites or structures. Structures do not dominate their surroundings to an extent inappropriate to their use and do not unnecessarily block significant views or solar access to adjacent properties.

Evidence: Project Plans illustrate that the overall small size and height of the structure to be added will not be a significant factor in the surrounding area and will maintain the historic character of the residence.

- (F) The project effectively uses architectural details to break up mass. Roof planes are varied without being overly complex.

Evidence: Building elevations dated October 2022 demonstrate consistency of design with this standard.

- (G) The landscape design, if any, including the location, type, size, color, texture, and coverage of plant materials, provisions for irrigation, and protection of landscape elements have been considered to create visual relief and complement the structures to provide an attractive and water-conserving environment.

Evidence: Site plan dated October 2022 provides sufficient areas for installation of appropriate landscape improvements and conditions of project approval require submittal of a landscape and irrigation plan.

- (H) The design and layout of the proposed project does not interfere with the use and enjoyment of neighboring existing or future development, does not result in vehicular and/or pedestrian hazards, and promotes public health, safety, and welfare.

Evidence: The proposed addition complies with setbacks, site coverage and building height requirements.

- (I) The existing or proposed public facilities necessary to accommodate the proposed project (e.g., fire protection devices, public utilities, sewers, sidewalks, storm drains, street lights, traffic control devices, width and pavement of adjoining streets, etc.) are available to serve the subject site.

Evidence: Utilities and services are existing and proposed to be used to serve the project consistent with the standards and requirements of the San Juan Bautista Municipal Code.

2. CONDITIONS OF APPROVAL

1. Prior to issuance of a Building Permit, applicant shall submit plans consistent with the recommendations and conclusions of the Addendum to Phase 1 Report as follows:
2. The remaining, original character-defining front porch, porch roof, and support posts, shall be retained, stabilized and rehabilitated. The symmetry of the front façade shall be maintained including the central front door and two double hung windows. The original side-gabled roof design shall be reconstructed, rehabilitated and retained.
3. A monitoring plan prepared by a structural engineer or historical architect shall be submitted, reviewed and approved in writing by the Community Development Director prior to issuance of a Building Permit. The plan shall reference each structural element (roof, porch, porch overhang, remaining façade, and windows). The project shall be monitored during construction by a historical architect or structural engineer such that no further loss of the original fabric and design elements occurs. Monitoring reports prepared by a structural engineer or historical architect shall be submitted at appropriate intervals consistent with the monitoring plan.
4. Prior to issuance of a Building Permit, applicant shall submit funds sufficient to cover the cost of review by the City's Architectural Historian, including the Phase 2 evaluation and a revised DPR form, already prepared.
5. Plans submitted for Building Permit shall be consistent plans attached hereto as Exhibit A.

PASSED AND APPROVED by the Planning Commission of the City of San Juan Bautista on this 7th day of November 2023, by the following vote:

AYES: Commissioners:, DeVries, Medeiros, and Chair Aranda

NOES: None

ABSENT: Commissioner Correia

ABSTAIN: None

APPROVED:

Jose Aranda, Chairperson

ATTEST:

Elizabeth Soto, Deputy City Clerk

CERTIFICATION

State of California)
County of San Benito) SS.
City of San Juan Bautista)

I, Elizabeth Soto, Deputy City Clerk of the City of San Juan Bautista, DO HEREBY CERTIFY that Planning Commission Resolution No. 2023-06 was approved by the Planning Commission of the City of San Juan Bautista at a regular meeting held November 7, 2023 by the following vote:

AYES: Commissioners: DeVries, Medeiros, and Chair Aranda

NOES: None

ABSENT: Commissioner Correia

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of San Juan Bautista, California.

Elizabeth Soto, Deputy City Clerk
City of San Juan Bautista

Date Attested:

Building CSJB

From: Building CSJB
Sent: Thursday, June 22, 2023 11:51 AM
To: 'Cassie Waggy'; Alex Valles
Cc: Brian Foucht; Isaiah Jimenez
Subject: 701 THIRD ST REMODEL-2023003
Attachments: BUILDING APPROVAL LETTER-2023003.pdf; FIRE APPROVAL LETTER W-CONDITIONS-2023003.pdf; HISTORICAL REVIEW INVOICE-2023003.pdf; PERMIT INVOICE-2023003.pdf

Hello,
Attached & below, please find approvals for the above listed remodel project as well final invoices. Please reach out with any questions you may have. I will be in the office today until 3 & back on Monday at 9am.
Thank you,
Michelle

BUILDING:
APPROVED, PDF ATTACHED

PLANNING:
APPROVED WITH CONDITIONS

FIRE:
APPROVED WITH CONDITIONS, PDF ATTACHED

ENGINEERING:
APPROVED

From: Cassie Waggy <crw215lehigh@gmail.com>
Sent: Thursday, June 22, 2023 11:28 AM
To: Alex Valles <sbdesign27@yahoo.com>; Building CSJB <building@san-juan-bautista.ca.us>
Cc: Brian Foucht <ACM-CDDirector@san-juan-bautista.ca.us>; Isaiah Jimenez <ijimenez@palmaschool.org>
Subject: Re: 701 THIRD STREET-REMODEL 2023003

Hi there,

I just called over and left a voicemail. I'm very confused as to why engineering needs to look at this again. The last update we got is that everything was finally approved after going on 6 months, all except approval of a paint sample. If the last step was this (which was supposed to be approved already as well since we chose a sample that was recommended to us by Brian), I'm again confused what is taking so long or why things are taking so long.

Please let me know,

Cassie

On Thu, Jun 22, 2023 at 11:15 AM Building CSJB <building@san-juan-bautista.ca.us> wrote:

Hi Cassie,



**CITY OF HOLLISTER
FIRE PREVENTION BUREAU
PROJECT COMMENTS**

Date: June 19, 2023

Subject:

Address: 701 3rd Street, San Juan Bautista

IMPORTANT NOTICE: ALL FIRE PLANS NEED TO BE SUBMITTED DIRECTLY TO HOLLISTER FIRE DEPARTMENT FOR REVIEW AND PERMITTING. FEES WILL BE ASSESSED AFTER COMPLETE FIRE APPROVAL. FOR QUESTIONS REGARDING PLAN REVIEW, CONTACT THE FIRE DEPARTMENT DIRECTLY. CALL 831-636-4325 or email questions to hfdprevention@hollister.ca.gov

1. 603.6.6 **Spark arresters.** An approved spark arrester shall be installed on all chimneys, incinerators, smokestacks or similar devices using solid fuel for conveying smoke or hot gases to the outer air.
2. 903.2 **Approved automatic sprinkler systems** shall be provided in all new buildings and structures constructed, moved into or relocated within the jurisdiction. **Required because over 50% of the square footage is being remodeled.**
3. 0103.1 **Driveways** shall be defined as access pathways for one or two parcels. Driveways shall not be less than 12 feet wide unobstructed, with an unobstructed vertical clearance of not less than 15 feet. The grade for all driveways shall not exceed 15 percent with a maximum side slope of 5%. Where the grade exceeds 8 percent, a minimum structural roadway surface of 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base shall be required. If permitted by the fire code official, grades over 15% shall be paved with perpendicularly grooved concrete. The driveway surface shall be capable of supporting the imposed load of fire apparatus (22 tons), and be accessible by conventional-drive vehicles, including sedans. For driveways with turns 90 degrees and less, the minimum horizontal inside radius of curvature shall be 25 feet. For driveways with turns greater than 90 degrees, the minimum horizontal inside radius curvature shall be 28 feet. For all driveway turns, an additional surface of 4 feet shall be added. All driveways exceeding 150 feet in length, but less than 800 feet in length, shall provide a turnout near the midpoint of the driveway. Where the driveway
4. 0104.2 **Addresses for buildings.** Letters, numbers and symbols for addresses shall be a minimum of 4-inch height. The sign and numbers shall be reflective and made of a noncombustible material. Address signs shall be placed at each driveway entrance and at each driveway split. Address signs shall be and visible from both directions of travel along the road. In all cases, the address shall be posted at the beginning of construction. Address signs along one-way roads shall be visible from both directions of travel. Where multiple addresses are required at a single driveway, they shall be mounted on a single sign. Permanent address numbers shall be posted prior to requesting final clearance.
5. P109.1 **Standard defensible space requirements.** Combustible vegetation shall be removed from within a minimum of 100 feet or to the property line from structures, whichever is closer.
6. **Schedule final fire** life safety inspection pay associated fees at 831-636-4325



CITY OF SAN JUAN BAUTISTA MEMORANDUM

SUBJECT: 701 3rd Street Civil and Utility Development Requirements (Revised 11-17-2023)

DATE: November 17, 2023

TO: Community Development Department

BY: Doug Pike, City Engineer *Douglas S. Pike*

Regarding the proposed development at 701 3rd Street, Engineering/Public Works highlights the following code and policy requirements:

General Comments:

1. The sewer lateral for the property currently is routed through other parcels with other ownership to 4th Street in violation of general development requirements (CA Map Act) as well as Muni Code: 5-9-320 "Building sewer required for each lot."
2. There are two possible solutions that the City Manager will accept in accordance with provisions of SJB MC Chapter 5-9, as follows:
 - A. Reroute the existing lateral to 3rd Street now. The City has provided a sewer lateral stub-out for 701 3rd at the edge of the right-of-way which shall be utilized by this development. **OR**
 - B. Prior to occupancy approval, a deed restriction, acceptable in form and content to the City Attorney, shall be recorded against the property specifying that a sewer lateral serving only the subject property shall be connected to the sewer main connection located within the Third Street right of way to the satisfaction of the City Engineer in either of the following circumstances, whichever occurs first:
 - (1) The property is transferred to any other entity or person by sale or other transfer of ownership by deed, instrument or writing; **OR**
 - (2) The sewer lateral serving the subject property, in the opinion of the City Manager, becomes non-functional or unserviceable pursuant to SJB MC Section 5-9-355 for any reason.

Prior To Issuance of Building or Grading Permits:

1. If relocation of the lateral is performed now, applicant shall submit plans showing the new sewer lateral connection. The applicant shall pothole and verify location of the City provided a sewer lateral stub-out.
2. The applicant shall obtain an encroachment permit(s) from the City Engineer for all work constructed in the public right-of-way. This permit shall be obtained prior to commencement of any work in the public right-of-way.

Prior to Occupancy:

1. If relocation of the lateral is performed now, Installation of sewer lateral connection to Third Street shall be inspected and verified by the City Engineer or Public Works Inspector.
2. All provisions of the issued encroachment permit shall be verified in writing by the City Engineer and Public Works Director. The project applicant may not place, maintain, or operate steel-tracked grading or construction equipment with cleats on a public or private street without placing protective material beneath the equipment to protect the surface of the street.

Article 9. Appeals

5-9-900 Notice of appeal.

Any user, permittee, or other person aggrieved by any decision, determination, ruling or order of the City Manager may, within ten (10) days from and after the date of the same, appeal the same to the City Council by filing a written notice of appeal, in duplicate, which shall set forth specifically wherein the City Manager was in error.

5-9-905 Hearing.

Within thirty (30) days of the date of filing of a notice of appeal, the City Council shall set the appeal for hearing, which hearing may be continued from time to time. Not less than ten (10) days prior to the hearing, the City Clerk shall cause to be mailed to the appellant, and any other person who has filed written request therefor, written notice of the time, date and place of the hearing. On the hearing of the appeal, the City Council shall consider the record and such additional evidence as may be offered and may affirm, modify or reverse, in whole or in part, the decision, determination, ruling or order appealed from, or may make and substitute such additional or other decision, determination, ruling or order as it shall find warranted.

5-9-910 Decision.

A decision on the appeal shall be rendered within thirty (30) days from and after the date of the close of the hearing on the appeal and within ten (10) days thereafter the City Clerk shall cause to be mailed to the appellant and any other person who has filed written request therefor written notice of said decision. The decision of the City Council shall be final.

APPEAL FORM

- ☒ Appeal to the City Council
☐ Appeal to the Planning Commission

An appeal of an action by the Planning Commission or Planning staff is to be filed with the City Clerk within ten days of the Planning Commission's action or planning staff decision. If you have any questions regarding the Planning Commission action you can contact the Planning Department between 9:00 A.M. to 5:00 P.M. In addition to completing the appeal form, a filing fee of \$525.00 is required to reimburse the City for all costs associated with processing the appeal.

In accordance with the San Juan Bautista Municipal Code, I hereby appeal the actions of the Planning Commission or Planning Staff decision of 11/20/2023
(date)

Regarding _____
(Application Number of Applicant)

Location of Project: 701 Third St.

Action Being Appealed: Sewer lateral connection and sprinklers

Reason for Appeal: See attached letter

Name of Appellant: Cassie and Isaiah Jimenez

Address of Appellant: 701 Third St.

Telephone No. (Appellant): [REDACTED]

Signature: [REDACTED]

Signed this 11 day of 28, 20 23

Date filed or received: _____ Deputy City Clerk: _____

Dear City Council,

We are writing this appeal letter on behalf of our family, including our one and a half-year-old child. We are currently facing a dilemma regarding a sewer lateral connection as well as fire sprinklers, which has been requested as a condition of occupancy.

While we understand the importance of a properly functioning sewer system, we are unable to comply with this requirement due to financial constraints. As you may understand, the cost of a sewer lateral connection is significant, and we are not currently in a position to afford it. This would require us to rip apart our back house which is perfectly fine in order to make this connection, costing thousands and thousands of dollars to break up a perfectly fine house. What has been the most frustrating about this condition, is that it was not on our original permit approval back in May. After meeting with Don and other members of the city, it was confirmed that this was something that was missed and if required now, should have also been required then. This was a huge mistake on the city's part and now we are paying the price because had we were not provided all the information that was needed to make a decision. If this condition was included back in May, we would not have moved forward with the project and likely would have chosen to sell. However, it was not brought to our attention and what started out as a stop work order for something that was historic has turned into a huge ordeal on the planning side.

In addition to not being included in May, we also strongly believe this was a condition brought forth due to retaliation. There have been several instances of harassment, including not being told the correct times for the Planning Commission Meeting that was held on Tuesday November 7 (we were told 6 several times and told 5 at 5:15, once the meeting had started). On Tuesday November 7, just hours before the meeting, we were told about the sewer lateral connection for the first time. Understandably, we were extremely frustrated that night and after looking into the inappropriate way it was presented and the way the code was written very subjectively, the commissioners motioned to not make a condition of approval. The following day, we received an email from our neighbor, who serves on the Historic Society and directly indicated the following...

"I NEVER talked to City staff about your project until Monday, when I had a chance to look at your new plans in the City meeting packet and noticed "stucco" on the left elevation, which I believe is in error and told Brian that. Yes, I mentioned that we share a sewer line that runs through our property. But that was just as a matter of general interest. It never occurred to me that Brian would make moving the sewer a condition of approval! I was shocked too."

After months and months of back and forth with the city starting last January, the first time it was ever brought up was the night before our Planning Commission meeting. This only solidified what we already knew was true in that it was never mentioned or looked into in May because no one knew about it until the Monday before. Furthermore, it is our understanding that there are 4 other properties with the sewer connection and we are the only ones that are being required to tie into the new sewer line. The only other option is to retain the current shared lateral arrangement provided that, prior to occupancy, we enter into a common maintenance agreement together with all other properties that share your common private

City of San Juan Bautista
Revenues ~ Budget Vs. Actual
For the Five Month Period Ended November 30, 2023

Item #5E
City Council Meeting
January 16, 2024

REVENUES	FY23	FY24	Annual		YTD	
<u>Fund</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Difference</u>	<u>42%</u>	<u>Notes</u>
General Fund	916,328	871,865	2,142,500	(1,593,243)	41%	
Special Revenue Funds:						
Capital Projects Fund	67,630	142,432	2,836,845	(2,703,471)	5%	A
Community Development	51,205	21,525	404,514	(393,098)	5%	B
COPS	73,568	41,665	100,000	(75,000)	42%	
Parking & Restroom Fd	14,276	18,439	28,000	(16,269)	66%	
Gas Tax Fund	36,533	34,956	101,000	(76,799)	35%	
Valle Vista LLD	11,054	9,950	23,889	(17,919)	42%	
Rancho Vista CFD	27,717	28,130	67,512	(49,481)	42%	
Copperleaf CFD	9,438	6,935	16,645	(12,240)	42%	
Internal Service Funds:						
Blg Rehab. & Replace	15,833	15,833	38,000	(28,500)	42%	
Vehicle Replacement	25,000	25,000	60,000	(45,000)	42%	
Enterprise Funds:						
Water						
Operations	531,594	692,977	1,345,000	(904,085)	52%	
Sewer						
Operations	644,422	781,004	1,390,000	(943,950)	56%	
TOTAL Funds	2,424,598	2,690,711	8,553,905	(6,859,055)	31%	

A ~ The timing of the projects and the related revenue does not always align with the year-to-date percentages.
B ~ These funds are developer derived and are recognized when invoiced.

City of San Juan Bautista
Revenues ~ Budget Vs. Actual

Item #5E
City Council Meeting
January 16, 2024

For the Five Month Period Ended November 30, 2023

EXPENDITURES	FY23	FY24	Annual		YTD	
<u>Fund</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>	<u>42%</u>	<u>Note</u>
General Fund	766,638	778,066	2,117,980	(1,339,914)	37%	
Special Revenue Funds:						
Capital Projects Fund	642,494	142,432	2,836,845	(2,694,413)	5%	A
Community Development	201,631	363,763	674,036	(310,273)	54%	
COPS	41,667	41,665	100,000	(58,335)	42%	
Parking & Restroom Fd	-	-	-	-		
Gas Tax Fund	7,052	6,340	21,500	(15,160)	29%	
Valle Vista LLD	12,400	8,407	22,692	(14,285)	37%	
Rancho Vista CFD	14,685	20,895	37,166	(16,271)	56%	
Copperleaf CFD	8,073	7,147	16,645	(9,498)	43%	
Development Impact Fee Funds						
Public/Civic Facility	1,125	1,125	2,700	(1,575)	42%	
Library	1,850	1,850	4,440	(2,590)	42%	
Storm Drain	1,430	1,430	3,432	(2,002)	42%	
Park In-Lieu	125	125	300	(175)	42%	
Public Safety	355	355	852	(497)	42%	
Traffic	180	180	432	(252)	42%	
Enterprise Funds:						
Water:						
Operations	401,394	288,064	828,749	540,685	35%	
Capital	11,568	34,747		(34,747)		
Sewer						
Operations	344,136	361,716	1,227,618	865,902	29%	
Capital	259,881	1,395,338	18,497,240	17,101,902	8%	A
TOTAL Funds	2,716,684	3,453,645	26,392,627	14,008,502	13%	

Footnotes:

A ~ Capital fund transfers/costs are budgeted to be incurred by these funds. Since the costs/transfers occur sporadically during the year, they do not always align with the to date percentages, or prior year amounts. Additionally, some projects have been moved to the next fiscal year.

City of San Juan Bautista
Revenues ~ Budget Vs. Actual
For the Five Month Period Ended November 30, 2023

Item #5E
City Council Meeting
January 16, 2024

City of San Juan Batista
Check/Voucher Register - Check Register Current Month
From 11/1/2023 Through 11/30/2023

1110 - Operating
Acct. 1948

Effective Date	Check Number	Vendor Name	Check Amount
11/9/2023	217172	ACWA Health Benefits Authority	12,887.65
11/9/2023	217173	Alliant Insurance Services	1,638.00
11/9/2023	217174	AVAYA	250.66
11/9/2023	217175	California Rural Water Association	709.00
11/9/2023	217176	Canon Financial Services, Inc	701.80
11/9/2023	217177	Charter Communications	581.91
11/9/2023	217178	City of Hollister	61,473.62
11/9/2023	217179	Clark Pest Control	111.00
11/9/2023	217180	David J. Powers & Associates, Inc.	18,745.53
11/9/2023	217181	Don Reynolds	337.06
11/9/2023	217182	Eduardo Melesio	500.00
11/9/2023	217183	Ferguson Enterprises LLC	211.03
11/9/2023	217184	Hollister Auto Parts, Inc.	781.66
11/9/2023	217185	Home Depot Credit Services	698.46
11/9/2023	217186	Judy's Gifts & Awards	16.24
11/9/2023	217187	Liebert Cassidy Whitmore	1,435.50
11/9/2023	217188	Midwest Tape	243.74
11/9/2023	217189	MNS Engineers, Inc.	59,405.00
11/9/2023	217190	Monterey Bay Analytical Services	3,278.00
11/9/2023	217191	P G & E	641.92
11/9/2023	217192	Pet Waste Co	312.82
11/9/2023	217193	Roger Hausmann	700.00
11/9/2023	217194	Rx-Tek	2,869.55
11/9/2023	217195	San Benito County Tax Collector	88.88
11/9/2023	217196	Smith & Enright Landscaping	4,035.00
11/9/2023	217197	Sound Design A/V Contractors	371.25
11/9/2023	217198	Stantec Consulting Services Inc.	39,086.96
11/9/2023	217199	State Compensation Insurance Fund	5,109.50
11/9/2023	217200	State Water Resources Control Board	36,000.00
11/9/2023	217201	True Value Hardware	28.38
11/9/2023	217202	Uline	224.33
11/9/2023	217203	US Bank	3,957.48
11/9/2023	217204	Wallace Group	8,952.93
11/9/2023	217205	Wendy L. Cumming, CPA	4,248.75
11/9/2023	217206	Code Publishing Company	830.00
11/9/2023	217207	A Tool Shed, Inc.	6,048.00
11/22/2023	217208	AFLAC	934.44
11/22/2023	217209	All Clear Water Services	4,100.00
11/22/2023	217210	att.com	153.38
11/22/2023	217211	Baker Supplies and Repairs	121.86
11/22/2023	217212	Bear's Hideaway, LLC.	800.00
11/22/2023	217213	Canon Financial Services, Inc	747.95
11/22/2023	217214	Carmen Lujan	95.00
11/22/2023	217215	CMAP	997.36

City of San Juan Batista
Check/Voucher Register - Check Register Current Month
From 11/1/2023 Through 11/30/2023

1110 - Operating
Acct. 1948

Effective Date	Check Number	Vendor Name	Check Amount
11/22/2023	217216	Core & Main	1,394.72
11/22/2023	217217	Cypress Water Services	11,175.00
11/22/2023	217218	Dale Coke.	1,500.00
11/22/2023	217219	Hamner Jewell Associates	602.00
11/22/2023	217220	Kysmet Security & Patrol Inc	34,883.00
11/22/2023	217221	Mc Kinnon Lumber Co., Inc.	600.51
11/22/2023	217222	Michelle Sabathia.	300.00
11/22/2023	217223	Monterey Bay Analytical Services	4,420.00
11/22/2023	217224	Nova Property Management	230.00
11/22/2023	217225	P G & E	11,629.63
11/22/2023	217226	Regional Government Services	35.30
11/22/2023	217227	Rx-Tek	560.00
11/22/2023	217228	Spirit of San Juan Bautista	5,000.00
11/22/2023	217229	Smith & Enright Landscaping	3,915.00
11/22/2023	217230	T-Mobile	133.28
11/22/2023	217231	Uline	87.50
11/22/2023	217232	US Bank	8,605.29
11/22/2023	217233	Valero Wex Bank	1,047.50
11/22/2023	217234	Brigantino Irrigation, Inc.	1,042.40
Report Total			<u>372,622.73</u>

CITY MANAGER'S MONTHLY REPORT

Human Resources

Retired a MW 2, and closed an in-house recruitment 01.12.24

Interviews for the Community Safety Coordinator began last week

Recruitment for the Community Safety Officer has opened

Interviews for the Admin. Asst this week

Helped City of Hollister Recruit a new ACM

Offices were closed between Christmas and New Years

Rotarians to honor the late Richard Ponce with a Bench on 3rd Street

CITY MANAGER'S MONTHLY REPORT

Working to remove one last Parklet – on going effort

“Mission 10” event approved for 01.27.24

City hosting the Monterey Bay Area Manager's Group 01.19.24

Security Camera System will be installed in the next three to four weeks

Set-up temporary planning services via contract

Assigned the Gas Station project to 4-Leaf Adrianna Ortiz- former CD Director

Approve new Gas Station Design at a special Planning Commission mtg 01.23

Hoping for final approval 02.06.24 PC Mtg

3rd Street Housing Development- introduction to Commission 02.06.24

Casa Rosa Building Permit extended through June 30

Have not heard from the owner of Neals Market since November

CITY MANAGER'S MONTHLY REPORT

SOI Meeting 01.23.24 to discuss

Planning Area with the County

SOI Application with LAFCO

Library Mural is up- ribbon cutting 01.19.24

Ribbon Cutting for the Washington Street Mural

Code Enforcement following up on three historic properties that changed windows without HRB approval or permits

Attended the 3CE Operations Board Meeting, and Sprit of San Juan mtg

Opportunity to Join IWM in a Climate Action Plan development

CITY MANAGER'S MONTHLY REPORT

Wastewater

Lost only 4-work days to rain so far

Had to Relocate Construction Trailer to Lavagnino Street

A lot of complicated subsurface issues to overcome for the trenching- but more than a mile has been completed

Coordinated in concept- the industrial user future connection scheme in San Justo Road

Placed the order for the switching equipment estimated to take 80-weeks for delivery

Trenching will be done by June 2024, but project not expected to be complete until summer 2025

CITY MANAGER'S MONTHLY REPORT

Import Water Compliance Project

HRB Completed the new Basis for Design

New route using Hwy 156

Under Review by City Engineer

Updating cost estimates

Continue to meet monthly with the District

Assigned the two permanent agreements to MNS Engineering

1) Pipeline Construction

2) Water purchase

CITY MANAGER'S MONTHLY REPORT

New Chairs for the City Council Chambers- new project need a budget

February meeting will include Mid Year budget adjustments:

- Budget for Import Water Compliance Project

- Lift Station Pump Replacement at Well 1

AFFIDAVIT OF POSTING

I, Elizabeth Soto, Do Now Declare, Under the Penalties of Perjury That I Am the Deputy City Clerk / Administrative Services Manager in the City of San Juan Bautista and That I Posted Three (3) True Copies of the attached City Council Agenda. I Further Declare That I Posted Said Agenda on the 12th day of January 2024, and in the Following Locations in said City of San Juan Bautista, County of San Benito, California.

1. On The Bulletin Board at City Hall, 311 Second Street.
2. On The Bulletin Board at The City Library, 801 Second Street.
3. On The Bulletin Board at The Entrance to The United States Post Office, 301 The Alameda

Signed at San Juan Bautista, County of San Benito, California, on the 12th day of January 2024.



Elizabeth Soto, CMC, CPMC
Deputy City Clerk / Administrative Services Manager

WAIVER OF READING OF ORDINANCES

State law requires that an ordinance be read in its entirety prior to adoption unless the City Council waives reading beyond the title. Reading an entire ordinance at the meeting is extremely time-consuming; reading of the title alone usually gives the audience sufficient understanding of what the Council is considering.

To ensure that this waiver is consistently approved by the Council, Council should make the waiver at each meeting, thus, you should do it at this point on the Consent Agenda. The Council then does not have to worry about making this motion when each ordinance comes up on the agenda.

GC § 36934



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

DATE: JANUARY 16, 2024

DEPARTMENT: RECREATION DEPARTMENT

FROM: CAITLIN BRADY, RECREATION ASSISTANT

BY: CAITLIN BRADY, RECREATION ASSISTANT

TITLE: AMILIA SMARTREC RECREATION MANAGEMENT SOFTWARE

RECOMMENDED MOTION:

Approve a Resolution Authorizing the City Manager to enter into an Agreement with Amilia SmartRec for the Purchase of an Annual subscription of a Recreation Management Software.

RECOMMENDATION:

Staff recommends the purchase of an annual subscription in the amount of \$1,200.00 to Amilia SmartRec, and a one-time setup fee in the amount of \$499.00. Amilia SmartRec offers comprehensive services at a significantly lower cost compared to industry averages.

EXECUTIVE SUMMARY:

Amilia SmartRec distinguishes itself through its cost-effectiveness and extensive range of services, covering attendance management, event ticketing, merchandise sales, registration analytics, league and facility management. Notably, its inclusive pricing structure sets it apart from competitors by providing secure storage for essential documents without additional charges, streamlining processes for event organizers and city departments alike.

BACKGROUND:

Recreation management software serves as a central tool for municipalities, streamlining administrative tasks and enhancing community engagement. It consolidates activities like event

management, program registrations, and facility bookings into a single platform. This technology significantly simplifies residents' access to programs, events, and registrations while offering efficient communication channels and management tools for city departments.

Its implementation reshapes city operations by optimizing resource allocation and administrative processes. In the recreation department, it frees up valuable time by consolidating tasks, enabling staff to focus on program development. Across other city departments, the software minimizes paperwork, simplifies payments, and enhances facility booking management. Importantly, it drives revenue by maximizing facility usage, empowering community organizations to host events, and facilitating efficient resource allocation.

Overall, adopting robust recreation management software, like Amilia SmartRec, signifies a commitment to enhancing civic engagement, operational efficiency, and revenue generation. It aligns with the city's objectives of fostering a thriving community and optimizing resource utilization for a more vibrant and engaged city life.

This software assessment involved an examination of six recreation management software options, highlighting Amilia SmartRec's affordability, comprehensive services, and inclusivity compared to industry standards.

FISCAL IMPACT:

Annual subscription cost of \$1,200 and a one-time setup fee of \$499.00.

ATTACHMENTS:

A. Resolution

RESOLUTION NO. 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
AUTHORIZING THE PURCHASE OF AN ANNUAL SUBSCRIPTION OF AMILIA
SMARTREC RECREATION MANAGEMENT SOFTWARE**

WHEREAS, with the establishment of the City's inaugural Recreation Department, there arises a critical necessity to equip this department with efficient and modern management tools; and

WHEREAS, the adoption of recreation management software is expected to significantly improve resident access to programs, streamline administrative tasks, and optimize resource utilization across city departments, in alignment with the city's strategic goals; and

WHEREAS, department staff has conducted a comprehensive review of six recreation management software options; and

WHEREAS, Amilia SmartRec has been identified as the optimal solution due to its comprehensive functionalities and cost-effectiveness.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Juan Bautista does hereby resolve as follows:

SECTION 1. Approve the adoption of Amilia SmartRec as the new recreation management software for the city.

SECTION 2. Authorize an annual subscription cost of \$1,200 and a one-time setup fee of \$499.00 for Amilia SmartRec.

SECTION 3. Authorize the City Manager to execute the necessary contracts and agreements with Amilia SmartRec in a form approved by the City Attorney and City Manager.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon adoption.

PASSED AND APPROVED by the San Juan Bautista City Council this 16th day of January 2024, by the following vote

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Scott Freels, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk



AMILIA
SmartRec



Proposal for

City of San Juan Bautista
Recreation Department

Prepared by
Justin Shoubridge
Amilia

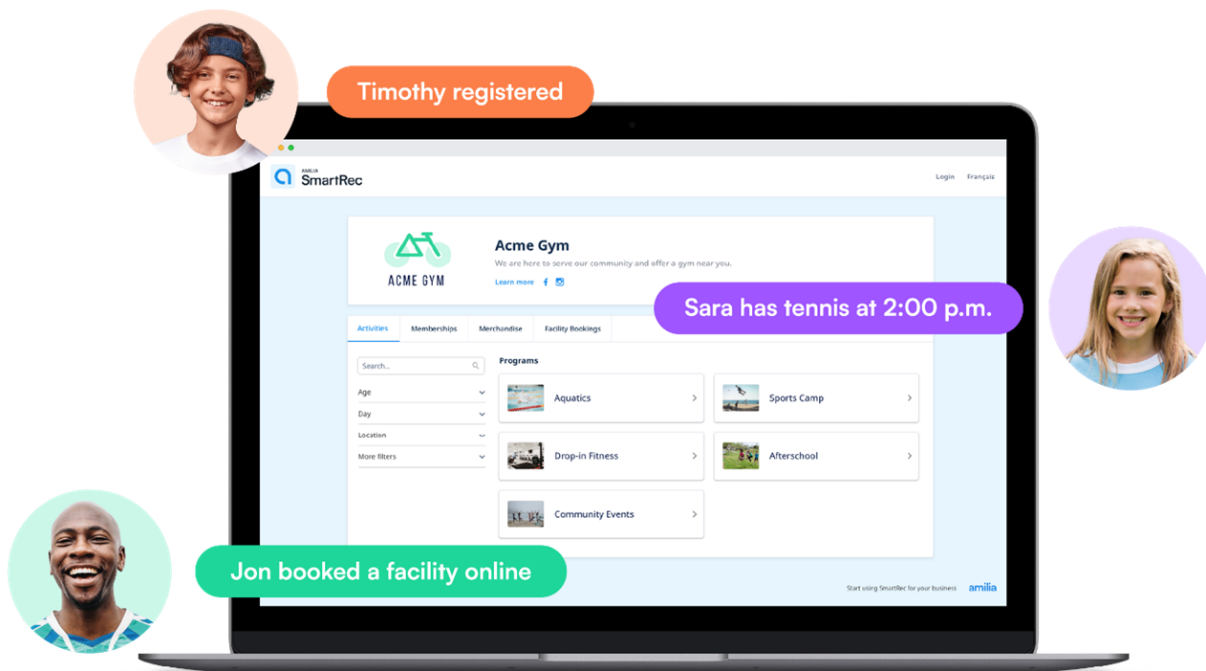


About Us

Amilia is on a mission to bring eCommerce to the world of activities to help organizations like yours better serve their community online.

Since 2008, our SmartRec™ eCommerce platform is the smartest and easiest way for organizations across North America to offer, manage, and sell their activities.

We are all about making you save time and get to do more of what you love – it's eCommerce for activities!



Don't just take our word for it – discover what customers like you have to say!

« Within two months of launching our registrations with SmartRec, our online registration grew from 10% to 50%, well within our initial goal. »

Chris Smith, Deputy Director of Grapevine Parks and Recreation

« We had outgrown our previous system rather quickly, and we were looking for a platform that was built for tomorrow and could **work proactively**, instead of reactively as our needs changed. That platform is SmartRec™. »

John Martarano, Vice President of Little Kitchen Academy

Proven & Trusted Platform

Our platform is the trusted solution of hundreds of companies across North America. We pride ourselves on building a constantly improving product and providing a great service to our customers. Just like you, we believe that customers should be at the center of every interaction!

Award-winning platform



In 2021, SmartRec™ continues to dominate the online registration, association management, and membership management categories of renamed review platforms Capterra, GetApp, and Software Advice. These awards are entirely based on customer feedback and experience.

Over 1,200 organizations trust our eCommerce platform to bring their activities online



We care about your security

Amilia is Service Provider and PCI-DSS Level 1 compliant. Amilia is using a certified and renowned PCI certification auditor (Security Metrics). Scans are done in regular 3 months intervals as per required by the PCIDSS certification terms. PCI assessment D-SP version 3.2 is current and new requirements that come from revisions are always applied before the required timelines.



Proposed Plan & Pricing

City of San Juan Bautista Recreation Department

311 2nd Street, P.O. Box 1420, San Juan Bautista, California
United States, 95045

This proposal is valid for 30 days from January 9, 2024

A. Duration of Proposed Agreement

- 12 months, starting in 1 February 2024
- **This agreement renews for successive 12-month periods following a 60-day written notice.**

B. License Fees

- \$ 99 monthly subscription fee + 1% service fee
- For Rental Contracts associated with facilities, 1% service fee with a maximum of \$10/Rental Contract

C. Payment Processing Fees

Credit cards (Visa, Mastercard, Discover, Amex): 2.85% + \$0.3 per transaction to be invoiced monthly.
eCheck (ACH): 1% + \$ 0.5 per transaction to be invoiced monthly.

Additional fees passed through directly from credit card companies may be applied, including but not limited to, credit card chargebacks, reversals, and retrievals, and returns on e-checks due to insufficient funds.

D. Professional Services

\$499 for professional services

Professional services, such as consulting and training services, are performed on a fixed price basis and will be invoiced according to the payment schedule established in a statement of work issued by Amilia.

Professional services, such as data migration or integrations, are rendered on a time and material basis and will be invoiced based on the rates established in a statement of work to be issued by Amilia.

E. Customer Success

Post Implementation Service Level Agreement (SLA)

- In-app live chat & email support during business hours (Mon-Fri, 9:00AM to 7:00PM EST, Sat, 9:00AM-5:00PM EST)
- Phone support (Mon-Fri, 9:00AM-5 :00PM EST)
- Unlimited access to resources: help center, how-to videos, webinars, product tours, etc.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

DATE: JANUARY 16, 2024

DEPARTMENT: CITY MANAGER

FROM: DON REYNOLDS

BY: DON REYNOLDS

TITLE: ENGAGE THE LOBBYING SERVICES OF ROJAS COMMUNICATIONS GROUP TO IDENTIFY AND SECURE GRANT AND LOW INTEREST LOAN RESOURCES FOR THE CITY'S WATER COMPLIANCE PROJECT

RECOMMENDED MOTION:

A motion is sought to approve the attached Resolution that authorizes the City Manager to execute a Professional Services Agreement with Rojas Communication Group to lobby on behalf of the City to state and federal legislators to receive grant and low-interest loans to pay for its water compliance project

RECOMMENDATION:

It is recommended that the City Council approve the attached Resolution and retain the services of Rojas Communications Group as its state and federal lobbyist to secure grant and low interest loan funds for the water import compliance project at a cost not to exceed \$30,000 per year for a term or 24 months.

EXECUTIVE SUMMARY:

The City has been well served by its State and federal legislatures, and they are very busy serving other constituents as well. To secure grant and low-interest loan funding, it is critical to keep the San Juan Bautista representatives well informed of their priorities. This is especially true during an election year when representatives may change. In 2020-2022 the City hired a state lobbyist to help secure a \$3 million state grant for the sewer project. Jayson Braud had worked with Ridgeline Municipal Strategies on other projects before and volunteered to help the City secure the \$6 million grant and \$10 million loan with the USDA in Washington DC for the sewer project. Mr. Braud is the Vice President of Rojas Communications Group and state lobbyist Jaime Rojas is the President. Attached is a draft Resolution and proposal recommending that the City engage Rojas Communication Group to act as the City's state and federal lobbyist to secure grants and low interest loan funds for the City's water import

compliance project. As proposed, these services will be billed month-to-month, for \$2,500 per month, (\$30,000 annually) not to exceed a term of 24 months.

BACKGROUND:

The City's 2021 MOU with the San Benito Water District assures the City that the District will finance and build the \$10 million water pipeline from the West Hills Water Treatment Plant. The interest is estimated to be 4.5%, but it will be adjusted to match the same amount as the District earns on its savings. The City received a low-interest loan of \$10 million from the USDA at 2.5% for the sewer project. Staff is optimistic that it can secure a better interest rate directly from the USDA, Water Board, or other state or federal agencies as it did for the import water compliance project.

As described in the attached proposal, the Rojas Communications Group is very experienced in helping local government keep their priorities known to the State and federal legislatures. Despite having to compete amongst other critical interest for sewer funds, the City was successful thanks to state lobbying to secure funding for that project. With the help of Jayson Braud, the City has secured federal funds to pay for most of the sewer project costs. Mr. Braud understands the complexities of the City's compliance efforts. He works well with the water project finance team including Ridgeline Municipal Strategies. He works from Washington DC, and can help with other issues as well including FEMA claims. Both Rojas and Braud are attorneys and understand the state and federal legislative systems.

FISCAL IMPACT:

The cost of the lobbying efforts will be part of the CIP to pay for the construction of the pipeline needed to import water from the San Benito County Water District. The amount of the contract is billed month-to month, not to exceed 24 months. If the funds are secured quickly, the contract can be terminated sooner than 24 months with 30 days' notice.

ATTACHMENTS:

Resolution and Rojas Communication Proposal

RESOLUTION NO. 2024- XXX

A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA AUTHORIZING THE CITY MANAGER TO ENGAGE THE LOBBYING SERVICES OF ROJAS COMMUNICATONS GROUP TO IDENTIFY AND SECURE STATE AND FEDERAL GRANTS AND LOW INTEREST LOANS TO PAY FOR THE CITY'S WATER IMPORT COMPLIANCE PROJECT

WHEREAS, over the past several years, the City's sewer system has benefitted from help with lobbyists in Sacramento and Washington DC, that can remind the State and Federal representatives how important reaching compliance with the Central Coast Water Quality Control Agency and Environmental Protection Agency is for San Juan Bautista; and

WHEREAS, the City is prepared now to begin the second and final phase of this compliance work, by partnering with the San Benito Water District to import drinking water to blend with City ground water that includes the construction of a 7-mile pipeline from the District's West Hills Treatment Plant estimated to cost \$10 million; and

WHEREAS, The District has agreed to finance the project at 4.5% interest, but the City was able to secure a low interest loan for the sewer project from the USDA for only 2.5%; and

WHEREAS, the City's Finance Team including its CPA, staff, and Bond Counsel and Ridgeline Municipal Strategies working with a grant writer, are once again searching for new grants and low interest loan opportunities to fund the water import project; and

WHEREAS, if the City can once again raise enough grant funds to reduce the debt service of a low interest loan, the current water rates do not have to be increased; and

WHEREAS, there are numerous funding opportunities available, and sorting through the details to decide which are best for the City requires a good understanding of each program, (be it USDA, EPA, State Water Quality Control Board, etc.), an understanding of the City's needs, knowing the legislators that make the funding decisions for local government, and constant communication with the legislature and staff to make these funding opportunities become realities; and

WHEREAS, for the sewer project the City relied informally on input from Federal lobbyist Jayson Braud that has worked with Ridgeline Municipal Strategies on other projects, and formally with a different State lobbyist that specialized in water projects, (whose Agreement with the City has ended), to identify potential funding sources for the City; and

WHEREAS, Rojas Communications Group relies on Jayson Braud as Vice President, and Jaime Rojas as its President whose experience is described in the attached proposal, and have an excellent understanding of the City's needs, to lobby for water purveyors across the State for state and federal funding and are best fit to serve San Juan Bautista in this capacity; and

WHEREAS, the City will benefit from the services of communication support in Sacramento and Washington DC to fund its water project with the SBCWD, and the City will

also benefit from the other services outlined in their attached proposal including help with FEMA and Cal-OES reimbursements currently pending now from last year's storm emergencies.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY FINDS:

1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.
2. That the City Council adopts this Resolution and authorizes the City Manager to execute a Professional Services Agreement with Rojas Communications, in a form first approved by the City Attorney, for an amount not exceed \$2,500 per month (\$30,000 per year) with a term not to exceed 18-months.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at its regular meeting held January 16, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Scott Freels, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk



November 9, 2023

Mr. Don Reynolds
City Manager
City of San Juan Bautista
311 2nd Street
San Juan Bautista, CA 95045

Dear Mr. Reynolds:

I am writing to provide you with an overview of our firm and the scope of services we discussed to provide to the City of San Juan Bautista. Rojas Communications Group (RCG) was established nine years ago with deep California connections and a locally focused methodology. We also have extensive experience in representing governmental entities and are uniquely qualified to partner with the City of San Juan Bautista. In addition, RCG also has a great presence in Washington, D.C. through its longstanding partnership with Jayson Braude.

RCG Background

For almost a decade, RCG has offered a wide range of services to a variety of organizations across many industry sectors. These include local governments, Fortune 500 companies, and trade associations. We have provided government relations services throughout California and Washington, D.C. to some of the largest and most complex governmental & business entities in the country; helped clients successfully achieve policy, regulatory, and funding goals; and assisted others to envision and implement multi-year, multi-million-dollar development projects. Our in-depth substantive knowledge combined with our creativity, hard work and reputation for integrity has earned us the trust of longstanding clients. We're proud that clients think of us as an integral part of their operations, capable of delivering the services they need when they need them.

Scope of Services

RCG will collaborate with the City of San Juan Bautista to open doors in Washington, D.C. and Sacramento to assist finding additional funds to various needs like infrastructure, road repairs, park projects, water projects and public safety. Our partnership would include:

- Working with the City to raise their profile with the California House and Senate delegation, federal agencies and the Biden Administration; California State Senate and Assembly, state agencies and Governor Newsom's Office; and other local agencies.



- Building support for the City's objectives and resource needs within Congress, State Legislatures and Board of Supervisors and target key allies and influential lawmakers, committees and Executive branch policy makers.
- Coordinating trips to Washington, D.C. and Sacramento to meet with the Congressional, State & local delegation and key staff in the federal, state and local agencies.
- Helping the City with any issues that have a federal, state or local nexus, which may include providing comments on federal and state regulations, securing letters of support for grant applications, connecting local officials to federal and state agency professionals to maximize opportunities for success.

RCG will collaborate with the City to create a federal and state government funding and outreach program. The focus will be on developing a plan to apply for earmarks and targeted funding within specific government agencies and developing crucial relationships with program managers responsible for administering target grants.

Rojas Communications Group Team

Jaime Rojas, Jr. - President, Rojas Communications Group

Jaime Rojas is President of RCG and has over 25 years of local, state & federal experience in public affairs, public relations & marketing, including working in Clinton White House. Jaime has also worked for companies like UPS, Lucent Technologies and was the President of the California Hispanic Chambers of Commerce. He has received his undergrad and graduate school degrees from USC. Jaime has taught at USC's Sol Price School of Public Administration. He grew up in Los Angeles and is based in Rancho Cucamonga, California.

Jayson Braude – Vice President of Federal Government Relations and Chief Counsel

Jayson Braude is the Chief Counsel. Jayson Braude grew up in the Los Angeles area and is the Grandson of former United States Congressman Glenn Anderson. Jayson worked for United States Senators Kent Conrad and Sherrod Brown in Washington D.C. After law school, he worked as Legislative Counsel for United States Congresswoman Janice Hahn, where he staffed the Congresswoman on the House Transportation and Infrastructure Committee. He then became the District Director for Congresswoman Nannette Diaz Barragan in her San Pedro office. Jayson has over ten-years of experience in government affairs and maintains contacts all over Capitol Hill and throughout federal, state and local agencies. Jayson is a graduate of the

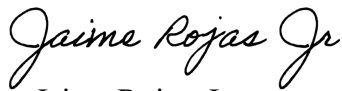


UC Santa Barbara and received his law degree from Southwestern Law School in Los Angeles. Jayson is a member of the Washington Bar and resides in Washington, D.C.

Rojas Communications Group would very much welcome the opportunity to partner with the City of San Juan Bautista. Should you decide to hire our team we are prepared to begin immediately and would recommend a strategy session be scheduled as soon as possible so that we can begin our collaboration. The monthly retainer for our state and federal services is \$2,500 total per month.

Thank you for taking the time to review this proposal. Please do not hesitate to contact us with any questions.

Very respectfully,



Jaime Rojas, Jr.
President

Rojas Communications Group
1808 Foothill Blvd., Suite 160-516
Rancho Cucamonga, CA 91730
(213) 400-8664
jaime@rojascommunications.com

- E. Approve the Regular Meeting Minutes of October 17, 2023.
- F. Approve the Special Meeting Minutes of November 14, 2023.
- G. Approve the Regular Meeting Minutes of December 19, 2023.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

DATE: JANUARY 16, 2024

BY: DON REYNOLDS, CITY MANAGER

DEPARTMENT: CITY MANAGER

TITLE: APPROVE A RESOLUTION ACCEPTING THE CITY'S FISCAL
YEAR 22/23 AUDIT

RECOMMENDED ACTION(S):

It is recommended that the City Council Approve the attached Resolution accepting the City's Fiscal Year 22/23 Audit.

BACKGROUND INFORMATION:

The City is required by laws of the State of California to audit the financial statements after the end of each fiscal year. This practice provides complete transparency for the public and is a tool to hold government officials fiscally accountable. If the audit discloses findings of mishandling of the City's finances, or in violation of any of its finance policies, this is where to look for these facts and make changes to correct these errors and discrepancies.

It is the City Manager's duty to present this audit and describe the City's fiscal status. The City Manager is looking for any signals of alarm, and after that, looking at trends. In the past years, the audits have all been found to be "clean." Like an individual will use a tax return, the city uses a clean audit to help leverage debt. Trends are powerful projection tools, that identify where there are deficits, where expenses exceed revenues, and those need to be identified and corrected in future budgets.

When the budget is assembled and presented to the public, nearly a quarter of expenses and revenues have not been received or spent. The term "Year to Date" is used, and then a "Year End Projection" is determined based upon the annual trends. The audit provides annual trends and works as a tool to disclose dangers and risks, as well as opportunities over longer periods of time. The audit then confirms the assumptions and projections made in the budget, six months after the budget is adopted. The Audit from the prior fiscal year is where the new budget is born.

There is a phrase known as "Zero Based" budgeting. This is a practice that occurs from time to time when the incremental adjustments made year to year are working against the actual trends identified. All assumptions are discarded, and the budget practice starts at "0." In February 2020, Citygate and Associates assigned a retired Finance Director to "audit the audit." There were many

recommendations to help improve the systems in place, but the City's finances were proven to be accurately reported, and strong.

DISCUSSION:

The City is presenting to the City Council and the citizens of San Juan Bautista a clean Audit. There are no findings of concern.

Focusing on trends, attached are notes provided by Wendy Cummings, CPA, summarizing and highlighting areas of the audit and comparing them to prior years. In almost every case, the City's fund balances, and net worth are stronger than last year. The City is consistently investing in its infrastructure and paying down debt on time. General Fund revenues decreased \$1,620,575 over expenditures. The decrease is due to the City's planned expenditure for capital improvements. The budget of which anticipated the use of the available general fund for these projects. The Enterprise Funds (Water and Sewer) are healthier than in prior years.

FISCAL IMPACT:

The acceptance of the City's audit allows the budget process to begin.

ATTACHMENTS:

1. Resolution
2. Summary Notes

RESOLUTION NO. 2024-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ACCEPTING THE SAN JUAN BAUTISTA MUNICIPAL AUDIT FOR FISCAL YEAR
2022-2023**

WHEREAS, the City of San Juan Bautista is required under the laws of the State of California to have their financial statements audited annually; and

WHEREAS, an audit of the City's financial statements was conducted by Independent Auditor Bryant L. Jolley, CPA; and

WHEREAS, the City Council held a meeting on January 16, 2024 where, in accordance with all State and Municipal Code requirements, they reviewed the audit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Juan Bautista accepts the FY 2022-2023 San Juan Bautista Municipal Audit.

PASSED AND APPROVED by the City Council of the City of San Juan Bautista at a regular meeting held on the 16th day of January 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Scott Freels, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

Page 4 Statement of Net Position

Governmental Activities ~

Assets are lower than prior year by \$182k. The decrease can be attributed to a combination of an increase in fixed assets of \$1,647k for infrastructure improvements, offset by a decrease in cash of \$1,738k to pay for those improvements.

Liabilities are in line with the prior year.

Unrestricted fund balance of \$2,868k lower than prior year by \$1,719k. This decrease is primarily due to the investment in capital which shifts the unrestricted fund balance to the investment in capital assets fund balance.

Enterprise Activities ~

Assets are higher than the prior year by \$668k. This increase is primarily due to a grant receivable for the wastewater project of \$783k.

Liabilities are lower than in the prior year by \$270k. The decrease is primarily due to the paydown of debt and accrued expenses.

The unrestricted fund balance of \$1,628k, is higher than the prior year by \$867k.

Page 5 Statement of Activities

Primary Government (includes enterprise funds) ~

Charges for services and operating grants totaled \$4,611k, combined with taxes, property, and other revenues of \$2,654k, totaling \$7,265k in revenue for the year. This is an increase of \$1,556k over the prior year's total of \$5,709k. This is primarily due to significant grant funds received in the current year.

Expenditures/expenses totaled \$6,512k for the year. These expenditures were higher than the prior year expenditures by \$1,231k, primarily due to capital projects costs in the current year.

The beginning net position for the year was \$14,728k. With the change in net position totaling \$753k, bringing the net position to \$15,481k.

Page 11 Statement of Revenue, Expense – Proprietary Funds (Enterprise)

Enterprise funds brought in \$2,821k of operating revenue which is \$471k higher than the prior year. This increase is due to a combination of higher water usage due to the lack of a drought, and by higher wastewater revenue from annual rate increases.

Enterprise fund operating expenses were \$2,247k, which was \$362k higher than the prior year. This is primarily due to higher personnel, contract costs, and supplies and materials costs in the current year.

Overall, the enterprise funds brought in a decrease in net position of \$75k.

Page 12 Statement of Cash Flows – Proprietary Funds (Enterprise)

Cash flow provided \$1,253k from operating activities for the year, which is better than the prior year by \$167k.

Other cash flow related items, for paydown of debt and capital purchases were a combined decrease in cash of \$1,126k. The use of cash in the prior year for similar activities was \$1,807k.

Page 31 Budgetary Comparison Schedule – General Fund

Combined general fund revenues were over budget by \$324k, primarily in sales taxes and intergovernmental grants. Charges for services were below budget by \$132k. These budgeted line items are primarily used to pay for community development expenditures.

Combined expenditures were under budget by \$1,313k, primarily in the capital projects budgets. Over budget amounts in public works of \$286k was largely attributed to contributed capital for a shared project with the County of San Benito for State Route 156 improvements.

The total of revenue under expenditures for the year were a negative \$1,621k with interfund transfers. Removing the effects of the capital outlay of \$1,894k, the general fund would present a positive \$274k for the year.

The general fund ended this year with a fund balance of \$3,494k, lower than the prior year by \$1,621k. Of this year-end balance \$2,868k is uncommitted and available for use in governmental operations.

CITY OF SAN JUAN BAUTISTA

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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Required Communications	1 - 3

To the Honorable Mayor and City Council
City of San Juan Bautista, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies have not changed during 2023. We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on an evaluation of collectability primarily focused on past due accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of San Juan Bautista's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of San Juan Bautista's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of City of San Juan Bautista and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be "Rene J. [unclear]", written in a cursive style.

January 11, 2024

CITY OF SAN JUAN BAUTISTA

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of San Juan Bautista, California

Report on the Audit of the Financial Statements

Opinions

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 San Juan Bautista (the "City"), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'Michael J. [unclear]', written over a faint circular stamp.

January 11, 2024

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 3,077,306	\$ 1,479,612	\$ 4,556,918
Restricted cash and investments	-	428,060	428,060
Accounts receivable, net	101,975	278,392	380,367
Due from other governmental agencies	460,247	783,043	1,243,290
Lease receivable	163,926	-	163,926
Internal balances	1,510,184	(1,510,184)	-
Prepaid expense and other assets	2,951	-	2,951
Capital assets (net of allowance for depreciation)	5,812,739	12,855,473	18,668,212
Total assets	11,129,328	14,314,396	25,443,724
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	-	1,325,931	1,325,931
Total deferred outflows of resources	-	1,325,931	1,325,931
LIABILITIES			
Accounts payable and accrued expense	476,017	393,555	869,572
Accrued interest	-	89,934	89,934
Deposits	11,000	164,378	175,378
Line of credit	-	80,462	80,462
Long-term liabilities			
Due within one year	-	310,000	310,000
Due in more than one year	-	9,600,465	9,600,465
Total liabilities	487,017	10,638,794	11,125,811
DEFERRED INFLOWS OF RESOURCES			
Deferred right to use - lease revenue	163,322	-	163,322
Total deferred inflows of resources	163,322	-	163,322
NET POSITION			
Net investment in capital assets	5,812,739	2,945,008	8,757,747
Restricted for capital improvements	902,220	428,060	1,330,280
Restricted for specific projects and programs	896,383	-	896,383
Unrestricted	2,867,647	1,628,465	4,496,112
Total net position	\$ 10,478,989	\$ 5,001,533	\$ 15,480,522

CITY OF SAN JUAN BAUTISTA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue				Net Revenue/(Expense) and Changes in Net Position		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 845,534	\$ 87,228	\$ 535,581	\$ -	\$ (222,725)	\$ -	\$ (222,725)
Public works	1,446,304	72	108,305	2,852	(1,335,075)	-	(1,335,075)
Parks and recreation	126,259	1,301	-	-	(124,958)	-	(124,958)
Public safety	685,225	3,167	136,229	-	(545,829)	-	(545,829)
Community development	717,866	131,653	-	-	(586,213)	-	(586,213)
Total governmental activities	<u>3,821,188</u>	<u>223,421</u>	<u>780,115</u>	<u>2,852</u>	<u>(2,814,800)</u>	<u>-</u>	<u>(2,814,800)</u>
Business-type activities							
Water	1,227,423	1,290,433	-	-	-	63,010	63,010
Sewer	1,463,405	1,531,017	-	783,043	-	850,655	850,655
Total business-type activities	<u>2,690,828</u>	<u>2,821,450</u>	<u>-</u>	<u>783,043</u>	<u>-</u>	<u>913,665</u>	<u>913,665</u>
Total primary government	<u>\$ 6,512,016</u>	<u>\$ 3,044,871</u>	<u>\$ 780,115</u>	<u>\$ 785,895</u>	<u>(2,814,800)</u>	<u>913,665</u>	<u>(1,901,135)</u>
General Revenues							
Property taxes and assessments					732,755	-	732,755
Sales taxes					1,152,461	-	1,152,461
Lodging taxes					230,619	-	230,619
Franchise taxes					82,264	-	82,264
Business licenses					27,025	-	27,025
Motor vehicle in-lieu					272,325	-	272,325
Interest and rent					145,243	-	145,243
Other					11,399	-	11,399
Transfers					40,553	(40,553)	-
Total general revenue					<u>2,694,644</u>	<u>(40,553)</u>	<u>2,654,091</u>
Change in Net Position					(120,156)	873,112	752,956
Net Position							
Beginning of year					10,599,145	4,128,421	14,727,566
End of year					<u>\$ 10,478,989</u>	<u>\$ 5,001,533</u>	<u>\$ 15,480,522</u>

See accompanying notes.

CITY OF SAN JUAN BAUTISTA

BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2023

	General	Non Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 1,895,458	\$ 1,181,848	\$ 3,077,306
Accounts receivable	101,975	-	101,975
Due from other governmental agencies	379,733	80,514	460,247
Lease receivable	163,926	-	163,926
Due from other funds	75,853	-	75,853
Advance to other funds	1,510,184	-	1,510,184
Prepaid expense and other assets	2,951	-	2,951
Total assets	<u>\$ 4,130,080</u>	<u>\$ 1,262,362</u>	<u>\$ 5,392,442</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expense	\$ 462,001	\$ 14,016	\$ 476,017
Due to other funds	-	75,853	75,853
Deposits	11,000	-	11,000
Total liabilities	<u>473,001</u>	<u>89,869</u>	<u>562,870</u>
Deferred Inflows of Resources			
Deferred right of use - lease revenue	163,322	-	163,322
Total deferred inflows of resources	<u>163,322</u>	<u>-</u>	<u>163,322</u>
Fund Balance			
Nonspendable			
Advances to other funds	1,510,184	-	1,510,184
Restricted			
Public safety	-	197,532	197,532
Capital improvement projects	-	804,451	804,451
Circulation improvements	-	97,769	97,769
Lighting and landscape maintenance	-	72,741	72,741
Committed			
Buildings	251,950	-	251,950
Vehicles	374,160	-	374,160
Unassigned	1,357,463	-	1,357,463
Total fund balance	<u>3,493,757</u>	<u>1,172,493</u>	<u>4,666,250</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,130,080</u>	<u>\$ 1,262,362</u>	<u>\$ 5,392,442</u>

CITY OF SAN JUAN BAUTISTA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2023

Total governmental fund balances	\$ 4,666,250
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Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>5,812,739</u>
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Net position of governmental activities	<u><u>\$ 10,478,989</u></u>
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CITY OF SAN JUAN BAUTISTA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	General	Non Major Governmental Funds	Total Governmental Funds
Revenue			
Taxes	\$ 2,323,044	\$ 255,685	\$ 2,578,729
Intergovernmental	535,581	136,229	671,810
Charges for services	91,318	-	91,318
Licenses, permits and impact fees	159,058	2,852	161,910
Fines and forfeitures	3,070	-	3,070
Interest and rent	123,144	-	123,144
Other	8,399	-	8,399
Total revenue	<u>3,243,614</u>	<u>394,766</u>	<u>3,638,380</u>
Expenditures			
Current			
General government	881,499	-	881,499
Public works	827,945	184,993	1,012,938
Parks and recreation	98,245	-	98,245
Public safety	661,293	-	661,293
Community development	919,724	-	919,724
Capital outlay	<u>1,894,483</u>	<u>-</u>	<u>1,894,483</u>
Total expenditures	<u>5,283,189</u>	<u>184,993</u>	<u>5,468,182</u>
Revenue over/(under) expenditures	(2,039,575)	209,773	(1,829,802)
Other Financing Sources/(Uses)			
Lease revenue	22,099	-	22,099
Operating transfers in/(out)	<u>396,901</u>	<u>(356,348)</u>	<u>40,553</u>
Total other financing sources (uses)	<u>419,000</u>	<u>(356,348)</u>	<u>62,652</u>
Change in Fund Balance	(1,620,575)	(146,575)	(1,767,150)
Fund Balance			
Beginning of year	<u>5,114,332</u>	<u>1,319,068</u>	<u>6,433,400</u>
End of year	<u>\$ 3,493,757</u>	<u>\$ 1,172,493</u>	<u>\$ 4,666,250</u>

CITY OF SAN JUAN BAUTISTA

**RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net change in fund balance - total governmental funds \$ (1,767,150)

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

Depreciation expense on capital assets is reported in the Statement of
Activities, but it does not require the use of current financial
resources. Therefore, depreciation expense is not reported as
expenditures in Governmental Funds (247,489)

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 as depreciation expense. This is the amount of
capital outlay in the current period. 1,894,483

Change in net position of governmental activities \$ (120,156)

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
ASSETS			
Current assets			
Cash and investments	\$ 1,403,782	\$ 75,830	\$ 1,479,612
Restricted cash and investments	214,030	214,030	428,060
Accounts receivable, net	125,911	152,481	278,392
Due from other government	-	783,043	783,043
Total current assets	<u>1,743,723</u>	<u>1,225,384</u>	<u>2,969,107</u>
Non-current assets			
Property, plant and equipment (net of allowance for depreciation)	<u>6,506,798</u>	<u>6,348,675</u>	<u>12,855,473</u>
Total noncurrent assets	<u>6,506,798</u>	<u>6,348,675</u>	<u>12,855,473</u>
Total assets	<u>8,250,521</u>	<u>7,574,059</u>	<u>15,824,580</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	<u>729,262</u>	<u>596,669</u>	<u>1,325,931</u>
Total deferred outflows of resources	<u>729,262</u>	<u>596,669</u>	<u>1,325,931</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expense	46,364	347,191	393,555
Accrued interest	49,464	40,470	89,934
Advance from other funds	830,601	679,583	1,510,184
Line of credit	-	80,462	80,462
Deposits	164,378	-	164,378
Current portion of long-term debt	<u>170,500</u>	<u>139,500</u>	<u>310,000</u>
Total current liabilities	<u>1,261,307</u>	<u>1,287,206</u>	<u>2,548,513</u>
Noncurrent Liabilities			
Long-term debt	<u>5,280,256</u>	<u>4,320,209</u>	<u>9,600,465</u>
Total liabilities	<u>6,541,563</u>	<u>5,607,415</u>	<u>12,148,978</u>
NET POSITION			
Net investment in capital assets	1,056,042	1,888,966	2,945,008
Restricted for capital improvements	214,030	214,030	428,060
Unrestricted	<u>1,168,148</u>	<u>460,317</u>	<u>1,628,465</u>
Total net position	<u>\$ 2,438,220</u>	<u>\$ 2,563,313</u>	<u>\$ 5,001,533</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Revenue			
Charges for services	\$ 1,243,402	\$ 1,503,063	\$ 2,746,465
Other fees	47,031	27,954	74,985
Total operating revenue	<u>1,290,433</u>	<u>1,531,017</u>	<u>2,821,450</u>
Operating Expense			
Contractual services and utilities	178,826	500,197	679,023
Personnel	237,209	246,474	483,683
Supplies, materials and repairs	178,968	173,072	352,040
Depreciation expense	388,400	344,009	732,409
Total operating expense	<u>983,403</u>	<u>1,263,752</u>	<u>2,247,155</u>
Operating income/(loss)	<u>307,030</u>	<u>267,265</u>	<u>574,295</u>
Nonoperating Revenue/(Expense)			
Capital contributions	-	783,043	783,043
Interest expense	(244,020)	(199,653)	(443,673)
Total nonoperating revenue/(expense)	<u>(244,020)</u>	<u>583,390</u>	<u>339,370</u>
Net income/(loss) before transfers	63,010	850,655	913,665
Operating Transfers In/(Out)	<u>(22,304)</u>	<u>(18,249)</u>	<u>(40,553)</u>
Change in Net Position	<u>40,706</u>	<u>832,406</u>	<u>873,112</u>
Net Position			
Beginning of year	<u>2,397,514</u>	<u>1,730,907</u>	<u>4,128,421</u>
End of year	<u>\$ 2,438,220</u>	<u>\$ 2,563,313</u>	<u>\$ 5,001,533</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Activities			
Receipts from customers and users	\$ 1,290,161	\$ 1,518,084	\$ 2,808,245
Payments for contractual services and utilities	(171,376)	(500,197)	(671,573)
Payments to employees	(237,209)	(246,474)	(483,683)
Payments to suppliers	(178,968)	(220,707)	(399,675)
Net cash provided by operating activities	<u>702,608</u>	<u>550,706</u>	<u>1,253,314</u>
Non-capital Financing Activities			
Payments and transfers (to)/from other funds	<u>(22,304)</u>	<u>(18,249)</u>	<u>(40,553)</u>
Net cash provided by (used in) noncapital financing activities	<u>(22,304)</u>	<u>(18,249)</u>	<u>(40,553)</u>
Capital and Related Financing Activities			
Purchase of property, plant and equipment	-	(436,068)	(436,068)
Proceeds from line of credit	-	80,462	80,462
Payments received from other funds	(14,380)	(25,914)	(40,294)
Bond premium	35,733	29,236	64,969
Principal paid on long-term debt	(169,053)	(138,317)	(307,370)
Interest paid on long-term debt	(245,670)	(201,004)	(446,674)
Net cash provided by (used in) capital and related financing activities	<u>(393,370)</u>	<u>(691,605)</u>	<u>(1,084,975)</u>
Net Increase/(Decrease) in Cash	286,934	(159,148)	127,786
Cash			
Beginning of year	<u>1,330,878</u>	<u>449,008</u>	<u>1,779,886</u>
End of year	<u>\$ 1,617,812</u>	<u>\$ 289,860</u>	<u>\$ 1,907,672</u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ 307,030	\$ 267,265	\$ 574,295
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	388,400	344,009	732,409
(Increase) Decrease in Accounts Receivable, net	(317)	(12,933)	(13,250)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Deposits	<u>7,495</u>	<u>(47,635)</u>	<u>(40,140)</u>
Net Cash Provided by Operating Activities	<u>\$ 702,608</u>	<u>\$ 550,706</u>	<u>\$ 1,253,314</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of San Juan Bautista (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City of San Juan Bautista, State of California (the "City"), was incorporated in 1869. The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; sewer and water; parks and recreation; building inspection; public improvements; planning and zoning; and general administrative services.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements – The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net Position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements – The Governmental Fund Financial Statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

The City reports the following major enterprise funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City's sewer system.

Basis of Accounting

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

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

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the City's cash bank accounts including but not limited to certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. An allowance for doubtful accounts is provided to account for potentially uncollectible amounts.

San Benito County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is March 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual. The County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State (also known as the "Teeter Plan") whereby secured property taxes were distributed to participating taxing on the basis of the tax levy, including any uncollected amounts at fiscal year-end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Taxes receivable are recorded as of the date levied. The County is still using the Teeter Plan as of June 30, 2023.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Leases Receivables –The City recognizes a lease receivable and deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is amortized over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate charged by the lessees as the discount rate. When the interest rate charged by the lessees is not provided, the City generally uses the implied rate of return as the discount rate for the leases. When the implied rate of return has not been determined, the City uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessees.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets – Capital outlays are recorded as expenditures of the General and Special Revenue Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings, structures and improvements	40
Infrastructure	40
Equipment	5 - 10

Deferred Outflow/Inflows of Resources – In addition to assets, liabilities and net position, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

Sick leave can be accumulated, but vesting is limited and will not be paid upon termination. For this reason, the City does not accrue any costs relating to sick leave.

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts 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.

In the fund financial statements, however, debt principal payments of Governmental Funds are recognized as expenditures when paid. 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.

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

Fund Balance – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, long-term portion of loans receivable, nonfinancial assets held for resale and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.
- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the San Juan Bautista Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 4,556,918
Restricted Cash and Investments	<u>428,060</u>
Total Cash and Investments	<u>\$ 4,984,978</u>

Cash and investments as of June 30, 2023, consist of the following:

Cash on hand	\$ 200
Deposits with Financial Institutions	906,421
Local Agency Investment Fund	3,650,297
Held by Fiscal Agent:	
Money Market Mutual Funds	<u>428,060</u>
Total Cash and Investments	<u>\$ 4,984,978</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

LAIF is valued based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (Level 2 input).

The City had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	June 30, 2023
Investments by fair value level:				
Equity Securities:				
LAIF	\$ -	\$ 3,650,297	\$ -	\$ 3,650,297
Total Equity Securities	-	3,650,297	-	3,650,297
Investments carried at amortized cost:				
Bank Deposits and Cash on Hand				906,621
Money Market Mutual Funds				428,060
Total Investments amortized at cost				1,334,681
Total Investments				<u>\$ 4,984,978</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. 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. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	None	20%	10% or \$5 million
Commercial Paper	180 days	A	15%	10%
Negotiable Certificates of Deposit	2 years	None	30%	None
Medium-Term Notes	5 years	AA	20%	10%
Money Market Mutual Funds	N/A	AAA	20%	10%
Repurchase Agreements	1 year	None	None	None
Time Deposits	2 years	None	10%	None
County Pooled Investment Funds	N/A	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 million	None

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 June 30, 2023, the City had the following investments:

Investment Type	Amount	Maturity Date
Local Agency Investment Fund	\$ 3,650,297	N/A
Held by Fiscal Agent:		
Money Market Mutual Funds	<u>428,060</u>	N/A
Total	<u>\$ 4,078,357</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk (continued)

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End Not Rated
Local Agency Investment Fund Held by Fiscal Agent:	\$ 3,650,297	N/A	\$ 3,650,297
Money Market Mutual Funds	<u>428,060</u>	N/A	<u>428,060</u>
Total	<u>\$ 4,078,357</u>		<u>\$ 4,078,357</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At times, the City's bank accounts may exceed federally insured limits. The City has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

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. As of June 30, 2023, the carrying amount of the City's bank deposits was \$906,421, and the respective bank balances totaled \$964,125, of the total bank balance. Of the bank balances, only \$250,000 is insured through the Federal Depository Insurance Company. The remaining balance is to be collateralized by the bank.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty 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).

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Investment in State Investment Pool

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

Note 4 – Lease Receivable

American Cell Tower Lease – The City entered into an agreement to lease out a cell tower from February 26, 2002 through February 25, 2032, 2036 for a beginning monthly payment of \$1,413.87 with a 3% increase annually. Payment is due monthly at .9% interest. At June 30, 2023, the lease receivable balance was \$163,926.

The annual payment receipt schedule for principal and interest on all lease receivable at June 30, 2023 were as follows:

	Principal	Interest	Total
2024	\$ 18,269	\$ 1,400	\$ 19,669
2025	18,434	1,235	19,669
2026	18,600	1,068	19,668
2027	18,769	900	19,669
2028	18,938	731	19,669
2029-2032	70,916	1,203	72,119
	<u>\$ 163,926</u>	<u>\$ 6,537</u>	<u>\$ 170,463</u>

The related deferred inflows of resources on the right of use on lease revenue will be amortized on a straight-line basis over the term of the agreement as follows:

2024	\$ 18,845
2025	18,845
2026	18,845
2027	18,845
2027	18,845
2029-2032	<u>69,097</u>
	<u>\$ 163,322</u>

During the year ended June 30, 2023, the City recognized \$19,669 in lease revenue and related interest income.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 22,610	\$ -	\$ -	\$ 22,610
Construction in progress	160,954	23,160	-	184,114
Total capital assets, not being depreciated	183,564	23,160	-	206,724
Capital assets, being depreciated				
Buildings and improvements	1,444,442	-	-	1,444,442
Infrastructure	3,830,714	1,841,942	-	5,672,656
Machinery and equipment	831,992	29,381	-	861,373
Total capital assets, being depreciated	6,107,148	1,871,323	-	7,978,471
Less accumulated depreciation for:				
Buildings and improvements	(875,849)	(56,467)	-	(932,316)
Infrastructure	(500,454)	(162,483)	-	(662,937)
Machinery and equipment	(748,664)	(28,539)	-	(777,203)
Total accumulated depreciation	(2,124,967)	(247,489)	-	(2,372,456)
Total capital assets, being depreciated, net	3,982,181	1,623,834	-	5,606,015
Governmental activities capital assets, net	<u>\$ 4,165,745</u>	<u>\$ 1,646,994</u>	<u>\$ -</u>	<u>\$ 5,812,739</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 487,275	\$ -	\$ -	\$ 487,275
Construction in progress	1,050,765	397,611	(146,713)	1,301,663
Total capital assets, not being depreciated	1,538,040	397,611	(146,713)	1,788,938
Capital assets, being depreciated				
Building	323,861	-	-	323,861
Improvements other than buildings	19,735,717	148,607	-	19,884,324
Machinery and equipment	1,157,921	19,270	-	1,177,191
Total capital assets, being depreciated	21,217,499	167,877	-	21,385,376
Less: accumulated depreciation	(9,586,432)	(732,409)	-	(10,318,841)
Total capital assets, being depreciated, net	11,631,067	(564,532)	-	11,066,535
Business-type activities capital assets, net	<u>\$ 13,169,107</u>	<u>\$ (166,921)</u>	<u>\$ (146,713)</u>	<u>\$ 12,855,473</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Capital Assets (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities:

Governmental Functions:

General Government	\$	23,337
Public Works		172,206
Parks and Recreation		28,014
Public Safety		<u>23,932</u>
	\$	<u>247,489</u>

Business-Type Functions:

Water	\$	388,400
Sewer		<u>344,009</u>
	\$	<u>732,409</u>

Note 6 – Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City's debt transactions are summarized below and discussed in detail thereafter:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>
<u>Business-Type Activities Long Term Debt</u>					
<i>Direct Placement:</i>					
2015 Enterprise Revenue Bonds	\$ 10,060,000	\$ -	\$ 300,000	\$ 9,760,000	\$ 310,000
Plus Unamortized Premium on Bond	<u>157,835</u>	<u>-</u>	<u>7,370</u>	<u>150,465</u>	<u>7,370</u>
Total Business-Type Activities Debt	<u>\$ 10,217,835</u>	<u>\$ -</u>	<u>\$ 307,370</u>	<u>\$ 9,910,465</u>	<u>\$ 317,370</u>
<u>Compensated Absences</u>					
Government Activities	<u>\$ 34,453</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ 36,306</u>	

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Long-Term Debt (Continued)

Long-term debt payable at June 30, 2023 was comprised of the following individual issues:

2015 Enterprise Revenue Bonds – In January 2015, the City issued Series 2015 Enterprise Revenue Bonds for the principal amount of \$11,640,000. The issuance was to refund the outstanding principal balance of the 2008 Water and Sewer COP and the Pavex Note payable described above. In addition, the proceeds of the sale of the bond were used to provide funding to improve the City's water system as well as paying the costs of issuance. The reacquisition price exceeded the net carrying amount of the old debt by \$1,819,135. The City refunded the above debts to reduce its total debt service over 28 years by \$4,125,856 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$1,947,479. The bonds bear interest ranging from 3.0% to 5.0% and are payable semi-annually commencing April 2016 through October 2043. Debt service is secured by a pledge of net revenues of the City's Water and Sewer Systems. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water and sewer systems which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water and sewer operation and maintenance costs and all bond installment payments and produce net water and sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2023. Cash basis debt service paid during the fiscal year ended June 30, 2023 totaled \$665,738. Total water and sewer system net revenues calculated in accordance with the covenants were \$640,966 and net revenue available for debt service was 1.96 times debt service at June 30, 2023.

The annual requirement to amortize the principal and interest on long-term debt at June 30, 2023, were as follows:

Years ending June 30,	Principal	Interest	Total
2024	\$ 310,000	\$ 351,988	\$ 661,988
2025	325,000	336,113	661,113
2026	345,000	319,363	664,363
2027	365,000	301,613	666,613
2028	375,000	286,863	661,863
2029-2033	2,065,000	1,252,398	3,317,398
2034-2038	2,420,000	891,439	3,311,439
2039-2043	2,915,000	400,594	3,315,594
2044	640,000	12,000	652,000
	<u>\$ 9,760,000</u>	<u>\$ 4,152,371</u>	<u>\$ 13,912,371</u>
Unamortized premiums	<u>150,465</u>		
Net long-term debt	<u>\$ 9,910,465</u>		

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Deferred Compensation Plan

On October 1, 1999, the City established a deferred compensation plan for its employees which provides them an opportunity to save for retirement. The plan meets the requirements of Internal Revenue Code Section 457. Under the plan, employees make tax deferred contributions up to the limits established by the Internal Revenue Service. The contributions made to the plan may be withdrawn only upon retirement separation from service, death or unforeseeable emergency. Employees are 100% vested in their contributions from the first date of participation. The plan provides for varying matching contributions.

The plan is administered by the City. The participants are offered a choice of investment options and make their own investment decisions. The City has fiduciary obligation for due care in the administration of the plan, but is not responsible for the investments or performance results of the investment products offered under the plan, therefore, the City is not required to report these funds on the City's financial statements.

Note 8 – Risk Management

The City of San Juan Bautista is insured under the Public Agency Risk Sharing Authority of California (PARSAC) liability program. Protection is afforded for "bodily injury, property damage, personal injury and public officials' errors and omissions, subject to certain limitations".

Limit of protection – \$995,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof in excess of the retained limit.

Retained limit – \$5,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof.

Complete audited financial statements for PARSAC can be obtained from PARSAC's office at 1525 Response Road, Suite One, Sacramento, CA 95815.

Note 9 – Due From/Due to Other Funds and Advance To/Advance From Other Funds

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has cash, and carry an interest rate equal to the rate earned on pooled cash. Individual fund interfund receivables and payables balances as of June 30, 2023 are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Funds:		
General Fund	\$ 75,853	\$ -
Nonmajor Governmental Funds:		
Cops Grant Fund	-	62,661
Gas Tax	-	13,192
	<u>\$ 75,853</u>	<u>\$ 75,853</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 9 – Due From/Due to Other Funds and Advance To/Advance From Other Funds (continued)

In August 2016 the City formalized an advance agreement between the City's General Fund and the Water and Sewer Funds for the amount of \$1,895,844. The amount is payable by the Water and Sewer Funds to the General Fund over a period of 29 years at an interest rate of 1.5 percent payable in annual payments of \$81,102.

Advances from and to balances as of June 30, 2023, are as follows:

	<u>Advance To</u>	<u>Advance From</u>
Major Governmental Funds:		
General Fund	\$ 1,510,184	\$ -
Proprietary Funds:		
Water Fund	-	830,601
Sewer Fund	-	679,583
	<u>\$ 1,510,184</u>	<u>\$ 1,510,184</u>

Note 10 – Interfund Transfers

With the City Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund. Transfers within fund types have been eliminated with the government-wide financial statements. Transfers in and out for the year ended June 30, 2023 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 396,901	\$ -
Nonmajor Governmental Funds:		
COPS Grant	-	174,922
Gas Tax Fund	-	174,229
Maintenance Districts Fund	-	1,114
Impact Fees Fund	-	6,083
Proprietary Funds:		
Water Fund	-	22,304
Sewer Fund	-	18,249
	<u>\$ 396,901</u>	<u>\$ 396,901</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 11 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of \$729,262 in the Water Fund and \$596,669 in the Sewer Fund for deferred charges from debt retirement relate to the defeasance costs of the City’s 2008 Water and Sewer Certificates of Participation. The balance is being amortized over a twenty-eight-year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports \$163,322 in deferred inflows related to lease receivable in the General Fund, see Note 4 for more information.

Note 12 – Stewardship, Compliance and Accountability

Excess of expenditures over appropriations – The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2023:

General Fund:	
Current	
General government	\$ (189,756)
Public works	\$ (285,852)
Community development	\$ (98,890)

The excess expenditures were covered by excess revenues during the fiscal year.

Note 13 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through January 11, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN JUAN BAUTISTA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenue				
Taxes	\$ 1,673,867	\$ 1,673,867	\$ 2,323,044	\$ 649,177
Intergovernmental	624,606	624,606	535,581	(89,025)
Charges for services	222,991	222,991	91,318	(131,673)
Licenses, permits and impact fees	324,179	324,179	159,058	(165,121)
Fines and forfeitures	7,900	7,900	3,070	(4,830)
Interest and rent	65,703	65,703	123,144	57,441
Total revenue	<u>2,919,246</u>	<u>2,919,246</u>	<u>3,243,614</u>	<u>324,368</u>
Expenditures				
Current				
General government	571,743	691,743	881,499	(189,756)
Public works	422,093	542,093	827,945	(285,852)
Parks and recreation	158,297	158,297	98,245	60,052
Public safety	871,597	726,597	661,293	65,304
Community development	671,289	820,834	919,724	(98,890)
Capital outlay	<u>3,253,989</u>	<u>3,657,444</u>	<u>1,894,483</u>	<u>1,762,961</u>
Total expenditures	<u>5,949,008</u>	<u>6,597,008</u>	<u>5,283,189</u>	<u>1,313,819</u>
Revenue over (under) expenditures	(3,029,762)	(3,677,762)	(2,039,575)	1,638,187
Other Financing Sources				
Lease revenue	22,099	22,099	22,099	-
Transfers in (out) - net	<u>103,104</u>	<u>103,104</u>	<u>396,901</u>	<u>293,797</u>
Net Change in Fund Balance	<u>\$ (2,904,559)</u>	<u>\$ (3,552,559)</u>	(1,620,575)	<u>\$ 1,931,984</u>
Fund Balance				
Beginning of year			<u>5,114,332</u>	
End of year			<u>\$ 3,493,757</u>	

SUPPLEMENTAL ONLY INFORMATION

CITY OF SAN JUAN BAUTISTA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	Special Revenue Funds			
	COPS Grant	Public Parking Fund	Gas Tax Fund	Roads & Restrooms Fund
ASSETS				
Cash and investments	\$ -	17,447.00	\$ 2,095	\$ 153,758
Due from other governmental agencies	62,661	-	13,192	3,264
Total assets	<u>\$ 62,661</u>	<u>\$ 17,447</u>	<u>\$ 15,287</u>	<u>\$ 157,022</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued expense	\$ -	\$ -	\$ 2,095	\$ -
Due to other funds	62,661	-	13,192	-
Total liabilities	<u>62,661</u>	<u>-</u>	<u>15,287</u>	<u>-</u>
Fund Balance				
Restricted				
Public safety	-	-	-	-
Capital improvement projects	-	17,447	-	157,022
Circulation improvements	-	-	-	-
Lighting and landscape maintenance	-	-	-	-
Total fund balance	<u>-</u>	<u>17,447</u>	<u>-</u>	<u>157,022</u>
Total liabilities and fund balance	<u>\$ 62,661</u>	<u>\$ 17,447</u>	<u>\$ 15,287</u>	<u>\$ 157,022</u>

CITY OF SAN JUAN BAUTISTA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	Special Revenue Funds		Non-major
	Maintenance	Impact	Governmental
	Districts	Fees	Funds
ASSETS			
Cash and investments	\$ 83,265	\$ 925,283	\$ 1,181,848
Due from other governmental agencies	1,397	-	80,514
Total assets	<u>\$ 84,662</u>	<u>\$ 925,283</u>	<u>\$ 1,262,362</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expense	\$ 11,921	\$ -	\$ 14,016
Due to other funds	-	-	75,853
Total liabilities	<u>11,921</u>	<u>-</u>	<u>89,869</u>
Fund Balance			
Restricted			
Public safety	-	197,532	197,532
Capital improvement projects	-	629,982	804,451
Circulation improvements	-	97,769	97,769
Lighting and landscape maintenance	72,741	-	72,741
Total fund balance	<u>72,741</u>	<u>925,283</u>	<u>1,172,493</u>
Total liabilities and fund balance	<u>\$ 84,662</u>	<u>\$ 925,283</u>	<u>\$ 1,262,362</u>

CITY OF SAN JUAN BAUTISTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	COPS Grant	Public Parking Fund	Gas Tax Fund	Roads & Restrooms Fund
Revenue				
Taxes	\$ -	\$ -	\$ 108,305	\$ 38,444
Intergovernmental	136,229	-	-	-
Licenses, permits and impact fees	-	-	-	-
Total revenue	<u>136,229</u>	<u>-</u>	<u>108,305</u>	<u>38,444</u>
Expenditures				
Current				
Public works	-	-	20,717	-
Total expenditures	<u>-</u>	<u>-</u>	<u>20,717</u>	<u>-</u>
Revenue over (under) expenditures	136,229	-	87,588	38,444
Other financing sources/(uses)				
Operating transfers in/(out)	(174,922)	-	(174,229)	-
	<u>(174,922)</u>	<u>-</u>	<u>(174,229)</u>	<u>-</u>
Change in Fund Balance	(38,693)	-	(86,641)	38,444
Fund Balance				
Beginning of year	38,693	17,447	86,641	118,578
End of year	<u>\$ -</u>	<u>\$ 17,447</u>	<u>\$ -</u>	<u>\$ 157,022</u>

CITY OF SAN JUAN BAUTISTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	Special Revenue Funds		Non-major Governmental Funds
	Maintenance Districts	Impact Fees	
Revenue			
Taxes	\$ 108,936	\$ -	\$ 255,685
Intergovernmental	-	-	136,229
Licenses, permits and impact fees	-	2,852	2,852
Total revenue	108,936	2,852	394,766
Expenditures			
Current			
Public works	125,611	38,665	184,993
Total expenditures	125,611	38,665	184,993
Revenue over (under) expenditures	(16,675)	(35,813)	209,773
Other financing sources/(uses)			
Operating transfers in/(out)	(1,114)	(6,083)	(356,348)
	(1,114)	(6,083)	(356,348)
Change in Fund Balance	(17,789)	(41,896)	(146,575)
Fund Balance			
Beginning of year	90,530	967,179	1,319,068
End of year	\$ 72,741	\$ 925,283	\$ 1,172,493

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and City Council
City of San Juan Bautista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of San Juan Bautista (the "City"), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated January 11, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", written over a faint, illegible printed name.

January 11, 2024