Reviewed Date:	Approved:	Meeting Date:	Agenda Item:
	Bryan Whitemyer, City Manager	April 11, 2011	3

Executive Summary

Presented By: **Margaret Souza, Finance Director**
Meeting Date: **April 11, 2011**
Subject: **City of Hughson Financial Reports and 2009/2010 Fiscal Year Audit prepared by Moss, Levy & Hartzheim, LLP.**
Budget Action: **None**
Desired Action: **Review and Approve by Motion order 2011-xxx City of Hughson Financial Reports and 2009/2010 Fiscal Year Audit prepared by Moss, Levy & Hartzheim, LLP.**

Summary:

The 2009-2010 Audit has been completed and is attached. The purpose of an Audit is to review the financial recording process for the City of Hughson and issue the basic financial statements. These reports are the City's responsibility and the Auditor's job to express opinions on these statements.

A number of issues should be reviewed:

1. Management Report and Auditor's Communication Letter – Findings (Current and Prior Year). Please find responses to the Auditor's Findings attached. The unresolved Prior Year findings have been incorporated in the Current Year ones. The same findings are also presented in both the Main and Single Audit. There are eleven issues addressed. A note; the 2008-09 Audit was completed in November and the 2009-10 audit started in December. Usually, implementations of findings are completed by the end of the next fiscal year. However, the time period between audits was rather short, but we are working on remedying all short comings. Also, there is a learning period for both staff and new auditors.

   A common theme to the recommendations is to write procedures to correctly direct the process. Many procedures are already available. The key is to use them. Another item discussed was the Building Permit Fees, (2010-7) – fees are charged without Council approval; there are no fees collected that have not

been approved by Council (except for State and County Fees, which we have no control over). We can discuss each finding.

2. The most important finding is that the Auditors have rendered an "Unqualified Opinion". This is good. It is what we strive for!!!! It means that the numbers are presented correctly.

3. A major correction, from the prior year, was the incorrect appraisal of the Waste Water Treatment Plant property – off by Forty Million dollars (by the Capital Asset Reporting Consultant). The formula used did not properly pertain to Hughson. The Auditors have spoken with the consultant and the amount has been adjusted.

4. General Fund Ratio – Fund Balance verse Expenditures was 46%. It should be between 20 and 40. Higher the better. This means that there is Fund Balance available to cover unexpected costs.

5. Fund Balances will change next year as a result of GASB 54. This redefines Restricted and Unrestricted Fund Balance. This can be further explained by the Auditor.

6. The Sewer Fund is operating in a deficient. Hopefully this will be remedied with the scheduled rate increase. The matter shall be addressed during the 2011-12 Budget process. (Water Fund is fine.)

7. Page 27 lists the Funds with deficit fund equity. A quick overview:
    - Refuse Special Revenue Fund (Garbage) - $95,089. Currently, the fund is a positive number ($112,769.84). There are charges that have yet to be adjusted and payments to be made. The fund will be carefully reviewed during the Budget cycle.
    - Vehicle Abatement - $15,824. This fund has been subsidized by General Fund and will be combined with General Fund in the future.
    - Storm Drain Fund - $24,324. Currently (March 2011) the balance is up to $11,013.79 (due to impact fee collection)
    - Local Transportation - $35,511. Waiting for the current year's allocation of LTF Funds.
    - Transportation Capital Projects Fund - $354,157. Waiting for CMAQ reimbursement. Additional entries may be necessary to cover "Match" portion of expenditures.

8. The Auditor had concern with the maintenance of the Loans owed to the City (Housing). Staff is in the process of organizing the files and verifying balances.

9. General Fund operated in a deficient, both in the Budget and Actual. Times are difficult and most cities have found it necessary to dip into their reserves. Next year we will make every effort not present any fund operating in a deficit. Measures that have been currently undertaken should dramatically reduce the deficient. Again, review is forth coming.

The Auditor is available to address the Council. There will be a charge ($700 to $1,000) if they were to come on a day that they are not scheduled to be here. Council may wish to have them come when they are here doing the initial field work (June or July).

Finance Subcommittee Review:

On Tuesday, April 5, 2011 the Finance Subcommittee reviewed and discussed the City of Hughson Financial Reports and 2009/2010 Fiscal Year Audit. Many of the findings presented by the auditor included recommendations that new procedures be put into place. With this in mind the Finance Subcommittee recommended that a status report come back to them providing an update on the implementation process of those procedures. Staff will bring this back to the subcommittee in July.

They also expressed concern that the 2009/2010 Audit was not completed until the end of March 2011. Typically this would be done by January. A few factors led to the later delivery of the completed audit.

First, the 2008/2009 audit was not completed until November. Our new firm could not take over until the previous year audit was completed. They started as quickly as they could at the beginning of December. Audits being done by a new firm for the first time typically take a little longer. The firm needs time to become familiar with the organization and gather the appropriate information. We anticipate that subsequent audits will take less time because both the City and our auditing firm are now more familiar with each other. Lastly, staffing changes have had an impact. The new City Manager came on board in mid-November 2010 and the new Finance Director in January of this year.

Staff anticipates that future audits will be completed around January of each year moving forward.

Recommendation: Staff recommends that the City Council review and approve by Motion Order 2011-xx, the City of Hughson Financial Reports and 2009/2010 Fiscal Year Audit prepared by Moss, Levy & Hartzheim, LLP.

Attachments: Additional Documentation Related to the Audit Findings

CITY OF HUGHSON
CITY COUNCIL
MOTION ORDER 2011-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON ACCEPTING THE AUDIT REPORT FOR FISCAL YEAR 2008/2009

It is hereby certified that the foregoing MOTION 2011- was approved by the City Council of the City of Hughson at its regular meeting held on the 11th day of April 2011, by the following Roll Call vote: ()

Ayes in favor: Council/Board Members
Noes:
Absent:
Abstain:

Approved	Attested
_____	_____
Ramon Bawanan, Mayor	Michele P Winterbottom, MMC, City Clerk

DOCUMENTATION

1. Sample Procedures
   a. Capital Assets
   b. Year End Notes – GL
   c. Year End Notes - AP
2. Broken Water Meters - List of all broken meters
3. Building Permit Fees

CAPITAL ASSETS

Generally, capital assets are long-lived assets used in providing government services. They include land, buildings, machinery and equipment and other improvements.

There are three main purposes for accounting for the City's capital assets. First, the citizens and their elected representatives must be assured that there is adequate control and appropriate use of the City's "capital assets".

Second, the City has a fiduciary responsibility to establish systems and procedures to protect its (capital) assets from loss or theft.

Third, the City must accurately account for and report capital assets in financial reports issued to external reporting agencies, granting agencies and the public.

Definitions

- **Capital assets** in the City of Hughson are defined as tangible and intangible assets having a value of at least $5,000 and a useful life of at least one year.

- **Threshold** of $5,000 is applied to individual units of capital assets. For example, five desks purchased through a single purchase order, each costing $1,100, will not qualify as a capital asset even though the total ($5,500) exceeds the threshold of $5,000.

- **GASB** represents Governmental Accounting Standards Board.

- **Land** includes the investment in real property acquiring the ownership of ground space such as parcels, easements, and right of way.

- **Buildings** are structures of a fixed or semi- fixed nature, which provide shelter and/or create interior space. These include picnic shelters, storage sheds and restrooms.

- **Improvements** to capital assets will be presumed (by definition) to extend the useful life of the related capital asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the $5,000 threshold. In theory, an improvement to a capital asset that had an original cost of less than $5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized. Improvements will also include physical property of a fixed nature that is added (affixed) to land or buildings.

These include ground improvements: sidewalks, driveways, landscaping, fences, parking lots, etc. Building improvements would be carpeting, air condition, remodeling, etc.

- ☐ **Equipment** includes movable personal property with a useful life of more than one year and a value of $5,000 or more. Such items as furniture, machines, tools, vehicles, and computers are included in this category.

- ☐ **Intangibles** include items such as software (not replacement or upgrades) and systems applications and licenses.

- ☐ **Vehicles** represent all vehicles and rolling stock equipment owned by the City.

- ☐ **Roads** represent all roads (City owned) that have pavement.

- ☐ **Grading, curbs & gutters, and sidewalks** represent the following:

  1) grading - all roads that do not have pavement
  2) curbs & gutters - a trough along eaves to catch and carry off rainwater
  3) sidewalks - a paved walk for pedestrians at the side of the street

- ☐ **Traffic signals** include the poles and signal devices that controls traffic.

- ☐ **Street drainage** includes the storm drainage inlets on and pipeway underneath the roads.

- ☐ **Infrastructures** include bridges and water and sewer pipelines.

- ☐ **Construction in progress** represents those assets that are not usable at the end of the fiscal year, such as an incomplete building.

- ☐ **Repairs** to existing capital assets will generally not be subject to capitalization unless it extends the useful life of the asset.

Tagging

Currently, the City of Hughson is not involved in tagging inventory. This process will be undertaken in the future.

Most capital assets are tagged with a numbered capital asset tag. Some capital assets are not tagged, however, such as land, buildings, and vehicles. For these items, a manual list of "untagged" capital assets is maintained by the Finance Department.

Each department is required to have a Property Record Custodian. The Property Record Custodian will be assigned the responsibility of keeping a copy of the tagged capital assets in their department.

The Finance Department, with the assistance of the Property Record Custodian, will be responsible for tagging capital assets.

There are two main reasons for tagging capital assets. First, it is used to provide accountability for the assets, ensuring the asset assigned to a department is controlled and accounted for by a specific department/person.

Second, it gives auditors a mechanism to verify the City's control of capital assets and provides an accurate account of the City's capital expenditures.

Tagged versus Untagged

Below is a list of questions that can determine if an asset should be tagged or not tagged. If the answer is "yes" to any of questions below, then the asset must be tagged.

> Is the cost of the asset greater than $5,000 and does it have a useful life greater than one year?
>
> Is it physically possible/practical to tag and meet the dollar and life guidelines?
>
> Is the asset handled frequently, have a high cost, and/or likely to be stolen?
>
> Does the asset need to be controlled due to high incidence of theft/misplacement/borrowing?

Valuation

The objective of accounting for fixed assets is to account for the City's investment, not present market or replacement values. Therefore, fixed assets are valued at historical cost. In those instances where historical cost is not available, fixed assets have been valued at estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated.

- **Land** cost includes all expenditures in connection with land acquisition such as purchase price, appraisal fees, title fees, demolition, site clearance, legal services, etc.

- **Building** costs include all expenditures in connection with their acquisition, such as purchase price or construction cost, fixtures

attached to the structure, architect's fees, engineering fees, and insurance during construction.

- **Improvements** cost include all expenditures in connection with their acquisition and installation such as purchase price or construction cost, same as buildings.

- **Equipment** cost includes purchase price (before trade-in allowance) freight charges, sales tax and installation costs.

- **Vehicles** cost include purchase price, sales tax, freight charges and installation cost.

- **Roads** cost to surface the roadway.

- **Grading, curbs & gutters, and sidewalks** cost of materials and installation of grading, curbs & gutters, and sidewalks.

- **Traffic signals** cost include all expenditures in connection with their acquisition and installation such as purchase price or construction cost, same as buildings.

- **Street drainage** cost include all expenditures in connection with their acquisition and installation such as purchase price or construction cost, same as buildings.

- **Construction in progress** is recorded in the same manner as assets acquired by purchase or construction contract. Costs that may be capitalized are: service charges, materials, and contractor payments and retentions.

Accounts

Fixed assets are accounted for in the fixed asset account groups. The asset accounts are:

Land
Buildings
Improvements
Equipment (Vehicles)
Construction in
Progress
Streets & Roads
Infrastructure

Physical Inventory

A survey taken by CBiz in 2008 established a base line. Since that time a physical inventory shall be taken throughout the year by cycle counting. Reports will be generated to assist in this process. Each

organization is expected to inventory the equipment in their custody. Any changes are entered into the system and the property records are updated.

Depreciation

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

Except for roads covered by the modified approach, depreciation has been provided on capital assets. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is solely used in Proprietary Funds. Depreciation is important in these funds because it is included in the operating expense of these funds. Unlike, governmental type funds, capital assets are reported in the balance sheet accounts of each proprietary fund. The use of these assets over a period of time is charged as a depreciation expense.

Depreciation method
Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

Estimated Useful Life
The estimated useful life of an asset will vary as to the type of asset. Useful life is as follows:

Asset	Years
Buildings	10-30
Improvements	5-50
Equipment	2-20
Grading, curbs, gutters and sidewalks	40
Traffic signals	20
Street drainage	40
Other	5-40

Acquisitions of a New Asset

Each department shall promptly notify the Finance Department of any acquisitions of a new asset. An Asset Addition Form shall be completed and submitted for each new asset. Asset Addition Forms are available from the Finance Department.
A suitable starting point is the verification of items purchased via the Accounts Payable/General Ledger system. Dollars paid should be the dollars recorded.

Surplus Property

Surplus property is used generally to describe any City property that is no longer needed or useable by the holding department. The Director of Public Works is responsible for the transfer and disposition of surplus City property.

Each department shall periodically review their equipment, material, and inventory, and shall promptly notify the Finance Department of any surplus property. An Asset Transfer\Deletions Form shall be completed and submitted for each surplus property item. Asset Transfer\Deletions Forms are available from the Finance Department.

Methods of Disposition

City Manager approval is needed for disposition of commodities and/or equipment when the total estimated value is less than $2,000; however, City Council approval is needed if the value is equal to or exceeds $2000. The Director of Public Works or designee shall determine or one of the following methods of disposition that is most appropriate and in the best interests of the City. At this time all dispositions are being approved by council

Transfer to Another Department

Surplus property may be transferred between City departments. Departments wishing to transfer surplus property to or from another department shall complete the Asset Transfer\Deletion Form and submit it to the Finance Department for review. All transfers of items with an estimated value of $500 or more require approval of the Department Heads from each department affected by the transfer.

Disposal

Surplus property may be offered for sale by the Director of Public Works. All surplus property is for sale "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale. Appropriate methods of sale are as follows:

Public Auction—Surplus property may be sold at public auction. City staff may conduct public auctions, or the City may contract with a professional auctioneer including professional auction services.

Sealed Bids—Sealed bids may be solicited for the sale of surplus property. Surplus property disposed in this manner shall be sold to the highest responsible bidder.

Selling for Scrap—Surplus property may be sold as scrap if the Director of Public Works deems that the raw material exceeds the value of the property as a whole.

Disposal as Junk—When the cost of locating a buyer exceeds the estimated sale price of surplus property, the Director of Public Works may destroy or dispose of the item as junk.

YEAR END NOTES

- Check General Fund Reserve (401) - Resolution requires a balance of 33% of General Fund Operations (no large 1 time items, transfers, or capital). Transfer

- Call Stanislaus County Auditor for Pass-thru amount. 525-6597 (Todd) RDA

- YEAR END TRANSFERS:
  - Pass Thru from County RDA - add as Revenue
  - 20% Housing Set side - from RDA, check – Do for Pass Thur too
  - Make sure we have the Admin costs for Housing
  - Transfer User fees from water and sewer to capital
  - Transfer admin costs from Water – Garbage – Sewer to General Fund
  - Transfer admin costs from LLD and BAD to GF
  - Clear out Gas Tax cash and move to General Fund
  - Make sure liabilities are reconciled. Run List of Water Deposits / UT Receivables
  - Be sure all interest is posted....reconcile 4601 to bank statements..LAIF is Rec (all interest which is a receivable should be posted to 0112)
  - Balance all transfers
  - Reconcile UT receivables
  - Reconcile and summarize all AP/AR/Lib
  - Check Loan Rec
  - Transfer UT Bad debt (credit Revenue, Debit Bad Debt)
  - Record depreciation, new assets and delete surplus items in General Ledger.

- PAYROLL:
  - Clear out PR – Liabilities 40-000-02xx Health/W/C Dental ck all others
  - Balance wages (5001-5099) GL (run Query Manager) to PR (PR General Wage Register – Gross Wages) to Spreadsheet from PR work
  - Reconcile Gross Wages to Taxable Wages
  - Reconcile SUI wages for the WC report
  - Run attendance register to compute uncompensated absences
  - Pull 941 to proof with Balanced Wages

YEAR END NOTES

APs

- Notify all Departments to turn in invoices
    - No POs after 5/15 (unless an emergency or will be delivered and paid by 6/30)
    - Invoices that are submitted after 7/01 to 9/30 will be charged to prior year. After that, it will be charged to current Budget.
- Run all possible invoices by 6/30. Key in thorough 6:00 pm. Run checks next morning.
- The old (6/30) checks will be filed with current (old year).
- Any invoices that come in after 6/30, but cover charges prior to 7/01 need to be keyed in separately from current tags.
- Use regular date for check, but use 6/30 to commit to General Ledger.
- Books are not closed until after 9/30.

Additional items:

- Balance and replenish Petty Cash
- Check old outstanding checks;
    - Contact person, if possible, to see why checks are not cashed
    - Void out old (6-12 months) checks (as of last day of year)
- Be sure all monthly/quarterly bills are paid.
- On July 1 check for breakdown of Account Numbers from Departments

METERS THAT NEED TO BE CHECKED

	#	STREET	SERIAL #	METER #	NOTES
1	2313	3RD ST	81544745	08597164	
2	2031	5TH ST	81489734	08642749	
3	2708	6TH ST	71006656	06465411	
4	2800	6TH ST	71006702	06465431	
5	2204	6TH ST	81035079	07289833	
6	1601	BISHOP AVE	91490052	08642466	
7	2130	CHARLES ST	71259958	08642524	
8	2141	CHARLES ST	71259958	07124138	
9	1925	COLE CT	80948339	08110833	
10	6532	FOX RD	71259538	07186257	
11	1700	GREENLEAF AVE	81490023	08642589	
12	2142	LOCUST CT	71719718	07262780	
13	2037	MARIPOSA DR	71627702	06347777	
14	7425	PINE ST	71259590	07282954	
15	1838	SAN GABRIEL DR	82128292	09191540	
16	1601	TULLY RD	81490131	08642475	
17	6655	WHITMORE AVE	71262995	07166393	
18	6724	WHITMORE AVE	71564598	09051931	

CITY OF HUGHSON FEE SCHEDULE
RESIDENTIAL DEVELOPMENT

FEE DESCRIPTION	SAMPLE "A" FEE AMOUNT	SAMPLE "B" FEE AMOUNT	SAMPLE "A" F.R.N. PRIVATE LOTS SEE NOTE 4	SAMPLE "B" F.R.N. PRIVATE LOTS SEE NOTE 4	COMMENTS
Building Permit Fee	$1,756	$2,405	$1,756	$2,405	Based on Square Footage - SEE NOTE #1
Plan Check Fee	$1,141	$1,563	$1,141	$1,563	Based on Square Footage - SEE NOTE #1
PME Fees (Plumbing, Mechanical, Electrical)	$698	$1,008	$698	$1,008	Based on Square Footage - SEE NOTE #1
SMIP	$24	$35	$24	$35	Based on value - SEE NOTE #1
Construction Water Fee	$155	$155	$155	$155	Total Fee Per Lot
Public Facility Fee	$3,050	$3,050	$3,050	$3,050	Total Fee Per Residential Dwelling
Storm Drain Fee	$2,814	$2,814	$2,814	$2,814	Total Fee Per Residential Dwelling
Sewer Fee	$13,755	$13,755	$3,041	$3,041	Total Fee Per Residential Dwelling
Water Fee	$3,803	$3,803	$3,803	$3,803	Total Fee Per Residential Dwelling
Street Fee	$4,101	$4,101	$4,101	$4,101	Total Fee Per Residential Dwelling
Park Development Fee	$2,667	$2,667	$2,667	$2,667	Total Fee Per Residential Dwelling
Park In-lieu Fee	$1,991	$1,991	$1,991	$1,991	Total Fee Per Residential Dwelling
Community Enhancement	$1,008	$1,008	$1,008	$1,008	Total Fee Per Residential Dwelling
Stanislaus County Fee	$8,038	$8,038	$8,038	$8,038	Total Fee Per Residential Dwelling
Misc. Fees	$42	$42	$42	$42	Based on Lot Size - SEE NOTE #2
TOTAL	**$45,043**	**$46,435**	**$34,329**	**$35,721**	**ESTIMATED FEES - City/County**
Hughson School District	$	$			Contact Hughson School District - SEE NOTE #3
Hughson Fire District	$	$			Contact Hughson Fire District - SEE NOTE #3
TOTAL FEES	$	$			**ESTIMATED FEES - All**

***Fees indicated on this sheet are for estimating purposes only; all fees subject to change.*

Note #1 - "Sample A" based on: 2000 Sq. Ft. dwelling, 2 car garage; "Sample B" based on: 3000 Sq. Ft. dwelling, 3 car garage.
Note #2 - Samples are based on a 6000 Sq. Ft. Lot.
Note #3 - Cont[illegible]e applicable district for their current fee amount.
Note #4 - Reduced sewer fee based on prior Development Agreement with Fontana Ranch North (F.R.N.)

BUILDING SAFETY DIV. [illegible]
7/16/2009

CITY OF HUGHSON
SCHEDULE OF FEES - PLANNING
EFFECTIVE JANUARY 01, 2009

TYPE OF FEE/CHARGE	FEE AMOUNT
t) Tentative Map	$1,954.00
III. Development Map	$1,999.00
IV. Environmental Review	$1,349.00
Total Tentative Map	$5,302.00
u) Lot Line Adjustment	$537.00
v) Environmental Impact Report	$1,349.00
I. Dept. of Fish & Game Fee	$2,606.75
II. Filing Notice of Determination	$57.00
III. Total Environmental Impact Report	$4,012.75
w) Filing Notice of Determination	$155 + $57 Filing Fee
x) Initial Study	$1,349.00
y) Negative Declaration	$1,349.00
I. Dept. of Fish & Game Fee	$1,876.75
II. Filing Notice of Determination	$57.00
III. Total Negative Declaration	$3,282.75
z) Encroachment Permit	$290.00
aa) Advisory Meeting	$466.00
bb) Home Relocation/Building Move	$823.00
cc) Street Closure	$207.00
dd) Minor Variance	$491.00
ee) Development Review	$1,122.00
ff) Specific Plan	$1,349.00
gg) Administrative Permit/ Ministerial Review	$222.00
hh) Zoning Clearance	$269.00
ii) Notice to affected owners	$202.00
jj) Master Sewer Plan	$56.00
kk) Master Water Plan	$56.00
ll) Master Storm Drain Plan	$56.00
mm)General Plan (including map)	$93.00
nn) General Plan Map	$5.00
oo) Subdivision Ordinance	$49.00
pp) Zoning Ordinance	$56.00
qq) Improvement Standards	$47.00
rr) Zoning Map and GP Map 11" X 17"	$5.00
ss) Other Maps 18" X 26" or Larger	$9.00
tt) Compact Disc Copy of Plan Document	$13.00
uu) Home Occupation permit	$100.00
vv) Services Not Specifically Mentioned	Staff Hourly Costs

NOTICE:
The figures indicated in this schedule of fees are for estimating purposes only. All fees are subject to change.

CITY OF HUGHSON
SCHEDULE OF FEES - DEVELOPMENT IMPACT
EFFECTIVE JANUARY 01, 2009

TYPE OF FEE/CHARGE	FEE AMOUNT
18.) Development Impact Fees – SFD	
a) Public Facility Fee	$ 3,050.00
b) Storm Drain Fee	$ 2,814.00
c) Sewer Fee	$13,755.00
d) Water Fee	$ 3,803.00
e) Construction Water Fee	$ 155.00
f) Street Fee	$ 4,101.00
g) Park Development Fee	$ 2,667.00
h) Park In-lieu Fee	$ 1,991.00
i) Community Enhancement	$ 1,008.00
j) Misc. Fees (average)	$ 42.00
k) Stanislaus County Fee	$ 8,038.00
19.) Development Impact Fees – MFD	
a) Public Facility Fee	$ 3,050.00
b) Storm Drain Fee	$ 2,189.00
c) Sewer Fee	$ 9,628.00
d) Water Fee	$ 2,282.00
e) Construction Water Fee	$ 155.00
f) Street Fee	$ 2,778.00
g) Park Development Fee	$ 1,600.00
h) Park In-lieu Fee	$ 1,194.00
i) Community Enhancement	$ 605.00
j) Misc. Fees	PROJECT SPECIFIC
k) Stanislaus County Fee	PROJECT SPECIFIC
20.) Development Impact Fees – Service Commercial	
a) Public Facility Fee (per 1000 sq. ft.)	$ 1,794.00
b) Storm Drain Fee (per 1000 sq. ft.)	$ 3,272.00
c) Sewer Fee (per 1000 sq. ft.)	$ 6,877.00
d) Water Fee - Water Meter Size = 5/8" → 4"	$ 3,803.00 → $95,075.00
Water Meter Size = 6" → 12"	$ 195,150.00 → $ 437,345.00
e) Construction Water Fee	$ 155.00
f) Street Fee (per 1000 sq. ft.)	$ 6,625.00
g) Community Enhancement (per 1000 sq. ft.)	$ 593.00
h) Plans Fees	PROJECT SPECIFIC
i) Stanislaus County Fee	PROJECT SPECIFIC

NOTICE:

The figures indicated in this schedule of fees are for estimating purposes only. All fees are subject to change.

CITY OF HUGHSON
SCHEDULE OF FEES - DEVELOPMENT IMPACT
EFFECTIVE JANUARY 01, 2009

TYPE OF FEE/CHARGE		FEE AMOUNT
21.) Development Impact Fees - Retail/Services		
a) Public Facility Fee (per 1000 sq. ft.)		$ 1,794.00
b) Storm Drain Fee (per 1000 sq. ft.)		$ 3,272.00
c) Sewer Fee (per 1000 sq. ft.)		$ 11,967.00
d) Water Fee -	Water Meter Size = 5/8" → 4"	$ 3,803.00 → $95,075.00
	Water Meter Size = 6" → 12"	$ 195,150.00 → $ 437,345.00
e) Construction Water Fee		$ 155.00
f) Street Fee (per 1000 sq. ft.)		$ 6,625.00
g) Community Enhancement (per 1000 sq. ft.)		$ 593.00
h) Plans Fees		PROJECT SPECIFIC
i) Stanislaus County Fee		PROJECT SPECIFIC
22.) Development Impact Fees – Offices		
a) Public Facility Fee (per 1000 sq. ft.)		$ 1,017.00
b) Storm Drain Fee (per 1000 sq. ft.)		$ 1,781.00
c) Sewer Fee (per 1000 sq. ft.)		$ 7,290.00
d) Water Fee -	Water Meter Size = 5/8" → 4"	$ 3,803.00 → $95,075.00
	Water Meter Size = 6" → 12"	$ 195,150.00 → $ 437,345.00
e) Construction Water Fee		$ 155.00
f) Street Fee (per 1000 sq. ft.)		$ 2,760.00
g) Community Enhancement (per 1000 sq. ft.)		$ 336.00
h) Plans Fees		PROJECT SPECIFIC
i) Stanislaus County Fee		PROJECT SPECIFIC
23.) Development Impact Fees – Industrial		
a) Public Facility Fee (per 1000 sq. ft.)		$ 1,017.00
b) Storm Drain Fee (per 1000 sq. ft.)		$ 1,781.00
c) Sewer Fee (per 1000 sq. ft.)		$ 6,465.00
d) Water Fee -	Water Meter Size = 5/8" → 4"	$ 3,803.00 → $ 95,075.00
	Water Meter Size = 6" → 12"	$ 195,150.00 → $ 437,345.00
e) Construction Water Fee		$ 155.00
f) Street Fee (per 1000 sq. ft.)		$ 2,760.00
g) Community Enhancement (per 1000 sq. ft.)		$ 336.00
h) Plans Fees		PROJECT SPECIFIC
i) Stanislaus County Fee		PROJECT SPECIFIC

NOTICE:

The figures indicated in this schedule of fees are for estimating purposes only. All fees are subject to change.

CITY OF HUGHSON
SCHEDULE OF FINES – BUILDING/CODE ENFORCEMENT
EFFECTIVE JANUARY 01, 2009

TYPE OF FEE/CHARGE	FEE AMOUNT
24.) **Fines**	
a) Level "A" Violations	$1,000.00
b) Level "B" Violations	$ 500.00
c) Level "C" Violations (includes violations classified as misdemeanors)	
I. 1st violation	$ 250.00
II. 2nd & Subsequent violations w/in 12 months	$1,000.00
d) Level "D" Building Code or Safety Code violations classified as infractions	
I. 1st violation	$ 100.00
II. 2nd violation w/in 12 months	$ 500.00
III. 3rd and subsequent violations w/in 12 months	$1,000.00
e) Level "D" General Violations classified as infractions	
I. 1st violation	$ 100.00
II. 2nd violation w/in 12 months	$ 200.00
III. 3rd and subsequent violations w/in 12 months	$ 500.00
25.) **Late Payments**	10% per month, simple interest

HUGHSON CITY COUNCIL

RESOLUTION NO. 08-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON AMENDING RESOLUTION NO. 08-01 BY UPDATEING FEES AND CHARGES FOR THE FILING AND PROCESSING OF DOCUMENTS, APPLICATIONS, REQUESTS AND OTHER PLANNING AND ADMINISTRATIVE SERVICES

WHEREAS, the City of Hughson Municipal Code requires this Council to establish by resolution fees and/or charges required for the filing and processing of documents, applications or requests and various other services, and;

WHEREAS, pursuant to Senate Bill 1535, the California Department of Fish and Game is required to revise their fees annually and has revised their fees as of January 1, 2008, and;

WHEREAS, the City desires to pass these fees on to applicants in need of review by the Department of Fish and Game to ensure that user fees reflect actual cost of services and;

WHEREAS, the City also determines that fees for services, such as processing Home Occupation permits, should recover the cost of processing and;

NOW THEREFORE BE IT RESOLVED that Resolution 05-17 is repealed in its entirety and Resolution 08-01 is amended as indicated below; and

NOW THEREFORE, BE IT FURTHER RESOLVED that based on all the facts and findings before it and using its own independent judgment, the Hughson City Council does hereby adopt the fees and charges for the processing of specified matters pertaining to planning related services as follows:

ACTION	BASE FEE
PLANNING	
1. Variance	$945.00
2. Reclassification or text amendment	$618.00

3. Conditional Use Permit	$945.00
4. Zone Change (Rezone or Prezone)	$1,349.00
▪ Environmental Review	$1,349.00
▪ SB 18 Tribal Consultation fee if necessary	$145.00
Total Zone change	$2,843.00
5. Development Agreement	$1,999.00
6. Planned Development Overlay Zone	$1,999.00
7. General Plan Amendment, map or text	$1,349.00
▪ Environmental Review	$1,349.00
▪ SB 18 Tribal Consultation fee, if necessary	$145.00
Total General Plan Amendment	$2,843.00
8. Annexation	$1,349.00
▪ Environmental Review	$1,349.00
▪ SB 18 Tribal Consultation fee, if necessary	$145.00

ACTION	BASE FEE
PLANNING	
▪ Development Agreement	$1,999.00
▪ LAFCO fee	$2,500.00
Total Annexation	$7,342
9. Appeal	$444.00
10. Reversion to acreage	$537.00
11. Merger	$537.00
12. Sign Review	$155.00
13. Petition of affected owners	at cost + admin charge
14. Secondary Dwelling Unit	$408.00
15. EE review, inspection of improvement	time + material
16. Time Extension	$408.00
17. Preliminary & Final water/sewer inspection	$358.00

18. Parcel & Final Map	$852.00
▪ Development Agreement	$1,999.00
▪ Environmental Review	$1,349.00
Total Parcel Map & Final Map	$4,200.00
19. Tentative Map	$1,954.00
▪ Development Map	$1,999.00
▪ Environmental Review	$1,349.00
Total Tentative Map	$5,302.00
20. Lot Line Adjustment	$537.00
21. Environmental Impact Report	$1,349.00
▪ Dept. of Fish & Game Fee	$2,606.75Filing Notice of Determination $57.00
Total Environmental Impact Report	$4,012.75
22. Filing Notice of Determination	$155 + $57 filing fee
23. Initial Study	$1,349.00

ACTION	BASE FEE
PLANNING	
24. Negative Declaration	$1,349.00
▪ Dept. of Fish & Game Fee	$1,876.75
▪ Filing Notice of Determination	$57.00
Total Negative Declaration	$3,282.75
25. Encroachment Permit	$290.00
26. Advisory Meeting	$466.00
27. Home Relocation/Building Move	$823.00
28. Street Closure with Encroachment Permit	$207.00
29. Non-construction Related Street Closure	$00.00
30. Minor Variance	$491.00
31. Development Review	$1,122.00

32. Specific Plan	$1,349.00
33. Administrative Permit/ Ministerial Review	$222.00
34. Zoning Clearance	$269.00
35. Notice to affected owners	$202.00
36. Master Sewer Plan	$56.00
37. Master Water Plan	$56.00
38. Master Storm Drain Plan	$56.00
39. General Plan (including map)	$93.00
40. General Plan Map	$5.00
41. Subdivision Ordinance	$49.00
42. Zoning Ordinance	$56.00
43. Improvement Standards	$47.00
44. Zoning Map and GP Map 11" X 17"	$5.00
45. Other Maps 18" X 26" or Larger	$9.00
46. Compact Disc Copy of Plan Document	$13.00
47. Home Occupation permits	$100.00
48. Services Not Specifically Mentioned	Staff cost hourly rate

Staff Hourly Rates:

$92.90	Planning Director
$72.51	Planning & Building Assistant
$75.27	Building Inspector
$103.74	Public Works Director/City Engineer
$74.49	Redevelopment/Housing Analyst

The base fee for each of the items 1 through 46 is non-refundable.

PASSED AND ADOPTED by the Hughson City Council at a regular meeting thereof, held on the 14TH day of April, 2008, by the following vote:

AYES: Council; members Ledermann, Hesling, Adams, and Mayor Moore

///

NOES: None

ABSTENTIONS: None

ABSENT: Council Member Bawanan

KENNETH A. MOORE, Mayor

ATTEST:

MARY HEMMINGER,
Deputy City Clerk

Fees

CITY OF HUGHSON

Executive Summary
City Council

Presented By:	**Thom Clark, Director of Planning and Building**
Meeting Date:	**April 14, 2008**
Agenda Item:	**Consideration of Resolution No. 08-44, A Resolution of the City Council of the City of Hughson Amending Resolution No. 08-01 by Establishing Fees and Charges for the Filing and Processing of Documents, Applications, Requests and Other Planning and Administrative Services**
Consent: 1f	
Subject:	**Yes**
Enclosures:	**Yes**
Budget Action	**No**
Desired Action:	**Adopt Resolution No. 08-44**

Background:

At its regularly scheduled meeting of January 14, 2008, the City Council adopted Resolution No. 08-01, Establishing Fees and Charges for the Filing and Processing of Documents, Applications, Requests and Other Planning and Administrative Services.

After Resolution No. 08-01 was adopted; staff received notice from the Governor's Office of Planning and Research, State Clearinghouse and Planning Unit, that the Department of Fish and Game fees required for acceptance and posting of Notice of Determinations had increased. (See enclosed letter)

Staff also became aware that the Planning Fee Schedule did not include fees for Home Occupation permits. Home Occupation permits were last amended in 2005 with the adoption of Resolution No. 05-17.

Discussion:

The Department of Fish and Game is required by Senate Bill 1535 to adjust fees annually for acceptance and posting for Notice of Determinations. A Notice of Determinations is the last document to be filed when a Negative Declaration or Environmental Impact Report has been approved at the local level. If the Notice of Determination is not properly filed, including the payment of fees to the Department of Fish and Game, the environmental document will not be deemed final and any permits issued pursuant to that document become invalid.

The fee for Home Occupation permits pursuant to Resolution No. 05-17 is $35.00. This does not cover the staff time to process the permits. Staff time is estimate at one hour to process a normal permit without any complications. With overhead, staff estimates the cost to the City to process a Home Occupation permit is $100.00.

Fiscal Impact:

Increasing environmental review fees for the Department of Fish and Game is revenue neutral, since it is a pass-through fee required only for projects requiring the Department of Fish and Game to accept and post a Notice of Determination.

A slight General Fund revenue increase can be expected from increasing the fees for Home Occupation permits. However, the increase is not meant as a revenue enhancement but rather as a cost recovery vehicle.

Environmental Review:

The fee schedule is exempt from CEQA.

Recommendation:

Adopt Resolution No. 08-44, A Resolution of the City Council of the City of Hughson Amending Resolution No. 08-01 by Establishing Fees and Charges for the Filing and Processing of Documents, Applications, Requests and Other Planning and Administrative Services

Arnold Schwarzenegger
Governor

STATE OF CALIFORNIA
Governor's Office of Planning and Research
State Clearinghouse and Planning Unit

Cynthia Bryant
Director

Memorandum

Date: December 31, 2007

From: Terry Roberts, Director, State Clearinghouse

Re: Department of Fish & Game Fees Increase Effective January 1, 2008

This memo is intended to inform the public of a recent change in State law governing the acceptance and posting of Notices of Determination.

Senate Bill 1535 was signed into law on September 29, 2006, and increases the Department of Fish and Game filing fee for Notices of Determination (NOD). The Bill requires the Department of Fish and Game to adjust the fees annually pursuant to Fish and Game Code Section 713. The annual fee adjustments are based on changes in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the U.S. Department of Commerce. The bill also eliminates the fee exemption for projects determined to have a "de minimis" effect on fish and wildlife (Section 711.4 of the Fish and Game Code).

The Fish and Game filing fees have increased as follows:

	2007 Fee	Fee Effective 1-1-08
Negative Declaration	$1,800	$1,876.75
Mitigated Negative Declaration	$1,800	$1,876.75
Environmental Impact Report	$2,500	$2,606.75
Certified Regulatory Program	$850	$850

For more of Department of Fish and Game information on the fee increases refer to their website: http://www.dfg.ca.gov/habcon/ceqa/ceqa_changes.html

The Fish and Game filing fee is due at the time of filing a NOD. State lead agencies must submit the filing fee payment to the State Clearinghouse when filing a NOD with this office by including as part of its filing a check payable to the Department of Fish and Game. Local lead agencies must pay the fee to the appropriate County Clerk when filing a NOD locally. Because a lead agency typically files its NOD before responsible

agencies file their NODs for the project, payment is required at the time of the lead agency's filing. If for any reason the fee was not paid at the time the lead agency filed its NOD, the fee must be submitted at the time a responsible agency files its NOD.

A State agency that is taking action pursuant to a Certified Regulatory Program must submit the required $850 filing fee to the Department of Fish and Game prior to filing its Notice of Decision with the Secretary for Resources.

If a required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid. (Section 711.4(c)(3) of the Fish and Game Code.)

Under the revised statute, a lead agency may no longer exempt a project from the filing fee requirement by determining that the project will have a de minimis effect on fish and wildlife. Instead, a filing fee will have to be paid unless the project will have *no effect* on fish and wildlife. (Section 711.4(c)(2) of the Fish and Game Code). If the project will have any effect on fish and wildlife resources, even a minimal or de minimis effect, the fee is required. A project proponent who believes the project will have *no* effect on fish and wildlife should contact the Department of Fish and Game at the headquarters of the Department of Fish and Game region in which the project is located. The region headquarters contact information can be obtained at the following website: http://www.dfg.ca.gov/regions/index.html.

In summary, the State Clearinghouse will not accept or post a NOD filed by any state lead agency unless it is accompanied by one of the following: (1) a check with the correct Fish and Game filing fee payment, (2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or (3) a form documenting the determination that the project will have no effect on fish and wildlife.

Likewise, County Clerks should not accept or post an NOD from a local lead agency unless accompanied by one of these three documents.

A copy of the bill, as chaptered, is available at the California Legislative Information website at www.leginfo.ca.gov.

CEQA document filing fee increase:

Pursuant to Fish and Game Code Section 711.4, the Department shall impose and collect a filing fee to defray the costs of managing and protecting California's vast fish and wildlife resources, including, but not limited to, consulting with other public agencies, reviewing environmental documents, recommending mitigation measures, and developing monitoring programs.

On September 29, 2006 Senate Bill 1535 was passed increasing the amounts of filing fees collected by the Department, and requires the Department to adjust the fees annually pursuant to Fish and Game Code Section 713. The annual fee adjustments are based on changes in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the U.S. Department of Commerce.

Effective January 1, 2008 the filing fees for CEQA documents will be as follows:

CEQA Document	Current Fee	Fee Effective 1-1-08
Negative Declaration (ND)	$1,800	$1,876.75
Mitigated Negative Declaration (MND)	$1,800	$1,876.75
Environmental Impact Report (EIR)	$2,500	$2,606.75
Environmental Document pursuant to a Certified Regulatory Program (CRP)	$850	$886.25
County Clerk Processing Fee	$50	$50