

***In-person participation by the public will be permitted.***

*Submit a written public comment prior to the meeting: Public comments submitted to [cityclerk@atwater.org](mailto:cityclerk@atwater.org) by 2:00 p.m. on the day of the meeting will be distributed to the Audit and Finance Committee, and made part of the official minutes but will not be read out loud during the meeting.*

*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Persons requesting accommodation should contact the City in advance of the meeting, and as soon as possible, at (209) 812-1056.*

# **CITY OF ATWATER**

## **AUDIT AND FINANCE COMMITTEE**

### **AGENDA**

Council Chambers  
750 Bellevue Road  
Atwater, California

**October 23, 2023**

CALL TO ORDER:



**4:30 PM**

PLEDGE OF ALLEGIANCE TO THE FLAG:

ROLL CALL:

**Ambriz \_\_\_\_\_, Borba \_\_\_\_\_, Nelson \_\_\_\_\_**

SUBSEQUENT NEED ITEMS: (The Chair shall announce any requests for items requiring immediate action subsequent to the posting of the agenda. Subsequent need items require a two-thirds vote of the members of the Audit and Finance Committee present at the meeting.)

APPROVAL OF AGENDA AS POSTED OR AS AMENDED: (This is the time for the Audit and Finance Committee to remove items from the agenda or to change the order of the agenda.)

**Staff's Recommendation:** Motion to approve agenda as posted or as amended.

MINUTES:

**1. September 25, 2023 – Regular Meeting**

**Staff's Recommendation:** Motion to approve minutes as listed.

FUNDING AND BUDGET MATTERS:

2. **Treasurer's Report (unaudited) for the month ending September 30, 2023** (City Treasurer Borba)

**Staff's Recommendation:** Motion to recommend that the City Council accept the Treasurer's Report for the month ending September 30, 2023.

REPORTS AND PRESENTATIONS FROM STAFF:

3. **Verbal presentation regarding 2nd Quarter 2023 Report on Sales Tax and Business Activity for the City of Atwater** (Finance Director Nicholas)

No action requested. Informational item only.

COMMENTS FROM THE PUBLIC:

**NOTICE TO THE PUBLIC**

At this time any person may comment on any item which is not on the agenda. You may state your name and address for the record; however, it is not required. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. Please limit comments to a maximum of three (3) minutes.


COMMITTEE MEMBER MATTERS:

Committee Member comments

ADJOURNMENT:

CERTIFICATION:

I, Gisela Peralta, Recording Secretary of the City of Atwater, do hereby certify that a copy of the foregoing agenda was posted at City Hall a minimum of 72 hours prior to the meeting.



\_\_\_\_\_  
Gisela Peralta  
Recording Secretary

**SB 343 NOTICE**

*In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the office of the City Clerk at City Hall during normal business hours at 750 Bellevue Road.*

*If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda at 750 Bellevue Road.*



*In compliance with the federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a City Council, Commission or Committee meeting due to a disability, please contact the City Clerk's Office a minimum of three (3) business days in advance of the meeting at (209) 812-1056. You may also send the request by email to*

*[cityclerk@atwater.org](mailto:cityclerk@atwater.org) .*



# CITY OF ATWATER

## REGULAR MEETING AUDIT AND FINANCE COMMITTEE

### ACTION MINUTES

September 25, 2023

*The City of Atwater Audit and Finance Committee met in Regular Session this date at 4:37 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California; Committee Chair Ambriz presiding.*

PLEDGE OF ALLEGIANCE OF THE FLAG: *Deferred to Regular Council Meeting.*

#### ROLL CALL:

**Present:** Committee Chair Ambriz, Committee Vice Chair Nelson, City Manager Waterman

**Absent:** Committee Member Borba

**Staff Present:** Finance Director Nicholas

#### APPROVAL OF AGENDA AS POSTED OR AS AMENDED:

**MOTION:** *Vice Chair Nelson moved to approve the agenda as posted. The motion was seconded by Committee Chair Ambriz and the vote was: Ayes: Nelson, Ambriz; Noes: None. The motion passed.*

#### SUBSEQUENT NEED ITEMS:

*None to report.*

#### MINUTES:

May 22, 2023 – Regular meeting

**MOTION:** *Vice Chair Nelson moved to approve the minutes as listed. The motion was seconded by Committee Chair Ambriz and the vote was: Ayes: Nelson, Ambriz; Noes: None. The motion passed.*

**FUNDING AND BUDGET MATTERS:**

Treasurer's Report for the month ending May 31, 2023, June 30, 2023, July 31, 2023, and August 31, 2023. (Presented by Finance Director Nicholas for City Treasurer Borba)

***MOTION: Committee Vice Chair Nelson moved to approve the May 31, 2023, June 30, 2023, July 31, 2023, and August 31, 2023, Treasurer's Report as listed. The motion was seconded by Committee Chair Ambriz and the vote was: Ayes: Nelson, Ambriz; Noes: None. The motion passed.***

**REPORTS AND PRESENTATIONS FROM STAFF:**

Verbal presentation on MuniServices' 1<sup>st</sup> Quarter 2023 Report on Sales Tax and Business Activity for the City of Atwater. (Finance Director Nicholas)

***Finance Director Nicholas updated Committee on MuniServices' 1<sup>st</sup> Quarter 2023 Report on Sales Tax and Business Activity for the City of Atwater.***

***Finance Director Nicholas provided an update on quarterly sales tax reports (nonconfidential data) being added to the City's webpage.***

***Finance Director Nicholas provided background information on the City's current Transient Occupancy Tax (TOT) rate.***

***No action requested. Informational item only.***

**COMMENTS FROM THE PUBLIC:**

***No one came forward to speak.***

**COMMITTEE MEMBER COMMENTS:**

***Vice Chair Nelson provided update from the Cal Cities Annual Conference.***

**ADJOURNMENT:**

***Committee Chair Ambriz adjourned the meeting at 4:49 PM.***

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DANNY AMBRIZ  
COMMITTEE CHAIR

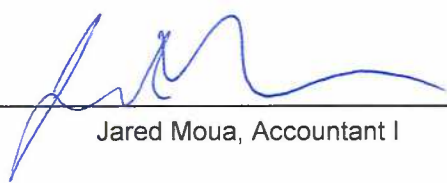
By: Anna Nicholas  
Finance Director

**STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED**  
**BY FUND**  
**AS OF 09/30/2023**

<b>FUND</b>	<b>BEG. BALANCE</b>	<b>CASH DEBITS</b>	<b>CASH CREDITS</b>	<b>ENDING BAL.</b>
0001 General Fund	16,156,193.54	1,912,275.34	1,914,479.45	16,153,989.43
0003 General Fund Capital	(813,112.10)	0.00	75,400.28	(888,512.38)
0004 Public Safety Trans & Use Tax	916,973.32	353,208.57	156,569.73	1,113,612.16
0005 Ferrari Ranch Project Fund	2,297.54	0.00	0.00	2,297.54
0007 Measure V Fund	4,266,278.84	83,509.67	0.00	4,349,788.51
0008 Measure V 20% Alternative Modes	708,502.13	20,877.42	29,984.91	699,394.64
0009 Abandoned Veh Abatement Fund	(1,648.28)	6,671.63	2,658.12	2,365.23
0010 Measure V Regional Fund	(90,671.13)	0.00	6,636.66	(97,307.79)
1005 Police Grants Fund	64,772.40	0.00	0.00	64,772.40
1010 ARPA-American Rescue Plan Act	4,598,384.74	18,851.67	145,132.45	4,472,103.96
1011 Gas Tax/Street Improvement	(180,036.92)	5,020.96	123,550.50	(298,566.46)
1013 Local Transportation Fund	430,022.20	0.00	6,740.94	423,281.26
1015 Traffic Circulation Fund	1,497,345.44	0.00	0.00	1,497,345.44
1016 Applegate Interchange	775,338.71	0.00	0.00	775,338.71
1017 RSTP-Regional Surface Transp Prog	2,585,548.57	437,727.00	3,023.75	3,020,251.82
1018 SB1-Road Maint & Rehab RMRA	1,958,752.16	66,918.51	0.00	2,025,670.67
1019 LPP-Local Partnership Prg Fund	0.00	0.00	0.00	0.00
1020 Parks and Recreation Fund	1,850,941.26	2,578.12	5,000.00	1,848,519.38
1021 Parks Grants Fund	0.00	0.00	0.00	0.00
1040 General Plan Update-Housing Element	0.00	0.00	0.00	0.00
1041 General Plan Update Fund	2,026,624.44	0.00	0.00	2,026,624.44
1055 Neighborhood Stabilization	222,040.24	0.00	0.00	222,040.24
1059-80 Housing Grant Funds	779,206.25	800.00	0.00	780,006.25
1091 Police Facility Impact Fee	199,249.18	0.00	0.00	199,249.18
1093 Fire Facility Impact Fee	259,224.29	0.00	0.00	259,224.29
1095 Government Building Facility	277,755.96	0.00	0.00	277,755.96
3064-67 Redevelopment/Successor Agency Funds	1,772,592.10	868.13	15,656.00	1,757,804.23
4020 Performance Bond Trust	220,733.85	0.00	0.00	220,733.85
4030 Narcotics Program Trust	2,084.79	0.00	0.00	2,084.79
4060 Section 125 Medical	2,162.50	110.00	0.00	2,272.50

**STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED**  
**BY FUND**  
**AS OF 09/30/2023**

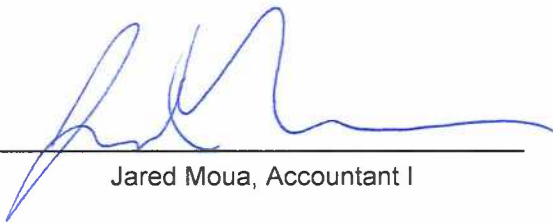
FUND	BEG. BALANCE	CASH DEBITS	CASH CREDITS	ENDING BAL.
4070 Section 125 Dependent Care	0.00	0.00	0.00	0.00
4080 Pension Rate Stblztn 115 Trust	368,774.33	0.00	13,034.08	355,740.25
4090 CFD No. 1 Trust	131,617.29	0.00	0.00	131,617.29
5001-55 All Maintenance Districts	1,260,126.60	0.00	44,017.30	1,216,109.30
5050 CFD Districts	(27,295.97)	0.00	43,018.89	(70,314.86)
6000 Water Enterprise Fund	11,134,405.65	707,656.57	804,076.97	11,037,985.25
6001 Water Fund Capital Replacement	1,108,696.11	0.00	210,553.44	898,142.67
6002 DBCP Settlement	20,677.13	0.00	0.00	20,677.13
6004 Water Well- Buhach Colony	184,791.45	0.00	0.00	184,791.45
6005 Water Capital Impact Fees	2,648,218.21	0.00	0.00	2,648,218.21
6006 Water Operating Reserve Fund	181,195.08	0.00	0.00	181,195.08
6007 1,2,3-TCP Fund	15,672,372.21	0.00	234,416.21	15,437,956.00
6010 Sewer Enterprise Fund	14,041,997.92	843,960.78	1,212,680.17	13,673,278.53
6011 Sewer Fund Capital Replacement	3,724,504.69	0.00	0.00	3,724,504.69
6020 Sanitation Enterprise	3,149,501.23	369,651.92	778,827.31	2,740,325.84
7000 Internal Service Fund	311,762.81	503,765.00	132,103.02	683,424.79
7001 ISF Equipment/Bldg Replacement	100,664.02	0.00	0.00	100,664.02
7010 Employee Benefits Fund	726,683.87	198,005.21	75,316.50	849,372.58
7020 Risk Management	(181,373.60)	1,031,277.75	4,766.70	845,137.45
7030 Information Technology	278,496.31	199,966.25	45,957.77	432,504.79
9090 Accrued Interest Fund	824,848.76	2,030.00	0.00	826,878.76
<b>TOTAL</b>	<b>96,148,220.12</b>	<b>6,765,730.50</b>	<b>6,083,601.15</b>	<b>96,830,349.47</b>


Prepared by:   
 Jared Moua, Accountant I

Approved by:   
 Mark Borba, City Treasurer

**Statement of Changes in Cash Balance  
by Bank  
As of 09/30/2023**

	Beg. Period Balance	Cash Debits	Cash Credits	End Period Balance
City - LAIF	63,504,137.32			63,504,137.32
City - RMA Long-Term Investment Fund	1,171,757.00	2,030.00		1,173,787.00
City Checking & Investment Accounts	4,164,408.24	6,763,700.20	5,629,369.75	5,298,738.69
Wastewater Checking	4,789,865.90		371,171.36	4,418,694.54
RA Obligation Retirement Fund	37,926.67	0.30		37,926.97
US Bank/Chandler Asset Mgt.	22,111,350.66		70,025.96	22,041,324.70
PARS Post-Employment Benefits Trust	368,774.33		13,034.08	355,740.25
<b>Totals</b>	<u>96,148,220.12</u>	<u>6,765,730.50</u>	<u>6,083,601.15</u>	<u>96,830,349.47</u>

Prepared by:   
Jared Moua, Accountant I

Approved by:   
Mark Borba, City Treasurer

(The following statements are required by California Govt. Code Section 53646 (b) (2,3))  
Investments are made pursuant to the City Council approved Investment Policy and Guidelines.  
The City of Atwater has the ability to meet its pooled expenditure requirements for the next six months.

Bank Account Detail			
City LAIF	63,504,137.32	Chase General Checking	4,561,984.67
Chandler Asset Mgt.	1,173,787.00	Chase Wastewater Checking	4,418,694.54
US Bank/Chandler Asset Mgt.	22,041,324.70	Chase Redevelopment Checking	37,926.97
PARS Post-Employment Benefits Trust	355,740.25	Chase Savings Account	0.00





## Quarterly Report on Sales Tax and Business Activity

### Top 25 Sales Tax Remitters

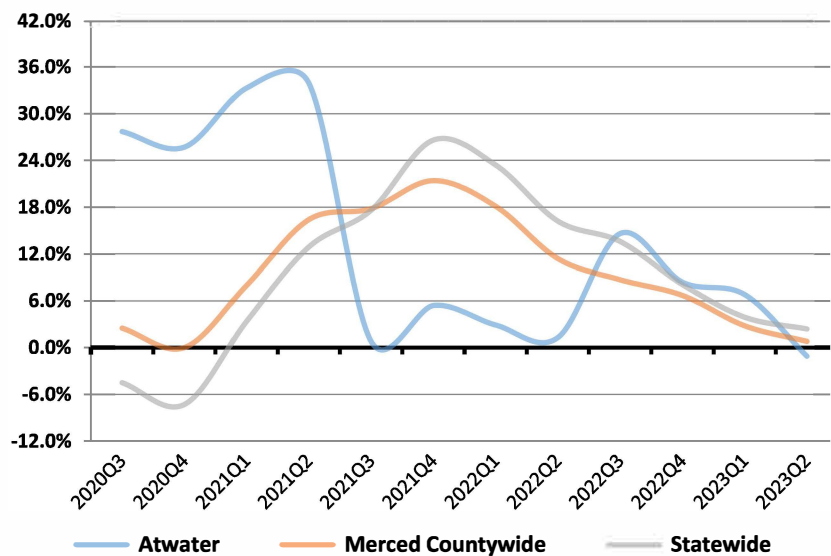
- ARCO AM/PM MINI MARTS
- BOOT BARN
- CHEVRON SERVICE STATIONS
- CIRCLE K SERVICE STATIONS
- HUNT & SONS
- JACK IN THE BOX RESTAURANTS
- JIM BRISCO ENTERPRISES
- MARSHALL'S STORES
- MAXI MART & GAS
- MCDONALD'S RESTAURANTS
- NCI GROUP
- O'REILLY AUTO PARTS
- PANDA EXPRESS
- ROYAL CROWN SERVICE STATIONS
- SAVE MART SUPERMARKETS
- SHELL SERVICE STATIONS
- STAGE STOP SPORTING GOODS
- SUNBELT RENTALS
- TACO BELL
- TARGET STORES
- TRACTOR SUPPLY COMPANY
- VALERO SERVICE STATIONS
- WAL MART STORES
- WALGREEN'S DRUG STORES
- WEST-MARK

### 2nd Quarter 2023 in Review

California sales tax cash receipts decreased by 1% from the same quarter last year. In this jurisdiction sales tax cash receipts decreased by 19.3% from the same quarter last year due to a decrease of \$24,703,000 in Taxable Sales.

Cash Receipts	Quarter	Annual
<b>Atwater</b>	<b>-19.3%</b>	<b>-1.1%</b>
<b>Merced Countywide Pool</b>	<b>-3.3%</b>	<b>6.2%</b>
<b>Merced Countywide</b>	<b>-3.7%</b>	<b>0.8%</b>
<b>Central Valley Region</b>	<b>-1.9%</b>	<b>1.5%</b>
<b>Statewide</b>	<b>-1.0%</b>	<b>2.4%</b>

### Annualized Percent Change in Sales Tax Cash Receipts



### Business Activity

	Atwater		California	
	Quarter	Annual	Quarter	Annual
General Retail	-2.3%	1.3%	-2.6%	1.3%
Food Products	0.5%	1.4%	-2.0%	4.7%
Transportation	-23.4%	-6.8%	-9.0%	0.6%
Construction	-18.4%	14.9%	-8.2%	-1.5%
Business To Business	-23.1%	-14.3%	-7.6%	1.3%
<b>TOTAL LOCAL BUSINESS ACTIVITY</b>	<b>-10.1%</b>	<b>-0.5%</b>	<b>-5.5%</b>	<b>1.6%</b>
<b>COUNTYWIDE POOL ACTIVITY</b>	<b>-19.0%</b>	<b>4.6%</b>	<b>0.2%</b>	<b>-0.6%</b>



## News

- Economic Activity:** Real Gross Domestic Product (GDP) increased at an annual rate of 2.6% in the second quarter of 2023. U.S. inflation decreased to 4.8% in June of 2023 compared to 9.1% the same month a year ago. California's headline inflation decreased to 3.1% year over year as of June of 2023, down from 8.3% in June of 2022. (DIR, BEA, BLS, August Finance Bulletin)
- Employment:** The U.S. unemployment rate remained unchanged at 3.5% in July of 2023. California's unemployment rate increased to 4.9% in July of 2023, 0.5 percentage point higher than March of 2023 rate of 4.4%. (BLS, August Finance Bulletin)
- Personal Income:** U.S. personal income increased by 5.5% for the second quarter of 2023, compared to same quarter previous year. Compensation of employees increased by 5.6% while personal current taxes decreased by 9.2% from the previous period, resulting in a net gain of 8.0% in disposable income. The increase of disposable income generated a 47.1% increase in US personal savings for the second quarter of 2023, compared to same quarter previous year. (BEA)

## Atwater

### Annual Per Capita Sales Tax

Adjusted for Inflation  
(Constant 2019 \$)

