

In-person participation by the public will be permitted. In addition, remote public participation is available in the following ways:

1. Livestream online at www.atwater.org (Please be advised that there is a broadcasting delay. If you would like to participate in public comment, please use the option below).
2. Submit a written public comment prior to the meeting: Public comments submitted to cityclerk@atwater.org by 2:00 p.m. on the day of the meeting will be distributed to the Oversight 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

February 24, 2025

CALL TO ORDER:



5:00 PM

PLEDGE OF ALLEGIANCE TO THE FLAG:

ROLL CALL:

Ambriz _____, Borba _____, Rochester_____

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.

1. Nomination and Appointment of Audit and Finance Committee Chairperson

Staff's Recommendation: That the Audit and Finance Committee, after opening and closing the nomination period by roll call vote of nominees in order of motion to appoint one (1) candidate to serve as Chairperson, the term of one (1) year, ending December 31, 2025.

2. Nomination and Appointment of Audit and Finance Committee Vice Chairperson

Staff's Recommendation: That the Audit and Finance Committee, after opening and closing the nomination period by roll call vote of nominees in order of motion to appoint one (1) candidate to serve as Vice Chairperson, the term of one (1) year, ending December 31, 2025.

3. October 28, 2024 – Special Meeting

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

FUNDING AND BUDGET MATTERS:

4. Treasurer's Report (unaudited) for the month ending January 31, 2025 (City Treasurer Borba)

Staff's Recommendation: Motion to recommend that the City Council accept the Treasurer's Report for the month ending January 31, 2025.

REPORTS AND PRESENTATIONS FROM STAFF:

5. Verbal presentation regarding 3rd Quarter 2024 Report on Sales Tax and Business Activity for the City of Atwater, November 2024 election statewide revenue measures recap, and general updates (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.



CITY OF ATWATER

SPECIAL MEETING AUDIT AND FINANCE COMMITTEE

ACTION MINUTES

October 28, 2024

The City of Atwater Audit and Finance Committee met in Special Session this date at 5:01 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 Button***
Absent: ***Committee Member Borba***
Staff Present: ***City Manager Hoem, Finance Director Nicholas, Administrative Assistant Peralta***

PUBLIC COMMENT:

Notice to the public was read.

No one came forward to speak.

MINUTES:

September 23, 2024 – Regular meeting

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

FUNDING AND BUDGET MATTERS:

Treasurer's Report for the months ending September 30, 2024 (City Treasurer Borba)

MOTION: ***Committee Chair Ambriz moved to approve the September 30, 2024 Treasurer's Report as listed. The motion was seconded by Committee Chair***

Ambriz and the vote was:
Ayes: Ambriz, Button; Absent: Borba; Noes: None. The motion passed.

REPORTS AND PRESENTATIONS FROM STAFF:

Verbal presentation regarding 2nd Quarter 2024 Report on Sales Tax and Business Activity for the City of Atwater (Finance Director Nicholas)

Finance Director Nicholas updated the Committee on the 2nd Quarter 2024 Report on Sales Tax and Business Activity for the City of Atwater.

FINANCE DIRECTOR UPDATES:

Finance Director Verbal Updates

Finance Director Nicholas stated there was nothing major to report.

ADJOURNMENT:

Committee Chair Ambriz adjourned the meeting at 5:04 PM.

APPROVED:

DANNY AMBRIZ
COMMITTEE CHAIR

ATTEST:

GI SELA PERALTA
RECORDING SECRETARY

STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED
BY FUND
AS OF 1/31/2025

	FUND	BEG. BALANCE	CASH DEBITS	CASH CREDITS	ENDING BAL.
0001	General Fund	15,413,172.62	5,158,953.89	1,054,097.68	19,518,028.83
0003	General Fund Capital	7,394.08	0.00	83,679.44	(76,285.36)
0004	Public Safety Trans & Use Tax	3,189,523.96	407,911.15	1,297,885.57	2,299,549.54
0005	Ferrari Ranch Project Fund	2,360.27	0.00	0.00	2,360.27
0007	Measure V Fund	5,254,063.91	69,075.78	23,321.10	5,299,818.59
0008	Measure V 20% Alternative Modes	955,687.70	17,268.95	117.95	972,838.70
0009	Abandoned Veh Abatement Fund	(9,535.79)	0.00	1,797.45	(11,333.24)
0010	Measure V Regional Fund	(6,613.15)	0.00	0.00	(6,613.15)
1005	Police Grants Fund	97,374.48	336.00	18,915.00	78,795.48
1010	ARPA-American Rescue Plan Act	2,182,648.53	0.00	74,148.03	2,108,500.50
1011	Gas Tax/Street Improvement	(600,579.36)	80,670.53	57,975.33	(577,884.16)
1013	Local Transportation Fund	586,173.34	0.00	0.00	586,173.34
1015	Traffic Circulation Fund	1,555,527.23	0.00	0.00	1,555,527.23
1016	Applegate Interchange	796,512.17	0.00	0.00	796,512.17
1017	RSTP-Regional Surface Transp Prog	3,141,327.85	0.00	1,912.50	3,139,415.35
1018	SB1-Road Maint & Rehab RMRA	335,180.71	75,116.28	1,004.75	409,292.24
1019	LPP-Local Partnership Prg Fund	0.00	0.00	0.00	0.00
1020	Parks and Recreation Fund	2,038,835.78	0.00	0.00	2,038,835.78
1021	Parks Grants Fund	0.00	0.00	0.00	0.00
1040	General Plan Update-Housing Element	(10,800.00)	0.00	0.00	(10,800.00)
1041	General Plan Update Fund	1,855,704.03	0.00	0.00	1,855,704.03
1055	Neighborhood Stabilization	228,103.85	0.00	0.00	228,103.85
1059-80	Housing Grant Funds	1,040,432.76	1,100.00	23,153.19	1,018,379.57
1091	Police Facility Impact Fee	198,854.14	0.00	0.00	198,854.14
1093	Fire Facility Impact Fee	273,486.47	0.00	0.00	273,486.47
1095	Government Building Facility	291,795.29	0.00	0.00	291,795.29
3064-67	Redevelopment/Successor Agency Funds	2,406,244.55	868.01	112.50	2,407,000.06
4020	Performance Bond Trust	226,761.79	0.00	0.00	226,761.79
4030	Narcotics Program Trust	2,141.71	0.00	0.00	2,141.71
4060	Section 125 Medical	2,494.49	70.00	1,176.99	1,387.50

STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED
BY FUND
AS OF 1/31/2025

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	535,051.71	10,767.93	0.00	545,819.64
4090 CFD No. 1 Trust	135,211.57	0.00	0.00	135,211.57
5001-55 All Maintenance Districts	1,163,644.59	115,167.27	14,675.65	1,264,136.21
5050 CFD Districts	(326,470.71)	363,328.59	35,086.42	1,771.46
6000 Water Enterprise Fund	15,898,787.51	677,693.98	228,550.45	16,347,931.04
6001 Water Fund Capital Replacement	(2,498,490.31)	26,616.07	258,791.65	(2,730,665.89)
6002 DBCP Settlement	21,241.78	0.00	0.00	21,241.78
6004 Water Well- Buhach Colony	190,474.89	0.00	0.00	190,474.89
6005 Water Capital Impact Fees	2,817,315.24	0.00	0.00	2,817,315.24
6006 Water Operating Reserve Fund	186,143.27	0.00	0.00	186,143.27
6007 1,2,3-TCP Fund	14,416,736.06	97,508.33	6,596.04	14,507,648.35
6010 Sewer Enterprise Fund	14,531,040.81	963,941.93	767,096.56	14,727,886.18
6011 Sewer Fund Capital Replacement	3,913,418.99	0.00	0.00	3,913,418.99
6020 Sanitation Enterprise	2,395,607.75	318,817.04	289,100.86	2,425,323.93
7000 Internal Service Fund	956,263.43	0.00	145,520.66	810,742.77
7001 ISF Equipment/Bldg Replacement	95,227.56	0.00	0.00	95,227.56
7010 Employee Benefits Fund	767,932.64	4,928.07	77,627.36	695,233.35
7020 Risk Management	641,180.38	0.00	305,284.73	335,895.65
7030 Information Technology	682,034.70	0.00	69,679.26	612,355.44
9090 Accrued Interest Fund	1,540,367.45	780,830.74	0.00	2,321,198.19
TOTAL	99,516,992.72	9,170,970.54	4,837,307.12	103,850,656.14

Prepared by: _____

Jared Moua, Accountant I

Approved by: _____

Mark Borba, City Treasurer

**Statement of Changes in Cash Balance
by Bank
As of 1/31/2025**

	Beg. Period Balance	Cash Debits	Cash Credits	End Period Balance
City - LAIF	66,934,623.76	778,467.94		67,713,091.70
City - RMA Long-Term Investment Fund	1,207,245.69	2,362.80		1,209,608.49
City Checking & Investment Accounts	3,249,805.39	7,620,600.36	4,466,623.26	6,403,782.49
Wastewater Checking	3,927,208.06		370,683.86	3,556,524.20
RA Obligation Retirement Fund	0.00	661,263.18		661,263.18
US Bank/Chandler Asset Mgt.	23,663,058.11	97,508.33		23,760,566.44
PARS Post-Employment Benefits Trust	535,051.71	10,767.93		545,819.64
Totals	<u>99,516,992.72</u>	<u>9,170,970.54</u>	<u>4,837,307.12</u>	<u>103,850,656.14</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	67,713,091.70	Chase General Checking	4,071,675.78
Chandler Asset Mgt.	1,209,608.49	Chase Wastewater Checking	3,556,524.20
US Bank/Chandler Asset Mgt.	23,760,566.44	Chase Redevelopment Checking	661,263.18
PARS Post-Employment Benefits Trust	545,819.64	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
 DOLLAR TREE STORES
 HUNT & SONS
 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
 SHANNONS MINI MART
 SHELL SERVICE STATIONS
 STAGE STOP SPORTING GOODS
 SUNBELT RENTALS
 TACO BELL
 TARGET STORES
 TRACTOR SUPPLY COMPANY
 VALERO SERVICE STATIONS
 WAL MART STORES
 WEST-MARK

Business Activity

General Retail
 Food Products
 Transportation
 Construction
 Business To Business
TOTAL LOCAL BUSINESS ACTIVITY
 COUNTYWIDE POOL ACTIVITY

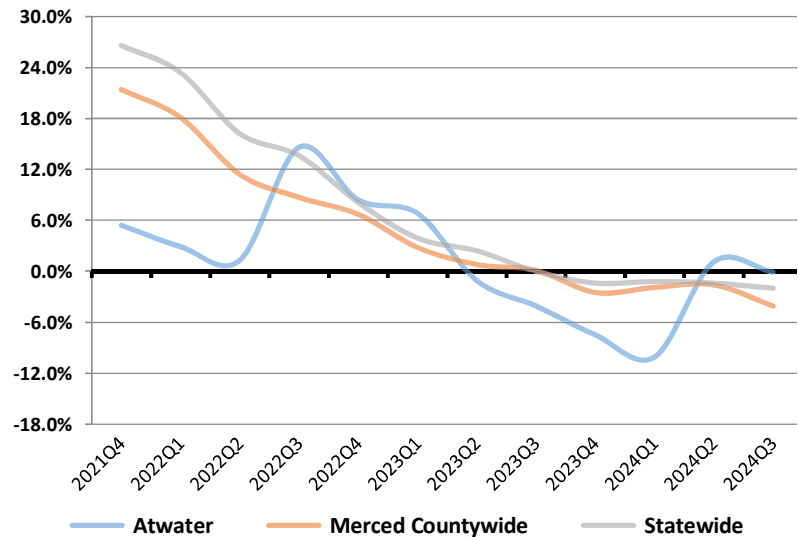
3rd Quarter 2024 in Review

California sales tax cash receipts decreased by 4.2% from the same quarter last year. In this jurisdiction sales tax cash receipts decreased by 7.9% from the same quarter last year due to a decrease of \$9,376,000 in Taxable Sales.

Cash Receipts

	Quarter	Annual
Atwater	-7.9%	-0.1%
Merced Countywide Pool	-3.7%	-2.8%
Merced Countywide	-9.2%	-4.1%
Central Valley Region	2.0%	2.1%
Statewide	-4.2%	-2.0%

Annualized Percent Change in Sales Tax Cash Receipts



Atwater		California	
Quarter	Annual	Quarter	Annual
-2.6%	-2.6%	-1.5%	-0.5%
12.8%	3.5%	0.5%	0.1%
-17.7%	-2.9%	-9.1%	-7.4%
1.0%	5.4%	-2.3%	-2.2%
-45.4%	-19.6%	-2.1%	-2.6%
-5.4%	-1.3%	-3.1%	-2.5%
-2.4%	0.7%	-13.2%	-5.6%



News

- Economic Activity:** Real Gross Domestic Product (GDP) increased at an annual rate of 2.8% in the third quarter of 2024. U.S. inflation ticked up to 2.6% in October of 2024, down 6.5 percentage points from its most recent peak of 9.1% in June 2022. California's headline inflation decreased to 2.7% year over year as of August 2024, down from 3.5% in December of 2023. (DIR, BEA, BLS, November Finance Bulletin)
- Employment:** The U.S. unemployment rate decreased slightly to 4.1% in October of 2024. California's unemployment rate increased slightly to 5.4% in October of 2024, 0.4 percentage point higher than September of 2023 rate of 5.0%. (EDD, BLS, November Finance Bulletin)
- Personal Income:** U.S. personal income increased by 5.2% for the third quarter of 2024, compared to the same quarter previous year. Compensation of employees increased by 5.5%, while personal current taxes increased by 6.7% from the previous period, resulting in a net gain of 5.0% in disposable income. The increase in personal income has reduced the percent decrease in personal savings quarter over quarter for the third quarter of 2024 to 0.9%, as opposed to 29.9% decrease in the second quarter of 2024. (BEA)

Atwater

Annual Per Capita Sales Tax
Adjusted for Inflation
(Constant 2020 \$)

- General Retail
- Food Products
- Transportation
- Construction
- Business To Business
- Miscellaneous
- County Pool
(Cash Basis)

