

CITY OF LOYALTON

COUNTY OF SIERRA
605 SCHOOL STREET
P.O. BOX 128
LOYALTON, CALIFORNIA 96118
(530) 993-6750
cityofloyalton.org



OFFICE OF THE MAYOR

**AGENDA FOR THE REGULAR MEETING OF THE
LOYALTON CITY COUNCIL
6:00 P.M. – CITY HALL AUDITORIUM
605 SCHOOL STREET
OCTOBER 19TH, 2021
NEXT ORDINANCE #425
NEXT RESOLUTION NO. 3-2021**

**AGENDA & PACKET AVAILABLE ON CITY WEB SITE
cityofloyalton.org**

Any person with a disability may submit a request for reasonable modification or accommodation to the above-described means for accessing and offering comment at the meeting to Kathy LeBlanc, City Clerk, at [\[ofclerk-cityofloyalton@psln.com\]](mailto:ofclerk-cityofloyalton@psln.com) who will swiftly resolve such request.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **ANNOUNCEMENTS**
6. **APPROVAL OF MINUTES**
Regular Meeting September 21, 2021 (Attachment)
7. **STAFF REPORTS**

8. **PUBLIC COMMENT**

This is an opportunity for members of the public to address the Council on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the City Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Council **cannot take action on any item not on the posted agenda**

9. **TIMED ITEM 6:15 PUBLIC HEARING REGARDING SEWER RATE ADJUSTMENT**
10. **FIRE DEPARTMENT REPORT**
11. **FINANCIAL COMMITTEE REPORTS**
 1. Financial Committee Report/Update
 - Approval of Reconciled Accounts for September 2021 (Attachment)
 - Approval of Bill Sheet September 2021 (Attachment)
 - Acknowledgment of Approval of Fund Transfer from General 1956 to Enterprise Loan MM 0559 not to exceed \$24,000.00 (Attachment)
 - Discussion and Possible Action in regards to 19-20 Audit findings and response. (Attachment)
12. **PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION**
13. **OTHER COMMITTEE REPORTS**
14. **DISCUSSION AND POSSIBLE ACTION ITEMS**
 1. Discussion and Possible Action regarding second reading and adoption of Ordinance #424. (Attachment)
 2. Discussion and Possible Action regarding additional signer of checks and removal of N. Rogers as signer on all City Accounts.
 3. Discussion and Possible Action regarding approval of Business License for Wendy Church-Bergstrom for The Top Story.
15. **AGENDA INPUT FOR UPCOMING MEETINGS**
16. **BOARD MEMBER CLOSING REMARKS**
17. **ADJOURNMENT**

September 21, 2021

REGULAR MEETING

The Regular meeting of the Loyalton City Council was called to order by Mayor S. Jackson on September 21, 2021 at 6:00 p.m. Loyalton City Auditorium

COUNCIL MEMBERS PRESENT Mayor S. Jackson, J. Markum, D. Riede, J. Gerow

COUNCIL MEMBERS ABSENT

STAFF PRESENT

City Clerk- Kathy LeBlanc, Jamie Stockdale-Bookkeeper

GUESTS PRESENT

B. Mertton, R. DeMartini, P. DeMartini, S. Heywood

APPROVAL OF AGENDA

It was moved by D. Riede, seconded by J. Markum to approve the agenda as presented. Motion carried.

ANNOUNCEMENTS

City Clerk Kathy LeBlanc reported that the Social Hall door needs to be fixed. Mayor Jackson would like the City Clerk to call Alpine Lock and Key to have it fixed.

APPROVAL OF MINUTES

1. It was moved by J. Markum, seconded by D. Riede, to approve the minutes of the Regular Meeting of August 17th, 2021 Motion carried.

STAFF REPORTS/WRITTEN COMMUNICATIONS

1. Jamie Stockdale-Bookkeeper reported that she is working on the audit findings.

PUBLIC COMMENT

None

PUBLIC HEARING AMENDMENT TO ZONING CODE

Gary Price addressed the Council on the amendments to the Zoning Code. Mayor Jackson opened the Public Hearing. Having no comments, Mayor Jackson closed the Public Hearing. It was moved by D. Riede, seconded by J. Markum to determine that the amendment is exempt from environmental review, is consistent with the General Plan and to waive the First Reading and adopt Ordinance No. 424, an amendment to Chapter 17 of the Loyalton Municipal Code repealing and replacing the Zoning Ordinance. Motion carried

FIRE DEPARTMENT REPORT

Fire Chief S. Heywood reported to the council that Loyalton Fire Department and Truckee Meadows Fire Department sent surplus items to the Greenville Fire Department. He also stated that the engines are making money from Wild Land Fires. He stated that volunteers are needed for the Department. He would like to surplus Brush Truck III. He also spoke on the need for a new roof for the Fire Station in Sierra Brooks. The Department has had 160 calls this year. Assistant Chief DeMartini stated that we are in for a dry winter so stay alert for fires.

FINANCIAL COMMITTEE REPORT/UPDATE

Councilmember Markum reported that some changes will have to be adjusted to the budget. Councilmember Markum reported that all paper work for the Prop 68 is done except for the site plan and pictures.

1. It was moved by J. Markum, seconded by D. Riede to approve the reconciled Accounts for August 2021. Motion carried.
2. It was moved by J. Markum, seconded by D. Riede to approve the bill sheet not to exceed \$75,615.55. Motion carried.

ACKNOWLEDGEMENT OF APPROVAL OF FUNDS TRANSFERS

1. It was moved by J. Markum, seconded by D. Riede to approve the fund transfer from General 1956 to Enterprise MM 0559 not to exceed \$30,000. Motion carried.

REIMBURSEMENT FOR USDA

None

PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION

1. Councilmember Riede reported to the council that the new street signs are in transit, she also reported that there is a dead tree downtown that will have to be replaced in the spring. She also reported that the water downtown has been shutoff, the park sprinklers will be left on until next month.
2. Councilmember Gerow reported that the valve at the probation department will have to be replaced.
3. Mayor Jackson reported to the council on the problem at 609 Church Street. She has been in contact with Farr West Engineering and they recommend we use a camera to determine the correct action. After a brief discussion it was decided by consensus to have Farr West use a camera for the line.

OTHER COMMITTEE REPORTS

1. Mayor Jackson updated the council on the Building and Planning stating that after several discussions with Sierra County it will remain with the City. She also gave a report on the property on Rail Road. Mayor Jackson reported on a possible program for Tennis and Pickle Ball but would like to have the Tennis Courts resurfaced and maintain. She also stated that she and Councilmember Gerow met with the Route 49 Partners regarding the utilities. She will keep the council updated. Councilmember Markum reported that Toddler Towers is renting the Social Hall one day a week for \$45.00.

DISCUSSION AND POSSIBLE ACTION ITEMS

- 1. A discussion was had on cleaning of the carpets at City Hall and Museum. The council would like to get a estimate for the cost before approval.
- 2. Mayor Jackson reported that Phil Wall and Keith Jordan have both given notice and will no longer be employed by the City. Councilmember Markum stated that 3 interviews were held. After a brief discussion it was moved by Mayor Jackson, seconded by J. Markum to offer the position to a qualified candidate after skill test and background check were complete for up to \$24.00 per hour per pay scale. Motion carried.

INPUT FOR UPCOMING MEETINGS

None

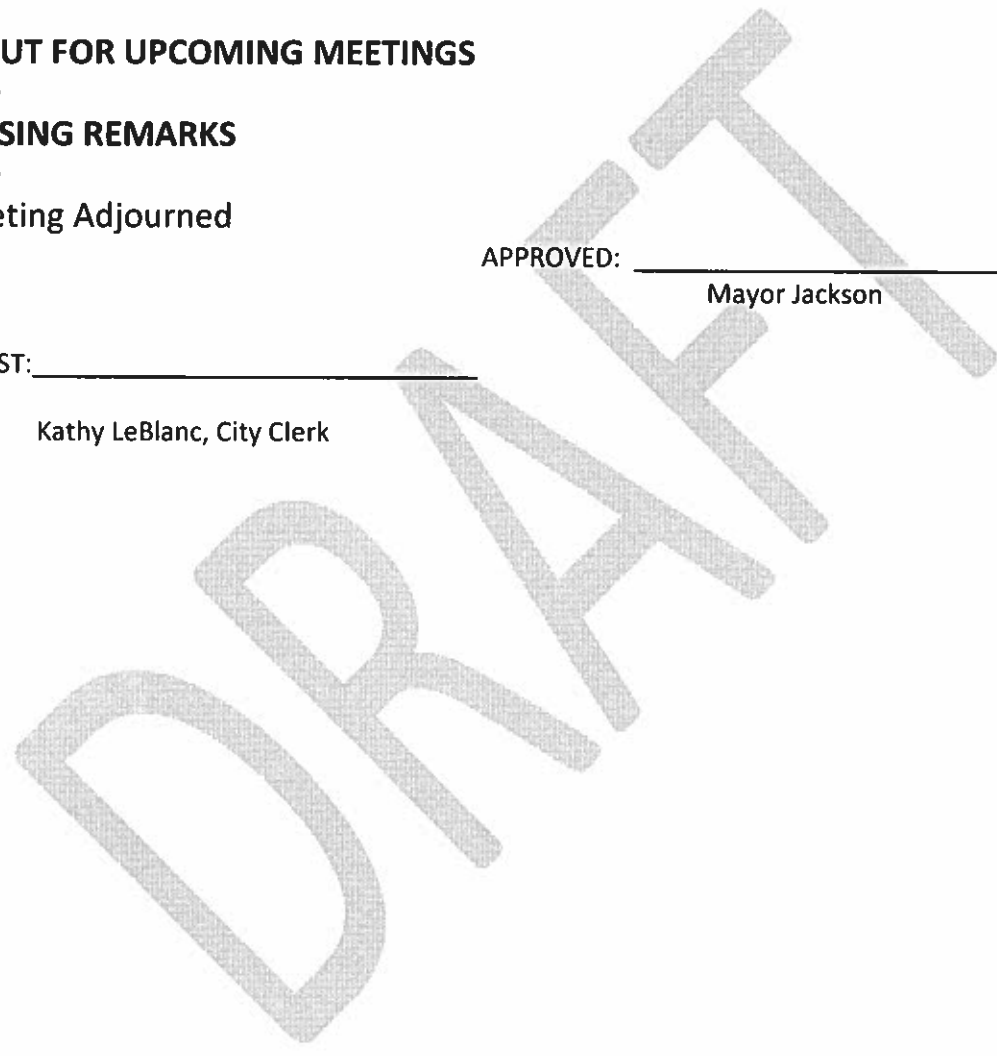
CLOSING REMARKS

None

Meeting Adjourned

APPROVED: _____
Mayor Jackson

ATTEST: _____
Kathy LeBlanc, City Clerk



**CITY OF LOYALTON
MANAGEMENT REPORT
JUNE 30, 2020**

LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
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COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To: City Council
City of Loyalton

We have audited the financial statements of City of Loyalton as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 10, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

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 material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We consider findings 2020-001 through 2020-004 in the following schedule of findings to be deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or 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. We consider finding FS 2020-005 through FS 2020-011 in the following schedule of findings to be significant deficiencies in the City's internal control:

City of Loyalton's Response to Findings

The City of Loyalton's written response to the significant deficiencies identified in our audit and any follow up for subsequent year corrections has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls over financial reporting and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the City's internal control over financial reporting, accordingly this report is not suitable for any other purpose.

This report is intended solely for the information and use of the board of directors and management of City of Loyaltan.

*Larry Bain, CPA,
An Accounting Corporation*

September 10, 2021

**CITY OF LOYALTON
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

Significant Deficiencies Deemed Material Weaknesses

Finding 2020-001: During the 2013/14 fiscal year testing of cash and debt we noted the City allocated \$6,000 per week to the loan money market bank account in order to pay the USDA water and sewer loans. The allocations between water and sewer funds were not based on a set % of collections for this money. Because of this there is a high risk that one fund is subsidizing the other. We also noted an \$84,000 transfer was made from the general fund to the water fund as of 6/30/14 in order to transfer the debt payment funds out of the General fund, this was not supported based on a set allocation method.

During the 2015/16 fiscal year, the City changed the \$6,000 per week allocation to 25% water fund and 75% sewer fund. We recalculated the activity in the accounts and verified each funds proper allocation and that the debt service was properly recorded in each fund.

Current Year Follow Up: During the current fiscal year we did not observe that the City reconciled the past allocations.

Recommendation: We recommend the City reconcile the historical \$6,000 monthly transfer allocations to determine how these funds should have been allocated, and adjust any variances between the funds.

City Response: In audit year 2013/2014 it was determined by council to put \$6,000.00 a week in a savings account to pay our USDA Loans. In audit year 2016/2016 it was decided by council to break the payments up in \$1,500.00 for our water loan and \$4,500.00 for our sewer loans. We have addressed this condition in prior findings.

Finding 2020-002: During our setup of the auditor's trial balance we noted the City general ledger is not a self-balancing set of accounts per fund. Significant adjustments need to be made in order to balance the funds. Furthermore the City trial balance had not been adjusted for the prior year audit entries and therefore the equity was not be in balance by fund. We noted the City hired a qualified external accountant to assist with posting the prior year audit entries and with balancing the funds. The risk of material misstatement resulting from these conditions is high and this is a condition for the qualified opinion on the financial statements. We have noted this condition in prior audits.

Current Year Follow Up: Condition not corrected during the current year audit period. The City started the conversion to a fund accounting software program, but was unable to complete the conversion and went back to using QuickBooks. For the June 30, 2020 fiscal year-end audit, the City is using an outside accountant to assist with balancing the funds.

Recommendation: We recommend the City continue to pursue replacing QuickBooks with fund accounting software.

City Response: The City is considering different software options.

Finding 2020-003: During our audit we proposed a material audit journal entries to balance the general ledger to the underlying support to reclassify \$152,436 from the general fund capital outlay to sewer improvements for repair costs to Beckwith Road that were recorded in the general fund, but upon review and inquiry the cost belonged to the sewer fund.

We also proposed entries that weren't considered material to increase accounts receivable and revenue in the sewer fund \$40,934 and increasing accounts receivable and revenue in the water fund \$26,869 to correct a prior year reversing entry that should not have been reversed. To true up receivables in water and sewer funds, to true up depreciation expense and accumulated depreciation in the sewer fund, to true up accrued interest receivable and interest revenue for LAIF interest receivable posted to the general fund, where all LAIF funds are held in the sewer fund, to true up interest payable, to true up deferred revenue for the prior years property tax allocation error, to reduce deferred revenue for the FEMA-OES funds expended against the advanced funds.

Recommendation: We recommend the City monitor the work of the outside accountants charged with closing the City books and agree the final trial balance to the underlying documentation.

**CITY OF LOYALTON
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

City Response: The Finance Director position was vacant for a long period of time, along with a major loss in accounting data via a trial software conversion. Historical data had to be recovered by the new City Bookkeeper to the best of their ability. The City now has a permanent Bookkeeper and part time financial consultant to mitigate future errors.

Significant Deficiencies Deemed Material Weaknesses (Continued)

Finding 2020-004: During our audit we noted the City entered into a settlement agreement with four retirees of the City, whereby the City agreed to pay a portion of the amount of pension benefits that the retirees receive from CalPERS. As a result of this agreement the City is subject to rules of Government Accounting Standards Board Statement No. 68 (GASB 68) for pension plans. During the 2018/19 fiscal year the City did not hire an actuarial to determine the net pension liability, the deferred outflows of resources, the deferred inflows of resources and the pension expense on an actuarial basis. This was a condition for the qualified opinion.

Current Year Follow Up: No change in obtaining an actuarial in compliance with GASB 68.

In 2019/20 fiscal year, the allocation basis was approximately 68% allocated to the general fund, 16% allocated to the water fund and 16% allocated to the sewer fund. We did not see an approved budget for the amounts to be appropriated to the general, water, and sewer funds based on these percentages.

Recommendation: We recommend the City obtain an actuarial report for the pension benefits and record the activity in the financial statements in accordance with GASB 68. We also recommend establishing a budget for the estimated pension payments based on the approved allocation formula.

City Response: City is actively looking for an actuarial. Due to Covid restrictions and being a rural City, this has proven challenging.

Finding 2020-005: During our review of the Gas Tax fund, we noted the fund balance decreased \$17,562 from the prior fiscal year, ending with a negative \$101,003. The Gas Tax fund appears to have a structural deficit. Furthermore, as of June 30, 2020, the gas tax fund owes other funds \$62,683, and has an advance from FEMA of \$55,465 that is required to be spent on a disaster relief project. The Gas Tax fund had a \$0 cash balance as of June 30, 2020.

Recommendation: We recommend the City review the activity in the Gas Tax fund and take action to cure the deficit fund balance.

City Response: The City will review the Gas Tax budget and work to cure the deficit fund balance.

Significant Deficiencies Not Deemed Material Weaknesses

Finding 2020-006: We noted the City does not have a current investment policy and a current conflict of interest policy. The investment policy is required to be reviewed and adopted bi-annually. We have noted this condition in prior audits.

Recommendation: We recommend the City adopt the investment policy biannually.

City Response: City is working on constructing an investment policy.

Finding 2020-007: We noted the City had a lack of segregation of duties, as one person is capable of handling all aspects of certain transactions from beginning to end. A lack of segregation of duties increases the risk of potential errors or irregularities occurring without being detected; however, due to a limited number of personnel an adequate segregation of duties is not possible without incurring additional costs. We have noted this condition in prior audits.

City Response: Due to our small budget, it is not feasible to hire enough staff to mitigate this finding. The City is aware of the deficiency and has done several things to diminish risk. The City has a part-time Clerk, a Bookkeeper, two outside Financial Consultants, and an ongoing Finance Committee. Financial policy revisions are in progress.

**CITY OF LOYALTON
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

Significant Deficiencies Not Deemed Material Weaknesses (Continued)

Finding 2020-008: We noted the City did not implement the provisions of Government Accounting Standards Board Statement 54 as required by U.S. generally accepted accounting policies. This new standard went into effect for fiscal year ending June 30, 2011. The requirement categorizes fund balances into five separate categories and sets a definition for special revenue funds. We have noted this condition in prior audits.

Current Year Follow Up: No Change.

Recommendation: We recommend the City review the provisions of GASB 54 and take action to adopt this standard. We also recommend the City create a schedule track all restricted, unspendable and committed fund balances in compliance with GASB 54.

City Response: The City will continue to take steps to adopt GASB 54 standards. The City will also invest in training for employees to ensure they are educated in and able to implement the GASB 54 standards.

Finding 2020-009: During our review of the budget we noted that while a budget workshop was held on May 28, 2019 and a list of 2019/20 fiscal year projects was discussed at the May 2, 2019 City Council meeting, the budget did not appear to have been officially approved and did not appear to be entered into the City accounting software. Furthermore the budget did not appear to be monitored by staff or by City Council. We noted that the general fund budget (draft) was over expended by \$358,771, which appears to be related to the former employee pension payouts and the purchase of the fire truck.

Recommendation: We recommend the City adopt a final budget in a timelier manner prior to the beginning of a new fiscal year. We also recommend the City enter the budget into the accounting program and perform periodic budget reviews and make amendments to the budget when projections are not realistic.

City Response: City adopted budget at the June 18, 2019 council meeting. City utilizes Excel to present budget vs actuals. City has planned semi annual budget review to take place during financial meeting held in December.

Finding 2020-010: During our testing of the general checking account, we noted \$11,776 that were listed as outstanding checks as of June 30, 2020 were not outstanding checks. The checks had been written subsequent to fiscal year end, but then backdated in QuickBooks. We passed on reclassifying the back dated checks from cash to a liability account.

Recommendation: We recommend recording checks in QuickBooks the day the check is written.

City Response: Due to Covid quarantine mandate's the City was understaffed at year end. We will work to recognize exact liabilities at year end going further.

Finding 2020-011: During our audit we noted the City has \$788,703 interfund loans recorded between the general fund, special revenue funds and the enterprise funds. These interfund loans are classified as due to, due from other funds. The interfund loans have been on the City books for several years and as such they appear to be long-term in nature. Long-term interfund loans should be categorized as advances to and advance from other funds and should carry interest that would be paid from the borrowing fund to the lending fund. We have noted this condition in prior audits.

Current Year Follow Up: No change in the current fiscal year.

Recommendation: We recommend the City review the due to/due from accounts and determine if the interfund balances should be paid off or converted to advances with terms such as an amortization schedule showing when the payments will be made and the interest rate associated with the lending.

**CITY OF LOYALTON
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

City Response: The City is still working to determine the origination of the separate interfund balances.

Significant Deficiencies Not Deemed Material Weaknesses (Continued)

Finding 2020-012: During our testing of payroll we noted the City was over withholding Fica/Medicare on employees and we noted that no Fica/Medicare was withheld for the pay period ending February 29, 2020. We also noted instances where the City was over withholding payroll taxes from employees, which is reflected in the first quarter of 2020 form 941 (federal quarterly tax return).

Recommendation: We recommend the City monitor payroll and perform internal checks to verify the correct amount of withholdings. The city should also determine if an amendment is needed for the 2019/20 fiscal year Fica/Medicare.

City Response: The City had an error in payroll processing during a specific time period. The error has since been corrected.

LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

September 10, 2021

To the City Council
City of Loyalton

We have audited the financial statements of the governmental-type activities, business-type activities and fund information of City of Loyalton for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 10, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 17, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit in accordance with the planned scope and timing previously communicated.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by City of Loyalton are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019-2020 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

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 estimate(s) affecting the financial statements was (were):

Management's estimate of the useful lives of assets for calculating depreciation expense is based on GFOA recommended useful lives. We evaluated the key factors and assumptions used to develop the useful life estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate in allocating salaries and other expenses to governmental and business type funds are based on actual timesheets as well as estimated percentages of certain employee and management time based on historical activity. We reviewed the allocations and assumptions used by management in determining reasonableness to the financial statements. During the 2019-20 fiscal year management again reviewed the allocation and made adjustments as deemed necessary.

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 trivial, and communicate them to the appropriate level of management. We provided management with all known adjusting entries and after review all entries were posted to the accounting system. A prior period adjustment was made increasing beginning fund balance in the Gas Tax fund \$8,618 to recognize the portion of deferred revenue advance that was earned, but not recorded in the prior year.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 10, 2021.

Management Consultation 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 the governmental unit'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 the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

Larry Bain, CPA

CITY OF LOYALTON
605 School Street,
Loyalton, CA 96118

NOTICE OF PUBLIC HEARING

Location: **City Hall Auditorium, 605 School Street, Loyalton, CA 96118**

Date and Time: **October 19, 2021 at 6:00 PM**

This **Notice of Public Hearing** provides information regarding sewer rate adjustments to City of Loyalton customers pursuant to the requirements of California Constitution Article XIII (commonly referred to as Proposition 218). The hearing will cover the proposed multi-year rate adjustment for sewer services. This Notice has been mailed to all record owners and customers of the parcels upon which the rates or charges will be imposed by utilizing the address identified on the last property tax assessment roll and the City's current customer database. If adopted, the first adjustment would take effect **January 1, 2022**. All subsequent adjustments would be effective on and after July 1 of each year beginning **July 2022 through July 2025** without further rate hearings.

WHY HAVE I RECEIVED THIS NOTICE ?

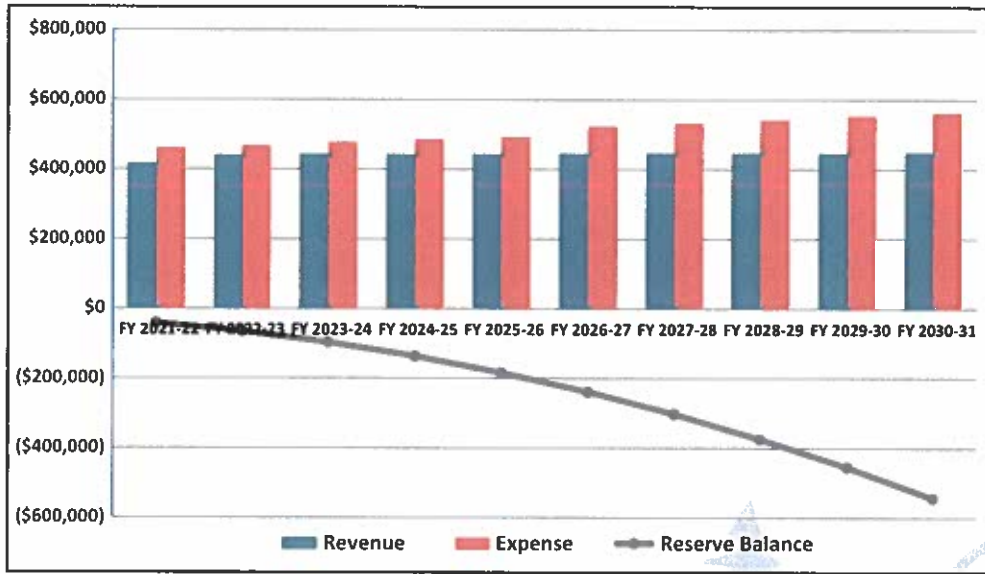
The City of Loyalton is proposing changes to its sewer rates. The City is dedicated to providing reliable, cost-effective sewer service at rates which do not exceed the cost to provide service. As part of our commitment to transparency, the City is sharing this update with all customers who may be impacted by these changes. We are seeking feedback to help our City Council make the right choice for the ratepayers.

WHAT IS CHANGING ABOUT YOUR SEWER SERVICE?

To continue the City's long tradition of providing excellent services to our customers, rate adjustments are necessary to cover system costs, which continue to increase. The system belongs to the citizens and we are all responsible for infrastructure maintenance and replacement. In order to provide sufficient funding for future replacement needs, the sewer utility needs to begin saving now. The Sewer Utility is proposing a multi-year rate setting strategy. If adopted, there would be a series of rate adjustments over the next five years. The amount of the fee is calculated by dividing the total revenue requirements by the City's EDU count, determined by City engineers at the time of each customer's connection to the sewer system. The proposed sewer service charges were calculated by the City in order to evenly spread applicable costs among sewer users according to the cost of providing service to that user.

	REVENUE ADJUSTMENT	PROPOSED MONTHLY RATES	ANNUAL BILL PER EDU
Current Rates		\$67.00	\$804.00
FY 2021-22	4.0%	\$69.68	\$836.16
FY 2022-23	4.0%	\$72.47	\$869.61
FY 2023-24	4.0%	\$75.37	\$904.39
FY 2024-25	4.0%	\$78.38	\$940.56
FY 2025-26	3.0%	\$80.73	\$968.76

If no action is taken, the costs of running the sewer utility will soon outstrip the revenues collected. This will lead to a decline in service, and ultimately, a breakdown of the system. The figure below shows the progressive revenue shortfall which will occur if no actions are taken now.



The City Council wants you to have the opportunity to comment on the proposed rate adjustments before a final decision is made. **Attend the Public Hearing:** A Public Hearing is scheduled for **Tuesday, October 19, 2021 at 6:00 p.m. at the City Hall Auditorium**. During the hearing, members of the public are encouraged to ask questions or comments on the proposed adjustment. **Submit a Written Protest:** Utility rates are subject to majority protest, which means that if a majority of impacted property owners (or renters if they are financially responsible for the bill) submit written protests against the adjustment, the City cannot institute the new rates. To be valid, a protest must be in writing, specifically stating that the proposed rate adjustments are being protested and information sufficiently identifying the property where sewer service is served, such as Assessor's Parcel Number, customer account number or street address. Email and FAX protests are NOT valid. In accordance with Proposition 218, only one written protest per parcel will be counted. Protest letters must be received prior to the conclusion of the Public Hearing. Protests can be mailed to: **P.O. Box 128, Loyalton, CA. 96118**, or they can be dropped off at City Hall: **605 School Street, Monday-Thursday, between 8:00 AM and 4:00 PM**.

If you have questions regarding this notice, please contact the City Clerk, **Kathy LeBlanc**, at **(530) 993-6750**.

On October 19, 2021 at 6:00 the City of Loyalton will be hosting a hearing about potential sewer rate adjustments. The public is invited to attend. All parcel owners should have received a Notice of Public Hearing at least 45 days before the hearing date. Utility rates are subject to majority protest, which means that if a majority of impacted property owners (or renters, if they are financially responsible for the bill) submit written protests against the adjustment, the City cannot institute the new rates. To be valid, a protest must be in writing, specifically stating that the proposed rate adjustments are being protested and providing information sufficiently identifying the property where sewer service is served, such as Assessor's Parcel Number, customer account number or street address. Email and FAX protests are NOT valid. In accordance with Proposition 218, only one written protest per parcel will be counted. Protest letters must be received prior to the conclusion of the Public Hearing. The October 19th hearing will be held at the City Hall Auditorium, 605 School Street, Loyalton, CA 96118. To continue the City's long tradition of providing excellent services to our customers, rate adjustments are necessary to cover system costs, which continue to increase. The system belongs to the citizens and we are all responsible for infrastructure maintenance and replacement. In order to provide sufficient funding for future replacement needs, the sewer utility needs to begin saving now. The Sewer Utility is proposing a multi-year rate setting strategy. If adopted, there would be a series of rate adjustments over the next five years. The City is dedicated to providing reliable, cost-effective sewer service at rates which do not exceed the cost to provide service. As part of our commitment to transparency, the City is sharing this update with all customers who may be impacted by these changes. We are seeking feedback to help our City Council make the right choice for the ratepayers.

CITY OF LOYALTON

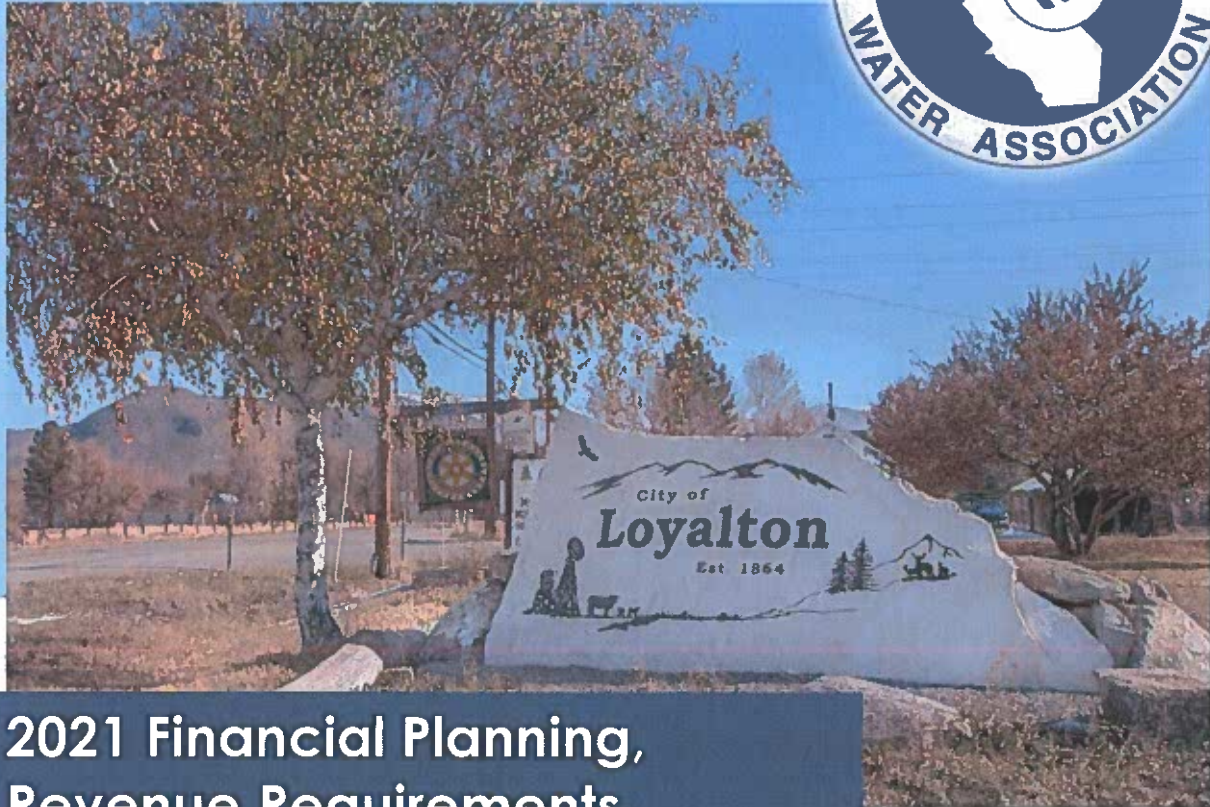
PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that the City of Loyalton will hold a Public Hearing during the Regular City Council Meeting on Tuesday, October 19, 2021, at 6:00 p.m. at the Loyalton City Hall Auditorium to consider the following:

- **Potential Sewer Rate Adjustment**

On October 19, 2021 at 6:00 the City of Loyalton will be hosting a hearing about potential sewer rate adjustments. The public is invited to attend. All parcel owners should have received a Notice of Public Hearing at least 45 days before the hearing date. Utility rates are subject to majority protest, which means that if a majority of impacted property owners (or renters, if they are financially responsible for the bill) submit written protests against the adjustment, the City cannot institute the new rates. To be valid, a protest must be in writing, specifically stating that the proposed rate adjustments are being protested and providing information sufficiently identifying the property where sewer service is served, such as Assessor's Parcel Number, customer account number or street address. Email and FAX protests are NOT valid. In accordance with Proposition 218, only one written protest per parcel will be counted. Protest letters must be received prior to the conclusion of the Public Hearing. The October 19th hearing will be held at the City Hall Auditorium, 605 School Street, Loyalton, CA 96118. To continue the City's long tradition of providing excellent service to our customers, rate adjustments are necessary to cover system costs, which continue to increase. The system belongs to the citizens and we are all responsible for infrastructure maintenance and replacement. In order to provide sufficient funding for future replacement needs, the sewer utility needs to begin saving now. The Sewer Utility is proposing a multi-year rate setting strategy. If adopted, there would be a series of rate adjustments over the next five years. The City is dedicated to providing reliable, cost-effective sewer service at rates which do not exceed the cost to provide service. As part of our commitment to transparency, the City is sharing this update with all customers who may be impacted by these changes. We are seeking feedback to help our City Council make the right choice for the ratepayers.

Posted October 1, 2021
Kathy LeBlanc
City Clerk



2021 Financial Planning, Revenue Requirements, and Wastewater Rate Setting Analysis

Presented by: California Rural Water Association

In Collaboration with



Robert D. Niehaus, Inc.

**CITY OF LOYALTON
FINANCIAL PLANNING, REVENUE REQUIREMENTS,
AND RATE SETTING ANALYSIS**

FINAL REPORT

Prepared for:

City of Loyalton
605 School St
Loyalton, CA 96118

Prepared by:

ROBERT D. NIEHAUS, INC.
140 East Carrillo Street
Santa Barbara, CA 93101
(805) 962-0611

This project is funded by a grant provided to CRWA by
the Clean Water State Revolving Fund.
CRWA Wastewater Specialist, Dan Lafontaine
aided in preparation of this study.

RDN Project Number 272.19

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EXECUTIVE SUMMARY

Background

The City of Loyalton (City), the only incorporated city in Sierra County, is a general law city that provides services including public works, public safety, water, wastewater, and parks and recreation. The City is near the north extent of State Route 49, which ends at State Route 70 in Vinton and is 50 miles from the county seat, Downieville. The City of Loyalton wastewater collection system was constructed from 1956 to 1957. The original sewer main was constructed of vitrified clay pipe with rubber joints and precast concrete manholes. In 1996 the sewer interceptor main, which contained a number of serious leaks, was replaced with 12-inch diameter PVC pipe. The City of Loyalton wastewater treatment plant (WWTP) consists of a series of four aerated lagoons, one settling pond, one small effluent storage lagoon, and nine rapid infiltration basins. Treated wastewater is disposed of in the rapid infiltration basins. **Figure 1** shows the City's current service area in red.

Figure 1. City of Loyalton Service Area



Purpose of Study

The purpose of this analysis is to conduct a rate study which evaluates the City's current rates and financial data, and propose new rates, if necessary, that meet the City's financial and strategic goals. In March 2021, the California Rural Water Association (CRWA) retained Robert D. Niehaus, Incorporated (RDN) to develop a comprehensive wastewater rate study (Study) for the City of Loylaton.

The primary objectives of this Study include:

- Projecting revenues and expenses for a five year study period
- Proposing revenue adjustments to fund the City's projected financial needs
- Proposing rates that are equitable and affordable, and that comply with Proposition 218
- Producing an administrative record which effectively summarizes all findings
- Supporting the City through the Proposition 218 process as necessary

Recommendation and Proposed Rates

Recommendations:

- RDN recommends that the City increase revenue by 4.0 percent annually Fiscal Year (FY) 2021-22 to FY 2024-25 and 3.0 percent in FY 2025-26 to fund the desired capital improvement projects and build up reserves
- RDN recommends that the City should have money in reserves to replace approximately 25 percent of aging aerators in the next 5 to 10 years
- RDN recommends that the City develop a reserve policy which includes specific reserve funds with guaranteed funding sources to execute future capital projects and to respond to unforeseeable emergencies

Current Rates

Currently, the City's wastewater customers pay \$67.00 a month per EDU. Residential customers have an annual bill of \$804.00.

Table 1. Current Wastewater Rates

	Per EDU	Annual Bill
Current Rates	\$67.00	\$804.00

Proposed Rates

Using guidance from the AWWA’s reserve manual¹, the proposed rates include annual reserve contributions based on the sum of maintenance and repair related expenses which are reported in the City’s budget. The annual contributions range between \$17,465 and \$19,458, which correspond to projected maintenance and repair costs over the next five years. Annual revenue increases under this option are 4.0 percent per for the first four years and 3.0 percent the final year of the study:

Table 2. Proposed Revenue Adjustments

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Adjustment	4.0%	4.0%	4.0%	4.0%	3.0%

Table 3 presents revenue requirements and proposed monthly rates for FY 2021-22 through FY 2025-26. The proposed rates reflect necessary revenue adjustments of annual increases shown in Table 2.

Table 3. Proposed Revenue Requirements and Wastewater Rates

	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Requirements		\$434,803.20	\$479,153.13	\$499,223.64	\$520,133.15	\$536,705.93
EDUs		520	551	552	553	554
Annual Bill per EDU		\$836.16	\$869.64	\$904.39	\$940.56	\$968.76
Number of bills	12.00					
Proposed Monthly Rates		\$69.68	\$72.47	\$75.37	\$78.38	\$80.73

Key Assumptions

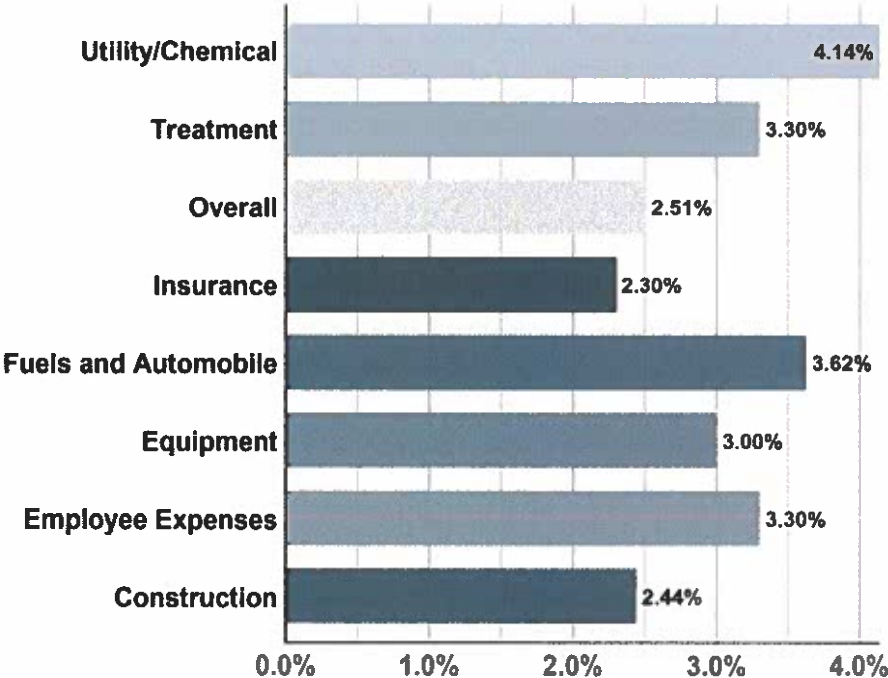
Escalation Factors

Escalation Factors were calculated for eight independent variables using historical Consumer Price Index (CPI) data from West Class B/C cities between 2000 and the most current calendar year, and projections by the California Department of Transportation (CADOT), and the California Department of Finance (CADOFF). The analysis assumes that Operating Revenues will continue to be stable, with some increases due to customer growth, for the next five years. The escalation factors capture the effects of price inflation for this period. Figure 2 displays the projected escalation factors for the study period. Due to local contingencies, the Utility/Chemical inflation rate is expected to rise at a rate of 4.14 percent per year. The

¹ Cash Reserve Policy Guidelines, 2018, AWWA Rates & Charges Committee White Paper, American Water Works Association

Employee Expenses Inflation Rate, which includes salaries, insurance, and payroll taxes, is expected to rise 3.30 percent per year during the study period. Some expenses are not expected to increase during the study period, thus those costs were kept fixed for the study period.

Figure 2. Escalation Factors



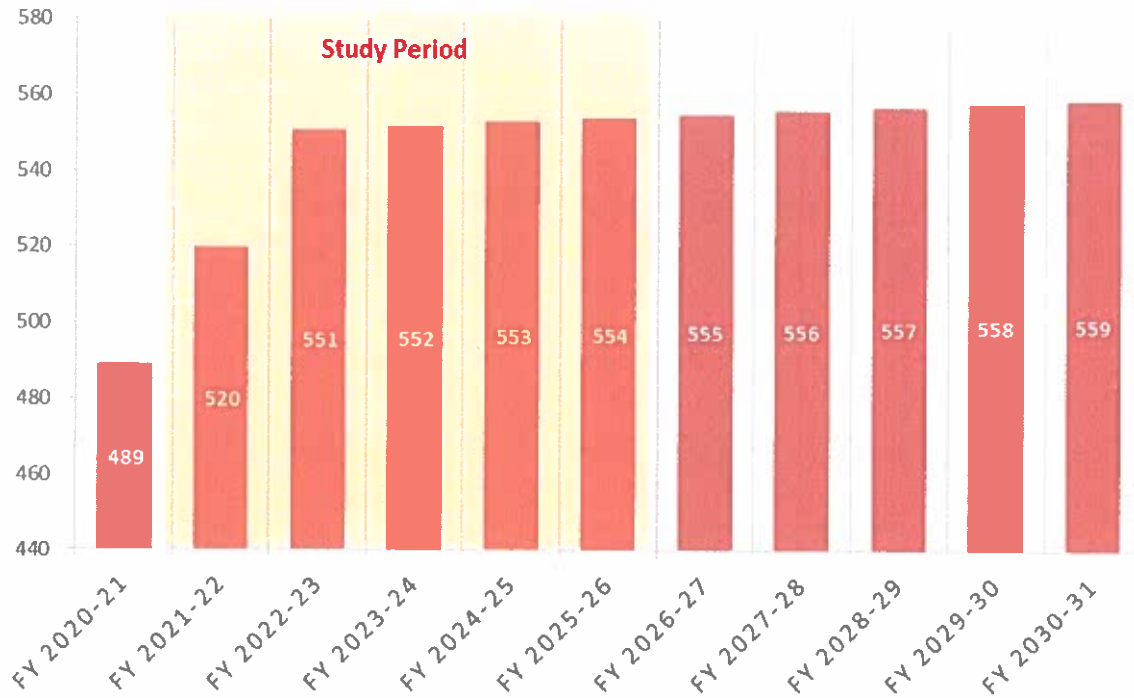
Customer Growth (EDUs)

All analyses performed during the study were based on an assumption of customer account growth. Historical billing records were used to project customer baseline growth. The count of EDUs per commercial customer is developed by City engineering staff when each new customer joins the system. Residential customers, including multifamily connections are assigned one EDU each. The customer growth analysis is based on California Department of Finance estimates of historical population growth and growth projections for the City of Loyalton². A population growth projection of 0.3 percent per year was used as the baseline EDU growth in the wastewater service area. In addition to the baseline growth, City representatives provided information on a significant residential development which is

² State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. Sacramento, California, May 2020.

scheduled to occur over the next two years, FY 2021-22 and FY 2022-23. During this period 30 additional EDUs were expected to come online each year. Figure 3 shows the projected EDU growth for the financial planning period.

Figure 3. Projected EDU Growth, FY 2020-21 (Current) to FY 2030-31



GENERAL METHODOLOGY

The wastewater rates formulated in this study were developed using principles set forth by the Water Environment Federation (WEF). RDN rate-making practices incorporate methods described in the WEF *Financing and Charges for Wastewater Systems*³. **Figure 4** presents the steps taken to develop the City's proposed rates.

Figure 4. Wastewater Rate Study Process



- **Growth Projection:** project customer growth for the five-year study period, FY 2021-22 through FY 2025-26, using the City's customers' historical growth data. Forecast revenues for the study period based on the projected customer growth.
- **Financial Planning and Revenue Requirements:** develop a five-year financial plan based on the projected revenues and annual costs which include both operating and capital expenses. The City's target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.
- **Rate Design:** design rates to recover the rate revenue requirements from each customer.

³ Financing and Charges for Wastewater Systems, WEF Manual of Practice Number 27, Water Environment Federation

Legal Considerations

California Constitution - Article XIII C (Proposition 26)

The voters in the State approved Proposition 26 on November 2, 2010. Proposition 26 amended Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” with listed exceptions. By means of these exceptions, Article XIII C classifies several types of charges, in addition to property-related charges, that are not taxes, such as charges for specific services or benefits, regulatory charges and penalties.

Article XIII C’s definition of “tax” lists the following exceptions: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Proposition 26 also provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer’s burdens on, or benefits received from, the governmental activity. Like the proportionality requirements of Article XIII D, assessment of rates under these requirements, if applicable, would be supported by the cost of service approach.

California Constitution - Article XIII D, Section 6 (Proposition 218)

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent.

Between 2002 and 2017, California courts have ruled that fees associated with providing sewer services are “property-related” and thus under the jurisdiction of Prop 218. The principal requirements for fairness of the fees, as they relate to public sewer service, are as follows: Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service. Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel. Reliance by an agency on any parcel map, including, but not limited to, an assessor’s parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.

The rates developed in this Report use a methodology to establish an equitable system of charges that recover the cost of providing service and fairly apportion costs to each customer as required by Proposition 218.

FINANCIAL PLANNING

Revenues

Based on the projected customer growth through the study period, revenues from rates were calculated for each year of the study. Additionally, non-rate revenues such as interest income were estimated based on historical values and City input. With no rate increases, the City is expected to collect between \$418,080 and \$445,416 per year from customers' rates, and additional \$2,493 per year from non-rate revenues. Total projected revenue is estimated at \$445,497 for the test year, FY 2021-22, and will increase to \$447,909 in the final year of the study period, FY 2025-26.

Operating and Maintenance Expense

This City's FY 2020-21 Budget anticipated approximately \$233,000 in expenses which were classified as Operating and Maintenance Expense (O&M). Based on the corresponding escalation factors for each O&M line item, an annual inflation rate of 3.2 percent was calculated for the study period. By the end of the study period, FY 2025-26, annual O&M expenses are projected to reach around \$272,000.

Capital Expenses

Because of the recent upgrade of the City's wastewater treatment plant (WWTP), which was expanded in 2010, all of the facilities are well within their useful lifespans (building, inflow pumps, chlorine dosing equipment, effluent pumps, backup power with transfer switch), no major capital expense are planned during the study period; however, on the recommendation of an outside engineer, potential future capital expenses which will be budgeted for through a targeted reserve fund. The original plant was constructed in 1995 which places the older equipment at 25 years of operation and includes the headworks (mechanical bar screen), ponds, and aeration system (approximately 13 floating aerators). The engineering opinion is that the City should at a bare minimum have money in reserve to replace approximately 25 percent of the aerators in the next five to ten years due to the age of the aerators, assuming that there are no additional necessary repairs to the expansion. The funds necessary for the replacements will be collected in a CIP reserve over the study period.

Debt Service

The City's wastewater utility currently has annual debt service payments of approximately \$222,000 which will remain consistent through the study period. The interest and principal for each bond is outlined in Table 4.

Table 4. Current and Future Debt Service Payments

Debt Service	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1995-A Revenue Bond					
Interest	\$30,782	\$29,070	\$27,281	\$21,316	\$21,316
Principal	\$37,500	\$38,600	\$40,900	\$46,500	\$46,500
1995-B Revenue Bond					
Interest	\$4,642	\$4,367	\$4,271	\$3,369	\$3,369
Principal	\$5,300	\$5,600	\$6,300	\$7,140	\$7,140
2009 Certificate of Participation					
Interest	\$72,938	\$71,150	\$70,250	\$64,500	\$64,500
Principal	\$71,000	\$72,000	\$74,000	\$80,000	\$80,000

Target Reserves

The City currently has no cash reserve policy. The City wastewater utility maintains restricted cash and investments restricted for debt service reserves and legal settlement funds for the wastewater treatment plant (\$289,000). Additionally, the City maintains a cash investment pool which is available for use to all funds. The wastewater utility's portion is split between the Local Agency Investment Fund (LAIF) and savings, the savings portion can be used to cover yearly revenue deficiencies as they arise.

RDN recommends that the City formalize its wastewater reserve policy and build an account which sets aside money for future capital improvement projects. According to the AWWA reserve manual, annual capital reserve contributions should be based on the sum of annual maintenance and repair related expenses which are reported in the City's budget. Annual capital reserve contributions increase from \$17,465 to \$19,458 through the study period due to the inflation for repairs and maintenance costs.

Revenue Requirements

Revenue requirements were developed based on the revenue adjustments outlined in the Executive Summary. In the recommendation includes the debt service payments and reserve contributions of between \$17,465 and \$19,458 per year, categorized as Other Obligations. The total revenue requirements are offset by the sum of Other Operating Revenues and Non-

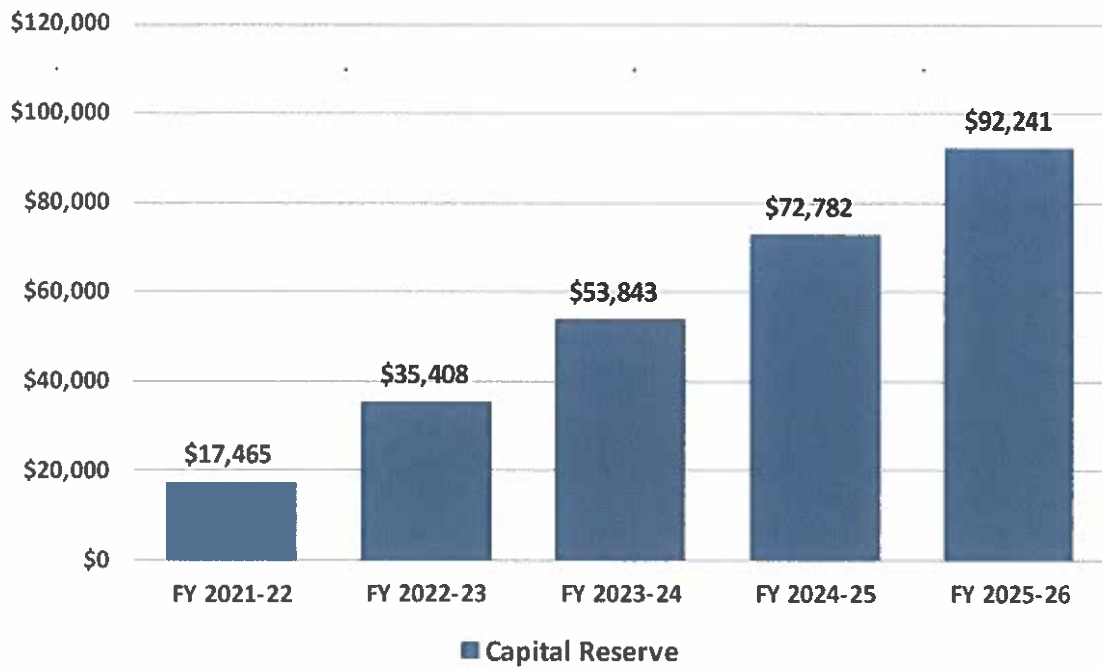
Table 6. Recommended Financial Plan, FY 2021-22 – FY 2025-26

Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	Test Year				
Operating Revenues	\$434,803	\$479,153	\$499,224	\$520,133	\$536,706
Sewer Charges - Existing	\$418,080	\$443,004	\$443,808	\$444,612	\$445,416
Year 1 - 4 %	\$16,723	\$17,720	\$17,752	\$17,784	\$17,817
Year 2 - 4 %		\$18,429	\$18,462	\$18,496	\$18,529
Year 3 - 4 %			\$19,201	\$19,236	\$19,270
Year 4 - 4 %				\$20,005	\$20,041
Year 5 - 3 %					\$15,632
Sewer Charges	\$434,803	\$479,153	\$499,224	\$520,133	\$536,706
Other Operating Revenues	\$0	\$0	\$0	\$0	\$0
O&M Expenses	(\$239,949)	(\$247,645)	(\$255,595)	(\$263,809)	(\$272,295)
Net Operating Revenues	\$194,854	\$231,508	\$243,628	\$256,324	\$264,411
Non-operating Revenues	\$2,493	\$2,493	\$2,493	\$2,493	\$2,493
Other Obligations	(\$239,627)	(\$238,730)	(\$241,437)	(\$241,764)	(\$242,283)
Debt Service Principal	(\$113,800)	(\$116,200)	(\$121,200)	(\$133,640)	(\$133,640)
Debt Service Interest	(\$108,362)	(\$104,587)	(\$101,802)	(\$89,185)	(\$89,185)
Contribution to Reserves	(\$17,465)	(\$17,943)	(\$18,435)	(\$18,939)	(\$19,458)
PAYGO	\$0	\$0	\$0	\$0	\$0
Net Balance	(\$42,280)	(\$4,729)	\$4,685	\$17,053	\$24,621

Proposed Reserve Balances

Figure 5 shows the reserve and savings fund balances under the proposed financial plan through the study period. The City will be able contribute to their reserve funds on a steady basis.

Figure 5. City Capital Reserve Balance under the Proposed Financial Plan



RATE SETTING

Recommendations

RDN recommends the City implement the rates outlined in this report. The proposed rates include funding for both reserve balances and maintaining the current savings balance and LAIF investments. It is important to note that under this plan, the approved rate increases function as an upper bound through the 5-year period encompassed within a Proposition 218 Hearing. If the City is able to secure additional funding sources for future CIP projects, or if customer growth is higher than expected, resulting in increased revenues, the City Council can choose to not implement increases in any given year.

Proposed Rates

To create rates outlined in this study, the essential calculation is the revenue requirements, developed in the financial planning analysis, divided by the number of EDUs, which were determined by the City's engineering staff. The rates provided fund appropriate levels of spending and reserve contributions.

Table 7. Recommended Study Period Rate Schedule

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Proposed Monthly Rates	\$69.68	\$72.47	\$75.37	\$78.38	\$80.73

CONCLUSION

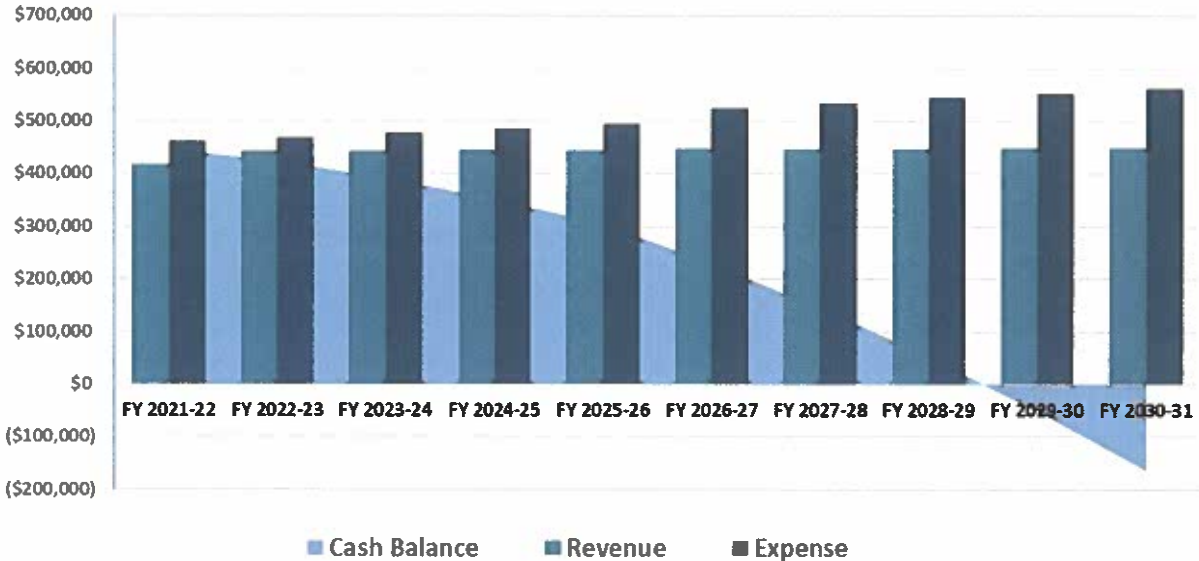
Recommendations

- The City develop a reserve policy which includes specific reserve funds with guaranteed funding sources
- The City increase revenue by 4.0 percent annually Fiscal Year (FY) 2021-22 to FY 2024-25 and 3.0 percent in FY 2025-26 to fund the desired capital improvement projects and build up reserves
- The City should have money in reserve to replace approximately 25 percent of aerators in the next five to ten years due to the age of the aerators.

If No Action is Taken

If the City chooses to not implement any rate increases at this time, will begin to see a decrease in fund balances during the study period which will continue to expand in future years. Figure 5 shows the declining fund balances projected through 10 years if no action is taken. In the first year, the wastewater must begin pulling from their savings. If any emergency or capital funding becomes necessary, it will cut significantly into the City’s cash pool.

Figure 6. Long-Term Financial Plan with no Rate Adjustments



CITY OF LOYALTON

CITY COUNCIL STAFF REPORT

MEETING OF: October 19, 2021

Subject: Housing Element/Zoning Code Update ZOA
2021-01; Amendment No. 1

From: Kathy LeBlanc, City Clerk
Gary Price, Contract Planner



Recommended Action: Hold second reading of Ordinance No. 424, read it by title only, and adopt ordinance 424. Second Reading of Amendment to City of Loyalton Municipal Code

BACKGROUND: The Council conducted a public hearing and introduced and waived the first reading Ordinance No. 424, Update to the Zoning Code on September 21, 2021. Attached is the final version of the Zoning Code document (all track changes accepted) for final adoption.

LEGAL REVIEW: The City Attorney reviewed the proposed ordinance amendments and has indicated that they are legally correct.

ALTERNATIVES: The City Council should waive the second reading of the ordinance and adopt it. If minor changes need to be made, they can do so with this final adoption.

QUESTIONS/COMMENTS: Please feel welcome to contact the City's planning consultant, Gary Price, at (530) 218-1059 or gary@plannerprice.com with any questions regarding the draft document before the meeting. It is always good to provide staff the opportunity to address questions before the meeting to allow time to research answers and possibly present them for the understanding of the entire council at the meeting.

ATTACHMENT:
Ordinance No. 424 (with final zoning document)

CITY OF LOYALTON

ORDINANCE NO. 424

**AN ORDINANCE OF THE CITY OF LOYALTON REPEALING AND REPLACING
TITLE 17, ZONING, OF THE LOYALTON MUNICIPAL CODE**

The City Council of the City of Loyalton does ordain as follows:

SECTION 1. Part 12, Chapter 8, Zoning of the Loyalton Municipal Code is hereby repealed and replaced to read in its entirety as referenced in Exhibit A, attached hereto, and made a part thereof.

Introduced at a Regular Meeting of the City Council of the City of Loyalton on September 21, 2021 by the following vote:

AYES: Gerow, Jackson, Markum and Reide

NOES: None

ABSENT: None

ABSTAIN: None

SARAH JACKSON, MAYOR

Passed and Adopted at a Regular Meeting of the City Council of the City of Loyalton on October 19, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SARAH JACKSON, MAYOR

WITNESSED by my hand seal of the organization.

CITY OF LOYALTON

COUNTY OF SIERRA
605 SCHOOL STREET
P.O. BOX 128
LOYALTON, CALIFORNIA 96118
(530) 993-6750
cityofloyalton@digitalpath.net



OFFICE OF THE MAYOR

APPLICATION FOR A BUSINESS LICENSE

Name of Owner of Business: Wendy Jean Church-Bergstrom
(First) (Middle) (Last)
 Address: Box 614 413 Beckwith Street Telephone: (775) 722-8776
 Name of Business: The Top Story
 Nature of Business: B & B With Cottage Food approved snacks + Cleaning Service
 State Contractors License No. N/A Resale License No: _____
 Permanent Location of Business: 413 Beckwith Street Loyalton CA 96118 Telephone: (775) 722-8776
 Is Business a Corporation or Partnership? Yes _____ No X
 If so, please indicate the name(s), address(s), and title(s) of officer(s) or partner(s):

N/A

Annual Gross Receipts from Business \$ _____
(The City needs this information to determine the tax due per quarter. See schedule below.)

9/15/21 Wendy Church-Bergstrom Owner/Operator
 Date Signature Title

Sales or use tax may apply to your business activities. You may seek, written advice regarding the application of tax for your particular business by writing to the nearest State Board of Equalization office.

TAXES (Section 5.04.220 of Loyalton Municipal Code)

All businesses having gross receipts of:

- A. Less than \$10,000 annually – Fee of \$ 60.00* per year
- B. Between \$10,000 and 50,000 annually – Fee of \$100.00* per year
- C. Between \$ 50,000 and \$100,000 annually – Fee of \$140.00* per year
- D. Between \$100,000 and \$150,000 annually – Fee of \$180.00* per year
- E. More than \$150,000 annually – Fee of \$220.00* per year

* Please note that an additional \$4.00 fee will be added to the annual fee for the State ADA Fees

For official use only

Date Received: _____

Fee Received: _____

City Clerk: _____ Date approved: _____

License No. issued: _____

CITY OF LOYALTON

COUNTY OF SIERRA
605 SCHOOL STREET
P.O. BOX 128
LOYALTON, CALIFORNIA 96118
(530) 993-6750
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OFFICE OF THE MAYOR

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N/A

Annual Gross Receipts from Business \$ _____
(The City needs this information to determine the tax due per quarter. See schedule below.)

9/15/21 Wendy C Bergstrom Owner/Operator
 Date Signature Title

Sales or use tax may apply to your business activities. You may seek, written advice regarding the application of tax for your particular business by writing to the nearest State Board of Equalization office.

TAXES (Section 5.04.220 of Loyalton Municipal Code)

All businesses having gross receipts of:

- A. Less than \$10,000 annually – Fee of \$ 60.00* per year
- B. Between \$10,000 and 50,000 annually – Fee of \$100.00* per year
- C. Between \$ 50,000 and \$100,000 annually – Fee of \$140.00* per year
- D. Between \$100,000 and \$150,000 annually – Fee of \$180.00* per year
- E. More than \$150,000 annually – Fee of \$220.00* per year

* Please note that an additional \$4.00 fee will be added to the annual fee for the State ADA Fees

For official use only

Date Received: _____

Fee Received: _____

City Clerk: _____ Date approved: _____

License No. issued: _____