



336 Pacific Avenue, Shafter, CA 93263  
Meeting Held In-Person and Via Zoom and Livestream on YouTube.

**AGENDA  
REGULAR MEETING  
SHAFTER CITY COUNCIL  
TUESDAY, FEBRUARY 3, 2026**

**NOTICE TO THE PUBLIC:**

*Any documents produced by the City and distributed to a majority of the City Council regarding any item on this agenda will be made available in the City Clerk's Office during normal business hours at City Hall located at 336 Pacific Avenue, Shafter CA. In addition, such documents will be posted on the City's website at [www.shafter.com](http://www.shafter.com).*

**CALL TO ORDER:** 6:00 PM

**ROLL CALL:** Mayor Givens  
Mayor Pro Tem Olvera  
Council Member Alvarado  
Council Member Espinoza  
Council Member Prout

**PLEDGE OF ALLEGIANCE:** Mayor Givens

**INVOCATION:** Council Member Alvarado

**APPROVAL OF AGENDA:**

**PRESENTATION:**

1. National Pesticide Safety Education Month
2. Reflection 2025 End of Year Highlights

**PUBLIC COMMENT:**

*Those persons wishing to speak on any item included on the agenda, or on any matter within the subject matter jurisdiction of the City Council, are invited to speak from the podium and address the City Council. Speakers are limited to five minutes unless additional time is needed for translation. Please state your name and address for the record before making your presentation.*

**COUNCIL ANNOUNCEMENTS AND REPORTS:**

*On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. Council Members may ask a question for clarification, make a referral to staff, or take action to have staff place a matter of business on a future agenda. No formal action by the Council will be taken unless an item is identified on the Agenda.*

**CONSENT CALENDAR:**

*All items on the consent calendar are considered routine and non-controversial by staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.*

1. Approve General Checks: January 27, 2026, January 29, 2026.
2. Approve Payroll: December 16, 2025, December 26, 2025, January 9, 2026, January 21, 2026, January 23, 2026, February 2, 2026.
3. Approval of Minutes: December 2, 2025.
4. Council find that the project is exempt from the California Environmental Quality Act (CEQA), since it is not a project; introduce for second reading, waive reading and adopt Ordinance No. 775, an Ordinance of the City Council of the City of Shafter California, adopting Administrative Hearing Procedures for the conduct of Administrative Hearing Pursuant to the Charter of the City of Shafter.
5. City Council introduce for second reading, by title only, and waive reading, and adopt Ordinance No. 776, an Ordinance of the City Council of the City of Shafter, approving Zone Change (ZC) No. 25-79. The ZC changes the zone district under Title 17 of the Shafter Municipal Code from Business Park (BP) to Industrial (I) of an approximately 4.94-acre site (Assessor Parcel Numbers 028-180-36 and 028-180-12) located at 107 S. Beech Ave. General Plan Amendment No. 25-45 was previously approved by resolution during the January 20, 2025 City Council meeting. The GPA amended the General Plan land use designation of the property from Business Park (BP) to Industrial (I) to be consistent with the zoning.
6. Council find that the project is exempt from the California Environmental Quality Act; approve a local funding match equal to 20 percent of the total estimated cost for the proposed water tank and booster station project at the Wonderful Industrial Park; authorize the Public Works Director to submit a local funding match commitment letter to the U.S. Department of Commerce Economic Development Administration on behalf of the City.
7. Council find that the action is exempt from the California Environmental Quality Act; adopt Resolution No. 3058, a Resolution of the City Council of the City of Shafter Declaring properties located near Fanucchi Way and Express Avenue as non-exempt surplus land; approving the form of Notice of Availability; directing the City Manager to comply with the requirements of the Surplus Land Act, Government Code Section 54220 et seq.
8. Council find the action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines; adopt Resolution 3059, a Resolution of the City Council of the

City of Shafter, approving the filing of TDA Article 4 Claim for Fiscal Year 2024-2025.

9. Council find the action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines; adopt Resolution 3060, a Resolution of the City Council of the City of Shafter, approving the execution and filing of a Transit Development Act (TDA) Article 8 Claim for Fiscal Year 2024-2025.
10. Council find the action is not defined as a “project” per Section 15378(b)(5) of the California Environmental Quality Act Guidelines; authorize submittal of a letter signed by the Mayor on behalf of the City of Shafter opposing the League of California Cities proposal to re-allocate Bradley Burnes e-commerce sales tax.

**PUBLIC HEARINGS:**

*Should anyone challenge any proposed action which is the subject of a public hearing listed on this agenda, that person challenging any action taken after the public hearing may be limited to raising only those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing.*

- 1. INTRODUCE ORDINANCE NO. 777 TO ADOPT ZONE CODE AMENDMENT NO. 25-23:** That the Shafter City Council conduct a public hearing and introduce for first reading, by title only, and waive reading of Ordinance No. 777, an Ordinance of the City Council of the City of Shafter, approving Zone Code Amendment No. 25-23, an amendment to Title 17 (Zoning Ordinance) Section 11.200 of the Shafter Municipal Code relating to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) to comply with recent changes in state law, and (2) find that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act (CEQA) per Public Resources Code Section 21080.17.

**ROLL CALL**

**MANAGEMENT REPORT:**

- 1. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR 2024-2025:** Council find the action is not defined as a "project" pursuant to Section 15378(b)(4) of the CEQA Guidelines; accept the Annual Comprehensive Financial Report (ACFR), Federal Single Audit, and SAS 114 letter, for the year ended June 30, 2025.

**ROLL CALL**

- 2. FIRST AMENDMENT OF THE CITY MANAGER EMPLOYMENT AGREEMENT APPROVAL:** Council find action is not defined as a “project” per Section 15378(b)(5) of the CEQA Guidelines; approve the First Amendment to the City Manager Employment Agreement with Lance Lippincott.

**ROLL CALL**

- 3. SALES TAX INITIATIVE PUBLIC OUTREACH AND ENGAGEMENT PROFESSIONAL SERVICES AGREEMENT:** Council find the action exempt from the California Environmental Quality Act; authorize the City Manager to execute a professional services agreement with CiviSocial for communications training and engagement services in an amount not to exceed \$20,000; and authorize the City

Manager to execute a separate professional services agreement with Polco for digital engagement platform services in an amount not to exceed \$10,000.

**ROLL CALL**

- 4. APPROVAL OF REMODEL OF FORMER MODIFIED COMMUNITY CORRECTIONAL FACILITY (MCCF) ADMINISTRATIVE OFFICE FOR USE BY THE INFORMATION TECHNOLOGY DEPARTMENT:** Council find that the project is exempt from the California Environmental Quality Act; approve the creation of a new capital improvement program budget in the amount of \$200,000 to fund a temporary remodel of the administrative office space at the former Modified Community Correctional Facility for use by the City's Information Technology Department staff; and authorize the City Manager to award purchases and construction contracts for individual work items within the approved budget in accordance with the City's bidding and procurement policies, using informal bid procedures as applicable.

**ROLL CALL**

**CITY MANAGER COMMENTS AND REPORTS:**

**DEPARTMENT DIRECTOR COMMENTS AND REPORTS:**

**ADJOURNMENT:**

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Pursuant to the Americans with Disabilities Act, if you need special assistance to participate in a City Council Meeting, please contact the City Clerk at (661) 746-5000 at least three (3) days prior to the meeting or time the special services are needed to allow

City staff in making reasonable arrangements to provide you with access to the meeting. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection in the City Clerk's Office at Shafter City Hall, 336 Pacific Ave., Shafter, CA 93263. This is to certify that this Agenda notice was posted at City Hall and Police Dept. by 5:00 p.m., January 30, 2026. Yazmina Pallares, S/S, City Clerk

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**REMOTE PUBLIC PARTICIPATION IS ALLOWED IN THE FOLLOWING WAYS, SEE BELOW FOR INSTRUCTIONS.**

1. You are strongly encouraged to observe the City Council meetings live via YouTube <https://www.youtube.com/user/CityofShafter/>
2. If you wish to make a comment on a specific agenda item or public comment, please submit your comment via email by **6:00 PM on February 3, 2026** to the City Clerk at [CityClerk@shafter.com](mailto:CityClerk@shafter.com)
3. If you wish to make a written comment to the City Clerk, 336 Pacific Avenue, Shafter, CA 93263.
4. If you wish to make a comment during the live meeting, callers must first register with the City Clerk at 661-746-5012 before the meeting begins to receive instructions and the call- in number and code. Please call by 5:00pm on the Monday prior to the City Council meeting to allow ample time for sign up. You will need to provide your name, phone number and the item number you wish to

address.

5. All public comments are provided to the City Council and applicable Staff, for review and consideration by the Board prior to taking action on any matters listed on the agenda and are incorporated into the official record of the City Council meeting.



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# PROCLAMATION

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## NATIONAL PESTICIDE SAFETY EDUCATION MONTH February 2026

**WHEREAS**, pesticides continue to be widely used in agriculture and communities across the United States, yet their misuse or overuse poses serious risks to farmworkers, families, and the environment; and

**WHEREAS**, Líderes Campesinas del Comité de Kern Norte, a farmworker organization, has long championed the health and safety of campesinas and their families, advocating for stronger protections, equitable land access, and healthier farming practices; and

**WHEREAS**, National Pesticide Awareness Month provides an opportunity to educate the public about pesticide dangers, highlight safer alternatives, and promote integrated pest management strategies that reduce harm; and

**WHEREAS**, advocacy efforts in 2026 are expected to include policy initiatives, educational outreach, and digital campaigns on platforms such as Instagram, continuing the momentum of past awareness tables and community events; and

**WHEREAS**, these efforts are inspired by historical leaders such as César Chávez, who drew national attention to pesticide impacts on farmworker health, reminding us that justice in agriculture requires vigilance and courage; and

**WHEREAS**, alignment with USDA programs and land equity initiatives will strengthen the call for systemic change, ensuring that farmworkers' voices remain central in shaping healthier agricultural futures;

**NOW, THEREFORE**, I, Chad Givens, Mayor of the City of Shafter, on behalf of the entire Shafter City Council, do hereby proclaim February 2026, as **National Pesticide Safety Awareness Month**.

**PASSED AND ADOPTED** this 3rd ay of February, 2026.

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Chad Givens  
Mayor

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755				NET
				DOCUMENT	INVOICE	DTL	DESC			
374	01/27/2026	EFT	1049 SIMPLOT AB RETAIL IN	74524	501197325	11/25/2025		012726		1,653.54
Invoice: 501197325				72683						
			1,653.54 0100-30-400-25-00-510200-				PARKS - ROUNDUP/BRANDT/GOVEE/NAVIGATOR			
							Repairs & Maintenance			
							CHECK	374 TOTAL:		1,653.54
1025451	01/27/2026	PRTD	7518 NORTH KERN WATER STO	74424	16824	11/18/2025		012726		12,316.40
Invoice: 16824				72586						
			434.72 5002-40-400-20-00-510809-				WATER - CLASS 2 BASE SERVICE CHARGE - 2026			
			4,317.28 0100-10-125-06-00-510809-				Assessment fees			
			100.00 5100-50-405-28-13-510809-				Assessment fees			
			2,423.52 0811-40-400-19-04-510809-				Assessment fees			
			4,309.04 0808-40-400-19-04-510809-				Assessment fees			
			631.84 0815-40-400-19-04-510809-				Assessment fees			
			100.00 0813-40-400-19-04-510809-				Assessment fees			
							CHECK	1025451 TOTAL:		12,316.40
1025452	01/27/2026	PRTD	14271 OILDALE MUTUAL WATER	73922	NOINV - 12.31.2025	01/01/2026		012726		105.35
Invoice: NOINV - 12.31.2025				72090						
			105.35 0808-40-400-19-04-510704-				WATER - ACCT #016937 - 9350 7TH STANDARD-LANDCS			
							Water			
				73923	NOINV - 12.30.2025	01/01/2026		012726		35.50
Invoice: NOINV - 12.30.2025				72091						
			35.50 0808-40-400-19-04-510704-				WATER - ACCT #022110 - 3801 GREEN OAKS WAY			
							Water			
				73924	NOINV - 12.29.2025	01/01/2026		012726		111.85
Invoice: NOINV - 12.29.2025				72092						
			111.85 0808-40-400-19-04-510704-				WATER - ACCT #027652 - 9600 AMBERDALE WAY (PARK)			
							Water			
				73925	NOINV - 12.28.2025	01/01/2026		012726		83.05
Invoice: NOINV - 12.28.2025				72093						
			83.05 0808-40-400-19-04-510704-				WATER - ACCT #027677 - 9630 COBBLE CREEK DR			
							Water			
				73926	NOINV - 12.27.2025	01/01/2026		012726		191.75
Invoice: NOINV - 12.27.2025				72094						
			191.75 0808-40-400-19-04-510704-				WATER - ACCT #028745 - 3701 GREENWAY RANCH LN			
							Water			
				73927	NOINV - 12.26.2025	01/01/2026		012726		136.55
Invoice: NOINV - 12.26.2025				72095						
			136.55 0808-40-400-19-04-510704-				WATER - ACCT #022109 - 3801 GREEN OAKS WAY - LANDS			
							Water			

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET			
DOCUMENT		INVOICE	DTL	DESC				
73928 72096	NOINV - 12.25.2025	01/01/2026		012726	105.35			
Invoice: NOINV - 12.25.2025	105.35 0808-40-400-19-04-510704-	WATER - ACCT #022387 - 3851		COMMUNITY DR - LANDSC				
		Water						
73929 72097	NOINV - 12.24.2025	01/01/2026		012726	105.35			
Invoice: NOINV - 12.24.2025	105.35 0808-40-400-19-04-510704-	WATER - ACCT #022325 - 3960		GOSSAMER GRV - LANDSC				
		Water						
73930 72098	NOINV - 12.23.2025	01/01/2026		012726	105.35			
Invoice: NOINV - 12.23.2025	105.35 0808-40-400-19-04-510704-	WATER - ACCT #026635 - 9005		COBBLE CREEK DR				
		Water						
73931 72099	NOINV - 12.22.2025	01/01/2026		012726	338.15			
Invoice: NOINV - 12.22.2025	338.15 0808-40-400-19-04-510704-	WATER - ACCT #022388 - 9451		COBBLE CREEK DR				
		Water						
73932 72100	NOINV - 12.21.2025	01/01/2026		012726	167.75			
Invoice: NOINV - 12.21.2025	167.75 0808-40-400-19-04-510704-	WATER - ACCT #022326 - 3960		GOSSAMER GRV - LNDSC				
		Water						
73933 72101	NOINV - 12.20.2025	01/01/2026		012726	34.30			
Invoice: NOINV - 12.20.2025	34.30 0808-40-400-19-04-510704-	WATER - ACCT #029381 - 3210		HICKORY PARK WAY				
		Water						
73934 72102	NOINV - 12.19.2025	01/01/2026		012726	98.65			
Invoice: NOINV - 12.19.2025	98.65 0808-40-400-19-04-510704-	WATER - ACCT #028944 - 3210		HICKORY PARK WAY				
		Water						
73935 72103	NOINV - 12.18.2025	01/01/2026		012726	86.65			
Invoice: NOINV - 12.18.2025	86.65 0808-40-400-19-04-510704-	WATER - ACCT #027676 - 3580		COMMUNITY DR - LANDSC				
		Water						
73936 72104	NOINV - 12.17.2025	01/01/2026		012726	219.35			
Invoice: NOINV - 12.17.2025	219.35 0808-40-400-19-04-510704-	WATER - ACCT #028567 - 3410		GOSSAMER/COTTON				
		Water						
73937 72105	NOINV - 12.16.2025	01/01/2026		012726	317.75			
Invoice: NOINV - 12.16.2025	317.75 0808-40-400-19-04-510704-	WATER - ACCT #028320 - 3411		COMMUNITY DR - LNDSCP				
		Water						
73938 72106	NOINV - 12.15.2025	01/01/2026		012726	197.25			

# City of Shafter A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
CHECK NO CHK DATE TYPE VENDOR NAME

		VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
		DOCUMENT		INVOICE DTL	DESC			
	Invoice: NOINV - 12.15.2025	197.25	0808-40-400-19-04-510704-	WATER - ACCT #029756 -	3590	SOARING HEIGHTS WAY		
				Water				
				CHECK	1025452	TOTAL:		2,439.95
1025453	01/27/2026 PRTD	14271	OILDALE MUTUAL WATER 74012		002817			
	Invoice: 002817	51,098.00			12/11/2025	191	012726	51,098.00
			E PD00001 -50 -510					
			0100-60-200-14-00-580200-					
				POLICE SUB STATION - WATER DEVELOPMENT FEES				
				Capital Prj.- Buildings & Imp.				
				CHECK	1025453	TOTAL:		51,098.00
1025454	01/27/2026 PRTD	1601	TUCKER, ALBIN & ASSO 74502	EASYVISTA CONTRACT	01/22/2026		012726	4,992.00
	Invoice: EASYVISTA CONTRACT	4,992.00	5103-50-500-29-00-510150-	Settlement dispute for EasyVista contract				
				Software Subscription				
				CHECK	1025454	TOTAL:		4,992.00
				NUMBER OF CHECKS	5	*** CASH ACCOUNT TOTAL ***		72,499.89
				TOTAL PRINTED CHECKS	COUNT	AMOUNT		
				TOTAL EFT'S	4	70,846.35		
					1	1,653.54		
				*** GRAND TOTAL ***				72,499.89

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED  
CLERK: 529211ara

YEAR	PER	JNL	SRC ACCOUNT	JNL DESC	REF 1	REF 2	REF 3	ACCOUNT DESC LINE DESC	T OB	DEBIT	CREDIT
			EFF DATE								
2026	7	379									
APP	0100-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		57,068.82	
								AP CASH DISBURSEMENTS JOURNAL			
APP	0000-00-000-00-00-100010-		01/27/2026	012726	012726			Cash: Mission Bank Acct#10755			72,499.89
								AP CASH DISBURSEMENTS JOURNAL			
APP	5002-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		434.72	
								AP CASH DISBURSEMENTS JOURNAL			
APP	5100-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		100.00	
								AP CASH DISBURSEMENTS JOURNAL			
APP	0811-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		2,423.52	
								AP CASH DISBURSEMENTS JOURNAL			
APP	0808-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		6,748.99	
								AP CASH DISBURSEMENTS JOURNAL			
APP	0815-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		631.84	
								AP CASH DISBURSEMENTS JOURNAL			
APP	0813-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		100.00	
								AP CASH DISBURSEMENTS JOURNAL			
APP	5103-00-000-00-00-205000-		01/27/2026	012726	012726			Accts Payable		4,992.00	
								AP CASH DISBURSEMENTS JOURNAL			
GENERAL LEDGER TOTAL										72,499.89	72,499.89
APP	0000-00-000-00-00-209001-		01/27/2026	012726	012726			Due To 0100 - Gen Fund		57,068.82	
APP	0100-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			57,068.82
APP	0000-00-000-00-00-209038-		01/27/2026	012726	012726			Due To 5002 - Water Operat		434.72	
APP	5002-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			434.72
APP	0000-00-000-00-00-209046-		01/27/2026	012726	012726			Due To 5100 - Facility Maint		100.00	
APP	5100-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			100.00
APP	0000-00-000-00-00-209035-		01/27/2026	012726	012726			Due To 0811 - LLMD - 001-2009		2,423.52	
APP	0811-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			2,423.52
APP	0000-00-000-00-00-209032-		01/27/2026	012726	012726			Due To 0808 - LLMD - 001-2015		6,748.99	
APP	0808-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			6,748.99
APP	0000-00-000-00-00-209058-		01/27/2026	012726	012726			Due to 0815 - DT CFD		631.84	
APP	0815-00-000-00-00-109000-		01/27/2026	012726	012726			Due From Funds - Cash Pool			631.84
APP	0000-00-000-00-00-209056-							Due To 0813 - DTLL1-CFD		100.00	

**City of Shafter**  
**A/P CASH DISBURSEMENTS JOURNAL**  
**JOURNAL ENTRIES TO BE CREATED**

YEAR PER	JNL				ACCOUNT DESC	T OB	DEBIT	CREDIT
SRC ACCOUNT	EFF DATE	JNL DESC	REF 1	REF 2	REF 3	LINE DESC		
	01/27/2026	012726	012726					
APP 0813-00-000-00-00-109000-	01/27/2026	012726	012726			Due From Funds - Cash Pool		100.00
APP 0000-00-000-00-00-209049-	01/27/2026	012726	012726			Due To 5103 - Info Tech	4,992.00	
APP 5103-00-000-00-00-109000-	01/27/2026	012726	012726			Due From Funds - Cash Pool		4,992.00
	01/27/2026	012726	012726					
SYSTEM GENERATED ENTRIES TOTAL							72,499.89	72,499.89
JOURNAL 2026/07/379 TOTAL							144,999.78	144,999.78

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED

FUND	YEAR	PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
0000 Pooled Cash Fund	2026	7	379	01/27/2026			
0000-00-000-00-00-100010-					Cash: Mission Bank Acct#10755		72,499.89
0000-00-000-00-00-209001-					Due To 0100 - Gen Fund	57,068.82	
0000-00-000-00-00-209032-					Due To 0808 - LLMD - 001-2015	6,748.99	
0000-00-000-00-00-209035-					Due To 0811 - LLMD - 001-2009	2,423.52	
0000-00-000-00-00-209038-					Due To 5002 - Water Operat	434.72	
0000-00-000-00-00-209046-					Due To 5100 - Facility Maint	100.00	
0000-00-000-00-00-209049-					Due To 5103 - Info Tech	4,992.00	
0000-00-000-00-00-209056-					Due To 0813 - DTL11-CFD	100.00	
0000-00-000-00-00-209058-					Due to 0815 - DT CFD	631.84	
					FUND TOTAL	72,499.89	72,499.89
0100 General Fund	2026	7	379	01/27/2026			
0100-00-000-00-00-109000-					Due From Funds - Cash Pool		57,068.82
0100-00-000-00-00-205000-					Accts Payable	57,068.82	
					FUND TOTAL	57,068.82	57,068.82
0808 LLMD - 001-2015	2026	7	379	01/27/2026			
0808-00-000-00-00-109000-					Due From Funds - Cash Pool		6,748.99
0808-00-000-00-00-205000-					Accts Payable	6,748.99	
					FUND TOTAL	6,748.99	6,748.99
0811 LLMD - 001-2009	2026	7	379	01/27/2026			
0811-00-000-00-00-109000-					Due From Funds - Cash Pool		2,423.52
0811-00-000-00-00-205000-					Accts Payable	2,423.52	
					FUND TOTAL	2,423.52	2,423.52
0813 CFD-0813	2026	7	379	01/27/2026			
0813-00-000-00-00-109000-					Due From Funds - Cash Pool		100.00
0813-00-000-00-00-205000-					Accts Payable	100.00	
					FUND TOTAL	100.00	100.00
0815 CFD-0815	2026	7	379	01/27/2026			
0815-00-000-00-00-109000-					Due From Funds - Cash Pool		631.84
0815-00-000-00-00-205000-					Accts Payable	631.84	
					FUND TOTAL	631.84	631.84
5002 Water Operations	2026	7	379	01/27/2026			
5002-00-000-00-00-109000-					Due From Funds - Cash Pool		434.72
5002-00-000-00-00-205000-					Accts Payable	434.72	
					FUND TOTAL	434.72	434.72

**City of Shafter**  
**A/P CASH DISBURSEMENTS JOURNAL**  
**JOURNAL ENTRIES TO BE CREATED**

FUND	ACCOUNT	YEAR	PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
5100	Facility Maintenance 5100-00-000-00-00-109000- 5100-00-000-00-00-205000-	2026	7	379	01/27/2026	Due From Funds - Cash Pool Accts Payable		100.00
						FUND TOTAL	100.00	100.00
5103	Information Technology 5103-00-000-00-00-109000- 5103-00-000-00-00-205000-	2026	7	379	01/27/2026	Due From Funds - Cash Pool Accts Payable		4,992.00
						FUND TOTAL	4,992.00	4,992.00

**City of Shafter**  
**A/P CASH DISBURSEMENTS JOURNAL**  
 JOURNAL ENTRIES TO BE CREATED

FUND	DUE TO	DUE FR
0000 Pooled Cash Fund	72,499.89	
0100 General Fund		57,068.82
0808 LLMD - 001-2015		6,748.99
0811 LLMD - 001-2009		2,423.52
0813 CFD-0813		100.00
0815 CFD-0815		631.84
5002 Water Operations		434.72
5100 Facility Maintenance		100.00
5103 Information Technology		4,992.00
	<b>TOTAL</b>	
	72,499.89	72,499.89

\*\* END OF REPORT - Generated by Lety Lara \*\*

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER INVOICE		Cash10755			
				INV DATE	PO	WARRANT	NET		
				DOCUMENT	INVOICE	DTL	DESC		
377	01/29/2026	EFT	378 AMERICAN REFUSE INC	74658 72817	369773	01/01/2026	012926		467.90
Invoice: 369773			467.90	0100-20-200-15-00-510706-		monthly refuse shelter	Refuse		
						CHECK	377 TOTAL:		467.90
378	01/29/2026	EFT	97 BEST BEST & KRIEGER	74324 72487	1050103	12/31/2025	012926		5,465.15
Invoice: 1050103			5,465.15	0100-10-130-08-00-510420-		LEGAL SERVICES THROUGH DECEMBER 31, 2025	Legal Services		
				74325 72488	1050114	12/31/2025	012926		18,223.00
Invoice: 1050114			18,223.00	0100-10-130-08-00-510420-		RETAINER LEGAL SERVICES THROUGH DECEMBER 31, 2025	Legal Services		
				74326 72489	1050115	12/31/2025	012926		878.85
Invoice: 1050115			878.85	0100-10-130-08-00-510420-		PROFESSIONAL SERVICES - MATTER 17236.00139	Legal Services		
				74327 72490	1050116	12/31/2025	012926		7,925.40
Invoice: 1050116			7,925.40	0100-10-130-08-00-510420-		LEGAL SERVICES THROUGH DECEMBER 31, 2025	Legal Services		
				74329 72492	1050118	12/31/2025	012926		2,331.00
Invoice: 1050118			2,331.00	0100-10-130-08-00-510420-		OVERAGE RETAINER SERVICES THRU DECEMBER 31, 2025	Legal Services		
						CHECK	378 TOTAL:		34,823.40
379	01/29/2026	EFT	1381 BURKE, WILLIAMS & SO	74448 72610	358468	01/20/2026	012926		2,773.50
Invoice: 358468			2,773.50	0100-10-130-08-00-510421-		Prof. Srvs through 12/31/2025: Confidential matter	Legal Services - Personnel		
						CHECK	379 TOTAL:		2,773.50
380	01/29/2026	EFT	14425 CARLOS QUEZADA	74436 72598	821277	01/16/2026	012926		270.00
Invoice: 821277			270.00	0100-10-405-26-00-510300-		FLEET SERVICE WASH - BLDG	vehicle Operations		
				74490 72650	281280	01/16/2026	012926		80.00
Invoice: 281280						LEARNING CENTER - BUS WASH - 1.16.26			

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET			
DOCUMENT				INVOICE DTL DESC				
80.00	0100-30-300-04-00-510300-			Vehicle Operations				
	74491 281279	01/16/2026		012926	30.00			
	72651							
Invoice: 281279				FLEET SERVICE WASH - CM EQUINOX #519				
	5.00 0100-10-110-03-00-510300-			Vehicle Operations				
	5.00 0100-10-110-65-00-510300-			Vehicle Operations				
	5.00 0100-10-120-05-00-510300-			Vehicle Operations				
	5.00 0100-10-100-01-00-510300-			Vehicle Operations				
	5.00 0100-10-125-06-00-510300-			Vehicle Operations				
	2.50 0100-10-135-09-00-510300-			Vehicle Operations				
	2.50 0100-10-135-11-00-510300-			Vehicle Operations				
	74503 281276	01/09/2026		012926	60.00			
	72663							
Invoice: 281276				ALL PW'S - FLEET WASHES #119 & #219 - 01.09.2026				
	21.00 5002-40-400-20-00-510300-			Vehicle Operations				
	21.00 5000-40-400-21-00-510300-			Vehicle Operations				
	6.00 5101-50-400-24-00-510300-			Vehicle Operations				
	6.00 0100-30-400-25-00-510300-			Vehicle Operations				
	6.00 0100-40-400-19-02-510300-			Vehicle Operations				
	74504 281278	01/16/2026		012926	180.00			
	72664							
Invoice: 281278				ENGINEERING - FLEET WASHES - 01.16.2026				
	180.00 0100-40-400-18-00-510300-			Vehicle Operations				
				CHECK	380 TOTAL:	620.00		
381 01/29/2026 EFT	942 CRISTIAN CEJUDO	74608	Per diem 1/23/26	01/23/2026	012926	191.50		
		72767						
Invoice: Per diem 1/23/26				POLICE-Per diem for Critical Incident Response				
	191.50 0100-20-200-14-00-510505-			Travel				
				CHECK	381 TOTAL:	191.50		
382 01/29/2026 EFT	1366 JEFFRIES BROS., INC	74591	186077	01/12/2026	012926	120.39		
		72750						
Invoice: 186077				POLICE-Unit #234 Engine oil service				
	120.39 0100-20-200-14-00-510300-			Vehicle Operations				
				CHECK	382 TOTAL:	120.39		
383 01/29/2026 EFT	109 JIM BURKE FORD	74690	1641370	12/18/2025	012926	206.01		
		72848						
Invoice: 1641370				POLICE-Unit #132 Seat Belt Assembly				
	206.01 0100-20-200-14-00-510300-			Vehicle Operations				
	74691 1640265	12/09/2025		012926	233.92			

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

CASH ACCOUNT	CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
					DOCUMENT	INVOICE	DTL	DESC			
	Invoice: 1640265					72849					
		233.92	0100-20-200-14-00-510300-				POLICE-Unit #171 Caliper Brake Pad Kit Vehicle Operations				
					74692	1640279		12/09/2025		012926	222.76
	Invoice: 1640279					72850					
		222.76	0100-20-200-14-00-510300-				POLICE-Rotor assembly Vehicle Operations				
					74693	1640277		12/09/2025		012926	222.76
	Invoice: 1640277					72851					
		222.76	0100-20-200-14-00-510300-				POLICE-Unit #171 Rotor Assembly Vehicle Operations				
							CHECK		383	TOTAL:	885.45
384	01/29/2026	EFT	1237	JUVENAL HERRERA	74607	Per diem 1/6/26		01/06/2026		012926	50.00
	Invoice: Per diem 1/6/26					72766					
		50.00	0100-20-200-14-00-510505-				POLICE-Per diem for Instructor certification class Travel				
							CHECK		384	TOTAL:	50.00
385	01/29/2026	EFT	1434	OPEN AND SHUT ENTERP	74745	114627		01/28/2026		012926	170.00
	Invoice: 114627					72899					
		170.00	5100-50-405-28-20-510200-				FACILITIES - PW CORP YARD ROLL UP GATE REPAIR Repairs & Maintenance				
							CHECK		385	TOTAL:	170.00
386	01/29/2026	EFT	350	QUAD KNOFF, INC	74415	130627		01/15/2026	174	012926	2,250.00
	Invoice: 130627					72577					
		2,250.00					Enviromental Compliance Services - Aquatic Center				
					E PF00002	-10	-110				
					0100-60-400-25-52-580200-						
							Capital Prj.- Buildings & Imp.				
					74417	130626		01/15/2026	42	012926	2,195.20
	Invoice: 130626					72579					
		2,195.20					SKATE PARK IMPROVEMENTS - DESIGN STUDY				
					E PK00009	-20	-200				
					0100-60-400-25-36-580300-						
							Capital Prj.- Other Imp.				
							CHECK		386	TOTAL:	4,445.20

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755			
				DOCUMENT	INVOICE	DTL	DESC	NET	
387	01/29/2026	EFT	15500 STORM KINKADE	74606	Per diem 1/6/26	01/06/2026	012926	50.00	
	Invoice: Per diem 1/6/26			72765					
			50.00 0100-20-200-14-00-510505-				POLICE-Per diem for Instructor certification class Travel		
						CHECK	387 TOTAL:	50.00	
388	01/29/2026	EFT	5364 TEL-TEC SECURITY SYS	74659	906814	12/18/2025	012926	432.80	
	Invoice: 906814			72818					
			432.80 0100-20-200-15-00-510200-				security system repair Repairs & Maintenance		
						CHECK	388 TOTAL:	432.80	
1863	12/12/2025	WIRE	897 RAMP BUSINESS CORPOR	74621	72780	12/12/2025	012926	557.94	
	Invoice: 72780			72780					
			348.12 0100-30-300-04-00-510015- 190.87 0100-30-300-04-00-510015- 139.32 0100-30-300-04-00-510015- -139.32 0100-30-300-04-00-510015- 18.95 0100-30-300-04-00-510150-				Books and Newspapers Books Books Books Books Software Subscription		
				74622	72781	12/12/2025	012926	1,278.49	
	Invoice: 72781			72781			Car services Vehicle Operations Vehicle Operations Vehicle Operations Vehicle Operations Vehicle Operations		
			1,155.00 0100-20-200-14-00-510300- 31.94 0100-20-200-14-00-510300- 33.00 5103-50-500-29-00-510300- 33.00 5103-50-500-29-00-510300- 25.55 0100-20-200-14-00-510300-						
				74623	72782	12/12/2025	012926	1,411.80	
	Invoice: 72782			72782			Charitable donations Subscriptions & Dues Subscriptions & Dues Community Promotion Training Training		
			100.00 0100-10-405-27-00-510106- 61.80 0100-40-400-18-00-510106- 625.00 0100-10-100-01-00-510802- 375.00 0100-10-125-06-00-510501- 250.00 0100-10-110-03-00-510501-						
				74624	72783	12/12/2025	012926	72.48	
	Invoice: 72783			72783			Clothing Departmental Supplies		
			72.48 0100-20-200-14-00-510001-						
				74625	72784	12/12/2025	012926	244.99	
	Invoice: 72784			72784			Cloud Computing		

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

Cash10755	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
DOCUMENT	INVOICE	DTL	DESC			
244.99 5103-50-500-29-00-510150-					Software subscription	
	74626 72785		12/12/2025		012926	400.00
Invoice: 72785						
200.00 5103-50-500-29-00-510155-					Clubs and membership	
200.00 5103-50-500-29-00-510106-					IT Subscription	
	74627 72786		12/12/2025		012926	1,059.98
Invoice: 72786						
349.99 5002-40-400-20-00-510501-					Education	
349.99 5002-40-400-20-00-510501-					Training	
360.00 0100-30-400-25-00-510501-					Training	
	74628 72787		12/12/2025		012926	230.91
Invoice: 72787						
47.99 0100-20-200-14-00-510302-					Fuel and Gas	
49.96 0100-20-200-14-00-510302-					Vehicle Operations - Fuel	
69.46 5103-50-500-29-00-510302-					Vehicle Operations - Fuel	
11.97 0100-30-300-04-00-510016-					Vehicle Operations - Fuel	
51.53 0100-20-200-14-00-510302-					Classroom Supplies	
	74629 72788		12/12/2025		012926	6,118.71
Invoice: 72788						
60.82 0100-30-300-04-00-510016-					General Merchandise	
179.90 0100-20-200-55-00-510012-					Classroom Supplies	
218.78 0100-30-300-04-00-510001-					Medical Supplies	
483.38 0100-20-200-55-00-510012-					Departmental Supplies	
82.55 0100-20-200-55-00-510012-					Medical Supplies	
31.68 0100-20-200-55-00-510012-					Medical Supplies	
37.97 0100-30-300-04-00-510016-					Classroom Supplies	
21.54 0100-30-300-04-00-510016-					Classroom Supplies	
51.90 0100-10-100-01-00-510802-					Community Promotion	
9.19 0100-20-200-14-00-510001-					Departmental Supplies	
36.71 0100-30-300-04-00-510016-					Classroom Supplies	
119.95 0100-30-300-04-00-510000-					Office Supplies	
32.00 0100-20-200-55-00-510012-					Medical Supplies	
416.09 0100-20-200-15-00-510001-					Departmental Supplies	
184.98 0100-20-200-14-00-510001-					Departmental Supplies	
250.00 0100-10-110-67-00-510001-					Departmental Supplies	
120.66 0100-10-135-09-00-510001-					Departmental Supplies	
120.65 0100-10-135-11-00-510001-					Departmental Supplies	
150.00 0100-10-110-67-00-510001-					Departmental Supplies	
17.03 0100-30-300-04-00-510016-					Classroom Supplies	
159.84 0100-20-200-15-00-510001-					Departmental Supplies	
281.08 0100-20-200-15-00-510001-					Departmental Supplies	
37.29 0100-20-200-14-00-510001-					Departmental Supplies	
80.04 0100-20-200-14-00-510001-					Departmental Supplies	
256.58 0100-10-110-67-00-510006-					Food/Meals	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

Cash10755

CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				<b>DOCUMENT</b>		<b>INVOICE DTL DESC</b>			
				35.94	0100-20-200-14-13-510001-			Departmental Supplies	
				2.77	0100-20-200-14-00-510001-			Departmental Supplies	
				11.41	0100-20-200-14-13-510001-			Departmental Supplies	
				7.75	0100-10-110-67-00-510001-			Departmental Supplies	
				28.25	0100-10-110-67-00-510001-			Departmental Supplies	
				127.83	0100-10-110-67-00-510001-			Departmental Supplies	
				41.95	0100-20-200-14-13-510001-			Departmental Supplies	
				43.39	0100-20-200-14-13-510001-			Departmental Supplies	
				289.58	0100-10-100-01-00-510802-			Community Promotion	
				203.76	0100-20-200-14-00-510001-			Departmental Supplies	
				81.95	0100-20-200-14-00-510014-			Canine Supplies	
				129.65	0100-20-200-14-00-510001-			Departmental Supplies	
				614.87	0100-20-200-15-00-510001-			Departmental Supplies	
				205.41	0100-20-200-15-00-510001-			Departmental Supplies	
				179.90	0100-20-200-55-00-510012-			Medical Supplies	
				21.63	0100-20-200-14-00-510001-			Departmental Supplies	
				118.45	0100-20-200-14-00-510001-			Departmental Supplies	
				7.35	0100-20-200-14-00-510001-			Departmental Supplies	
				168.07	0100-10-110-67-00-510006-			Food/Meals	
				39.92	5101-50-400-24-00-510006-			Food/Meals	
				39.92	5002-40-400-20-00-510006-			Food/Meals	
				39.92	0100-30-400-25-00-510006-			Food/Meals	
				39.92	5000-40-400-21-00-510006-			Food/Meals	
				39.92	0100-40-400-19-02-510006-			Food/Meals	
				39.92	0100-40-400-18-00-510006-			Food/Meals	
				-73.57	0100-20-200-14-00-510001-			Departmental Supplies	
				-6.47	0100-20-200-14-00-510001-			Departmental Supplies	
				88.07	0100-20-200-55-00-510012-			Medical Supplies	
				29.77	0100-20-200-14-00-510001-			Departmental Supplies	
				76.71	0100-20-200-14-00-510001-			Departmental Supplies	
				4.16	0100-20-200-14-00-510001-			Departmental Supplies	
					74630 72789	12/12/2025		012926	1,311.32
					72789				
Invoice: 72789									
				94.76	0100-20-200-14-00-510501-			Government Services	
				565.00	0100-60-400-25-52-580200-			Training	
				15.54	0100-60-400-25-52-580200-			Capital Prj.- Buildings & Imp.	
				619.00	0100-60-400-25-52-580200-			Capital Prj.- Buildings & Imp.	
				17.02	0100-60-400-25-52-580200-			Capital Prj.- Buildings & Imp.	
					74631 72790	12/12/2025		012926	46.74
					72790				
Invoice: 72790									
				46.74	0100-20-200-14-00-510001-			Internet and Phone	
								Departmental Supplies	
					74632 72791	12/12/2025		012926	5,662.79
					72791				
Invoice: 72791									
				744.39	0100-20-200-14-00-510505-			Lodging	
				811.95	0100-20-200-14-00-510505-FENT			Travel	
				744.39	0100-20-200-14-00-510505-FENT			Travel	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

Cash10755	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
	DOCUMENT	INVOICE DTL	DESC			
	744.39 0100-20-200-14-00-510505-FENT		Travel			
	135.13 0100-20-200-14-00-510505-FENT		Travel			
	924.92 0100-20-200-14-00-510505-		Travel			
	634.92 0100-20-200-14-00-510505-		Travel			
	634.92 0100-20-200-14-00-510505-		Travel			
	287.78 0100-10-125-06-00-510505-		Travel			
	74633 72792	12/12/2025		012926		352.03
Invoice: 72792	72792		Office supplies and			
	352.03 0100-20-200-15-00-510100-		Service Agreements			
	74634 72793	12/12/2025		012926		98.27
Invoice: 72793	72793		Other			
	98.27 0100-20-200-15-00-510001-		Departmental Supplies			
	74635 72794	12/12/2025		012926		560.52
Invoice: 72794	72794		Pet			
	359.96 0100-20-200-55-00-510012-		Medical Supplies			
	67.61 0100-20-200-15-00-510001-		Departmental Supplies			
	132.95 0100-20-200-15-00-510001-		Departmental Supplies			
	74636 72795	12/12/2025		012926		2,393.56
Invoice: 72795	72795		Professional Service			
	1,409.01 0100-20-200-14-00-510202-		Hardware & Tools			
	199.00 0100-10-405-26-00-510106-		Subscriptions & Dues			
	127.55 0100-20-200-14-00-510150-		Software Subscription			
	459.00 0100-20-200-14-00-510501-		Training			
	199.00 0100-10-405-26-00-510106-		Subscriptions & Dues			
	74637 72796	12/12/2025		012926		1,348.54
Invoice: 72796	72796		Restaurants			
	98.35 0100-10-100-01-00-510006-		Food/Meals			
	62.00 0100-10-125-06-00-510006-		Food/Meals			
	52.44 0100-20-200-14-00-510006-		Food/Meals			
	80.34 0100-10-135-09-00-510006-		Food/Meals			
	185.22 0100-20-200-14-00-510006-		Food/Meals			
	44.00 0100-10-110-67-00-510006-		Food/Meals			
	44.00 0100-20-200-14-13-510001-		Departmental Supplies			
	59.66 0100-10-125-06-00-510006-		Food/Meals			
	66.45 0100-20-200-14-00-510006-		Food/Meals			
	257.21 0100-10-100-01-00-510006-		Food/Meals			
	186.35 0100-10-125-06-00-510006-		Food/Meals			
	40.50 0100-10-125-06-00-510006-		Food/Meals			
	18.00 0100-10-125-06-00-510006-		Food/Meals			
	44.00 0100-20-200-14-00-510001-FENT		Departmental Supplies			
	110.02 0100-20-200-14-00-510006-		Food/Meals			

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

		VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
		DOCUMENT		INVOICE DTL	DESC			
		74638	72797		12/12/2025		012926	4,206.26
Invoice: 72797		72797		SaaS / Software				
	20.00	0100-10-135-09-00-510106-		Subscriptions & Dues				
	20.00	0100-10-140-10-00-510150-		Software Subscription				
	20.00	0100-10-125-06-00-510150-		Software Subscription				
	29.00	0100-30-300-04-00-510150-		Software Subscription				
	39.00	0100-10-135-09-00-510106-		Subscriptions & Dues				
	297.95	0100-20-200-14-00-510150-		Software Subscription				
	20.00	5002-40-400-20-00-510150-		Software Subscription				
	144.00	0100-10-405-26-00-510106-		Subscriptions & Dues				
	20.99	0100-10-135-09-00-510501-		Training				
	20.00	5103-50-500-29-00-510150-		Software Subscription				
	20.00	0100-40-400-18-00-510150-		Software Subscription				
	2,280.00	0100-10-140-10-00-510150-		Software Subscription				
	57.00	0100-10-110-67-00-510001-		Departmental Supplies				
	20.00	0100-10-135-09-00-510106-		Subscriptions & Dues				
	413.33	0100-10-140-10-00-510150-		Software Subscription				
	20.00	0100-10-125-06-00-510150-		Software Subscription				
	20.00	0100-10-140-10-00-510150-		Software Subscription				
	282.50	0100-10-135-09-00-510150-		Software Subscription				
	282.49	0100-20-200-14-00-510150-		Software Subscription				
	20.00	0100-10-135-09-00-510106-		Subscriptions & Dues				
	20.00	0100-10-135-09-00-510106-		Subscriptions & Dues				
	60.00	0100-10-110-03-00-510150-		Software Subscription				
	60.00	0100-20-200-14-00-510150-		Software Subscription				
	20.00	0100-40-400-18-00-510150-		Software Subscription				
		74639	72798		12/12/2025		012926	43.73
Invoice: 72798		72798		Shipping				
	11.27	0100-20-200-15-00-510001-		Departmental Supplies				
	11.50	0100-20-200-14-00-510103-		Postage & Freight				
	20.96	0100-20-200-14-00-510103-		Postage & Freight				
		74640	72799		12/12/2025		012926	1.98
Invoice: 72799		72799		Streaming Services				
	.99	0100-40-400-18-00-510106-		Subscriptions & Dues				
	.99	0100-40-400-18-00-510106-		Subscriptions & Dues				
		74641	72800		12/12/2025		012926	240.67
Invoice: 72800		72800		Supermarkets and Gro				
	28.00	0100-10-140-10-00-510001-		Departmental Supplies				
	38.94	0100-10-110-67-00-510006-		Food/Meals				
	12.96	0100-10-110-67-00-510001-		Departmental Supplies				
	28.00	0100-10-125-06-00-510006-		Food/Meals				
	44.93	5103-50-500-29-00-510006-		Food/Meals				
	51.86	0100-10-110-67-00-510006-		Food/Meals				
	35.98	0100-20-200-14-00-510001-FENT		Departmental Supplies				



# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT		INVOICE DTL DESC			
	3,010.69	0100-20-200-14-00-510115-						Recruitment	
								CHECK 1025459 TOTAL:	3,010.69
1025460	01/29/2026	PRTD	14652 AMAZON CAPITAL SERVI	73626	1P1G-6W6M-FFW9	12/08/2025		012926	203.02
				71796				Amazon Basics 24" Monitors - Faith	
								Departmental Supplies	
	203.02	0100-40-400-18-00-510001-							
				73628	13KN-HJYG-73DQ	11/26/2025		012926	251.34
				71798				Amazon Basics 27" Monitors for Alex / IT Supplies	
								Departmental Supplies	
	214.45	0100-40-400-18-00-510001-						Departmental Supplies	
	36.89	5103-50-500-29-00-510001-						Departmental Supplies	
				74332	1G4P-KRD7-4WTM	01/13/2026		012926	64.56
				72495				ENGINEERING - DEPARTMENT SUPPLIES	
								Departmental Supplies	
	64.56	0100-40-400-18-00-510001-							
				74404	1C4W-Y1DV-HYLH	01/15/2026		012926	37.59
				72566				ENGINEERING - INTERDEPARTMENT ENVELOPES	
								Office Supplies	
	37.59	0100-40-400-18-00-510000-							
				74449	1KGX-JK43-D3HR	10/02/2025		012926	106.18
				72611				Departmental Supplies	
								Departmental Supplies	
	106.18	0100-10-405-26-00-510001-							
				74450	1CK9-XYDK-7DJ3	10/14/2025		012926	128.69
				72612				FACILITIES TRUCK - ALL WEATHER FLOOR MAT LINERS	
								Vehicle Operations	
	128.69	5100-50-405-28-00-510300-							
				74454	1H3F-P7DF-3LGF	10/09/2025		012926	36.70
				72616				FACILITIES SHOP - MECHANICAL PENCILS	
								Office Supplies	
	36.70	5100-50-405-28-00-510000-							
				74455	1WQT-NY1D-9QPV	10/14/2025		012926	15.93
				72617				TRANSIT TRAILER - HEAVY DUTY ANTI SLIP TAPE	
								Office Supplies	
	15.93	5003-40-140-12-00-510000-							
				74456	1NGQ-D17Y-FPYR	09/29/2025		012926	191.98
				72618				TRANSIT TRAILER - UNIVERSAL TRACK SAW GUIDE	
								Departmental Supplies	
	191.98	5003-40-140-12-00-510001-							
				74457	1MHF-DMLN-969G	11/06/2025		012926	53.59

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
Invoice: 1MHF-DMLN-969G				72619					
	53.59		5003-40-140-12-00-510001-						
				74458	1YR9-C311-KKCQ	12/01/2025		012926	30.13
Invoice: 1YR9-C311-KKCQ				72620					
	10.04		0100-10-145-13-00-510001-						
	10.04		0100-10-405-27-00-510001-						
	10.05		0100-10-405-26-00-510001-						
				74461	1K1N-7X4G-CWC9	11/18/2025		012926	42.84
Invoice: 1K1N-7X4G-CWC9				72623					
	42.84		0100-10-100-01-00-510802-						
				74467	1YDF-W4QG-9RFM	01/08/2026		012926	71.06
Invoice: 1YDF-W4QG-9RFM				72629					
	71.06		5004-40-500-30-01-510001-						
				74471	1F64-PKDJ-TDDX	01/09/2026		012926	27.19
Invoice: 1F64-PKDJ-TDDX				72632					
	27.19		0100-10-405-26-00-510000-						
				74472	1TN1-WKRQ-73H7	12/30/2025		012926	71.71
Invoice: 1TN1-WKRQ-73H7				72633					
	71.71		0100-10-405-26-00-510000-						
				74473	1HM6-JPCM-KK4W	12/17/2025		012926	120.40
Invoice: 1HM6-JPCM-KK4W				72634					
	120.40		0100-10-405-27-00-510001-						
				74483	1T6J-JQHW-MYJ4	01/05/2026		012926	39.81
Invoice: 1T6J-JQHW-MYJ4				72645					
	39.81		0100-20-200-15-00-510001-						
				74485	1VCY-FJP6-QFVM	12/27/2025		012926	542.11
Invoice: 1VCY-FJP6-QFVM				72646					
	542.11		0100-20-200-15-00-510001-						
				74486	1CQV-KTTG-1R1W	01/14/2026		012926	3.63
Invoice: 1CQV-KTTG-1R1W				72647					
	3.63		0100-20-200-15-00-510001-						
				74487	1WYK-WRD9-LVYH	01/12/2026		012926	960.68

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

CASH10755	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
DOCUMENT	INVOICE	DTL	DESC			
Invoice: 1WYK-WRD9-LVYH	72648					
960.68 0100-20-200-15-00-510001-		shelter supplies				
		Departmental Supplies				
	74489	1HVY-M1GT-4WY7	01/04/2026		012926	85.36
Invoice: 1HVY-M1GT-4WY7	72649					
85.36 0100-20-200-15-00-510001-		shelter supplies/promotional				
		Departmental Supplies				
	74493	1MXM-QLGN-34HM	12/19/2025		012926	46.11
Invoice: 1MXM-QLGN-34HM	72653					
46.11 5103-50-500-29-00-510001-		Web Conference Soundcore Audio Tools				
		Departmental Supplies				
	74492	14HQ-CRXT-JQV6	12/11/2025		012926	31.68
Invoice: 14HQ-CRXT-JQV6	72652					
31.68 5100-50-405-28-00-510000-		FACILITIES SHOP - HANGING ORGANIZER FILE FORLDRS				
		Office Supplies				
	74505	1FDP-TJTH-474T	10/09/2025		012926	128.69
Invoice: 1FDP-TJTH-474T	72665					
25.73 5101-50-400-24-00-510300-		ALL PW'S - FLOR MATS				
25.74 5002-40-400-20-00-510300-		Vehicle Operations				
25.74 0100-30-400-25-00-510300-		Vehicle Operations				
25.74 5000-40-400-21-00-510300-		Vehicle Operations				
25.74 0100-40-400-19-02-510300-		Vehicle Operations				
	74506	1JKM-3XW1-H361	10/23/2025		012926	46.10
Invoice: 1JKM-3XW1-H361	72666					
46.10 5002-40-400-20-00-510001-		WATER - WADERS				
		Departmental Supplies				
	74507	1433-KDMR-DV4X	11/10/2025		012926	27.44
Invoice: 1433-KDMR-DV4X	72667					
27.44 0100-40-400-19-02-510121-		STREETS - DOWNTOWN LIGHT - ADAPTER CONVERTER				
		Streetlight Repair and Maint.				
	74508	11LX-W4YJ-LF43	11/14/2025		012926	42.89
Invoice: 11LX-W4YJ-LF43	72668					
8.57 5101-50-400-24-00-510001-		ALL PW'S - WALL FILE HOLDER ORGANIZER				
8.58 5002-40-400-20-00-510001-		Departmental Supplies				
8.58 0100-30-400-25-00-510001-		Departmental Supplies				
8.58 5000-40-400-21-00-510001-		Departmental Supplies				
8.58 0100-40-400-19-02-510001-		Departmental Supplies				
	74510	1CHY-K7F7-7FCR	11/17/2025		012926	129.38
Invoice: 1CHY-K7F7-7FCR	72669					
129.38 5100-50-405-28-14-510200-		POLICE - FLAG POLE				
		Repairs & Maintenance				

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
				74573 72732	1FGC-Y6YF-6LP6	12/05/2025		012926	203.02
Invoice:	1FGC-Y6YF-6LP6								
	203.02	0100-40-400-18-00-510001-						24-inch monitors / Engineering spare office Departmental Supplies	
				74574 72733	1Y9J-LNTM-FRLP	11/03/2025		012926	203.02
Invoice:	1Y9J-LNTM-FRLP								
	203.02	0100-10-110-03-00-510202-						24-inch Monitors for Michael James Hardware & Tools	
				74575 72734	14F7-9FP9-7VWT	11/06/2025		012926	75.58
Invoice:	14F7-9FP9-7VWT								
	75.58	5103-50-500-29-00-510001-						Rack Screws/Patch Cables/Wireless Mouse&Keyboard Departmental Supplies	
				74577 72737	1CY3-DR3H-9HQN	12/17/2025		012926	296.00
Invoice:	1CY3-DR3H-9HQN								
	296.00	0100-20-200-14-00-510001-						Cisco 8861 Phones for PD Departmental Supplies	
				74579 72738	1NFC-F136-FXGC	12/29/2025		012926	202.69
Invoice:	1NFC-F136-FXGC								
	202.69	0100-10-125-06-00-510202-						Macbook Dock for Kamal Hardware & Tools	
				74580 72739	1T6G-WPNX-CRXT	08/18/2025		012926	58.45
Invoice:	1T6G-WPNX-CRXT								
	58.45	0100-10-140-10-00-510202-						RAM Upgrade for Kyle Hardware & Tools	
				74581 72740	1TDD-X4F4-CV63	12/05/2025		012926	120.15
Invoice:	1TDD-X4F4-CV63								
	120.15	5103-50-500-29-00-510001-						UPS Battery Backup Departmental Supplies	
				74582 72741	1TWR-TL19-FNFF	11/03/2025		012926	80.10
Invoice:	1TWR-TL19-FNFF								
	40.05	5103-50-500-29-00-510001-						UPS Battery Backup - Storage/Finance Departmental Supplies	
	40.05	0100-10-140-10-00-510202-						Hardware & Tools	
				74583 72742	1VJT-99VH-C9H7	10/14/2025		012926	107.22
Invoice:	1VJT-99VH-C9H7								
	107.22	5103-50-500-29-00-510001-						GETAC Battery Replacement - AH Departmental Supplies	
				74584 72743	1Y7J-49P3-QDT4	10/03/2025		012926	260.62
Invoice:	1Y7J-49P3-QDT4								
	260.62	5103-50-500-29-00-510001-						PDU for Vets Hall Rack Departmental Supplies	
				74585	16HQ-61V4-QK64	11/24/2025		012926	163.12

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
Invoice: 16HQ-61V4-QK64				72744					
	80.19	5103-50-500-29-00-	510001-						
	82.93	0100-20-200-14-00-	510001-						
				74586	19VF-YRGM-6FCN	10/07/2025		012926	85.78
				72745					
Invoice: 19VF-YRGM-6FCN									
	85.78	5103-50-500-29-00-	510001-						
				74587	194K-J3DN-1YQL	12/19/2025		012926	15.00
				72746					
Invoice: 194K-J3DN-1YQL									
	15.00	5103-50-500-29-00-	510001-						
				74609	1WGX-HVQ3-K96T	01/12/2026		012926	21.44
				72768					
Invoice: 1WGX-HVQ3-K96T									
	21.44	0100-20-200-14-00-	510000-						
				74611	1776-CMMV-C11R	01/13/2026		012926	48.25
				72770					
Invoice: 1776-CMMV-C11R									
	48.25	0100-20-200-14-00-	510001-						
				74612	1R7L-KNRN-4PC9	01/14/2026		012926	27.83
				72771					
Invoice: 1R7L-KNRN-4PC9									
	27.83	0100-20-200-14-00-	510001-						
				74613	1C3W-YD1P-49GR	01/14/2026		012926	24.66
				72772					
Invoice: 1C3W-YD1P-49GR									
	24.66	0100-20-200-14-00-	510001-						
				74614	1RTQ-1GWJ-3CVC	01/20/2026		012926	21.61
				72773					
Invoice: 1RTQ-1GWJ-3CVC									
	21.61	0100-20-200-14-00-	510001-						
				74615	1DH7-HD4J-LT9N	01/21/2026		012926	19.29
				72774					
Invoice: 1DH7-HD4J-LT9N									
	19.29	0100-20-200-14-00-	510001-						
				74616	1KN6-YGPG-ICHX	01/22/2026		012926	79.35
				72775					
Invoice: 1KN6-YGPG-ICHX									
	79.35	0100-20-200-14-00-	510000-						
				74617	13FN-R617-HQ7Y	01/23/2026		012926	32.07
				72776					

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

CASH ACCOUNT:	CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
					DOCUMENT	INVOICE DTL	DESC				
	Invoice: 13FN-R617-HQ7Y	32.07	0100-20-200-14-00-510001-				POLICE-Departmental supplies				
					74646	1MCF-RJ4C-NTGF	Departmental Supplies	01/23/2026		012926	12.54
					72808						
	Invoice: 1MCF-RJ4C-NTGF	12.54	0100-20-200-14-00-510001-				POLICE-Breakroom supplies				
					74651	1TRQ-M4K9-MVP1	Departmental Supplies	01/23/2026		012926	43.52
					72809						
	Invoice: 1TRQ-M4K9-MVP1	43.52	0100-20-200-14-00-510000-				POLICE-Office Supplies				
					74663	1YFW-9K9L-CRWM	Office Supplies	11/18/2025		012926	16.51
					72821						
	Invoice: 1YFW-9K9L-CRWM	16.51	0100-30-300-04-60-510015-				SLLC Zip Books				
					74664	13LC-VGL6-WVT1	Books	11/26/2025		012926	60.83
					72822						
	Invoice: 13LC-VGL6-WVT1	60.83	0100-30-300-04-60-510015-				SLLC Zip Books				
					74665	1PTD-9CMJ-R6WN	Books	11/19/2025		012926	165.40
					72823						
	Invoice: 1PTD-9CMJ-R6WN	165.40	0100-30-300-04-00-510016-				SLLC Classroom Supplies				
					74666	13LL-RVGV-9NHJ	Classroom Supplies	12/08/2025		012926	5.63
					72824						
	Invoice: 13LL-RVGV-9NHJ	5.63	0100-30-300-04-60-510015-				SLLC ZipBooks				
					74667	19XL-WJD7-9FNF	Books	12/08/2025		012926	8.37
					72825						
	Invoice: 19XL-WJD7-9FNF	8.37	0100-30-300-04-60-510015-				SLLC Zip Books				
					74668	1QW9-TW99-Q1PF	Books	12/22/2025		012926	16.96
					72826						
	Invoice: 1QW9-TW99-Q1PF	16.96	0100-30-300-04-60-510015-				SLLC Zip Books				
					74669	1KW3-WF9R-63VG	Books	12/30/2025		012926	15.33
					72827						
	Invoice: 1KW3-WF9R-63VG	15.33	0100-30-300-04-60-510015-				SLLC Zip Books				
					74670	197D-WTJM-TXTX	Books	12/09/2025		012926	19.64
					72828						
	Invoice: 197D-WTJM-TXTX	19.64	0100-30-300-04-00-510016-				SLLC Classroom Supplies				
							Classroom Supplies				

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

			VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
			DOCUMENT	INVOICE	DTL	DESC			
			74671 72829	1QKN-GVF7-TF9V		12/22/2025		012926	34.22
Invoice: 1QKN-GVF7-TF9V	34.22	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74672 72830	13LL-RVGV-9CLL		12/08/2025		012926	18.02
Invoice: 13LL-RVGV-9CLL	18.02	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74673 72831	13Q9-QPPD-PNTW		12/09/2025		012926	16.22
Invoice: 13Q9-QPPD-PNTW	16.22	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74674 72832	1F9D-X7K7-CV66		12/08/2025		012926	34.35
Invoice: 1F9D-X7K7-CV66	34.35	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74675 72833	1M7L-DXMH-LLG1		12/22/2025		012926	10.01
Invoice: 1M7L-DXMH-LLG1	10.01	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74676 72834	1T6T-PWWR-713Y		12/01/2025		012926	138.83
Invoice: 1T6T-PWWR-713Y	138.83	0100-30-300-04-60-510001-			SLLC Departmental Supplies	Departmental Supplies			
			74677 72835	1W7Q-GTXV-9M9H		12/01/2025		012926	32.18
Invoice: 1W7Q-GTXV-9M9H	32.18	0100-30-300-04-60-510015-			SLLC Zip Books	Books			
			74678 72836	1TNM-VXGR-KM97		12/04/2025		012926	85.82
Invoice: 1TNM-VXGR-KM97	85.82	0100-30-300-04-00-510016-			SLLC Classroom Supplies	Classroom Supplies			
			74679 72837	1M3M-4CDR-N91K		01/23/2026		012926	8.35
Invoice: 1M3M-4CDR-N91K	8.35	0100-30-300-04-00-510001-			SLLC Departmental Supplies	Departmental Supplies			
			74680 72838	1H1G-L4RP-4DGM		01/14/2026		012926	13.56
Invoice: 1H1G-L4RP-4DGM	13.56	0100-30-300-04-00-510016-			SLLC Classroom Supplies	Classroom Supplies			
			74681	1YG7-WVQ7-CM7J		01/20/2026		012926	46.96

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC			
Invoice: 1YG7-WVQ7-CM7J	46.96	0100-30-300-04-60-510015-		72839		SLLC Zip Books				
				74742	1V6F-Y6PD-XMHL	Books	01/27/2026		012926	57.70
Invoice: 1V6F-Y6PD-XMHL	57.70	5100-50-405-28-14-510205-		72896		FACILITIES MAINTENANCE - PD - SOLAR LIGHTS				
						Building Repair & Maintenance				
						CHECK	1025460	TOTAL:		6,542.99
1025461 01/29/2026 PRTD	1394	AMERICAN BUSINESS MA	74593	845698			01/13/2026		012926	10.73
Invoice: 845698	10.73	0100-20-200-14-13-510100-		72752		POLICE-Substation Contract usage 1/17-2/16/26				
				74594	845697	Service Agreements	01/13/2026		012926	37.54
Invoice: 845697	37.54	0100-20-200-14-13-510100-		72753		POLICE-Substation contract usage 09/17-12/16/25				
				74754	847121	Service Agreements	01/22/2026		012926	266.45
Invoice: 847121	53.29	0100-10-100-01-00-510100-		72907		City Hall workroom-Contr Usage 12/30/25-1/29/26				
	53.29	0100-10-110-03-00-510100-				Service Agreements				
	53.29	0100-10-120-05-00-510100-				Service Agreements				
	53.29	0100-10-125-06-00-510100-				Service Agreements				
	53.29	0100-10-145-13-00-510100-				Service Agreements				
Invoice: 838916	9.50	0100-40-400-18-00-510100-		74760	838916	Finance Charge	11/25/2025		012926	9.50
				72912		Service Agreements				
						CHECK	1025461	TOTAL:		324.22
1025462 01/29/2026 PRTD	12466	AT&T CALNET 3	74500	6617462702	JAN 26		01/13/2026		012926	50.97
Invoice: 6617462702 JAN 26	50.97	0100-20-200-14-00-510701-		72660		PHONE CHARGES				
				74513	9391012266	Communications	01/17/2026		012926	31.97
Invoice: 9391012266 JAN 26	31.97	5100-50-405-28-90-510701-		72673		PHONE CHARGES				
				74514	9391012267	Communications	01/17/2026		012926	92.79
Invoice: 9391012267 JAN 26				72674		PHONE CHARGES				

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
	92.79	0100-30-300-04-00-510701-						Communications	
				74515	9391012265	JAN 26	01/17/2026	012926	32.49
Invoice: 9391012265	JAN 26			72675					
	32.49	5000-40-400-21-00-510701-						Communications	
				74516	9391012270	JAN 26	01/17/2026	012926	34.08
Invoice: 9391012270	JAN 26			72676					
	34.08	5000-40-400-21-00-510701-						Communications	
				74519	9391012262	JAN 26	01/17/2026	012926	31.97
Invoice: 9391012262	JAN 26			72679					
	31.97	5000-40-400-21-00-510701-						Communications	
				74520	9391012273	JAN 26	01/17/2026	012926	163.43
Invoice: 9391012273	JAN 26			72680					
	163.43	0100-20-200-14-00-510701-						Communications	
				74525	9391012268	JAN 26	01/17/2026	012926	31.97
Invoice: 9391012268	JAN 26			72684					
	31.97	5000-40-400-21-00-510701-						Communications	
				74527	9391012260	JAN 26	01/17/2026	012926	31.98
Invoice: 9391012260	JAN 26			72686					
	31.98	0100-30-400-25-55-510701-						Communications	
				74531	9391012263	JAN 26	01/17/2026	012926	31.97
Invoice: 9391012263	JAN 26			72690					
	31.97	5000-40-400-21-00-510701-						Communications	
				74553	000024685001		01/17/2026	012926	270.48
Invoice: 000024685001				72712					
	63.94	0100-30-400-25-30-510701-						Communications	
	174.14	0100-20-200-14-00-510701-						Communications	
	32.40	5002-40-400-20-00-510701-						Communications	
				74600	9391012264	JAN 26	01/17/2026	012926	2,262.85
Invoice: 9391012264	JAN 26			72759					
	1,131.48	5100-50-405-28-90-510701-						Fiber phone charges	
	1,131.37	0100-20-200-14-00-510701-						Communications	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET				
DOCUMENT				INVOICE	DTL	DESC			
				CHECK	1025462	TOTAL:	3,066.95		
1025463	01/29/2026 PRTD	2820 BAKERSFIELD WELL & P	74425 NOINV - 01.16.2026	01/16/2026	201	012926	7,250.00		
Invoice: NOINV - 01.16.2026				WATER - WELL #18 - REPAIR SHAFT					
7,250.00 5002-40-400-20-00-510200-				Repairs & Maintenance					
				CHECK	1025463	TOTAL:	7,250.00		
1025464	01/29/2026 PRTD	100 BLUEPRINT SERVICE CO	74333 092400	11/19/2025	200	012926	78.29		
Invoice: 092400				NORTH SHAFTER COMMUNITY PARK PROJECT					
78.29				Capital Prj.- Buildings & Imp.					
E PK00008 -20 -200 -				11/17/2025		200	012926	92.59	
0308-60-400-25-40-580200-				NORTH SHAFTER COMMUNITY PARK PROJECT					
Invoice: 092259				Capital Prj.- Buildings & Imp.					
92.59				11/19/2026		012926	142.73		
E PK00008 -20 -200 -				SCANNING SERVICES: PLANS FOR PD BUILDING					
0308-60-400-25-40-580200-				Professional Services					
Invoice: 094695				CHECK		1025464	TOTAL:	313.61	
142.73 0100-20-200-14-00-510400-									
1025465	01/29/2026 PRTD	3959 BOETHING TREELAND FA	74390 SI-1453905	01/13/2026	197	012926	5,910.65		
Invoice: SI-1453905				PARKS - GG/LERDO/NWALL/PW YARD/STRINGHAM - PLANTS					
238.53 0100-30-400-25-37-510200-				Repairs & Maintenance					
1,869.56 0100-40-400-19-02-510200-				Repairs & Maintenance					
3,453.53 0808-40-400-19-04-510200-				Repairs & Maintenance					
349.03 5100-50-405-28-20-510200-				Repairs & Maintenance					
				CHECK	1025465	TOTAL:	5,910.65		
1025466	01/29/2026 PRTD	13852 BOOT BARN INC	74418 INV00557770	01/09/2026		012926	200.00		
Invoice: INV00557770				Boots FY 25/26 M.Hernandez					
160.00 5002-40-400-20-00-500502-				Uniform & Equipment Allowance					
40.00 5000-40-400-21-00-500502-				Uniform & Equipment Allowance					
Invoice: INV00557768				CHECK		012926	300.00		
74421 INV00557768				01/09/2026					
72583									

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC			
	Invoice: INV00557768			300.00	0100-30-400-25-00-500502-		Boots FY 25/26 J.Verdugo			
							Uniform & Equipment Allowance			
							CHECK 1025466 TOTAL:			500.00
1025467	01/29/2026	PRTD	427 BRAXBRO, INC.	74405 1724			01/15/2026		012926	840.00
	Invoice: 1724			72567						
				840.00			WATER/SCADA - TANK #3 - INSTALL FLOW METER			
							Capital Prj.- Infrastructure			
							01/19/2026		012926	420.00
	Invoice: 1727			74434 1727						
				72596			WATER - TANK #4/WELL #18 - REPAIR MOTOR WINDING			
				420.00			Capital Prj.- Infrastructure			
							CHECK 1025467 TOTAL:			1,260.00
1025468	01/29/2026	PRTD	5180 BSK ASSOCIATES	74406 BJ00226			01/16/2026		012926	34.80
	Invoice: BJ00226			72568						
				34.80	5002-40-400-20-00-510905-		WATER - ANALYTICAL SERVICES - SAMPLES			
							Water Testing/Samples			
							01/16/2026		012926	36.00
	Invoice: BJ00227			74407 BJ00227						
				72569			ANALYTICAL SERVICES - SAMPLES			
				36.00	5002-40-400-20-00-510905-		Water Testing/Samples			
							01/12/2026	102	012926	3,760.50
	Invoice: 0111959			74408 0111959						
				72570			North Community Park- Materials Testing Services			
				3,760.50			Capital Prj.- Buildings & Imp.			
							01/19/2026		012926	36.00
	Invoice: BJ00258			74430 BJ00258						
				72592			WATER - ANALYTICAL SERVICES - SAMPLES			
				36.00	5002-40-400-20-00-510905-		Water Testing/Samples			
							CHECK 1025468 TOTAL:			3,867.30
1025469	01/29/2026	PRTD	9327 CALIFORNIA BUILDING	74323 72486			01/14/2026		012926	3,342.60
	Invoice: 72486			72486						
				3,342.60	0100-00-000-00-00-205309-		CBSC Fee QTR 4			
							CBSC Building Fee Deposits			

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET	
				DOCUMENT	INVOICE	DTL	DESC				
							CHECK	1025469	TOTAL:	3,342.60	
1025470	01/29/2026	PRTD	78 CALIFORNIA TURF EQUI	74548 72707	704750		01/22/2026		012926	458.97	
Invoice: 704750				458.97	0100-30-400-25-00-510200-		ALL PARKS - GPM BATTERY		Repairs & Maintenance		
							CHECK	1025470	TOTAL:	458.97	
1025471	01/29/2026	PRTD	424 CHARTER COMMUNICATIO	74596 72755	251061801011426		01/14/2026		012926	270.00	
Invoice: 251061801011426				270.00	0100-20-200-14-13-510701-		POLICE-Substation Backup internet		Communications		
							74597 72756	167729101011426	01/14/2026	012926	361.51
Invoice: 167729101011426				361.51	0100-20-200-14-00-510701-		POLICE-Backup internet		Communications		
							74723 72881	167729101111425	11/14/2025	012926	361.51
Invoice: 167729101111425				361.51	0100-20-200-14-00-510701-		POLICE-Backup internet		Communications		
							CHECK	1025471	TOTAL:	993.02	
1025472	01/29/2026	PRTD	123 CONSOLIDATED ELECTRI	74387 72550	0332-1151815		01/16/2026		012926	500.42	
Invoice: 0332-1151815				500.42	0100-40-400-19-02-510121-		STREETS - WIRES		Streetlight Repair and Maint.		
							CHECK	1025472	TOTAL:	500.42	
1025473	01/29/2026	PRTD	10992 CREATIVE CONCEPTS	74599 72758	64376		01/16/2026		012926	117.00	
Invoice: 64376				117.00	0100-20-200-14-00-510001-		POLICE-Business cards #349		Departmental Supplies		
							CHECK	1025473	TOTAL:	117.00	
1025474	01/29/2026	PRTD	190 DANIELS TIRE SERVICE	74719 72877	240204899		01/13/2026		012926	551.74	
Invoice: 240204899				551.74	0100-20-200-14-00-510300-		POLICE-Unit # 230 New tires		Vehicle Operations		

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT				NET
DOCUMENT				INVOICE DTL	DESC			
				CHECK	1025474	TOTAL:		551.74
1025475	01/29/2026 PRTD	206 DEE JASPAR & ASSOCIA	74337 25-01248		12/31/2025	012926		790.00
	Invoice: 25-01248		72500					
		790.00	5002-40-400-20-00-510400-	WELL ABANDONMENT	25-07	INSPECTION		
				Professional Services				
				CHECK	1025475	TOTAL:		790.00
1025476	01/29/2026 PRTD	1491 DERRICK D ENTERPRISE	74512 PK00008-5		01/06/2026	125 012926		409,972.36
	Invoice: PK00008-5		72672					
		163,416.07		North Shafter Community Park Project				
			E PK00008 -50 -525 -0100	Capital Prj.- Buildings & Imp.				
		246,556.29	0100-60-400-25-40-580200-					
			E PK00008 -50 -525 -0308	Capital Prj.- Buildings & Imp.				
			0308-60-400-25-40-580200-					
				CHECK	1025476	TOTAL:		409,972.36
1025477	01/29/2026 PRTD	11059 DIVERSIFIED PROJECT	74501 9575972		12/01/2025	20250354 012926		5,522.50
	Invoice: 9575972		72661					
		5,522.50		NPNS STREET & ROAD IMPROVEMENTS				
			E ST00022 -20 -200 -0308-SJAPC	Capital Prj.- Infrastructure				
			0308-60-400-19-02-580100-					
				CHECK	1025477	TOTAL:		5,522.50
1025478	01/29/2026 PRTD	1597 ELLINGTON, GARY L	74399 72562		01/19/2026	012926		242.36
	Invoice: 72562		72562					
		242.36	5002-00-000-00-00-100101-	UB 101019 157 CENTRAL VALLEY OVER PAYMENT				
				AR - Utility Billing				
				CHECK	1025478	TOTAL:		242.36
1025479	01/29/2026 PRTD	1585 EMPLOYMENT RISK MANA	74437 CSJ-00077-1Q26		10/29/2025	012926		12,890.18
	Invoice: CSJ-00077-1Q26		72599					
		12,890.18	0100-10-130-08-00-510421-	1Q26 Dollar One Billing for Claims Prog Year 2025				
				Legal Services - Personnel				
			74469 CSJ-00077-2Q26		01/19/2026	012926		20,819.97
	Invoice: CSJ-00077-2Q26		72631					
		20,819.97	0100-10-130-08-00-510421-	2Q26 Dollar One Billing for Program Yr. 2025				
				Legal Services - Personnel				

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755				
				DOCUMENT	INVOICE	DTL	DESC	CHECK	WARRANT	NET
								CHECK	1025479 TOTAL:	33,710.15
1025480	01/29/2026	PRTD	14458 EMTS INC	74384 72547	10209008		11/30/2025		012926	705.00
Invoice: 10209008				705.00 5100-50-405-28-90-510110-		CITY HALL - MONTHLY MAIN - NOVEMBER 2025 Landscaping Services				
								CHECK	1025480 TOTAL:	705.00
1025481	01/29/2026	PRTD	151 ENTENMANN-ROVIN COMP	74588 72747	0192477-IN		01/08/2026		012926	159.86
Invoice: 0192477-IN				159.86 0100-20-200-15-00-510001-		POLICE-Badge order #348 Departmental Supplies				
								CHECK	1025481 TOTAL:	159.86
1025482	01/29/2026	PRTD	98 EXTREME PLASTERING	74736 72892	6140		12/20/2025		012926	4,500.00
Invoice: 6140				4,500.00 0801-40-400-19-04-510200-		Stucco Wall Repair- Ryan Drive Repairs & Maintenance				
								CHECK	1025482 TOTAL:	4,500.00
1025483	01/29/2026	PRTD	158 FARM PUMP & IRRIGATI	74339 72502	I0016910		01/13/2026		012926	47.07
Invoice: I0016910				47.07 5002-40-400-20-00-510200-		WATER - ASB GASKET CUT RING Repairs & Maintenance				
								CHECK	1025483 TOTAL:	47.07
1025484	01/29/2026	PRTD	14044 FASTENAL COMPANY	74338 72501	CABAE34144		01/13/2026	20250036	012926	346.83
Invoice: CABAE34144				69.35 0100-40-400-19-02-510001- 69.37 0100-30-400-25-00-510001- 69.37 5000-40-400-21-00-510001- 69.37 5002-40-400-20-00-510001- 69.37 5101-50-400-24-00-510001-		ALL PW'S - VENDING MACHINE SUPPLIES Departmental Supplies Departmental Supplies Departmental Supplies Departmental Supplies				
								CHECK	1025484 TOTAL:	346.83
1025485	01/29/2026	PRTD	159 FEDEX	74441 72603	9-133-93771		01/09/2026		012926	56.48
Invoice: 9-133-93771				56.48 0100-10-405-26-00-510103-		SHIPMENT FEES - BLDG Postage & Freight				

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC			
							CHECK	1025485	TOTAL:	56.48
1025486	01/29/2026	PRTD	5903	FERGUSON ENTERPRISES	74388	0052144				
					72551		01/08/2026		012926	1,256.36
				Invoice: 0052144						
				1,256.36	5002-40-400-20-00-510200-					
							CHECK	1025486	TOTAL:	1,256.36
1025487	01/29/2026	PRTD	12171	FGL ENVIRONMENTAL	74348	640059A				
					72511		01/12/2026		012926	203.00
				Invoice: 640059A						
				203.00	5002-40-400-20-00-510905-					
					74349	640060A				
					72512		01/12/2026		012926	138.00
				Invoice: 640060A						
				138.00	5002-40-400-20-00-510905-					
					74350	640061A				
					72513		01/12/2026		012926	138.00
				Invoice: 640061A						
				138.00	5002-40-400-20-00-510905-					
					74351	640062A				
					72514		01/12/2026		012926	138.00
				Invoice: 640062A						
				138.00	5002-40-400-20-00-510905-					
					74431	640051A				
					72593		01/15/2026		012926	360.00
				Invoice: 640051A						
				360.00	5002-40-400-20-00-510905-					
					74432	640053A				
					72594		01/15/2026		012926	68.00
				Invoice: 640053A						
				68.00	5002-40-400-20-00-510905-					
							CHECK	1025487	TOTAL:	1,045.00
1025488	01/29/2026	PRTD	1276	THE ARTCRAFT GROUP,	74748	741602				
					72901		09/30/2025		012926	881.64
				Invoice: 741602						
				881.64	0100-20-200-14-00-510115-					
							CHECK	1025488	TOTAL:	881.64

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## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

					VOUCHER INVOICE		Cash10755			
					DOCUMENT	INVOICE	INV DATE	PO	WARRANT	NET
1025489	01/29/2026	PRTD	12703	GOLDEN VALLEY	74385 72548	INV5078121	01/15/2026		012926	112.84
Invoice: INV5078121					112.84	0100-30-400-25-00-510200-	PARKS - STAINLESS STEEL STRAIGHT LEGS Repairs & Maintenance			
							CHECK	1025489	TOTAL:	112.84
1025490	01/29/2026	PRTD	909	GRANICUS LLC	74509 72671	221630	12/31/2025	162	012926	5,610.23
Invoice: 221630					5,610.23	0100-10-405-26-00-510150-	SMARTGOV TRAINING Software Subscription			
							CHECK	1025490	TOTAL:	5,610.23
1025491	01/29/2026	PRTD	178	GRANITE CONSTRUCTION	74389 72552	3119963	01/05/2026		012926	2,800.00
Invoice: 3119963					2,800.00	5002-40-400-20-00-510200-	WATER - EZ STREET BAG Repairs & Maintenance			
							CHECK	1025491	TOTAL:	2,800.00
1025492	01/29/2026	PRTD	12729	HAAKER EQUIPMENT COM	74364 72527	INV26415	01/06/2026		012926	562.89
Invoice: INV26415					562.89	0100-40-400-19-02-510204-	STREETS - SPRING SUSPENSION CL Equipment Repair			
							CHECK	1025492	TOTAL:	562.89
1025493	01/29/2026	PRTD	15464	HECTOR'S PLUMBING	74363 72526	26-774	01/13/2026		012926	350.00
Invoice: 26-774					350.00	0100-30-400-25-30-510205-	PARKS - MANNEL - REPAIR TOILET Building Repair & Maintenance			
							CHECK	1025493	TOTAL:	350.00
1025494	01/29/2026	PRTD	2	HITCHCOCK'S AUTO PAR	74365 72528	433448	01/13/2026		012926	15.89
Invoice: 433448					15.89	0100-40-400-19-02-510300-	STREETS - ROSIN FLUX CORE Vehicle Operations			
Invoice: 433447					4.41	0100-40-400-19-02-510300-	STREETS - WASHR TOOTH LOCK/TOOTH WASHER EXT Vehicle Operations			
					74366 72529	433447	01/13/2026		012926	4.41
					74367	433519	01/14/2026		012926	29.34

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET			
DOCUMENT				INVOICE DTL	DESC			
Invoice: 433519	29.34 0100-40-400-19-02-510300-	72530				STREETS - DEF 2.5 GALLON Vehicle Operations		
		74412 433661 72574		01/16/2026	012926			95.79
Invoice: 433661	95.79 0100-30-400-25-00-510204-					PARKS - LED S/T/T OVAL/FLAT CONN Equipment Repair		
		74413 U433660 72575		01/16/2026	012926			-116.04
Invoice: U433660	-116.04 0100-30-400-25-00-510204-					PARKS - CREDIT - LED S/T/T & SM RECT Equipment Repair		
		74414 433659 72576		01/16/2026	012926			116.04
Invoice: 433659	116.04 0100-30-400-25-00-510204-					PARKS - LED S/T/T OVAL/FLAT CONN Equipment Repair		
		74460 433775 72622		01/20/2026	012926			13.01
Invoice: 433775	13.01 0100-40-400-19-02-510204-					STREETS #415 - RETAIL PACK Equipment Repair		
		74517 433571 72677		01/15/2026	012926			37.53
Invoice: 433571	37.53 5100-50-405-28-00-510202-					FACILITIES TRUCK - 10PC 1/4 DRIVE 6PT S Hardware & Tools		
		74518 433620 72678		01/16/2026	012926			34.03
Invoice: 433620	34.03 5100-50-405-28-00-510202-					FACILITIES TRUCK - 5/8IN HITCH LOCK Hardware & Tools		
		74550 433906 72709		01/22/2026	012926			37.98
Invoice: 433906	37.98 5002-40-400-20-00-510200-					WATER - CRC RUST REMOVER/FUEL STABILIZER Repairs & Maintenance		
		74572 433619 72731		01/16/2026	012926			269.51
Invoice: 433619	269.51 5100-50-405-28-00-510202-					FACILITIES TRUCK - TRLR BALL/RCVR-MNT BALL & PINT Hardware & Tools		
		74706 433937 72864		01/22/2026	012926			248.94
Invoice: 433937	248.94 0100-20-200-14-00-510300-					POLICE-Unit #150 Battery Vehicle Operations		
		74707 433863 72865		01/21/2026	012926			239.29
Invoice: 433863						POLICE-Unit #171 New battery		

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
CHECK NO CHK DATE TYPE VENDOR NAME

CASH ACCOUNT	CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET		
DOCUMENT							INVOICE DTL	DESC					
				239.29	0100-20-200-14-00-510300-					vehicle Operations			
						74708 433866 72866		01/21/2026		012926	239.29		
	Invoice:			433866						POLICE-Unit #162 new battery vehicle Operations			
				239.29	0100-20-200-14-00-510300-					CHECK 1025494 TOTAL:	1,265.01		
1025495	01/29/2026	PRTD	13383	HOME DEPOT CREDIT SE	74270 9248527 72433			01/07/2026		012926	35.95		
	Invoice:			9248527						LEARNING CENTER - MAX ROOM CAPACITY SIGN Building Repair & Maintenance			
				35.95	5100-50-405-28-50-510205-					CHECK 1025495 TOTAL:	35.95		
1025496	01/29/2026	PRTD	1604	HOMES R US REALTY	74738 72894 72894			01/26/2026		012926	135.27		
	Invoice:			72894						UB 115143 515 ACACIA DEPOSIT REFUND Customer Deposits			
				135.27	5002-00-000-00-00-205300-					CHECK 1025496 TOTAL:	135.27		
1025497	01/29/2026	PRTD	11455	JAS PACIFIC	74444 BI 15245 72606			12/10/2025	40	012926	11,171.70		
	Invoice:			BI 15245						JAS PACIFIC - PLAN CHECK AND INSPECTOR SERVICES Professional Services			
				11,171.70	0100-10-405-26-00-510400-					01/09/2026	40	012926	11,319.00
	Invoice:			BI 15281						JAS PACIFIC - PLAN CHECK AND INSPECTOR SERVICES Professional Services			
				11,319.00	0100-10-405-26-00-510400-					CHECK 1025497 TOTAL:	22,490.70		
1025498	01/29/2026	PRTD	10328	JEREMY BARELA	74753 NOINV01/28/26 72906			01/28/2026		012926	277.50		
	Invoice:			NOINV01/28/26						PER DIEM - PAPA CONFERENCE 2/24-2/27 Travel			
				277.50	0100-30-400-25-00-510505-					CHECK 1025498 TOTAL:	277.50		
1025499	01/29/2026	PRTD	12272	JOHNSON CONTROLS SEC	74590 42076607 72749			01/10/2026		012926	371.21		
	Invoice:			42076607						POLICE-Quarterly Billing Feb-April 26 Service Agreements			
				371.21	0100-20-200-14-00-510100-								

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET				
DOCUMENT				INVOICE	DTL	DESC			
				CHECK	1025499	TOTAL:	371.21		
1025500	01/29/2026 PRTD	1453 JTS MODULAR, INC.	74482	APPLICATION #7	11/30/2025	20250383	012926	334,190.52	
	Invoice: APPLICATION #7		72644		Shafter Aquatic Center Modular Building				
	334,190.52	E PF00004 -50 -525 -0100	0100-60-400-25-52-580200- Capital Prj.- Buildings & Imp.						
			74647	APPLICATION #8	12/31/2025	20250383	012926	111,862.50	
	Invoice: APPLICATION #8		72806		Shafter Aquatic Center Modular Building				
	111,862.50	E PF00004 -50 -525 -0100	0100-60-400-25-52-580200- Capital Prj.- Buildings & Imp.						
				CHECK	1025500	TOTAL:	446,053.02		
1025501	01/29/2026 PRTD	1502 KELLAR EQUIPMENT HOS	74369	1791	01/13/2026		012926	4,845.49	
	Invoice: 1791		72532		STREETS #415 - REPAIR FUSES AND DIODES Equipment Repair				
	4,845.49	0100-40-400-19-02-510204-							
				CHECK	1025501	TOTAL:	4,845.49		
1025502	01/29/2026 PRTD	222 KERN CO AUDITOR-CONT	74435	PROP TAX MOU 121725	12/31/2025		012926	58,552.58	
	Invoice: PROP TAX MOU 121725		72597		PROPERTY TAX APPORTIONMENT 7/1/2025-12/17/25 Prop Tax - County Agreement				
	58,552.58	0100-10-140-10-00-514000-							
				CHECK	1025502	TOTAL:	58,552.58		
1025503	01/29/2026 PRTD	8865 KERN PLUMBING & BACK	74464	17662	12/18/2025		012926	4,774.74	
	Invoice: 17662		72626		ALL PW'S - BACK FLOW TESTING Repairs & Maintenance				
	4,774.74	5100-50-405-28-20-510200-							
			74465	17714	01/10/2026		012926	856.00	
	Invoice: 17714		72627		WASTE WATER - BACK FLOW TESTING Repairs & Maintenance				
	856.00	5000-40-400-21-00-510200-							
			74466	17715	01/10/2026		012926	3,008.03	
	Invoice: 17715		72628		PD SHOOTING RANGE - BACK FLOW TESTING Repairs & Maintenance				
	3,008.03	5100-50-405-28-10-510200-							

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET		
				DOCUMENT	INVOICE	DTL	DESC					
							CHECK	1025503	TOTAL:	8,638.77		
1025504	01/29/2026	PRTD	12379	KERN PRINT SERVICES	74440	55518	01/15/2026		012926	151.55		
		Invoice: 55518		151.55	0100-10-405-27-00-510001-							
									CHECK	1025504	TOTAL:	151.55
1025505	01/29/2026	PRTD	229	KERN TURF INC	74394	SI2672952	01/09/2026		012926	93.71		
		Invoice: SI2672952		93.71	5100-50-405-28-50-510205-							
		Invoice: SI2675465		65.40	0100-30-400-25-00-510200-							
				174.87	0100-30-400-25-00-510202-							
									CHECK	1025505	TOTAL:	333.98
1025506	01/29/2026	PRTD	956	LEAGUE OF CALIFORNIA	74554	INV-45557-D6Q4W1	01/01/2026		012926	10,312.00		
		Invoice: INV-45557-D6Q4W1		10,312.00	0100-10-100-01-00-510106-							
									CHECK	1025506	TOTAL:	10,312.00
1025507	01/29/2026	PRTD	128	LIEBERT CASSIDY WHIT	74494	313218	12/31/2025		012926	679.00		
		Invoice: 313218		679.00	0100-10-130-08-00-510421-							
		Invoice: 313217		2,764.50	0100-10-130-08-00-510421-							
									CHECK	1025507	TOTAL:	3,443.50
1025508	01/29/2026	PRTD	379	FLORENTINO MACIAS JR	74751	44 JAN 26	01/31/2026		012926	4,774.36		
		Invoice: 44 JAN 26		3,460.00	5100-50-405-28-90-510109-							
				1,314.36	5100-50-405-28-90-510001-							

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET				
DOCUMENT				INVOICE	DTL	DESC			
	74752 72905	45 JAN 26			01/31/2026	012926		1,544.14	
Invoice: 45 JAN 26									
	1,394.00 5100-50-405-28-91-510109-					ANNEX JANITORIAL SERVICES JANUARY 2026			
	150.14 5100-50-405-28-91-510001-					Janitorial Services Departmental Supplies			
						CHECK 1025508 TOTAL:		6,318.50	
1025509 01/29/2026 PRD 10924	MARCOS TORRES	74725 72883	Boot/Jacket FY 25/26	01/20/2026	012926			300.00	
Invoice: Boot/Jacket FY 25/26						Reimbursement: Boots FY 25/26 M.Torres			
	30.00 0100-40-400-18-00-510505-					Travel			
	210.00 5002-40-400-20-00-510505-					Travel			
	60.00 5000-40-400-21-00-510505-					Travel			
						CHECK 1025509 TOTAL:		300.00	
1025510 01/29/2026 PRD 1280	MCCROMETER, INC.	74370 72533	626192	12/20/2025	179	012926		6,636.27	
Invoice: 626192									
	6,636.27 5002-40-400-20-00-510200-					WATER - WELL #17 - REPAIR TO WELL			
						Repairs & Maintenance			
						CHECK 1025510 TOTAL:		6,636.27	
1025511 01/29/2026 PRD 14950	NEARMAP US INC	74728 72886	INV01775511	12/26/2025		012926		27,250.00	
Invoice: INV01775511									
	27,250.00 5103-50-500-29-00-510150-					Annual Renewal Invoice for Aerial Imagery Services			
						Software Subscription			
						CHECK 1025511 TOTAL:		27,250.00	
1025512 01/29/2026 PRD 1299	NEUTERING NOMAD INC.	74648 72810	2373548	12/31/2025		012926		2,705.00	
Invoice: 2373548									
	2,705.00 0100-20-200-55-00-510111-					spay/neuter services			
						Vet Care Services			
		74653 72812	2377698	01/06/2026		012926		335.00	
Invoice: 2377698									
	335.00 0100-20-200-55-00-510124-					vet care services			
						Spay/Neuter Expenses			
		74656 72815	2372859	12/28/2025		012926		1,375.00	
Invoice: 2372859									
	1,375.00 0100-20-200-55-00-510106-					Vet Care Services			
						Subscriptions & Dues			
		74755 72908	2380689	01/26/2026		012926		2,210.00	

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
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CASH ACCOUNT:	0000-00-000-00-00-100010-	VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
DOCUMENT	INVOICE	DTL	DESC					
Invoice: 2380689	2,210.00 0100-20-200-55-00-510111-			spay/neuter services				
				Vet Care Services				
		74757	2380691		01/26/2026		012926	1,375.00
		72909						
Invoice: 2380691	1,375.00 0100-20-200-55-00-510106-			premise permit maintenance				
				Subscriptions & Dues				
		74758	2369791		12/16/2025		012926	300.00
		72910						
Invoice: 2369791	300.00 0100-20-200-55-00-510124-			vet care sevices				
				Spay/Neuter Expenses				
				CHECK		1025512	TOTAL:	8,300.00
1025513 01/29/2026 PRTD	11457 NICKOLAS RIDDICK	74522	Calanimals01/26/2026	01/21/2026		012926		214.50
		72681						
Invoice: Calanimals01/26/2026	214.50 0100-20-200-15-00-510505-			Per Diem Cal Animals Conference			01/26/2026	
				Travel				
				CHECK		1025513	TOTAL:	214.50
1025514 01/29/2026 PRTD	1603 NIVLU CORP	74744	25021		12/18/2025		012926	445.90
		72898						
Invoice: 25021	445.90 5100-50-405-28-00-510001-			FACILITIES - PRECISION POWER SCRUB				
				Departmental Supplies				
				CHECK		1025514	TOTAL:	445.90
1025515 01/29/2026 PRTD	9992 O'REILLY AUTOMOTIVE	74419	2947-441685		01/14/2026		012926	19.29
		72581						
Invoice: 2947-441685	19.29 0100-30-400-25-00-510001-			PARKS - 6PK 3V BATT				
				Departmental Supplies				
		74551	2947-442418		01/19/2026		012926	156.53
		72710						
Invoice: 2947-442418	156.53 5002-40-400-20-00-510300-			WATER - ANTI FREZ/STPLK/JUMP STARTER/SHOP TOWL				
				Vehicle Operations				
		74552	2947-442564		01/20/2026		012926	36.45
		72711						
Invoice: 2947-442564	36.45 0100-40-400-19-02-510300-			STREETS #114 - STR WHL CVR				
				Vehicle Operations				
				CHECK		1025515	TOTAL:	212.27

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
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				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC			
1025516	01/29/2026	PRTD	21	OFFICE DEPOT BUSINES	74239	454224584001	01/09/2026		012926	297.06
					72401					
				Invoice: 454224584001						
				279.37	5100-50-405-28-00-510000-				Toner for Facilities Shop & Mints for Conf. Room	
				3.54	0100-10-110-03-00-510000-				Office Supplies	
				3.54	0100-10-120-05-00-510000-				Office Supplies	
				3.54	0100-10-100-01-00-510000-				Office Supplies	
				3.53	0100-10-110-65-00-510000-				Office Supplies	
				3.54	0100-10-125-06-00-510000-				Office Supplies	
					74598	449507926001	01/16/2026		012926	2,418.49
					72757					
				Invoice: 449507926001						
				2,418.49	0100-20-200-14-00-510000-				POLICE-Paper shredder	
									Office Supplies	
								CHECK	1025516 TOTAL:	2,715.55
1025517	01/29/2026	PRTD	4	PACIFIC GAS & ELECTR	74474	3350042950-2	JAN 26	01/14/2026	012926	51.99
					72636					
				Invoice: 3350042950-2						
				51.99	0814-40-400-19-04-510707-				ELECTRICAL CHARGES	
									Power	
					74475	2533157342-5	JAN 26	01/14/2026	012926	116.49
					72637					
				Invoice: 2533157342-5						
				116.49	0100-30-400-25-36-510707-				ELECTRICAL CHARGES	
									Power	
					74476	5997224598-5	JAN 26	01/14/2026	012926	52.19
					72638					
				Invoice: 5997224598-5						
				52.19	0812-40-400-19-04-510707-				ELECTRICAL CHARGES	
									Power	
					74477	5731810588-9	JAN 26	01/14/2026	012926	2,957.32
					72639					
				Invoice: 5731810588-9						
				2,957.32	0100-30-400-25-52-510707-				ELECTRICAL CHARGES	
									Power	
					74478	9331257574-4	JAN 26	01/14/2026	012926	11,061.53
					72640					
				Invoice: 9331257574-4						
				11,061.53	5002-40-400-20-00-510707-				ELECTRICAL CHARGES	
									Power	
					74602	9935199881-2	JAN 26	01/18/2026	012926	94.49
					72761					
				Invoice: 9935199881-2						
				94.49	0100-40-400-19-04-510707-				ELECTRICAL CHARGES	
									Power	
					74610	2467227128-5	JAN 26	01/16/2026	012926	126.18
					72769					
				Invoice: 2467227128-5						
									ELECTRICAL CHARGES	

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				Cash10755					
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET				
DOCUMENT				INVOICE	DTL	DESC			
126.18	0100-40-400-19-04-510707-					Power			
	74618 4467176936-0	JAN 26		012926	346.13				
	72777								
Invoice: 4467176936-0	JAN 26			ELECTRICAL CHARGES					
346.13	0811-40-400-19-04-510707-					Power			
	74619 0429781083-2	JAN 26		012926	380.23				
	72778								
Invoice: 0429781083-2	JAN 26			ELECTRICAL CHARGES					
380.23	5004-40-500-30-01-510707-					Power			
	74620 5425506036-7	JAN 26		012926	25.63				
	72779								
Invoice: 5425506036-7	JAN 26			ELECTRICAL CHARGES					
25.63	5000-40-400-21-00-510707-					Power			
	74643 4050510296-8	JAN 26		012926	24.64				
	72802								
Invoice: 4050510296-8	JAN 26			ELECTRICAL CHARGES					
24.64	5002-40-400-20-00-510707-					Power			
	74747 2201390425-9	JAN 26		012926	1,174.71				
	72900								
Invoice: 2201390425-9	JAN 26			ELECTRICAL CHARGES					
1,174.71	5000-40-400-21-00-510707-					Power			
				CHECK	1025517	TOTAL:	16,411.53		
1025518	01/29/2026	PRTD	11867	PACIFIC TIRE	74355 48062		01/13/2026	012926	366.52
					72518				
Invoice: 48062									
366.52	5101-50-400-24-00-510300-					SHOP - 2 NEW TIRES			
						Vehicle Operations			
	74392 48089						01/16/2026	012926	27.68
	72555								
Invoice: 48089									
27.68	5100-50-405-28-00-510300-					FACILITIES TRUCK #514 - REPAIR FLAT			
						Vehicle Operations			
	74422 47513						01/09/2026	012926	707.31
	72584								
Invoice: 47513									
707.31	5003-40-140-12-00-510303-					TRANSIT 4 NEW TIRES WITH WARRANTY UNIT T-25			
						Vehicle Operations- Tires			
	74695 47587						01/23/2026	012926	100.00
	72853								
Invoice: 47587									
100.00	0100-20-200-14-00-510300-					POLICE-Unit #233 Dismount, mount and balance			
						Vehicle Operations			
	74696 47471						01/02/2026	012926	25.00
	72854								

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CASH10755	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
DOCUMENT	INVOICE DTL	DESC				
Invoice: 47471	25.00	0100-20-200-14-00-510300-				
	74697	47543				
	72855		01/14/2025		012926	203.70
Invoice: 47543	203.70	0100-20-200-14-00-510300-				
	74698	48084				
	72856		01/15/2026		012926	20.00
Invoice: 48084	20.00	0100-20-200-14-00-510300-				
	74699	48078				
	72857		01/15/2026		012926	25.00
Invoice: 48078	25.00	0100-20-200-14-00-510300-				
	74700	48097				
	72858		01/16/2026		012926	20.00
Invoice: 48097	20.00	0100-20-200-14-00-510300-				
	74701	48091				
	72859		01/16/2026		012926	140.95
Invoice: 48091	140.95	0100-20-200-14-00-510300-				
	74702	47557				
	72860		01/21/2026		012926	590.67
Invoice: 47557	590.67	0100-20-200-15-00-510300-				
	74703	47565				
	72861		01/22/2026		012926	50.00
Invoice: 47565	50.00	0100-20-200-14-00-510300-				
	74704	47566				
	72862		01/22/2026		012926	50.00
Invoice: 47566	50.00	0100-20-200-14-00-510300-				
	74705	47559				
	72863		01/22/2026		012926	50.00
Invoice: 47559	50.00	0100-20-200-14-00-510300-				
	74718	47561				
	72876		01/22/2026		012926	27.14
Invoice: 47561	27.14	0100-20-200-14-00-510300-				

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755					
				DOCUMENT	INVOICE	DTL	DESC	INV DATE	PO	WARRANT	NET
				74722 72880	47426			12/19/2025		012926	1,706.83
Invoice: 47426											
				1,706.83	0100-20-200-15-00-510300-		AC-Unit #164 New tires, brakes and rotors Vehicle Operations				
									CHECK	1025518 TOTAL:	4,110.80
1025519	01/29/2026	PRTD	1403 PARSONS TRANSPORTATI	74749 72902	2512B629			12/12/2025		012926	56,243.75
Invoice: 2512B629											
				56,243.75			7th Standard Roundabout Project App#12				
					E ST00042 -20 -200 0305-60-400-19-02-580100-	-0305	Capital Prj.- Infrastructure				
					74750 72903	2601B354		12/26/2025		012926	31,610.00
Invoice: 2601B354											
				31,610.00			7th Standard Roundabout Project App #13				
					E ST00042 -20 -200 0305-60-400-19-02-580100-	-0305	Capital Prj.- Infrastructure				
									CHECK	1025519 TOTAL:	87,853.75
1025520	01/29/2026	PRTD	9209 PAVLETICH ELECTRIC A	74336 72499	19106			01/07/2026	203	012926	54,391.00
Invoice: 19106											
				54,391.00			Fiber Expansion to Poso/Wall St - Grant Funded				
					E IT00003.1 -50 -525 5004-60-500-30-01-580200-	-5004	Capital Prj.- Buildings & Imp.				
					74360 72523	19107		01/16/2026		012926	16,507.00
Invoice: 19107											
				16,507.00	5004-40-500-30-01-510200-		Fiber Cable installation to the Aquatics Center Repairs & Maintenance				
					74468 72630	19113		01/16/2026		012926	4,177.68
Invoice: 19113											
				4,177.68	5004-40-500-30-01-510200-		Materials purchase - 2 HDPE fiber conduits Repairs & Maintenance				
									CHECK	1025520 TOTAL:	75,075.68
1025521	01/29/2026	PRTD	7815 PROFORCE LAW ENFORCE	74604 72763	593597			01/22/2026	165	012926	1,560.69
Invoice: 593597											
				1,560.69	0100-20-200-14-00-510001-		POLICE- Vest #347 Departmental Supplies				

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET			
DOCUMENT				INVOICE DTL	DESC			
				CHECK	1025521	TOTAL:		1,560.69
1025522	01/29/2026 PRTD	844 RAYMOND'S TROPHY & A	74603 106424		01/20/2026	012926		5.41
	Invoice: 106424		72762					
		5.41	0100-20-200-14-00-510001-	POLICE-Name plate				
				Departmental Supplies				
				CHECK	1025522	TOTAL:		5.41
1025523	01/29/2026 PRTD	1355 ROBERT V JENSEN, INC	74427 CL20195		01/16/2026	012926		316.25
	Invoice: CL20195		72589					
		75.28	5101-50-400-24-00-510001-	WATER/SHOP - FUEL				
		240.97	5002-40-400-20-00-510001-	Departmental Supplies				
				Departmental Supplies				
				CHECK	1025523	TOTAL:		316.25
1025524	01/29/2026 PRTD	491 SAFETY NETWORK, INC	74382 00003194		12/06/2025	012926		1,060.00
	Invoice: 00003194		72545					
		1,060.00	0100-10-100-01-00-510802-	TRAFFIC CONTROL EQUIPMENT - CHRISTMAS PARADE				
				Community Promotion				
				CHECK	1025524	TOTAL:		1,060.00
1025525	01/29/2026 PRTD	12962 SEQUOIA EQUIPMENT CO	74374 BAK-24022		01/13/2026	012926		43.87
	Invoice: BAK-24022		72537					
		43.87	5002-40-400-20-00-510204-	WATER - BACKHOE - TERMINAL CONNECTOR				
				Equipment Repair				
					01/20/2026	012926		420.70
	Invoice: BAK-24056		74511 BAK-24056					
		420.70	0100-40-400-19-02-510204-	STREETS - FILTER OIL/SENSOR/OIL ENGINE				
				Equipment Repair				
				CHECK	1025525	TOTAL:		464.57
1025526	01/29/2026 PRTD	10357 SHAFTER TRANSMISSION	73151 82895		11/21/2025	012926		268.21
	Invoice: 82895		71329					
		268.21	0100-40-400-19-02-510300-	STREETS #28 - REPLACE TURN SIGNAL SWITCH				
				vehicle operations				
					12/10/2025	012926		61.75
	Invoice: 83057		74682 83057					
		61.75	0100-20-200-14-00-510300-	POLICE-Unit #171 smog inspection				
				vehicle operations				
					12/10/2025	012926		91.75
			74683 83056					

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

			VOUCHER	INVOICE	Cash10755				
					INV DATE	PO	WARRANT		NET
			DOCUMENT		INVOICE DTL		DESC		
Invoice: 83056				72841					
	91.75	0100-20-200-14-00-510300-						POLICE-Unit # 140 Smog inspection Vehicle Operations	
			74684	83054	12/10/2025		012926		61.75
			72842						
Invoice: 83054									
	61.75	0100-20-200-14-00-510300-						POLICE-Unit #162 Smog inspection Vehicle Operations	
			74685	83146	12/17/2025		012926		61.75
			72843						
Invoice: 83146									
	61.75	0100-20-200-15-00-510300-						AC-Unit #165 UC Smog inspection Vehicle Operations	
			74686	83040	12/09/2025		012926		61.75
			72844						
Invoice: 83040									
	61.75	0100-20-200-14-00-510300-						POLICE-Unit #160 Smog inspection Vehicle Operations	
			74687	83038	12/09/2025		012926		61.75
			72845						
Invoice: 83038									
	61.75	0100-20-200-14-00-510300-						POLICE-Unit #151 Smog inspection Vehicle Operations	
			74688	83036	12/09/2025		012926		61.75
			72846						
Invoice: 83036									
	61.75	0100-20-200-14-00-510300-						POLICE-Unit #152 Smog inspection Vehicle Operations	
			74689	83169	12/18/2025		012926		263.92
			72847						
Invoice: 83169									
	263.92	0100-20-200-14-00-510300-						POLICE-Unit #171 Diagnose, replace canister purge Vehicle Operations	
								CHECK 1025526 TOTAL:	994.38
1025527 01/29/2026 PRD			13737	SITEONE LANDSCAPE SU 74549	161969825-001	01/20/2026		012926	315.69
				72708					
Invoice: 161969825-001									
	315.69	0100-30-400-25-00-510200-						PARKS - SCRUBBER VALVE PLASTIC Repairs & Maintenance	
								CHECK 1025527 TOTAL:	315.69
1025528 01/29/2026 PRD			1598	SOTO, JACQUELINE 74400	72563	01/19/2026		012926	43.78
				72563					
Invoice: 72563									
	43.78	5002-00-000-00-00-205300-						UB 111144 456 SHAW DEPOSIT REFUND Customer Deposits	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

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				Cash10755					
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET				
DOCUMENT				INVOICE	DTL	DESC			
				CHECK	1025528	TOTAL:	43.78		
1025529	01/29/2026 PRTD	449 ST OF CA DEPT OF JUS	74423 016415	01/06/2026		012926	283.00		
	Invoice: 016415		72585				Live Scans for PD & TRN		
		66.00	0100-20-200-14-00-510115-				Recruitment		
		32.00	5003-40-140-12-00-510115-				Recruitment		
		185.00	0100-00-000-00-00-205304-				Livescan Deposits		
				CHECK	1025529	TOTAL:	283.00		
1025530	01/29/2026 PRTD	14779 STANDARD PLUMBING SU	74330 ZWGM14	01/14/2026		012926	29.95		
	Invoice: ZWGM14		72493				FACILITIES - KEYKRAFTER #80 BRASS		
		29.95	5100-50-405-28-00-510001-				Departmental Supplies		
			74340 ZWJL99	01/13/2026		012926	27.40		
	Invoice: ZWJL99		72503				VETERAN'S HALL - DOOR WEDGE/TIP/KICKDOWN		
		27.40	0100-30-400-25-55-510205-				Building Repair & Maintenance		
			74341 ZWJ403	01/13/2026		012926	91.73		
	Invoice: ZWJ403		72504				VETERAN'S HALL - SPIRITS/SHIELD/TRAY/PRIMER/MIXER		
		91.73	0100-30-400-25-55-510205-				Building Repair & Maintenance		
			74342 ZWJJ60	01/13/2026		012926	111.68		
	Invoice: ZWJJ60		72505				WATER - KILLER WEED/INKZALL/ADAPTER/PLUGS/PENLIGHT		
		16.06	5002-40-400-20-00-510200-				Repairs & Maintenance		
		95.62	5002-40-400-20-00-510001-				Departmental Supplies		
			74343 ZWJ868	01/13/2026		012926	109.32		
	Invoice: ZWJ868		72506				WATER - BUCKET/WIRE/SLADE/BAG/TARP		
		109.32	5002-40-400-20-00-510001-				Departmental Supplies		
			74344 ZWL701	01/14/2026		012926	7.27		
	Invoice: ZWL701		72507				EDIBLE FOOD RECOVERY - TAPE		
		7.27	5001-40-400-22-00-510114-				Contract Services		
			74345 ZWLK32	01/14/2025		012926	12.79		
	Invoice: ZWLK32		72508				STREETS - SxS ELL/PIPE REPAIR CPLG/COUPLING/ADAPTO		
		12.79	0100-40-400-19-02-510200-				Repairs & Maintenance		
			74346 ZWMN13	01/14/2026		012926	69.26		
	Invoice: ZWMN13		72509				STREETS - TRI=BALL MOUNT/THREADLOCKER BLUE		

# City of Shafter

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				Cash10755				
VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET			
DOCUMENT				INVOICE DTL	DESC			
69.26	0100-40-400-19-02-510200-			Repairs & Maintenance				
	74347 ZWM018	01/14/2026		012926	18.22			
	72510							
Invoice:	ZWM018							
18.22	0100-40-400-19-02-510001-			STREETS - BATTERY ALKLN				
	74352 ZWNQ96	01/15/2026		012926	42.89			
	72515			Departmental Supplies				
Invoice:	ZWNQ96							
42.89	5100-50-405-28-00-510200-			FACILITIES SHOP - VEGETATION KLR GC 1.33G				
	74356 ZWQ098	01/15/2026		012926	9.64			
	72519			Repairs & Maintenance				
Invoice:	ZWQ098							
9.64	5002-40-400-20-00-510001-			WATER - SMART STRAW 12oz				
	74357 ZWQ116	01/15/2026		012926	31.93			
	72520			Departmental Supplies				
Invoice:	ZWQ116							
31.93	0100-40-400-19-02-510121-			STREET LIGHTS - JOINT KNIF/60LB MORTAR				
	74358 ZWPZ54	01/15/2026		012926	21.43			
	72521			Streetlight Repair and Maint.				
Invoice:	ZWPZ54							
21.43	0100-30-400-25-33-510200-			PARKS - VETERAN'S - VALVE BOX ROUND 6" BLACK				
	74376 ZWL695	01/14/2026		012926	6.21			
	72539			Repairs & Maintenance				
Invoice:	ZWL695							
6.21	0100-40-400-19-02-510200-			STREETS - CONCRETE MIX				
	74377 ZWL740	01/14/2026		012926	293.01			
	72540			Repairs & Maintenance				
Invoice:	ZWL740							
293.01	5001-40-400-22-00-510114-			EDIBLE FOOD RECOVERY - TAPE				
	74378 ZWL873	01/14/2026		012926	20.37			
	72541			Contract Services				
Invoice:	ZWL873							
20.37	0100-40-400-19-02-510200-			STREETS - HEAT SHRINK TUBE KIT				
	74379 ZWL968	01/14/2026		012926	15.84			
	72542			Repairs & Maintenance				
Invoice:	ZWL968							
15.84	0100-40-400-19-02-510200-			STREETS - BUSH SxT/PVC TEE/ADAPTER/CAP				
	74393 ZVZN98	01/09/2026		012926	4.47			
	72556			Repairs & Maintenance				
Invoice:	ZVZN98							
4.47	5100-50-405-28-20-510200-			FACILITIES - PW CORP YARD - TUBE VINYL				
				Repairs & Maintenance				

# City of Shafter

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CASH ACCOUNT: 0000-00-000-00-00-100010-  
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			VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
			DOCUMENT	INVOICE	DTL	DESC			
			74395 72558	ZTPT52		12/22/2025		012926	7.07
Invoice: ZTPT52	7.07	0100-40-400-19-02-510200-							
			74397 72560	ZVX399		01/08/2026		012926	165.09
Invoice: ZVX399	165.09	5002-40-400-20-00-510001-							
			74396 72559	ZFW42		01/12/2026		012926	41.80
Invoice: ZFW42	41.80	5100-50-405-28-14-510001-							
			74410 72572	ZWTF17		01/16/2026		012926	37.52
Invoice: ZWTF17	37.52	0100-30-400-25-33-510200-							
			74411 72573	ZWTV34		01/16/2026		012926	91.30
Invoice: ZWTV34	47.16	5002-40-400-20-00-510202-							
	44.14	5002-40-400-20-00-510200-							
			74428 72590	ZWXX22		01/19/2026		012926	16.08
Invoice: ZWXX22	16.08	5002-40-400-20-00-510001-							
			74433 72595	ZWYL61		01/19/2026		012926	86.67
Invoice: ZWYL61	86.67	5002-40-400-20-00-510200-							
			74462 72624	ZXB811		01/20/2026		012926	21.44
Invoice: ZXB811	21.44	5002-40-400-20-00-510001-							
			74463 72625	ZWZC05		01/20/2026		012926	10.48
Invoice: ZWZC05	10.48	0100-40-400-19-02-510000-							
			74523 72682	ZXBL10		01/20/2026		012926	250.07
Invoice: ZXBL10	250.07	5100-50-405-28-14-510205-							
			74528	ZXD800		01/21/2026		012926	88.99

# City of Shafter

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Cash10755	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
	DOCUMENT	INVOICE DTL	DESC			
Invoice: ZXD800	88.99 5100-50-405-28-14-510205-	72687	FACILITIES MAINTENANCE - PD - OSC BLD/SAW/SWBLD			
		74529 ZXC978	Building Repair & Maintenance	01/20/2026	012926	12.61
Invoice: ZXC978	12.61 0100-40-400-19-02-510121-	72688	STREETS LIGHTS - TUBE/TAPE			
		74530 ZXHL46	Streetlight Repair and Maint.	01/22/2026	012926	101.84
Invoice: ZXHL46	101.84 0100-30-400-25-55-510205-	72689	VETERANS HALL - LED LINEAR LAMP/LED FEIT PL			
		74532 ZXC978	Building Repair & Maintenance	01/21/2026	012926	143.62
Invoice: ZXC978	143.62 5002-40-400-20-00-510200-	72691	WATER - PVC ADAPTER/ADAPTER SXMPT/CALBE			
		74533 ZXGK09	Repairs & Maintenance	01/22/2026	012926	105.05
Invoice: ZXGK09	105.05 0100-30-400-25-55-510205-	72692	VETERANS HALL - LIGHT BULBS/IMPACT EXTRACTOR/BTTRY			
		74535 ZXFQ58	Building Repair & Maintenance	01/21/2026	012926	101.37
Invoice: ZXFQ58	101.37 0100-30-400-25-00-510200-	72694	ALL PARKS - SPRYPNT/CARABINER/RLSBL			
		74536 ZXF668	Repairs & Maintenance	01/21/2026	012926	31.28
Invoice: ZXF668	31.28 0100-40-400-19-02-510121-	72695	STREETS LIGHTS - MORTAR/KNEELER			
		74540 ZXGY09	Streetlight Repair and Maint.	01/22/2026	012926	86.84
Invoice: ZXGY09	86.84 0100-30-400-25-55-510205-	72699	VETERAN'S HALL - LED LINEAR LAMP 18W 2PK			
		74542 ZXGY88	Building Repair & Maintenance	01/22/2026	012926	15.00
Invoice: ZXGY88	15.00 0100-30-400-25-55-510205-	72701	VETERAN'S HALL - LED FEIT PL 26W EQ CW			
		74544 ZXF535	Building Repair & Maintenance	01/21/2026	012926	22.70
Invoice: ZXF535	22.70 0100-30-400-25-00-510200-	72703	ALL PARKS - TUBE BRUSH/BLEACH REG			
		74601 ZWXZ67	Repairs & Maintenance	01/19/2026	012926	100.75
Invoice: ZWXZ67		72760	POLICE-Range supplies			

# City of Shafter

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 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
				100.75	0100-20-200-14-00-510001-			Departmental Supplies	
					74605 ZXH525 72764	01/22/2026		012926	14.14
			Invoice: ZXH525	14.14	0100-20-200-14-00-510300-			POLICE-Unit # 132 two spare keys vehicle operations	
					74741 Z XK909 72895	01/23/2026		012926	68.61
			Invoice: Z XK909	68.61	5100-50-405-28-20-510205-			FACILITIES - WALLPLAT/VOLTAGE TESTER/SENSOR Building Repair & Maintenance	
								CHECK 1025530 TOTAL:	2,543.73
1025531	01/29/2026	PRTD	1337 SUPERIOR AG & AUTO I	74371 4098 72534		12/04/2025		012926	23.41
			Invoice: 4098	23.41	5002-40-400-20-00-510001-			WATER - WASH FLUID/CYLINDER Departmental Supplies	
					74372 4122 72535	12/09/2025		012926	83.52
			Invoice: 4122	83.52	5002-40-400-20-00-510202-			WATER - LOCK PIN/SHOVEL/PLIER Hardware & Tools	
					74373 4160 72536	12/19/2025		012926	47.99
			Invoice: 4160	47.99	5002-40-400-20-00-510001-			WATER - TOWELS/CAR SPRAY Departmental Supplies	
					74386 4225 72549	01/15/2026		012926	66.43
			Invoice: 4225	66.43	0100-40-400-19-02-510204-			STREETS #415 - DEF/CLEANER Equipment Repair	
					74546 4236 72705	01/20/2026		012926	76.33
			Invoice: 4236	76.33	5002-40-400-20-00-510202-			WATER - HACK SAW/FOLDING UTILITY KNIFE Hardware & Tools	
					74547 4239 72706	01/20/2026		012926	145.25
			Invoice: 4239	145.25	5002-40-400-20-00-510200-			WATER - CAMLOCK ADAPTER/INVERTED TIP Repairs & Maintenance	
								CHECK 1025531 TOTAL:	442.93
1025532	01/29/2026	PRTD	557 SW CONSTRUCTION INC	74470 Pay Estimate No. 1 72635		12/15/2025	202	012926	215,444.66
			Invoice: Pay Estimate No. 1	215,444.66				Shafter Police Substation Site Improvements	

# City of Shafter

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 CHECK NO CHK DATE TYPE VENDOR NAME

Cash10755

CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT		INVOICE DTL DESC			
				E PD00001 -50	-525	-0308	Capital Prj.- Buildings & Imp.		
				0308-60-200-14-00-580200-				CHECK 1025532 TOTAL:	215,444.66
1025533	01/29/2026	PRTD	1602 TACTICAL 360	74759	596305591	01/25/2026		012926	250.00
Invoice: 596305591				72911	Baton/OC Cert ACO Meyer Training				
250.00 0100-20-200-15-00-510501-						CHECK 1025533 TOTAL:		250.00	
1025534	01/29/2026	PRTD	298 TAG/AMS, INC	74439	6129	01/05/2026		012926	300.00
Invoice: 6129				72601	FMCSA Renewal Fee				
100.00 0100-40-400-19-02-510400-						Professional Services			
100.00 0100-30-400-25-00-510400-						Professional Services			
50.00 5002-40-400-20-00-510400-						Professional Services			
50.00 5000-40-400-21-00-510400-						Professional Services			
						CHECK 1025534 TOTAL:		300.00	
1025535	01/29/2026	PRTD	30 TERMINIX INTERNATION	74353	467784547	01/09/2026		012926	90.02
Invoice: 467784547				72516	CITY HALL - ANNEX - PEST CONTROL SERVICES Service Agreements				
90.02 5100-50-405-28-91-510100-						CHECK 1025534 TOTAL:		90.02	
				74354	467778005	01/09/2026		012926	165.05
Invoice: 467778005				72517	ALL PW'S - PEST CONTROL SERVICES Service Agreements				
165.05 5100-50-405-28-20-510100-						CHECK 1025534 TOTAL:		165.05	
				74380	466765334	12/08/2025		012926	213.31
Invoice: 466765334				72543	ALL PW'S/TRANSIT - PEST CONTROL SERVICES Service Agreements				
35.00 5100-50-405-28-65-510100-						CHECK 1025534 TOTAL:		213.31	
178.31 5100-50-405-28-20-510100-						CHECK 1025534 TOTAL:		178.31	
				74479	467784496	01/09/2026		012926	135.80
Invoice: 467784496				72641	PEST CONTROL SERVICES Service Agreements				
135.80 5100-50-405-28-90-510100-						CHECK 1025534 TOTAL:		135.80	
				74499	467777906	01/09/2026		012926	98.00
Invoice: 467777906				72659	PEST CONTROL SERVICES Service Agreements				
98.00 5100-50-405-28-90-510100-						CHECK 1025534 TOTAL:		98.00	
				74589	467781634	01/09/2026		012926	113.12

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				VOUCHER	INVOICE	Cash10755	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC			
Invoice: 467781634				72748						
	113.12	0100-20-200-14-00-510100-					POLICE-Pest Control services Jan 26			
							Service Agreements			
							CHECK	1025535	TOTAL:	815.30
1025536	01/29/2026	PRTD	787 TETER, INC.	74375	63928		01/14/2026	61	012926	2,211.94
				72538						
Invoice: 63928										
	2,211.94						SHAFTER POLICE DEPARTMENT SUB MODULAR PROJECT			
			E PD00001 -20 -200				Capital Prj.- Buildings & Imp.			
			0308-60-200-14-00-580200-				CHECK	1025536	TOTAL:	2,211.94
1025537	01/29/2026	PRTD	293 THE GAS CO - SO CA G	74534	01291631008	JAN 26	01/16/2026		012926	527.08
				72693						
Invoice: 01291631008	JAN 26						NATURAL GAS CHARGES			
	527.08	0100-20-200-14-00-510708-					Natural Gas			
				74537	08851631484	JAN 26	01/16/2026		012926	157.01
				72696						
Invoice: 08851631484	JAN 26						NATURAL GAS CHARGES			
	157.01	5100-50-405-28-91-510708-					Natural Gas			
				74538	15361630153	JAN 26	01/16/2026		012926	429.50
				72697						
Invoice: 15361630153	JAN 26						NATURAL GAS CHARGES			
	429.50	5101-50-400-24-00-510708-					Natural Gas			
				74539	17881633006	JAN 26	01/16/2026		012926	50.88
				72698						
Invoice: 17881633006	JAN 26						NATURAL GAS CHARGES			
	50.88	5101-50-400-24-00-510708-					Natural Gas			
				74541	13769182026	JAN 26	01/15/2026		012926	1,970.79
				72700						
Invoice: 13769182026	JAN 26						NATURAL GAS CHARGES			
	1,970.79	0100-20-200-15-00-510708-					Natural Gas			
				74543	02551630003	JAN 26	01/16/2026		012926	663.30
				72702						
Invoice: 02551630003	JAN 26						NATURAL GAS CHARGES			
	663.30	5100-50-405-28-90-510708-					Natural Gas			
				74545	04655616409	JAN 26	01/16/2026		012926	192.50
				72704						
Invoice: 04655616409	JAN 26						NATURAL GAS CHARGES			
	192.50	5100-50-405-28-91-510708-					Natural Gas			

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755					
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT	INVOICE	DTL	DESC		
				74644 72803	17671633000	JAN 26	01/16/2026	012926	15.29
Invoice:	17671633000	JAN 26		15.29	5101-50-400-24-00-510708-		NATURAL GAS CHARGES		
							Natural Gas		
				74645 72804	06125858487	JAN 26	01/17/2026	012926	321.72
Invoice:	06125858487	JAN 26		321.72	5101-50-400-24-00-510708-		NATURAL GAS CHARGES		
							Natural Gas		
				74649 72805	10954207733	JAN 26	01/17/2026	012926	17.61
Invoice:	10954207733	JAN 26		17.61	5002-40-400-20-00-510708-		NATURAL GAS CHARGES		
							Natural Gas		
				74650 72807	01071606139	JAN 26	01/16/2026	012926	15.29
Invoice:	01071606139	JAN 26		15.29	5101-50-400-24-00-510708-		NATURAL GAS CHARGES		
							Natural Gas		
				74764 72916	NOINV01/29/26		01/29/2026	012926	1,560.32
Invoice:	NOINV01/29/26			1,560.32			Aquatic Center - Rebuild Meter Set Assembly		
					E PF00004 -50 -525 -0100		Capital Prj.- Buildings & Imp.		
					0100-60-400-25-52-580200-				
							CHECK 1025537 TOTAL:		5,921.29
1025538	01/29/2026	PRTD	1465 TOP DOG POOL SUPPLY	74276 72439	121845		01/02/2026	012926	7,100.00
Invoice:	121845				7,100.00	0100-30-400-25-52-510100-	AQUATIC CENTER - MONTHLY POOL SERVICE - JAN 2026		
							Service Agreements		
							CHECK 1025538 TOTAL:		7,100.00
1025539	01/29/2026	PRTD	15410 VERNON C SORENSON IN	74416 72578	00596600-00		12/31/2025	012926	822.00
Invoice:	00596600-00				822.00	0100-20-200-14-00-510115-	Pre-Emp. Medical Exam - E.Pardo		
							Recruitment		
							CHECK 1025539 TOTAL:		822.00
1025540	01/29/2026	PRTD	1101 VESTIS GROUP, INC. (	74391 72554	2601787004		01/15/2026	012926	366.88
Invoice:	2601787004				46.98	0100-30-400-25-00-500502-	ALL PW'S - UNIFORM SERVICES - 01.15.2026		
					7.42	5101-50-400-24-00-500502-	Uniform & Equipment Allowance		
					17.73	5101-50-400-24-00-510001-	Uniform & Equipment Allowance		
							Departmental Supplies		



# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 0000-00-000-00-00-100010-  
 CHECK NO CHK DATE TYPE VENDOR NAME

				Cash10755				NET	
CHECK NO	CHK DATE	TYPE	VENDOR NAME	VOUCHER	INVOICE	INV DATE	PO	WARRANT	NET
				DOCUMENT		INVOICE DTL		DESC	
				388.94	0100-20-200-14-00-510300-			Vehicle Operations	
					74714 2982	01/19/2026		012926	123.71
					72872				
				Invoice: 2982					
				123.71	0100-20-200-14-00-510300-			POLICE-Unit #211 Engine oil service	
					74715 2983	01/19/2026		012926	274.80
					72873			Vehicle Operations	
				Invoice: 2983					
				274.80	0100-20-200-14-00-510300-			POLICE-Unit #161 Engine oil service	
								Vehicle Operations	
								CHECK 1025544 TOTAL:	1,175.77
1025545	01/29/2026	PRTD	1495 WITCHER ELECTRIC INC	74426	42082AA	01/08/2026		012926	378.54
					72588				
				Invoice: 42082AA					
				378.54	5000-40-400-21-00-510200-			WASTE WATER - MARK LIFT STATION - NEW UPS	
								Repairs & Maintenance	
								CHECK 1025545 TOTAL:	378.54
1025546	01/29/2026	PRTD	592 WYNN-SMITH LANDSCAPE	74383	3427	01/12/2026	20240084	012926	570.00
					72546				
				Invoice: 3427					
				570.00				North Shafter Community - Design Development	
					E PK00008 -20 -200	-0308			
					0308-60-400-25-40-580200-			Capital Prj.- Buildings & Imp.	
								CHECK 1025546 TOTAL:	570.00
				NUMBER OF CHECKS	105	*** CASH ACCOUNT TOTAL ***			1,663,819.60
				TOTAL PRINTED CHECKS		COUNT	AMOUNT		
				TOTAL WIRE TRANSFERS		92	1,587,705.48		
				TOTAL EFT'S		1	31,083.98		
						12	45,030.14		
						*** GRAND TOTAL ***			1,663,819.60

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED  
 CLERK: 529211ara

YEAR	PER	JNL	SRC ACCOUNT	JNL DESC	REF 1	REF 2	REF 3	ACCOUNT DESC	T	OB	DEBIT	CREDIT
			EFF DATE					LINE DESC				
2026	7	466										
APP	0100-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			922,970.80	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0000-00-000-00-00-100010-		01/29/2026	012926				Cash: Mission Bank Acct#10755				1,663,819.60
								AP CASH DISBURSEMENTS JOURNAL				
APP	5002-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			35,851.72	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5000-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			2,921.09	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5101-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			1,460.62	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5100-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			25,088.35	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5103-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			31,962.97	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5003-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			1,000.81	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5004-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			75,526.97	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0308-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			470,476.27	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0808-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			3,453.53	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0801-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			4,500.00	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0814-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			51.99	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0812-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			52.19	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0811-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			346.13	
								AP CASH DISBURSEMENTS JOURNAL				
APP	0305-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			87,853.75	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5001-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			300.28	
								AP CASH DISBURSEMENTS JOURNAL				
APP	5006-00-000-00-00-205000-		01/29/2026	012926	012926			Accts Payable			2.13	
								AP CASH DISBURSEMENTS JOURNAL				
GENERAL LEDGER TOTAL											1,663,819.60	1,663,819.60
APP	0000-00-000-00-00-209001-		01/29/2026	012926	012926			Due To 0100 - Gen Fund			922,970.80	
APP	0100-00-000-00-00-109000-		01/29/2026	012926	012926			Due From Funds - Cash Pool				922,970.80
APP	0000-00-000-00-00-209038-		01/29/2026	012926	012926			Due To 5002 - Water Operat			35,851.72	
APP	5002-00-000-00-00-109000-							Due From Funds - Cash Pool				35,851.72

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

### JOURNAL ENTRIES TO BE CREATED

YEAR PER	JNL				ACCOUNT DESC	T OB	DEBIT	CREDIT
SRC ACCOUNT	EFF DATE	JNL DESC	REF 1	REF 2	REF 3	LINE DESC		
	01/29/2026	012926	012926					
APP 0000-00-000-00-00-209036-	01/29/2026	012926				Due To 5000 - Wastewtr Operat	2,921.09	
APP 5000-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		2,921.09
APP 0000-00-000-00-00-209047-	01/29/2026	012926				Due To 5101 - Vehicle Maint	1,460.62	
APP 5101-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		1,460.62
APP 0000-00-000-00-00-209046-	01/29/2026	012926				Due To 5100 - Facility Maint	25,088.35	
APP 5100-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		25,088.35
APP 0000-00-000-00-00-209049-	01/29/2026	012926				Due To 5103 - Info Tech	31,962.97	
APP 5103-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		31,962.97
APP 0000-00-000-00-00-209039-	01/29/2026	012926				Due To 5003 - Transit Operat	1,000.81	
APP 5003-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		1,000.81
APP 0000-00-000-00-00-209040-	01/29/2026	012926				Due To 5004 - Telecom Operat	75,526.97	
APP 5004-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		75,526.97
APP 0000-00-000-00-00-209060-	01/29/2026	012926				Due To 0308 - Street Projects	470,476.27	
APP 0308-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		470,476.27
APP 0000-00-000-00-00-209032-	01/29/2026	012926				Due To 0808 - LLMD - 001-2015	3,453.53	
APP 0808-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		3,453.53
APP 0000-00-000-00-00-209025-	01/29/2026	012926				Due To 0801 - LLMD - 001-2005	4,500.00	
APP 0801-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		4,500.00
APP 0000-00-000-00-00-209057-	01/29/2026	012926				Due To 0814 - DTLL1-2022	51.99	
APP 0814-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		51.99
APP 0000-00-000-00-00-209055-	01/29/2026	012926				Due To 0812 - DTLL1-2021	52.19	
APP 0812-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		52.19
APP 0000-00-000-00-00-209035-	01/29/2026	012926				Due To 0811 - LLMD - 001-2009	346.13	
APP 0811-00-000-00-00-109000-	01/29/2026	012926				Due From Funds - Cash Pool		346.13

**City of Shafter**  
**A/P CASH DISBURSEMENTS JOURNAL**  
**JOURNAL ENTRIES TO BE CREATED**

YEAR PER	JNL					ACCOUNT DESC	T OB	DEBIT	CREDIT
SRC ACCOUNT	EFF DATE	JNL DESC	REF 1	REF 2	REF 3	LINE DESC			
APP 0000-00-000-00-00-209019-	01/29/2026	012926	012926			Due To 0305 - Traffic Mit		87,853.75	
APP 0305-00-000-00-00-109000-	01/29/2026	012926	012926			Due From Funds - Cash Pool			87,853.75
APP 0000-00-000-00-00-209037-	01/29/2026	012926	012926			Due To 5001 - Refuse Operat		300.28	
APP 5001-00-000-00-00-109000-	01/29/2026	012926	012926			Due From Funds - Cash Pool			300.28
APP 0000-00-000-00-00-209042-	01/29/2026	012926	012926			Due To 5006 - Rail Operat		2.13	
APP 5006-00-000-00-00-109000-	01/29/2026	012926	012926			Due From Funds - Cash Pool			2.13
SYSTEM GENERATED ENTRIES TOTAL								1,663,819.60	1,663,819.60
JOURNAL 2026/07/466 TOTAL								3,327,639.20	3,327,639.20

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED

FUND ACCOUNT	YEAR PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
0000 Pooled Cash Fund	2026 7	466	01/29/2026			
0000-00-000-00-00-100010-				Cash: Mission Bank Acct#10755		1,663,819.60
0000-00-000-00-00-209001-				Due To 0100 - Gen Fund	922,970.80	
0000-00-000-00-00-209019-				Due To 0305 - Traffic Mit	87,853.75	
0000-00-000-00-00-209025-				Due To 0801 - LLMD - 001-2005	4,500.00	
0000-00-000-00-00-209032-				Due To 0808 - LLMD - 001-2015	3,453.53	
0000-00-000-00-00-209035-				Due To 0811 - LLMD - 001-2009	346.13	
0000-00-000-00-00-209036-				Due To 5000 - Wastewtr Operat	2,921.09	
0000-00-000-00-00-209037-				Due To 5001 - Refuse Operat	300.28	
0000-00-000-00-00-209038-				Due To 5002 - Water Operat	35,851.72	
0000-00-000-00-00-209039-				Due To 5003 - Transit Operat	1,000.81	
0000-00-000-00-00-209040-				Due To 5004 - Telecom Operat	75,526.97	
0000-00-000-00-00-209042-				Due To 5006 - Rail Operat	2.13	
0000-00-000-00-00-209046-				Due To 5100 - Facility Maint	25,088.35	
0000-00-000-00-00-209047-				Due To 5101 - Vehicle Maint	1,460.62	
0000-00-000-00-00-209049-				Due To 5103 - Info Tech	31,962.97	
0000-00-000-00-00-209055-				Due To 0812 - DTLL1-2021	52.19	
0000-00-000-00-00-209057-				Due To 0814 - DTLL1-2022	51.99	
0000-00-000-00-00-209060-				Due To 0308 - Street Projects	470,476.27	
				FUND TOTAL	1,663,819.60	1,663,819.60
0100 General Fund	2026 7	466	01/29/2026			
0100-00-000-00-00-109000-				Due From Funds - Cash Pool		922,970.80
0100-00-000-00-00-205000-				Accts Payable	922,970.80	
				FUND TOTAL	922,970.80	922,970.80
0305 Traffic Mitigation	2026 7	466	01/29/2026			
0305-00-000-00-00-109000-				Due From Funds - Cash Pool		87,853.75
0305-00-000-00-00-205000-				Accts Payable	87,853.75	
				FUND TOTAL	87,853.75	87,853.75
0308 State Grants Projects	2026 7	466	01/29/2026			
0308-00-000-00-00-109000-				Due From Funds - Cash Pool		470,476.27
0308-00-000-00-00-205000-				Accts Payable	470,476.27	
				FUND TOTAL	470,476.27	470,476.27
0801 LLMD - 001-2005	2026 7	466	01/29/2026			
0801-00-000-00-00-109000-				Due From Funds - Cash Pool		4,500.00
0801-00-000-00-00-205000-				Accts Payable	4,500.00	
				FUND TOTAL	4,500.00	4,500.00
0808 LLMD - 001-2015	2026 7	466	01/29/2026			
0808-00-000-00-00-109000-				Due From Funds - Cash Pool		3,453.53
0808-00-000-00-00-205000-				Accts Payable	3,453.53	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED

FUND ACCOUNT	YEAR PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
				FUND TOTAL	3,453.53	3,453.53
0811 LLMD - 001-2009 0811-00-000-00-00-109000- 0811-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		346.13
				Accts Payable	346.13	
				FUND TOTAL	346.13	346.13
0812 LLMD - 001-2021 0812-00-000-00-00-109000- 0812-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		52.19
				Accts Payable	52.19	
				FUND TOTAL	52.19	52.19
0814 LLMD - 001-2022 0814-00-000-00-00-109000- 0814-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		51.99
				Accts Payable	51.99	
				FUND TOTAL	51.99	51.99
5000 Wastewater Operations 5000-00-000-00-00-109000- 5000-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		2,921.09
				Accts Payable	2,921.09	
				FUND TOTAL	2,921.09	2,921.09
5001 Refuse Operations 5001-00-000-00-00-109000- 5001-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		300.28
				Accts Payable	300.28	
				FUND TOTAL	300.28	300.28
5002 Water Operations 5002-00-000-00-00-109000- 5002-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		35,851.72
				Accts Payable	35,851.72	
				FUND TOTAL	35,851.72	35,851.72
5003 Transit Operations 5003-00-000-00-00-109000- 5003-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		1,000.81
				Accts Payable	1,000.81	
				FUND TOTAL	1,000.81	1,000.81
5004 Telecommunications Operations 5004-00-000-00-00-109000- 5004-00-000-00-00-205000-	2026 7	466	01/29/2026	Due From Funds - Cash Pool		75,526.97
				Accts Payable	75,526.97	

# City of Shafter

## A/P CASH DISBURSEMENTS JOURNAL

JOURNAL ENTRIES TO BE CREATED

FUND ACCOUNT	YEAR PER	JNL	EFF DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
				FUND TOTAL	75,526.97	75,526.97
5006 Rail Operations	2026 7	466	01/29/2026			
5006-00-000-00-00-109000-				Due From Funds - Cash Pool		2.13
5006-00-000-00-00-205000-				Accts Payable	2.13	
				FUND TOTAL	2.13	2.13
5100 Facility Maintenance	2026 7	466	01/29/2026			
5100-00-000-00-00-109000-				Due From Funds - Cash Pool		25,088.35
5100-00-000-00-00-205000-				Accts Payable	25,088.35	
				FUND TOTAL	25,088.35	25,088.35
5101 Vehicle Maintenance	2026 7	466	01/29/2026			
5101-00-000-00-00-109000-				Due From Funds - Cash Pool		1,460.62
5101-00-000-00-00-205000-				Accts Payable	1,460.62	
				FUND TOTAL	1,460.62	1,460.62
5103 Information Technology	2026 7	466	01/29/2026			
5103-00-000-00-00-109000-				Due From Funds - Cash Pool		31,962.97
5103-00-000-00-00-205000-				Accts Payable	31,962.97	
				FUND TOTAL	31,962.97	31,962.97

**City of Shafter**  
**A/P CASH DISBURSEMENTS JOURNAL**  
**JOURNAL ENTRIES TO BE CREATED**

FUND	DUE TO	DUE FR
0000 Pooled Cash Fund	1,663,819.60	
0100 General Fund		922,970.80
0305 Traffic Mitigation		87,853.75
0308 State Grants Projects		470,476.27
0801 LLMD - 001-2005		4,500.00
0808 LLMD - 001-2015		3,453.53
0811 LLMD - 001-2009		346.13
0812 LLMD - 001-2021		52.19
0814 LLMD - 001-2022		51.99
5000 Wastewater Operations		2,921.09
5001 Refuse Operations		300.28
5002 Water Operations		35,851.72
5003 Transit Operations		1,000.81
5004 Telecommunications Operations		75,526.97
5006 Rail Operations		2.13
5100 Facility Maintenance		25,088.35
5101 Vehicle Maintenance		1,460.62
5103 Information Technology		31,962.97
TOTAL	1,663,819.60	1,663,819.60

\*\* END OF REPORT - Generated by Lety Lara \*\*

**City of Shafter**  
**DETAIL PROOF - FINAL REPORT**  
 Pay Period 12/06/25 To 12/19/25

WARRANT: 122625 PAYROLL TYPE: BIWEEKLY

CHECK DATE: 12/26/2025

**Earnings-Deductions Proof Summaries**

9996	DIRECT DEP F	1,225.00	0.00	1,225.00	18,949.52
9999	DIRECT DEP	399,728.94	0.00	399,728.94	603,495.26
<b>Total:</b>		<b>602,110.94</b>	<b>254,227.95</b>		

Total Females:	63	Gross Pay:	183,608.71
Total Males:	91	Gross Pay:	419,886.55
Total Employees:	154	Gross Pay:	603,495.26

Total Pre-Notes: 0

Available Cash Balance after payroll: -33,288,934.40

**Total Cash Requirements:**

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	412,103.94
Total Vendor checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

Total Cash Required: 412,103.94

**Payments to be Processed:**

Total Telephone Transfers: 0.00

**Remaining Payroll Liabilities:**

Total Employee/Employer (Check type = No check):	35,875.76
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	0.00
Total Invoices other payrolls:	137,967.93
Total Checks/Invoices/EFT/Telephone transfers this payroll (deferred):	0.00
Total Checks/Invoices/EFT/Telephone transfers other payrolls (deferred):	0.00

Total Liabilities: 173,843.69

\*\* END OF REPORT - Generated by Luis Campos \*\*

**APPROVED BY:**



**City of Shafter**  
**DETAIL PROOF - FINAL REPORT**  
 Pay Period 12/20/25 To 01/02/26

WARRANT: 010926 PAYROLL TYPE: BIWEEKLY

CHECK DATE: 01/09/2026

**Earnings-Deductions Proof Summaries**

9999 DIRECT DEP	414,982.66	0.00	414,982.66	647,473.82
<b>Total:</b>	<b>646,053.65</b>	<b>291,828.60</b>		

Total Females:	59	Gross Pay:	189,144.31
Total Males:	91	Gross Pay:	458,329.51
Total Employees:	150	Gross Pay:	647,473.82

Total Pre-Notes: 0

Available Cash Balance after payroll: -35,160,006.96

**Total Cash Requirements:**

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	427,507.66
Total Vendor Checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

**Total Cash Required:** 427,507.66

**Payments to be Processed:**

Total Telephone Transfers: 0.00

**Remaining Payroll Liabilities:**

Total Employee/Employer (Check type = No check):	39,831.92
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	470,542.67
Total Invoices other payrolls:	9,990.53
Total Checks/Invoices/EFT/Telephone transfers this payroll (deferred):	0.00
Total Checks/Invoices/EFT/Telephone transfers other payrolls (deferred):	0.00

**Total Liabilities:** 520,365.12

\*\* END OF REPORT - Generated by Luis Campos \*\*

**APPROVED BY:**



# City of Shafter

## DETAIL PROOF - FINAL REPORT

Pay Period 01/21/26 To 01/21/26

WARRANT: 012126 PAYROLL TYPE: MISC

CHECK DATE: 01/21/2026

### Earnings-Deductions Proof Summaries

#### DEDUCTION SUMMARY

DED	TYPE	EMPLOYEE AMT	EMPLOYER AMT	TOTAL AMT	EMPLOYEE GROSS	FICA/MED CALC
1000	FICA	323.11	323.11	646.22	5,211.32	X 12.40% = 646.20
1100	MEDICARE	75.57	75.57	151.14	5,211.32	X 2.90% = 151.13
3000	FIT	926.30	0.00	926.30	5,062.57	
4000	SIT	278.58	0.00	278.58	5,062.57	
7027	PPRA SFTY<60	148.75	0.00	148.75	1,081.83	
7028	PPRA SFTY<60	0.00	151.35	151.35	1,081.83	
8300	CA SDI	67.74	0.00	67.74	5,211.32	
8310	CA UI	0.00	69.13	69.13	5,211.32	
9999	DIRECT DEP	3,391.27	0.00	3,391.27	5,211.32	
<b>Total:</b>		<b>5,211.32</b>	<b>619.16</b>			

Total Females:	1	Gross Pay:	1,516.43
Total Males:	2	Gross Pay:	3,694.89
Total Employees:	3	Gross Pay:	5,211.32

Total Pre-Notes: 0

Available Cash Balance after payroll: -37,467,032.79

#### Total Cash Requirements:

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	3,391.27
Total Vendor Checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

Total Cash Required: 3,391.27

#### Payments to be Processed:

Total Telephone Transfers: 0.00

#### Remaining Payroll Liabilities:

Total Employee/Employer (Check type = No check):	0.00
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	2,439.21
Total Invoices other payrolls:	0.00
Total Checks/Invoices/EFT/Telephone transfers	

APPROVED BY:



**City of Shafter**  
**DETAIL PROOF - FINAL REPORT**  
 Pay Period 01/03/26 To 01/16/26

WARRANT: 012326 PAYROLL TYPE: BIWEEKLY

CHECK DATE: 01/23/2026

**Earnings-Deductions Proof Summaries**

9996 DIRECT DEP F	1,225.00	0.00	1,225.00	20,067.07
9999 DIRECT DEP	398,757.43	0.00	398,757.43	620,983.23
<b>Total:</b>	<b>619,527.68</b>	<b>280,739.50</b>		

Total Females:	60	Gross Pay:	181,040.47
Total Males:	94	Gross Pay:	439,942.76
Total Employees:	154	Gross Pay:	620,983.23

Total Pre-Notes: 0

Available Cash Balance after payroll: -37,878,315.22

**Total Cash Requirements:**

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	411,282.43
Total Vendor Checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

**Total Cash Required: 411,282.43**

**Payments to be Processed:**

Total Telephone Transfers: 0.00

**Remaining Payroll Liabilities:**

Total Employee/Employer (Check type = No check):	36,896.35
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	452,088.40
Total Invoices other payrolls:	141,636.70
Total Checks/Invoices/EFT/Telephone transfers this payroll (deferred):	0.00
Total Checks/Invoices/EFT/Telephone transfers other payrolls (deferred):	0.00

**Total Liabilities: 630,621.45**

**APPROVED BY:**

RS

\*\* END OF REPORT - Generated by Jacqueline De La Torre \*\*

**City of Shafter**  
**DETAIL PROOF - FINAL REPORT**  
 Pay Period 02/01/26 To 02/28/26

WARRANT: 020226 PAYROLL TYPE: COUNCIL

CHECK DATE: 02/02/2026

**Earnings-Deductions Proof Summaries**

**DEDUCTION SUMMARY**

DED	TYPE	EMPLOYEE AMT	EMPLOYER AMT	TOTAL AMT	EMPLOYEE GROSS	FICA/MED_CALC
1000	FICA	54.06	54.06	108.12	871.96	x 12.40% = 108.12
1100	MEDICARE	12.66	12.66	25.32	871.96	x 2.90% = 25.29
2300	MEDICAL	250.00	9,224.00	9,474.00	900.00	
2310	DENTAL	228.04	203.93	431.97	900.00	
2320	VISION	0.00	84.56	84.56	900.00	
3000	FIT	0.00	0.00	0.00	871.96	
4000	SIT	0.00	0.00	0.00	871.96	
8300	CA SDI	17.55	0.00	17.55	1,350.00	
8310	CA UI	0.00	21.60	21.60	1,350.00	
9999	DIRECT DEP	787.69	0.00	787.69	1,350.00	
<b>Total:</b>		<b>1,350.00</b>	<b>9,600.81</b>			

Total Females:	1	Gross Pay:	200.00
Total Males:	9	Gross Pay:	1,150.00
Total Employees:	10	Gross Pay:	1,350.00

Total Pre-Notes: 0

Available Cash Balance after payroll: -37,897,796.64

**Total Cash Requirements:**

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	787.69
Total Vendor Checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

Total Cash Required: 787.69

**Payments to be Processed:**

Total Telephone Transfers: 0.00

**Remaining Payroll Liabilities:**

Total Employee/Employer (Check type = No check):	0.00
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	172.59
Total Invoices other payrolls:	0.00

**APPROVED BY:**



**City of Shafter**  
**DETAIL PROOF - FINAL REPORT**  
 Pay Period 12/16/25 To 12/16/25

WARRANT: 121625 PAYROLL TYPE: MISC

CHECK DATE: 12/16/2025

**Earnings-Deductions Proof Summaries**

Total Pre-Notes: 0

Available Cash Balance after payroll: -32,267,979.74

**Total Cash Requirements:**

Total Employee Checks:	0.00
Total Employee/Employer ACH Transactions:	48,367.89
Total Vendor Checks this payroll:	0.00
Total Vendor Checks other payrolls:	0.00
Total Vendor Electronic Transfers this payroll:	0.00
Total Vendor Electronic Transfers other payrolls:	0.00
Total Vendor Telephone Transfers this payroll:	0.00
Total Vendor Telephone Transfers other payrolls:	0.00

Total Cash Required: 48,367.89

**Payments to be Processed:**

Total Telephone Transfers:	0.00
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**Remaining Payroll Liabilities:**

Total Employee/Employer (Check type = No check):	0.00
Total Pay Escrow:	0.00
Total Escrow Balance:	0.00
Total Invoices this payroll:	26,808.92
Total Invoices other payrolls:	-1,855.25
Total Checks/Invoices/EFT/Telephone transfers this payroll (deferred):	0.00
Total Checks/Invoices/EFT/Telephone transfers other payrolls (deferred):	137,967.93

Total Liabilities: 162,921.60

\*\* END OF REPORT - Generated by Lety Lara \*\*

**APPROVED BY:**  


**MINUTES OF THE REGULAR MEETING OF THE  
SHAFTER CITY COUNCIL  
COUNCIL CHAMBER, 336 PACIFIC AVENUE  
MEETING HELD IN-PERSON AND VIA ZOOM AND LIVESTREAM TO YOUTUBE  
TUESDAY, DECEMBER 2, 2025**

**CALL TO ORDER:** 6:00 PM

**ROLL CALL:**

PRESENT: Council Members Alvarado, Espinoza, and Prout. ABSENT: Mayor Givens and Mayor Pro Tem Olvera with an excused absence. Also present: City Manager Lippincott, Public Works Director Gonzalez, Assistant City Manager James, City Attorney Martinez, City Clerk Pallares, IT Director Rubio, Economic Development Director Siada, Deputy IT Director Shultz, and Sergeant York.

**PLEDGE OF ALLEGIANCE:** Council Member Prout

**INVOCATION:** Council Member Espinoza

**APPROVAL OF AGENDA:**

*MOVED (ESPINOZA) AND SECONDED (ALVARADO) COUNCIL APPROVED AGENDA AS PRESENTED. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.*

*NAYS: NONE.*

*ABSENT: GIVENS AND OLVERA.*

*ABSTENTIONS: NONE.*

**PUBLIC COMMENT:**

Tommie Sue Cordova, 615 Kern Street, shared their thoughts and the city funds that would be spent regarding the complaint filed against Council Member Alvarado.

Juan Escalante, 847 Oakmont Street, shared their thoughts on the complaint filed against Council Member Alvarado.

**COUNCIL ANNOUNCEMENTS AND REPORTS:**

On November 21, 2025, Council Members Espinoza and Prout attend the LGI Orchard Park Ribbon Cutting.

On December 1, 2025, Council Members Espinoza and Prout attended the Oath of Office ceremony for Animal Control Officer Mark Meyer.

Council Member Alvarado thanked community members who are supporting him during this time.

Council Member Alvarado shared information on the Shater Lions Club Christmas Parade.

Council Member Alvarado requested that an item be brought to a future Council meeting regarding the policy for allocating City funds to service clubs and events. The Council's consensus was to bring this item to a future meeting.

Council Member Alvarado requested that an item be brought to a future Council meeting for discussion of certain questions he has regarding the complaint filed against him. The Council's consensus was not to bring this to a future meeting.

### **CONSENT CALENDAR:**

1. Approve General Checks: November 20, 2025.
2. Approve Payroll: November 3, 2025, November 10, 2025, November 14, 2025.
3. Council find the action is not defined as a "project" per Section 15378(b)(5) of the CEQA Guidelines; and approve the cancellation of the regularly scheduled City Council meeting of January 6, 2026.
4. Council find the action is not defined as a "project" per Section 15378(b)(5) of the CEQA Guidelines. and reappoint Tim Unruh as a member of the Kern Mosquito and Vector Control District Board of Trustees for a two (2) year term, through December 31, 2027.
5. Council find that the action is not defined as a "project" per Section 15378(b)(4) of the CEQA Guidelines; authorize the City Manager to add a full-time Community Service Officer position within the Shafter Police Department's organizational structure as part of the operating budget; and authorize the City Manager to add one Records Technician position within the Shafter Police Department's organizational structure as part of the operating budget.
6. Council find that the approval of the final map is not defined as a "project" per Section 15378(b)(5) of the CEQA Guidelines; and approve the final map for Tract No. 7421.
7. Council find the action is not defined as a "project" per Section 15378(b)(4) of the CEQA Guidelines; approve the Agreement for the Completion of Public Improvements with Lennar Homes of California, LLC for Tract 7421 subject to review and approval by the City Attorney and City Engineer and authorize the City Manager to execute said agreement.
8. Council find the action is exempt from the California Environmental Quality Act; approve request for proposal documents for the 2025 Citywide Tree Trimming Project; and authorize the release of said project for formal bid purposes.
9. Council find the action is not defined as a "project" per Section 15378(b)(5) of the CEQA Guidelines; accept the public improvements constructed for Tract 6490 Phase 2; authorize the City Engineer to file a Notice of Completion and Acceptance of Work for the tract; and authorize the reduction of performance bond securities to 25% of the total construction cost to act as a warranty bond for a minimum of one year.
10. Council find the action is not defined as a "project" per Section 15378(b)(5) of the CEQA Guidelines; approve the low-bid quote for installation of fiber optic conduit and a vault associated with Phase 1 of the City's expansion plan to Pavletich Electric in the amount of \$54,391.

*MOVED (ALVARADO) AND SECONDED (ESPINOZA) COUNCIL APPROVED THE CONSENT CALENDAR AS PRESENTED. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.*

*NAYS: NONE.*

ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.

**PUBLIC HEARINGS:**

*Should anyone challenge any proposed action which is the subject of a public hearing listed on this agenda, that person challenging any action taken after the public hearing may be limited to raising only those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing.*

- 1. PUBLIC HEARING ON PROCEEDINGS FOR THE ANNEXATION OF TERRITORY TO CITY OF SHAFTER COMMUNITY FACILITIES DISTRICT NO. 0815 (ANNEXATION NO. 1):** Public Works Director Gonzalez made introductory comments. A notice of public hearing was properly advertised.

*MOVED (ALVARADO) AND SECONDED (ESPINOZA) COUNCIL ADOPTED RESOLUTION NO. 3049, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER, CALIFORNIA, CALLING A SPECIAL ELECTION AND SUBMITTING TO THE QUALIFIED ELECTORS OF TERRITORY PROPOSED TO BE ANNEXED TO THE CITY OF SHAFTER COMMUNITY FACILITIES DISTRICT NO. 0815, COUNTY OF KERN, STATE OF CALIFORNIA THE QUESTION OF LEVYING SPECIAL TAXES WITHIN THAT TERRITORY (ANNEXATION NO. 1). MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.  
NAYS: NONE.  
ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.*

*MOVED (ALVARADO) AND SECONDED (ESPINOZA) COUNCIL ADOPTED RESOLUTION NO. 3050, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF SHAFTER COMMUNITY FACILITIES DISTRICT NO. 0815, COUNTY OF KERN, STATE OF CALIFORNIA, DECLARING THE RESULTS OF THE SPECIAL ELECTION IN SUCH COMMUNITY FACILITIES DISTRICT ON THE PROPOSITION OF THE ANNUAL LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO SAID COMMUNITY FACILITIES DISTRICT TO PAY THE COST OF CERTAIN SERVICES TO BE PROVIDED BY THE COMMUNITY FACILITIES DISTRICT, DETERMINING THAT THE TERRITORY PROPOSED TO BE ANNEXED (ANNEXATION NO. 1) IS ADDED TO THE PART OF SAID COMMUNITY FACILITIES DISTRICT WITH FULL LEGAL EFFECT. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.  
NAYS: NONE.  
ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.*

*MOVED (ALVARADO) AND SECONDED (ESPINOZA) COUNCIL CONDUCTED A FIRST READING OF ORDINANCE NO. 773, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFTER, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF SHAFTER COMMUNITY FACILITIES DISTRICT NO. 0815, COUNTY OF KERN, STATE OF CALIFORNIA, AUTHORIZING THE LEVY OF A SPECIAL TAX IN SUCH COMMUNITY FACILITIES DISTRICT, INCLUDING CERTAIN ANNEXATION TERRITORY IDENTIFIED AS ANNEXATION NO. 1. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.  
NAYS: NONE.*

ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.

**MANAGEMENT REPORT:**

1. **FIRST PUBLIC HYDROGEN AUTHORITY (FPH<sub>2</sub>) MEMBERSHIP:** Economic Development Director Siada along with Jason Caudle, CEO of FPH<sub>2</sub> made introductory comments.

*MOVED (ALVARADO) AND SECONDED (ESPINOZA) COUNCIL FOUND THE ACTION IS NOT DEFINED AS A "PROJECT" PER SECTION 15378(B)(5) OF THE CEQA GUIDELINES; ADOPTED RESOLUTION NO. 3051, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER APPROVING THE JPA AGREEMENT AND MEMBERSHIP WITH THE FIRST PUBLIC HYDROGEN AUTHORITY. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.  
NAYS: NONE.  
ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.*

2. **NEW COMMUNITY-BASED INTERNET BRAND AND WEBSITE DOMAIN PRESENTATION AND APPROVAL:** Deputy IT Director Shultz made introductory comments.

*MOVED (ESPINOZA) AND SECONDED (ALVARADO) COUNCIL FOUND THE ACTION IS NOT DEFINED AS A "PROJECT" PER SECTION 15378(B)(5) OF THE CEQA GUIDELINES; APPROVED THE COMMUNITY INTERNET BRAND SOL NET FIBER AND WEBSITE DOMAIN, SHAFTERCONNECT.COM, TO ENSURE STAFF CAN PREPARE THE SITE FOR NEW CUSTOMER INTERNET CONNECTIONS AS EARLY AS JANUARY 2026. MOTION CARRIED BY THE FOLLOWING VOTE:*

*AYES: ALVARADO, ESPINOZA, AND PROUT.  
NAYS: NONE.  
ABSENT: GIVENS AND OLVERA.  
ABSTENTIONS: NONE.*

**CITY MANAGER COMMENTS AND REPORTS:** City Manager Lippincott announced that the rights to the new logo and seal are secured and trademarked.

**DEPARTMENT DIRECTOR COMMENTS AND REPORTS:** No reports at this time.

**ADJOURNMENT:**

*MOVED (ESPINOZA) AND SECONDED (ALVARADO) COUNCIL ADJOURNED THE MEETING AT 7:01 P.M. MOTION CARRIED WITH NO OPPOSITION.*

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Cathy L. Prout, Council Member

**ATTEST:**

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Yazmina Pallares, City Clerk



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Marco Martinez, City Attorney

**SUBJECT:** ADMINISTRATIVE HEARING PROCEDURES FOR THE  
CONDUCT OF ADMINISTRATIVE HEARINGS PURSUANT TO  
THE CHARTER ORDINANCE ADOPTION

### **RECOMMENDATION**

Council find that the project is exempt from the California Environmental Quality Act (CEQA), since it is not a project; introduce for second reading, waive reading and adopt Ordinance No. 775, an Ordinance of the City Council of the City of Shafter California, adopting Administrative Hearing Procedures for the conduct of Administrative Hearing Pursuant to the Charter of the City of Shafter.

### **BACKGROUND**

Section 4.08(C) of the City Charter describes the circumstances under which a member forfeits their office and provides, that:

“C. ... A Council Member shall forfeit that office if the Council Member:

1. Lacks any qualification for the office prescribed by this Charter or by law, at any time during the term of office for which elected.
2. Violates any express provision of this Charter or fails to execute or abide by any mandatory provision hereof.
3. Is convicted of a crime involving moral turpitude.
4. Fails to attend three consecutive regular meetings of the Council without being excused by the Council.
5. Fails to attend 85% (eighty-five percent) of the meetings of the Council during any twelve month period, without having been excused by the Council.
6. Is found guilty of violating any other standards for the conduct of Council Members, as established by ordinance...”

Section 4.08(C) of the City Charter further provides that “[Th]e City shall by ordinance establish procedures for conducting the administrative hearing...” The attached ordinance would adopt these procedures. They have been drafted to provide any appointed hearing officer with sufficient flexibility to enforce the City’s Charter provisions, while still protecting the due process rights of any party involved in a hearing

**CONSENT CALENDAR**

## **ADMINISTRATIVE HEARING PROCEDURES FOR THE CONDUCT OF ADMINISTRATIVE HEARINGS PURSUANT TO THE CHARTER ORDINANCE ADOPTION**

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process. “ Due process is a fundamental right guaranteed by the United States Constitution. It promises fair treatment and a chance to be heard before the government can take away a freedom or an entitlement. The process described in the ordinance includes the following elements:

1. Hearing Officer is hired
2. Hearing Officer is provided with a package of information that include a complaint, and any documentation included in the complaint, copies of the relevant ordinances/City Charter and notices provided to the Party that is accused in the complaint.
3. The Hearing Officer will conduct a preliminary review of the matter to determine if it should proceed to hearing. The preliminary review could result in setting the initial hearing date or returning the complaint due to lack of information or jurisdiction.
4. If the hearing will proceed and the initial hearing date is set (with assistance from the City Manager), the City Attorney will be responsible for providing notice to the parties.
5. On the initial hearing date, the Hearing Officer will conduct the hearing in accordance with the following order of proceedings identified in the ordinance.
6. At the conclusion of the hearing, the Hearing Office will issue a Statement of Decision that will be transmitted to the Parties and to the City Council. If the Statement finds a violation, the Council must ratify the Statement by majority vote, but will have the ability to impose a different punishment than requested (at the discretion of the City Council).
7. If the Statement finds no violation, the Statement is final unless called up for review by a member of the City Council that was not the Complaining Party. A Resolution to overturn a Statement of Decision that is called up by a member of the City Council must be overturned by 4/5 vote.

The procedures contained in the ordinance were modeled after similar hearing procedures adopted by other local agencies, including agencies that adopted procedures for the purpose of administering complaints about ethics violations. Given the constitutional due process rights that are at play any time a duly elected member is accused of a violation, they provide the hearing officer with ample flexibility to conduct a hearing that provides all parties involved with the due process rights guaranteed by the United States and California Constitutions.

### **FISCAL IMPACT**

The City Council has previously budgeted additional funds for legal matters related to administrative hearings. This matter is covered within that budget authorization.

### **CEQA ANALYSIS**

None. Not a Project under the California Environmental Quality Act.

### **APPROVED BY THE CITY ATTORNEY**

**ADMINISTRATIVE HEARING PROCEDURES FOR THE CONDUCT OF ADMINISTRATIVE HEARINGS PURSUANT TO THE CHARTER ORDINANCE ADOPTION**

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Yes

**ATTACHMENTS**

1. Ordinance 775 Administrative Hearing Procedure for the Conduct of Administrative Hearings Pursuant to the Charter

**ORDINANCE NO. 775**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFTER ADOPTING ADMINISTRATIVE HEARING PROCEDURES FOR THE CONDUCT OF ADMINISTRATIVE HEARINGS PURSUANT TO THE CHARTER OF THE CITY OF SHAFTER**

**WHEREAS**, the City of Shafter, California (“City”) is a municipal corporation, duly organized as a Charter City under the constitution and laws of the State of California; and

**WHEREAS**, the City Council of the City of Shafter is authorized by Article XI, Section 7 of the California Constitution to create and enforce laws and regulations to promote local police, sanitation, and other matters, including matters related to the promotion and encouragement of public service; and

**WHEREAS**, Section 4.08(C) of the City Charter describes the circumstances under which a member forfeits their office and provides, that:

- “C. ... *A Council Member shall forfeit that office if the Council Member:*
1. *Lacks any qualification for the office prescribed by this Charter or by law, at any time during the term of office for which elected.*
  2. *Violates any express provision of this Charter or fails to execute or abide by any mandatory provision hereof.*
  3. *Is convicted of a crime involving moral turpitude.*
  4. *Fails to attend three consecutive regular meetings of the Council without being excused by the Council.*
  5. *Fails to attend 85% (eighty-five percent) of the meetings of the Council during any twelve month period, without having been excused by the Council.*
  6. *Is found guilty of violating any other standards for the conduct of Council Members, as established by ordinance...*”

**WHEREAS**, Section 4.08(C) of the City Charter further provides that:

*“[T]he determination of forfeiture under subsections 1, 2, or 6 of ... section 4.0B.C., shall be made as follows: anyone or more Council Members shall file a written complaint with the City Council alleging a violation of subsection 1, 2, or 6 by a Council Member. For purposes of determining whether a Council Member has violated this Charter pursuant to subsection 2 above or has violated any ordinance establishing standards for the conduct of Council Members pursuant to subsection 6 above, the City shall conduct an administrative hearing. The City shall by ordinance establish procedures for conducting the administrative hearing and qualifications for the appointment of a hearing officer, who shall be a person other than a City officer or Council Member...A Council Member shall be deemed to have forfeited office as of the date the hearing officer issues an order finding that a Council Member has violated this Charter or an ordinance pursuant to subsections 2 or 6 above.”; and*

**WHEREAS**, on August 5, 2025, the City Council adopted Ordinance No. 770, titled:

*“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFTER ADOPTING ENFORCEMENT PROCEDURES FOR VIOLATIONS OF COUNCIL GOVERNANCE NORMS AND PROTOCOLS, CITY ORDINANCES AND CHARTER PROVISIONS AND STATE AND LOCAL LAWS IN ACCORDANCE WITH THE CHARTER OF THE CITY OF SHAFTER”*; and

**WHEREAS**, in accordance with the City Charter and Ordinance No. 770, the City Council wishes to adopt provisions to guide the conduct of administrative hearings conducted pursuant to the City Charter and Shafter Municipal Code in order to comply with these requirements, comply with due process guaranteed by the United States and California Constitutions and facilitate enforcement of the City Charter, Municipal Code and adopted ordinances and policies.

**THE CITY COUNCIL OF THE CITY OF SHAFTER DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council of the City of Shafter hereby adopts the Administrative Hearing Procedures attached hereto as Exhibit “A” as a non-codified ordinance of the City Council of the City of Shafter.

**SECTION 2.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions might subsequently be declared invalid or unconstitutional.

**SECTION 3. CEQA Determination.** The City Council finds that this ordinance is not subject to the requirements of the California Environmental Quality Act, pursuant to (Guidelines) Section 15060(c)(2) & (3), because it will not result in a direct or reasonably foreseeable indirect physical change in the environment and is not a “project” as defined in Section 15378. .

**SECTION 4. Publication.** This ordinance shall be published as provided in Government Code section 36933.

**SECTION 5. Effective Date.** This Ordinance shall be effective upon the commencement of the thirty-first (31st) day following the adoption date.

**[SIGNATURES ON FOLLOWING PAGE]**



## EXHIBIT "A"

### A. INTRODUCTION & PURPOSE

Section 4.08(C) of the City Charter describes the circumstances under which a member forfeits their office and provides, that:

- "C. ... A Council Member shall forfeit that office if the Council Member:
1. Lacks any qualification for the office prescribed by this Charter or by law, at any time during the term of office for which elected.
  2. Violates any express provision of this Charter or fails to execute or abide by any mandatory provision hereof.
  3. Is convicted of a crime involving moral turpitude.
  4. Fails to attend three consecutive regular meetings of the Council without being excused by the Council.
  5. Fails to attend 85% (eighty-five percent) of the meetings of the Council during any twelve month period, without having been excused by the Council.
  6. Is found guilty of violating any other standards for the conduct of Council Members, as established by ordinance..."

Section 4.08(C) of the City Charter further provides that "[T]he determination of forfeiture under subsections 1, 2, or 6 of ... section 4.08.C., shall be made as follows: anyone or more Council Members shall file a written complaint with the City Council alleging a violation of subsection 1, 2, or 6 by a Council Member. For purposes of determining whether a Council Member has violated this Charter pursuant to subsection 2 above or has violated any ordinance establishing standards for the conduct of Council Members pursuant to subsection 6 above, the City shall conduct an administrative hearing. The City shall by ordinance establish procedures for conducting the administrative hearing and qualifications for the appointment of a hearing officer, who shall be a person other than a City officer or Council Member...A Council Member shall be deemed to have forfeited office as of the date the hearing officer issues an order finding that a Council Member has violated this Charter or an ordinance pursuant to subsections 2 or 6 above." (Emphasis added.)

In order to implement these provisions of the City Charter, on August 5, 2025, the City Council adopted Ordinance No. 770, titled:

*"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFER ADOPTING ENFORCEMENT PROCEDURES FOR VIOLATIONS OF COUNCIL GOVERNANCE NORMS AND PROTOCOLS, CITY ORDINANCES AND CHARTER PROVISIONS AND STATE AND LOCAL LAWS IN ACCORDANCE WITH THE CHARTER OF THE CITY OF SHAFER";*

Ordinance No. 770 adopted specific enforcement provisions for violations of City Charter Section 4.08(C), including provisions that identify punitive actions to be imposed against

a member that violates Section 4.08(C) of the City Charter, including but not limited to, informal counseling, letter of warning, public censure and removal/forfeiture of office proceedings.

The purpose of these administrative hearing procedures is to comply with the requirements of the City Charter, City Municipal Code and the inherent due process requirements imposed by the United States and California Constitutions that attach to removal proceedings of persons in public office for violations of applicable local standards, including provisions described in the City Charter. Specifically, these provisions are applicable in situations where a complaint has been filed by a Council Member against another Council Member that seeks their removal from public office pursuant to Section 4.08(C) of the City Charter.

While they are intended to provide appointed hearing officers with sufficient flexibility to adjudicate the submittal of complaints filed against a sitting member, they are also intended to provide a member with all required due process protections required by law. To that end, and in accordance with the procedures set forth in this Ordinance, a member shall be entitled to all due process protections.

The following guidelines have been set forth so that members and interested individuals have a clear understanding of the procedures related to the administrative hearings.

## **B. DEFINITIONS**

1. *Administrative Hearing* means an administrative hearing, closed to the public unless, otherwise requested by the Party Accused, for the purpose of ascertaining whether a violation of Section 4.08(C) of the Charter has been sustained by preponderance of the evidence.
2. *City Charter* means the latest version of the Charter of the City of Shafter.
3. *City Council* means the City Council of the City of Shafter.
4. *Complaining Party* means the person who submitted a letter of complaint against a member alleging one or more violations of Section 4.08(C) of the City Charter for which forfeiture of office is requested.
5. *Ex parte communication* means written or oral communications to the Hearing Officer about a matter pending before the Hearing Officer not included in the public record of the Administrative Hearing and made outside of the Administrative Hearing.
6. *Hearing Officer* means an individual appointed by the City Council pursuant to Section 4.08(C) of the City Charter. The Hearing Officer includes any person who is employed by the Hearing Officer, or his/her law firm.
7. *Hearsay Evidence* means testimony or a statement made outside of the hearing, offered to prove the truth of the matter asserted in the testimony or statement,

8. *Notice of Complaint* means a document prepared by the City Manager or designee that informs the Party Accused that a complaint has been filed, identifies the laws allegedly violated by the Party Accused, the acts or omissions with which the Party Accused is charged, and the penalties that are possible.

9. *Party or Parties* means the Complaining Party, the Party Accused and any person or witness participating in the hearing.

9. *Party Accused or Member* means an individual or Party that is alleged to have violated Section 4.08(C) of the City Charter that is the subject of the Notice of Complaint.

10. *Preponderance of the Evidence* means evidence sufficient to conclude that it is more likely than not that a violation of Section 4.08(C) has been committed and that the Party Accused committed or caused the violation.

12. *Statement of Decision* means a writing that includes a summary of the evidence presented at the Administrative Hearing, findings of fact and conclusions of the Hearing Officer that support a decision.

## **C. RULES OF GENERAL APPLICATION**

### **1. JURISDICTION**

These hearing procedures apply to proceedings under Section 4.08(C) of the City Charter. Any conflicts between these procedures and the provisions of a City of Shafter ordinance, resolution or policy will be decided consistent with the provisions of the City Charter and this Ordinance.

### **2. EX PARTE COMMUNICATION**

a. No person, nor his or her agent, employee, or representative, who is interested in a matter pending before the Hearing Officer shall communicate ex parte, directly or indirectly, with the Hearing Officer concerning the evidence or merits of a matter. All procedural questions should be directed to the City Attorney of the City of Shafter, unless the City Attorney is also a witness or Party in the proceedings. In which case, the question shall be directed to the Hearing Officer.

b. If a prohibited ex parte communication is made to or by a Hearing Officer, the substance of such communication shall be disclosed – on the record - at the beginning of the hearing, and such communication shall not be relied upon in any decision related to the matter. Moreover, proper discretion shall be exercised by the Hearing Officer on whether to disqualify himself or herself from that particular matter.

### **3. HEARINGS**

a. Proceedings before the Hearing Officer shall be electronically recorded and subsequently transcribed. All costs shall be borne by the City.

b. The Hearing Officer or City Attorney (on behalf of the Hearing Officer) may issue informal requests to testify or issue subpoenas to compel the attendance of persons and things at a Hearing. The form of such subpoenas may be in accordance with forms adopted by separate Resolution of the City Council.

c. The Party alleging the violation shall present relevant evidence at the Hearing, subject to rebuttal by the Party Accused . Each Party shall have the right to introduce documents, exhibits, call and examine witnesses, cross-examine opposing witnesses, impeach any witness, and present any relevant evidence to rebut the evidence presented against him or her. The hearing need not be conducted according to technical rules relating to evidence and witnesses.

d. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. However, hearsay evidence may only be used for the purpose of supplementing or explaining other evidence and shall not be sufficient in itself to support a finding unless it would be admissible over objection in a civil or criminal action. The Hearing Officer shall have the right to review any documents and documentary evidence presented, outside of the hearing dates/times.

e. All oral testimony shall be given under oath or affirmation to tell the truth. The City Clerk or their deputy shall administer the oath or affirmation.

f. If, in the opinion of the Hearing Officer, more information is necessary to make a decision or recommendation, or there is insufficient time scheduled to hear all of the testimony on the matter, a hearing may be continued to another date. If continued to a specific time and place, no further notice of that hearing need be given to the Parties.

g. Any Party, may, preferably prior to the hearing, state – in writing - reasonable grounds for a continuance. The Hearing Officer shall have the discretion to grant or deny any request for continuance, including one made orally at the hearing, if based on reasonable grounds.

h. All Parties, including participants, witnesses or observers shall conduct themselves with civility and deal courteously with all involved in the proceedings. Failure to do so will result in removal from the hearing.

i. Although representation by legal counsel is not required at the hearings, all Parties participating in the hearings may be represented at the hearings by legal counsel of their choice.

j. The Hearing Officer may impose reasonable limitations on the number of witnesses heard and the nature and length of the testimony from each witness.

k. Unless otherwise specified, all forms of legal authority, including briefs, reports, staff reports and other legal memoranda upon which a Party will be relying or presenting

at the hearing, must be submitted to the Hearing Officer at least ten (10) days in advance of the scheduled hearing date.

l. No later than fourteen (14) calendar days before a hearing all Parties shall serve on all other Parties a list of all witnesses and a copy of all exhibits or documents that the Party anticipates offering into evidence at the hearing. A copy of all such lists, exhibits and documents shall also be provided to the Hearing Officer. Failure to do so may result in the witness or the document being excluded from the hearing.

m. Hearings may be conducted in-person (at facilities authorized by the City Manager or designee), via telephonic, video or zoom conference, at the discretion of the Hearing Officer.

#### 4. COMPUTATION OF TIME

Computation of any period of time referenced by these procedures shall begin with the first day following the occurrence of the act or event initiating such period of time. When the last day of the time period falls on a Saturday, Sunday or a County holiday, the time period shall be extended to the next following business day.

#### 5. SUPPLEMENTAL PROCEDURES

To the extent needed, the Hearing Officer is hereby authorized to supplement these hearing procedures with procedures contained in the California Administrative Procedures Act to the extent they do not directly conflict with any provision contained herein.

#### D. PRE-HEARING PROCEDURES

1. PRELIMINARY REVIEW. Upon execution of an agreement to provide Hearing Officer services, the Hearing Officer shall be provided with a copy of the complaint made by the Complaining Party, any supporting documentation included with the complaint, a copy of the Notice of Complaint provided to the Party Accused, a copy of these Administrative Hearing provisions and a copy of the City Charter ("Preliminary Package"). Upon receipt of the Preliminary Package, the Hearing Officer shall review the information and do one or more of the following:

- a. Initiate the Administrative Hearing and/or a preliminary investigation of the complaint.
- b. Refer the complaint to another government or law enforcement agency for review.
- c. Take no action for one or more of the reasons set forth below:
  1. The complaint does not include sufficient facts or information to pursue an investigation or hearing.
  2. The evidence, on its face, does not support the allegation.

3. The complaint contains opinions, rather than specific actionable allegations.
  4. The allegations are already under investigation by another government or law enforcement agency.
  5. The Hearing Officer has no jurisdiction over the complaint because it does not constitute an allegation of a violation of the type authorized to be investigated pursuant to Section 4.08(C) of the City Charter.
- d. Should the Hearing Officer's review of the Preliminary Package result in no action taken pursuant to this section, the Hearing Officer shall provide a written response detailing the reasons why no action is being taken to the Complaining Party, with copies to the Party Accused and the City Council.

2. **COORDINATION & NOTICE.** If the Preliminary Package is sufficient to initiate a hearing, the Hearing Officer shall coordinate with the City Manager a reasonable date for the initial hearing and the use of City facilities for such hearing, to the extent facilities are needed. The initial hearing date shall be coordinated with and transmitted to the City Manager and City Attorney.

The Party Accused shall receive a written Notice of Complaint at least thirty (30) days before the initial hearing. The Notice of Complaint shall be provided to the Party Accused by the City Manager and shall be based upon the written complaint received. The Notice of Complaint shall include:

- a. Specific Charter provision(s) allegedly violated;
- b. The factual allegations that form the basis of the complaint;
- c. A description of the Hearing Officer's authority;
- d. Potential consequences or recommendations;
- e. Initial hearing date, time, and place;
- f. The Party Accused's right to counsel; and
- g. The Party Accused's right to review all evidence, including evidence gathered by the Hearing Officer.

#### **E. PROCEEDINGS BEFORE A HEARING OFFICER**

1. Administrative Hearings shall be conducted by a Hearing Officer who will determine whether the Complaining Party making the complaint against a member or Party Accused has proved, by preponderance of the evidence, that (i) the alleged violations are of a type that subject a Party Accused from removal from office; (ii) the alleged violation(s) occurred; and (iii) that the Party Accused committed or caused the violation(s).

2. As part of the conduct of the Hearing, the Hearing Officer is authorized to investigate facts and adjudicate the matter, subject to safeguards required by due process and these procedures:

- The Hearing Officer may gather evidence, interview witnesses, and request documents.

- The Hearing Officer may not act as an advocate for any Party.
- All investigative materials obtained by the Hearing Officer must be disclosed to the Parties prior to the hearing and subject to cross-examination.

To the extent that any relevant evidence exists which may be privileged and/or protected, the Hearing Officer or any Party shall have the right to request waiver of any privileges to allow the evidence to be considered.

3. Order of Proceedings. The Hearing Officer's conduct of the hearing shall follow the following order of proceedings, to the extent possible:

1. Hearing Officer's statement of the hearing process, procedures and scope of evidence to be admitted;
2. Resolution of preliminary requests/motions by Parties;
3. Opening statements by Parties;
4. Complaining Party's case-in-chief;
5. Party Accused cross-examination;
6. Party Accused case-in-chief;
7. Complaining Party cross-examination;
8. Presentation of Hearing Officer-initiated evidence, if any;
9. Cross-examination of Hearing Officer evidence/witnesses by both Parties;
10. Rebuttal of evidence (if required);
11. Closing arguments.
12. Record closed

2. The Hearing Officer shall have the right to impose reasonable time limits on all Parties providing testimony. The Hearing Officer shall determine, based on all the evidence presented at the Hearing, by preponderance of the evidence, whether an alleged violation(s) occurred and whether the Party accused committed or caused the violation(s) within twenty-one (21) days following the conclusion of the hearing to all Parties and to the City Council.

3. The Hearing Officer shall notify all Parties and the City Council of his or her decision in writing through a Statement of Decision. The Hearing Officer's Statement of Decision shall provide the basis for his/her decision.

4. In the event that the Hearing Officer determines that a violation has occurred, that determination shall be sustained by the City Council in a Resolution explaining the reasons therefore. The Resolution shall be passed by majority vote of all members of the City Council at a duly agendized City Council meeting before the Statement of Decision becomes final. A Party Accused shall have the opportunity to address the entire City Council prior to any such vote on the Resolution. If the City Council sustains the Hearing Officer's Statement of Decision by majority vote, no other action is necessary and the Party Accused may be deemed to have forfeited their office pursuant to Section 4.08(C) of the City Charter or subject to any other enforcement provision authorized by the City Council.

5. Notwithstanding the City Council's adoption of a Resolution adopting the Statement of Decision, the City Council may impose other punitive enforcement actions in lieu of forfeiture/removal, including, but not limited to, censure, warning or other actions described in Ordinance No. 770. Such alternative punitive action shall be described in the Resolution.

6. In the event that the Hearing Officer determines that no violation has occurred, no further proceedings, civil action or referrals shall thereafter be filed or maintained relating to such alleged violation, and nothing further is required, unless a member of the City Council requests review of the matter by the entire City Council. A written request for review of the matter shall be made with the City Clerk within seven (7) calendar days of the receipt of the Hearing Officer's Statement of Decision. No such request for review may be submitted by a member that submitted the initial complaint (Complaining Party). If the matter is called up for review and considered by the City Council, a vote to overturn the Hearing Officer's Statement of Decision shall be adopted by Resolution explaining the reasons why such Statement of Decision is being overturned. A Party Accused shall have the opportunity to address the entire City Council prior to any such vote on the Resolution. Any such Resolution to overturn the Hearing Officer's Statement of Decision shall be held at a duly agendaized City Council and be passed by four-fifths (4/5) vote of the City Council.

7. At the conclusion of the adoption of a Resolution adopted pursuant to Section 4 or 6 above, the Resolution shall be transmitted to the Party Accused and the Complaining Party within ten (10) calendar days of its adoption via certified mail.



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Alan Cazares, Associate Planner

**SUBJECT:** ZONE CHANGE NO. 25-79 ORDINANCE ADOPTION

### **RECOMMENDATION**

City Council introduce for second reading, by title only, and waive reading, and adopt Ordinance No. 776, an Ordinance of the City Council of the City of Shafter, approving Zone Change (ZC) No. 25-79. The ZC changes the zone district under Title 17 of the Shafter Municipal Code from Business Park (BP) to Industrial (I) of an approximately 4.94-acre site (Assessor Parcel Numbers 028-180-36 and 028-180-12) located at 107 S. Beech Ave. General Plan Amendment No. 25-45 was previously approved by resolution during the January 20, 2025 City Council meeting. The GPA amended the General Plan land use designation of the property from Business Park (BP) to Industrial (I) to be consistent with the zoning.

### **BACKGROUND**

Mr. Jeff Martin, representing American Refuse, applied for a General Plan Amendment (GPA) No. 25-45 and Zone Change (ZC) No. 25-79 to change the general plan land use designation and zone district classification of two parcels (APNs 028-180-12 and -36). APN 028-180-12 is about 0.97 acres and APN 028-180-36 is about 3.86 acres for a total of about 4.83 acres, and the two parcels are collectively located at 107 S. Beech Avenue, Shafter, CA 93263. The proposed ZC and GPA would change both the zoning and the land use designation of both parcels from BP (Business Park) to I (Industrial).

Recently, American Refuse applied for and received approval of a Conditional Use Permit (CUP) for fleet storage and accessory CNG pumping of the American Refuse garbage trucks. That CUP #24-143 is a temporary plan for the project site. The zone change and GPA being requested now will allow for the future development of the site to include a repair shop, truck wash, and office. Such uses also require CUPs in the Business Park zone. However, they are permitted by right in the Industrial zone.

In the short term, American Refuse will store and fuel a limited number of trucks at the 107 S Beech Ave to reduce cost constraints and miles driven to and from their Wasco site. A future office and truck maintenance shop is proposed at the Beech Ave yard. American Refuse wishes to change the base zone altogether to waive the need for subsequent and multiple Conditional Use Permits for future operations. By getting the zone to Industrial (I) now, while American Refuse continues to develop its end plans for this project site, the future development proposal(s) will be stream-lined.

**CONSENT CALENDAR**

## **ZONE CHANGE NO. 25-79 ORDINANCE ADOPTION**

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The primary purpose of the Business Park (BP) zone district is to provide appropriate regulations and suitable locations for light industrial, research and development, warehouse and distribution office based firms seeking pleasant and attractive working environments, business support services, and commercial uses requiring large parcels. The primary purpose of the Industrial (I) zone district is to provide appropriate regulations and suitable locations for manufacturing, research and development, warehousing and distribution, and multi-tenant industrial uses, in addition to administrative support, professional offices, and commercial activities on a limited basis. This zone district is intended to provide an area for the establishment of light industrial and limited service commercial uses which meet high performance standards, but which usually cannot meet site development standards applicable to planned research and development parks. The American Refuse proposal would comply with the intent and purpose of the Industrial (I) zone district.

### **GENERAL PLAN COMPATIBILITY/CONSISTENCY:**

At the January 20, 2025 City Council regular meeting, the Council approved General Plan Amendment no. 25-45 with Resolution no. 3056. The GPA amended the General Plan land use designation of the American Refuse project site from Business Park (BP) to Industrial (I). The Zone Change requires two readings with the Shafter City Council. By approving the second reading, and adopting an ordinance for the proposed Zone Change No. 25-79, the zone district will also change from BP to I. This will ensure that the zone district classification and the GP land use designation are consistent and compatible.

### **FISCAL IMPACT**

There is no fiscal impact because of the proposed action.

### **CEQA ANALYSIS**

The GPA and ZC are discretionary actions by the City and therefore, compliance with the California Environmental Quality Act (CEQA) is required. The City has determined that the proposed project is categorically exempt from CEQA pursuant to Section 15332 (In-Fill Development Projects). The proposal meets the conditions described in said Section 15332 to be characterized as in-fill development and will have no adverse impacts to the environment. A Notice of Exemption has been prepared for the project.

### **APPROVED BY THE CITY ATTORNEY**

Not Applicable

### **ATTACHMENTS**

1. Vicinity Map
2. Existing Zoning
3. Conceptual Development Plan
4. Ordinance No. 776
5. Exhibit A to Ordinance No. 776

# Exhibit 1 Vicinity Map



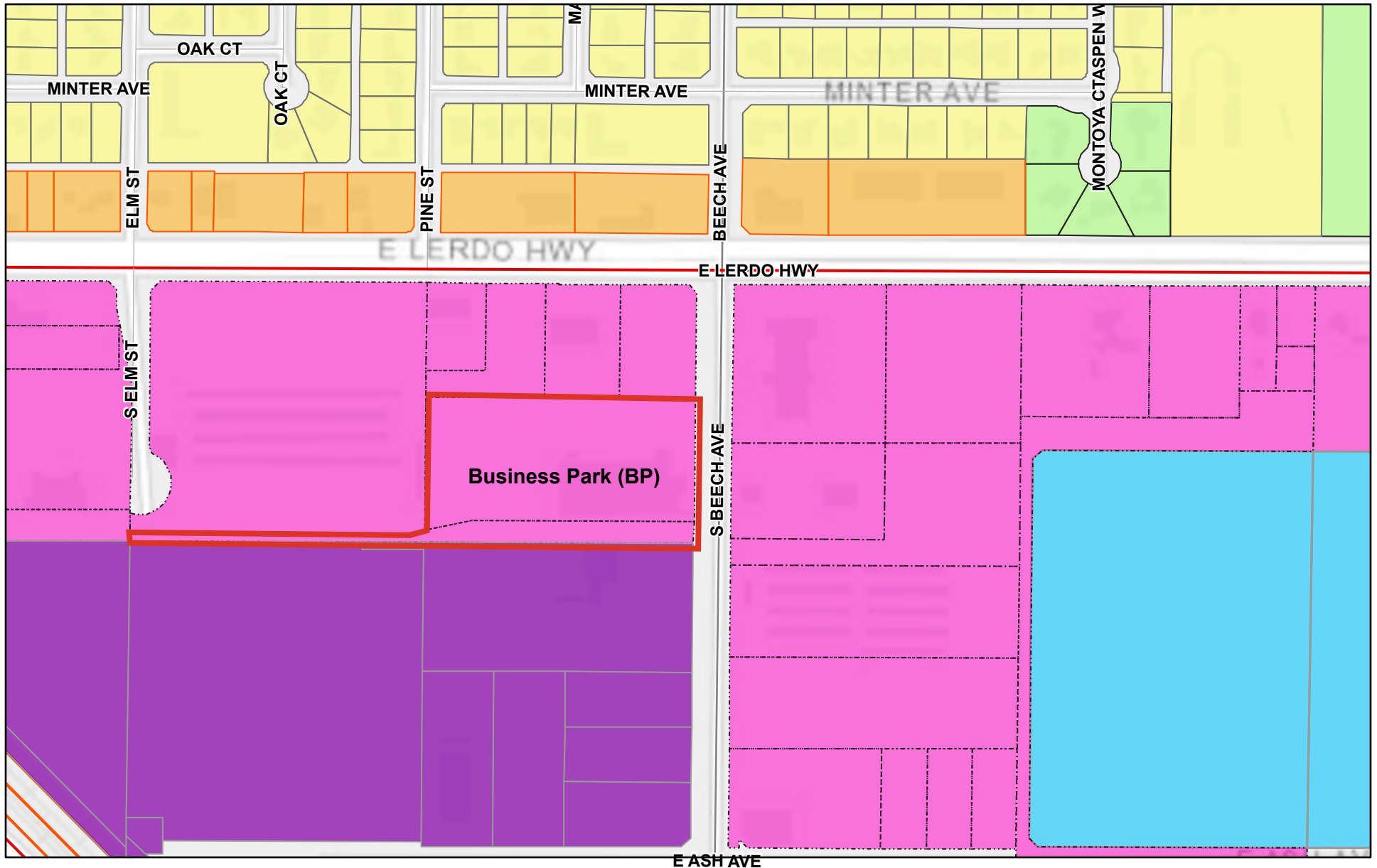
 Site Location








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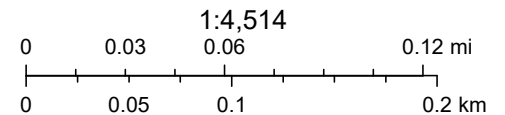


This map and the data contained within it was generated by the City of Shafter. Please consult the City of Shafter Planning Department with any questions, concerns, or potential inaccuracies that may be associated with this document.

# Exhibit 3: Existing Zone District Map



- Zoning Classifications**
-  Community Facilities
  -  Industrial
  -  Estate
  -  Low Density Residential
  -  General Commercial
-  Project Site
-  Business Park

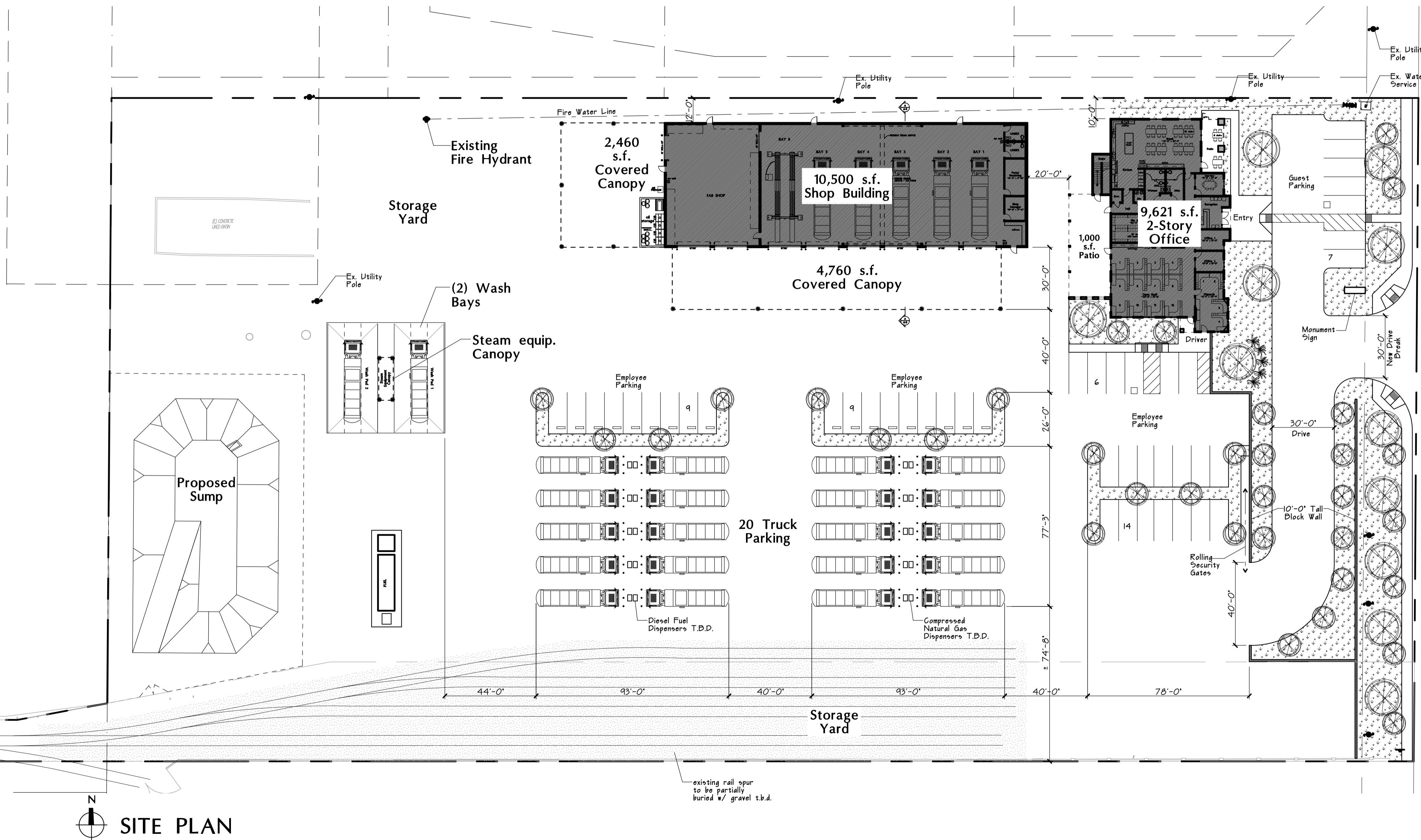


Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, City of Shafter, Bureau of Land Management, Esri, HERE,

# Exhibit 4: Conceptual Development Plan (Preliminary)

Parcel Map Waiver 90-1 N.T.S.

DRAFT

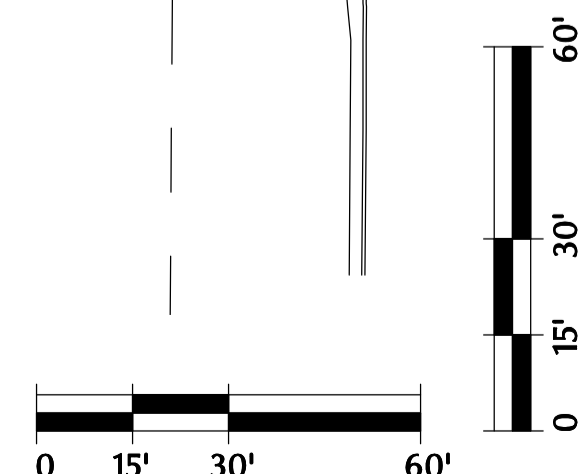


Beech Avenue

New Office Building & Shop Building  
 American Refuse  
 107 South Beech Avenue  
 Shafter, California

DATE	ISSUED FOR
3-18-25	CLIENT REVIEW
REVISIONS	
1	
2	
3	
4	
5	
6	

A-1



N  
 SITE PLAN

**ORDINANCE NO. 776**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
APPROVING ZONE CHANGE NO. 25-79.**

**WHEREAS**, the City Council has, at its regularly scheduled meeting on January 20, 2026, studied and considered Zone Change No. 25-79, a request to change the zone classification from Business Park (BP) to Industrial (I) on 4.94 acres (Accessor's Parcel Number 028-180-36 and 028-180-12) located at 107 S Beech Avenue as depicted in Exhibit "A", attached hereto and made a part of this ordinance as set forth herein (the "Project"); and

**WHEREAS**, the City Council has determined that the provisions of CEQA and the State CEQA Guidelines have been followed; and

**WHEREAS**, the City of Shafter Planning Department (336 Pacific Avenue, Shafter, California) is the custodian of all documents and other materials upon which the environmental determination is based; and

**WHEREAS**, the City Council has determined that the project is categorically exempt from CEQA under Section 15332 of the CEQA Guidelines in that the project is characterized as in-fill development meeting the conditions described in said CEQA Section 15332; and

**WHEREAS**, the City Council has determined that the proposed change of zone is consistent with the purpose and intent of the remainder of Title 17 (Zoning Ordinance) not under consideration; and

**WHEREAS**, the City Council has determined that it is in the best interest of the City to amend the City of Shafter Zoning Map to enhance the quality of life and to protect the health, safety, and welfare of its citizens by applying orderly development in the City; and

**WHEREAS**, the project will not adversely affect public health, safety, and welfare or result in an illogical land use pattern; and

**WHEREAS**, a timely and properly noticed public hearing for proposed Zone Change No. 25-79 was held by the City Council of the City of Shafter at a regular meeting on January 20, 2026, at which hearing evidence, oral and documentary, was admitted on behalf of said zone change.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Shafter, in a regular session assembled on the 3<sup>rd</sup> day of February 2026, resolved to approve Zone Change No. 25-79 as illustrated in Exhibit "A".

(continues next page)

**PASSED AND ADOPTED THIS 3<sup>rd</sup> DAY OF FEBRUARY 2026.**

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Chad Givens, Mayor

**ATTEST**

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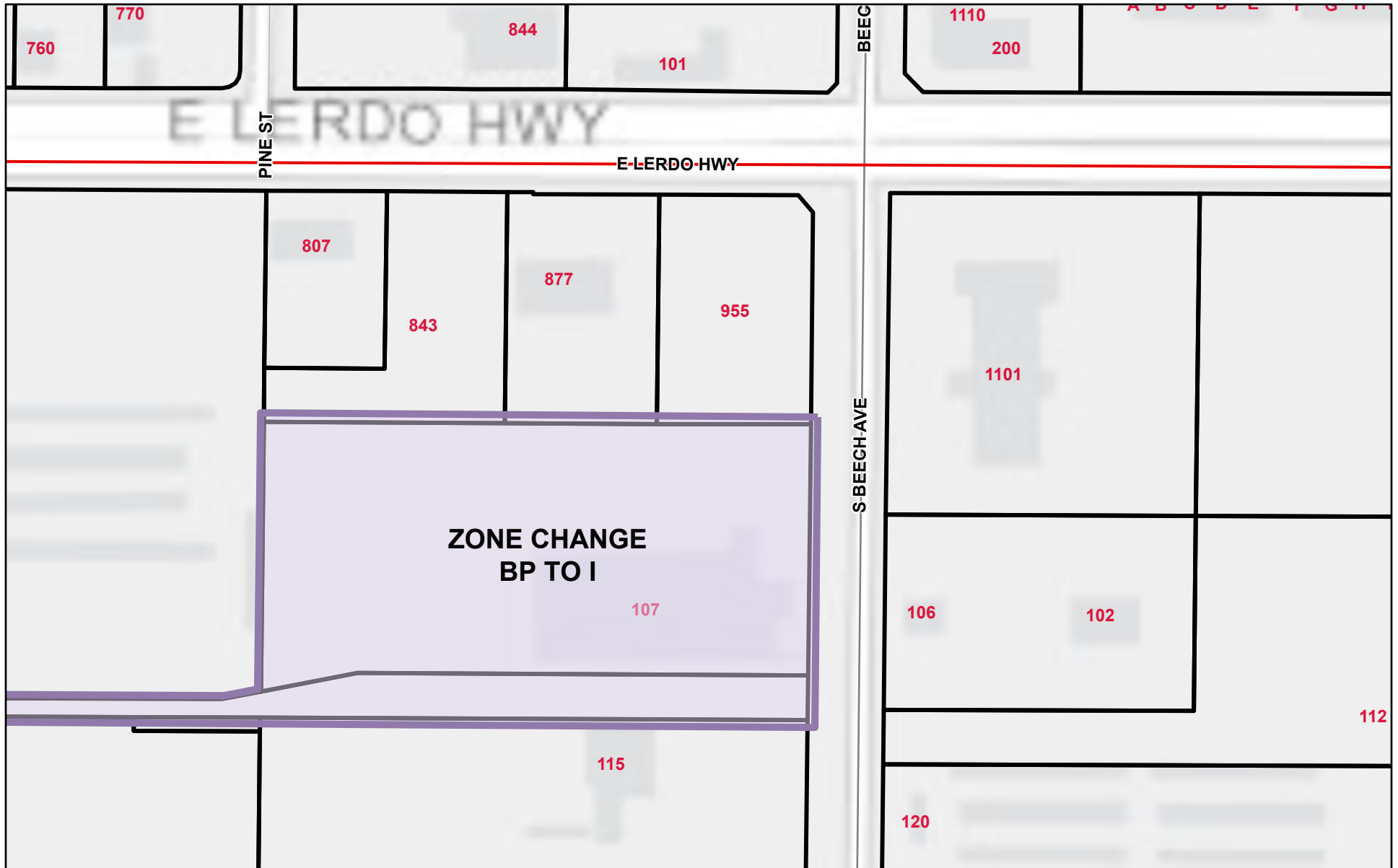
Yazmina Pallares, City Clerk

**APPROVED AS TO FORM:**

---

Marco A. Martinez, City Attorney

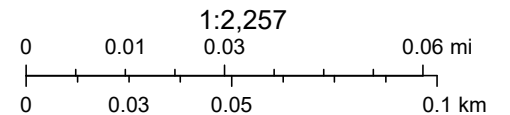
# ORDINANCE NO. 776 EXHIBIT "A"



11/12/2025, 7:19:02 AM

 Parcels

 Project Site



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, City of Shafter, Bureau of Land Management, Esri, HERE,

City of Shafter



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Michael James, Assistant City Manager

**SUBJECT:** LOCAL FUNDING COMMITMENT FOR FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION GRANT TO CONSTRUCT WATER TANK IMPROVEMENT PROJECT AT WONDERFUL INDUSTRIAL PARK

### **RECOMMENDATION**

Council find that the project is exempt from the California Environmental Quality Act; approve a local funding match equal to 20 percent of the total estimated cost for the proposed water tank and booster station project at the Wonderful Industrial Park; authorize the Public Works Director to submit a local funding match commitment letter to the U.S. Department of Commerce Economic Development Administration on behalf of the City.

### **BACKGROUND**

The Public Works Department is seeking City Council authorization to submit a local funding match commitment letter to the U.S. Department of Commerce Economic Development Administration (EDA) in support of a proposed water storage tank and booster station project at the Wonderful Industrial Park (WIP). This project is the highest-ranked priority in the City's 2021 Comprehensive Economic Development Strategy (CEDSD) due to its critical role in supporting continued job growth and industrial expansion at WIP, which currently supports over 10,000 jobs with an additional 10,000 projected as the area builds out.

The proposed improvements include the installation of an 0.85-million-gallon above-ground welded steel water storage tank, a booster pump station, and associated site, electrical, and control improvements. These facilities are necessary to expand the City's water system capacity to meet peak domestic, industrial, and fire flow demands within the industrial park. The project is currently in the design phase and is expected to be shovel-ready by summer 2026. However, full project funding has not yet been secured.

As part of the federal grant application process, the EDA requires a local funding match commitment. The City's match would represent 20 percent of the estimated total project cost of approximately \$3.7 million. A formal commitment from the City to provide matching funds is needed to demonstrate local support and financial readiness.

### **FISCAL IMPACT**

**CONSENT CALENDAR**

**LOCAL FUNDING COMMITMENT FOR FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION GRANT TO CONSTRUCT WATER TANK IMPROVEMENT PROJECT AT WONDERFUL INDUSTRIAL PARK**

---

There is no immediate fiscal impact associated with authorizing the submission of a funding match commitment letter or with the submittal of the federal grant application. If the City is awarded grant funding by the Economic Development Administration, a local match of approximately \$740,000—representing 20 percent of the estimated \$3.7 million project cost—would be required. Any actual allocation of local funds will be subject to City Council approval through a future budget action prior to project implementation.

**CEQA ANALYSIS**

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15303 (Class 3 – New Construction or Conversion of Small Structures) of the CEQA Guidelines because the project is the financing and construction of a limited number of new, small structures, namely a 0.85-million-gallon water storage tank and booster pump station and associated site, electrical, and control improvements, that are similar in scale and intensity as the example projects described in Section 15303.

**APPROVED BY THE CITY ATTORNEY**

Not Applicable

**ATTACHMENTS**

1. Draft Funding Commitment Letter
2. EDA Water Tank Grant Project Engineering Report
3. Shafter Comprehensive Economic Development Strategy Update-2021



336 Pacific Avenue • Shafter, California 93263

February 4, 2026

U.S. Department of Commerce  
Economic Development Administration  
Seattle Regional Office  
915 Second Avenue, Room 1890  
Seattle, WA 98174

**SUBJECT: LOCAL MATCH COMMITMENT FOR PROPOSED WATER STORAGE TANK AND BOOSTER STATION PROJECT AT WONDERFUL INDUSTRIAL PARK**

To Whom It May Concern:

The City of Shafter is pleased to submit this letter confirming its intent to provide the required local match funding in support of the City's grant application to the U.S. Department of Commerce Economic Development Administration (EDA) for the proposed Water Storage Tank and Booster Station Project at the Wonderful Industrial Park.

As outlined in the project proposal, the total estimated cost of the project is approximately \$3,699,810. The City commits to providing a 20 percent local match, equivalent to approximately \$740,000, as required under EDA guidelines.

This commitment demonstrates the City's strong support for the project, which is the top-ranked infrastructure priority in the City's 2021 Comprehensive Economic Development Strategy (CEDS) due to its critical role in supporting existing and future job growth at the Wonderful Industrial Park.

The local match will be funded through available City resources, subject to appropriation by the Shafter City Council in a future budget action prior to project implementation. The City understands that final award of federal funding is contingent upon EDA approval and completion of all applicable federal requirements, including environmental review under the National Environmental Policy Act (NEPA).

Please do not hesitate to contact us if additional documentation or clarification is needed. We appreciate your consideration of the City's application and continued partnership in supporting local economic development.

---

City Manager  
(661) 746-5000  
Fax (661) 746-0607

Finance  
(661) 746-5001  
Fax (661) 746-1002

Human Resources  
(661) 746-5003  
Fax (661) 746-2645

Planning/Building  
(661) 746-5002  
Fax (661) 746-9125

Public Works/Engineering  
(661) 746-5004  
Fax (661) 746-9125

Sincerely,

Alex Gonzalez  
Public Works Director  
City of Shafter

DRAFT

# FINAL APPLICATION ENGINEERING REPORT

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION  
(EDA) GRANT PROJECT

*WONDERFUL INDUSTRIAL PARK WATER STORAGE  
TANK and BOOSTER STATION*

Prepared By:



Marcos Torres, P.E.  
Deputy Public Works Director  
City of Shafter  
R.C.E. #84089

336 Pacific Avenue  
Shafter, CA 93263  
661-746-5004, ext. 5027

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## Statement of Project Components

The proposed Economic Development Administration grant will support the construction of a new above-ground welded steel water storage tank and an adjacent booster pumping station to serve the Wonderful Industrial Park (WIP) in Shafter, California. The project will significantly expand the City's storage and pumping capacity to meet increasing domestic, industrial, and fire flow demands at WIP, a critical employment hub.

The project consists of:

- One 0.85-million-gallon welded steel water storage tank (AWWA D100 compliant).
- A booster pump station with added 2,250 gallon per minute pumping capacity, VFD controls, SCADA integration, and standby power provision.
- Site civil improvements including grading, storm drainage, fencing, access, and utilities.
- Electrical, instrumentation, and SCADA connections to the City's existing network.
- Solar energy integration from nearby City facilities to offset energy consumption where feasible.

This project ensures the reliability of water service for existing and future industrial tenants, improves fire protection capability, and supports continued economic growth within WIP.

## Assessment of Existing Infrastructure

The City of Shafter currently serves WIP through existing groundwater wells, distribution pipelines, and limited storage. While baseline service is adequate for present users, current facilities cannot provide sufficient operational and fire storage to accommodate peak domestic use in conjunction with required fire flow events.

Challenges include:

- Lack of redundant storage capacity for peak day + fire flow conditions.
- Limited pressure maintenance during high-demand periods.
- Over-reliance on groundwater pumping, which increases system stress during peak events.
- Regional groundwater overdraft, requiring careful management and operational efficiency.

The existing infrastructure constraints inhibit full build-out of WIP and restrict the City's ability to market industrial sites for new tenants.

## Feasibility Analysis

Key feasibility components include:

- **Environmental Review:** The City will act as lead agency under CEQA. Initial screening indicates potential for a Mitigated Negative Declaration (MND). Cultural and biological resources, along with air quality and noise, will be evaluated during the environmental process.
- **General Plan/Zoning:** WIP is fully entitled for industrial development. Infrastructure improvements are consistent with City plans.
- **Rights-of-Way:** The project will be constructed on City-owned property, minimizing right-of-way acquisition needs.
- **Soils Investigation:** A geotechnical investigation will be conducted to inform tank foundation and pump station design.
- **Preliminary Engineering:** Basis of design includes a 0.85 MG storage tank and booster pumps sized for projected peak demands.
- **Design Engineering:** Final design will be prepared under the supervision of the City Engineer/Public Works Director.
- **Bidding & Construction Oversight:** The City will advertise, competitively bid, and oversee construction. Project management and inspection will be handled by City staff and contracted engineers.

## Beneficiary Parties

### Existing Beneficiaries:

- Current Wonderful Industrial Park tenants, representing hundreds of employees across multiple industries including logistics, warehousing, and processing.

Company	Number of Existing Jobs
ATD	35
DMSI	15
PLP 1	35
PLP 2	35
MRC	60
Essendant	40
Ross	35
Amazon 2	1,000
Target	2,000
Walmart	350
Ross Stores	3,000
Fed Ex	300
Baker Hughes	400
Amazon	3,000
Scelzi	150
RL Environmental	50
Wonderful Amenity Center	140
<b>WIP TOTAL</b>	<b>10,645</b>

### Future Beneficiaries:

- New industrial tenants anticipated with WIP build-out, projected to support thousands of additional jobs.

Company	Anticipated Lease Start Date	Number of Future Jobs
New Warehouse/DC	2026	2,000
New Warehouse/DC	2027	2,000
New Warehouse/DC	2028	2,000
New Warehouse/DC	2029	2,000
New Warehouse/DC	2030	2,000
	<b>WIP ADDITIONAL JOB GROWTH</b>	<b>10,000</b>

## Project Design and Construction

- **Design Period:** 30% design anticipated Fall 2025; final design/bid documents completed by Spring 2026.
- **Construction Method:** Competitive public works bidding. Potential for phased construction (tank and pump station bid as a package).
- **Construction Period:** Estimated 12–14 months, including site grading, tank erection, pump station construction, electrical/SCADA integration, and testing/commissioning.
- **Permits:** Building permit, grading permit, CEQA clearance, and local agency utility coordination.

## Life of Facilities

- Welded steel tank: 50+ years of service life with proper maintenance (per AWWA M42 guidelines).
- Booster pump station: 25–30 years for structural/electrical, 15–20 years for mechanical pumps with routine maintenance.
- SCADA/electrical systems: 15–20 years with upgrades and replacements as needed.

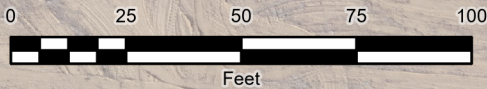


EXPRESS AVE



# Project Site Map

2023 December



# Project Cost Estimate

City of Shafter - Tank 3B Project						
Item	Item Description	Quantity	Unit	Engineer's Estimate		
				Unit Price		Amount
1	Mobilization, Demobilization, and Clean Up	1	LS	\$ 150,000.00	\$	150,000.00
2	Site Earthwork and Subgrade Preparation	1	LS	\$ 650,000.00	\$	650,000.00
3	Site Drain Piping and Appurtenances	1	LS	\$ 150,000.00	\$	150,000.00
4	Concrete Ringwall Foundation	1	LS	\$ 85,000.00	\$	85,000.00
5	0.8MG AWWA D100 Welded Steel Storage Tank	1	LS	\$ 950,000.00	\$	950,000.00
6	Storage Tank Interior and Exterior Coating System	1	LS	\$ 225,000.00	\$	225,000.00
7	Storage Tank Cathodic Protection	1	LS	\$ 25,000.00	\$	25,000.00
8	Storage Tank Inlet Piping, Outlet Piping, Overflow Piping, Drain, and Appurtenances	1	LS	\$ 225,000.00	\$	225,000.00
9	Booster Pump Foundation	2	EA	\$ 5,500.00	\$	11,000.00
10	Booster Pump and Motor	2	EA	\$ 35,000.00	\$	70,000.00
11	Booster Pump Suction and Discharge Piping and Appurtenances	2	EA	\$ 40,000.00	\$	80,000.00
12	Suction Manifold Extension	1	LS	\$ 20,000.00	\$	20,000.00
13	Electrical and Control Modifications	1	LS	\$ 250,000.00	\$	250,000.00
14	Programming Modifications	1	LS	\$ 25,000.00	\$	25,000.00
15	Site Ground Cover and HMA	1	LS	\$ 50,000.00	\$	50,000.00
16	Site Fencing	1,020	LF	\$ 55.00	\$	56,100.00
17	Painting System	1	LS	\$ 35,000.00	\$	35,000.00
18	Start-Up and Performance Testing	1	LS	\$ 20,000.00	\$	20,000.00
<b>Construction Subtotal:</b>					\$	3,077,100
Construction Contingency:					\$	307,710
Labor Compliance					\$	35,000
Permitting and Compliance					\$	10,000
Construction Staking					\$	30,000
Bid Advertisement & Legal					\$	15,000
Construction Administration					\$	75,000
Construction Inspection					\$	150,000
<b>Total Project Estimate:</b>					\$	3,699,810



# **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) 2021 UPDATE**

## **Prepared by:**

Michael James  
Public Works Director

Robert Meadows  
Business Development Director

David Franz  
Education Partnership Director

SUBMITTED TO:  
U.S. Department of Commerce  
Economic Development Administration

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## Executive Summary

An economic development strategy is needed to guide decisions and assist the community in achieving its goals. The City of Shafter must specifically find ways to strengthen the existing industries in the community, accommodate changing demographics, provide career opportunities for younger generations, and plan for population growth and its associated land use and air quality impacts.

In addition to qualifying the City for economic assistance, another purpose of the CEDS is to profile the short-term strengths and weaknesses of the community and its long-term opportunities and threats it faces. Finally, this CEDS update intends to serve as a roadmap for future policies and decision-making based on objectives developed to take advantage of the City’s resources and address its challenges.

The City of Shafter updated its Comprehensive Economic Development Strategy (CEDS) to continue to qualify for economic assistance available through the United States Commerce Department Economic Development Administration (EDA). Past EDA funding has enabled Shafter to facilitate the creation and retention of thousands of employment opportunities for the City and surrounding region. The City’s most recently completed a CEDS in 2014.

This CEDS aims to revisit, evaluate, and update the list of infrastructure projects that qualify for future EDA funding and support the City’s efforts to take advantage of its economic assets and address its economic challenges. The following table represents the updated list of candidate projects listed in order of priority:

#	PROJECT	COST
1	Water & Fiber System Expansions at Southeast Shafter (Wonderful) Industrial Park	\$5,000,000
2	Core City Business Park Street Improvements (Golds Ave., Los Angeles Ave., Cherry Ave.)	\$5,000,000
3	Zerker Rd. Reconstruction - East Shafter Business & Industrial Park	\$2,000,000
4	Santa Fe Way Resurfacing - Galpin St. to Los Angeles Ave.	\$2,000,000
5	7th Standard Road Resurfacing - WB Lanes	\$2,000,000
6	Santa Fe Way Resurfacing from Riverside Ave. to Los Angeles Ave.	\$300,000

This preparation of this CEDS follows EDA guidelines. Further, a CEDS Committee, comprised of two City council members and local community and business leaders, provided perspective and input to assist City staff. This document is subject to a 30-day public review period and public hearing before adoption by the City Council and submittal to EDA.

## Community Involvement

### City Council Authorization

On May 18, 2021, the Shafter Council adopted Resolution No. 2798, which authorized both the formation of a local committee to develop this CEDS update and its submittal to EDA upon completion. The resolution is included within the Appendix.

### CEDS Committee

A profile of each CEDS Committee member is listed below. The membership provided a balance of both private and public expertise and perspective representing all service areas of the City.

*Table 1 - 2021 CEDS Committee Membership*

<b>Member Name</b>	<b>Sector</b>	<b>Title</b>	<b>Agency/Company</b>	<b>Role</b>
Cathy Prout	Public	Shafter Mayor	City of Shafter	Member At Large
Chad Givens	Public	Shafter Mayor Pro Tem	City of Shafter	Member At Large
Jonathan Hudson	Special District	General Manager	Minter Field Airport District	Chairman
Russell Shipley	Education	Principal	Shafter High School	Vice-Chairman
Stephone Taylor	Private	Senior Operations Manager	Target Distribution	Member At Large
Lynnda Martin	Private	Supervisor/ Co-owner	American Refuse	Member At Large

The City Manager, Public Works Director, and Business Development Director provided professional and administrative support to the Committee throughout this CEDS development, centered on three separate Committee meetings.

### Public Review and Comment Period

A draft version of this report CEDS was uploaded to the City of Shafter website. A printed copy was also provided to the City Clerk for public viewing and duplicating for a minimum of 30 calendar days. The electronic and printed versions and a notice of public comment period were posted on the City's social media sites and published in the Shafter Press weekly newspaper. Any verbal or written comments received were provided to the City Council before adopting the plan.

### Public Hearing and City Council Adoption

On September 21, 2021, after conducting a public hearing regarding its adoption and considering public comments received, the City Council adopted a version of this CEDS update and authorized its submittal to EDA.

## Role of Kern County CEDS

Natelson Dale Group was commissioned to prepare a five-year CEDS for all of Kern County. Although Shafter did not work directly with the County or its consultant on preparing the County CEDS update, it did nominate one project to list among the “Candidate Projects” for all cities and unincorporated areas. The Shafter project listed in the County CEDS, profiled later in this report, is ranked as the highest priority project amongst the City CEDS Committee. The County CEDS was adopted by the Board of Supervisors on September 14, 2021, leaving a submittal to EDA expected in October 2021.

The County CEDS alone makes a thorough and compelling justification for prioritizing cities like Shafter for EDA investments. Nonetheless, the City CEDS Committee still developed strategies specific to Shafter, including a SWOT analysis, goals and objectives, evaluation framework with performance measures, and additional projects to consider. The County CEDS provides data and statistics frequently cited in this City-specific CEDS. Still, the strategies and recommendations are specific to Shafter using input developed by the CEDS Committee.

## Background

Shafter is located in Kern County, near the southern end of the Central Valley in California. Its history and identity are heavily rooted in agriculture. However, the agricultural sector can be limited economically with lower wages and seasonal employment, plus it faces considerable challenges with increasing urbanization and unstable water supplies. Nevertheless, for at least 25 years, the City’s progressive leadership and staff have been able to leverage a logistical opportunity with nearby freeways and rail systems, as well as a strong labor force and affordable land, to facilitate development that has created thousands of jobs and diversified the local economy.

## Population

Shafter is located in Kern County, near the southern end of the Central Valley in California. Its history and identity are heavily rooted in agriculture. However, the agricultural sector can be limited economically with lower wages and seasonal employment, plus it faces considerable challenges with increasing urbanization and unstable water supplies. Nevertheless, for at least 25 years, the City’s progressive leadership and staff have been able to leverage a logistical opportunity with nearby freeways and rail systems, as well as a strong labor force and affordable land, to facilitate development that has created thousands of jobs and diversified the local economy.

The population of Kern County is generally concentrated in its urban areas, which has seen substantial growth and development, particularly within the past ten years. For example, in 2019, the population within the county grew approximately seven percent, specifically 839,621 to 900,202, between 2010 and 2019. During this period, Shafter’s growth was even more significant at 19.3%, precisely 17,104 to 20,401 (Bureau, 2021). While these growth rates are not expected to continue or last through the next decade, urbanization should continue to meet the ongoing demand for new housing and employment opportunities.

## Demographics

Available statistics show that Kern County has a relatively young population. According to the U.S. Census, between 2013 and 2017, the median age in Kern County was 31.3, compared to the low- mid 30's median ages found in neighboring counties. Sacramento County has one of the highest median ages in the Central Valley (34.6), followed by San Joaquin (32.3) and Fresno (30.4) counties. Median age in Shafter is 26.7 (Bureau, 2021). Even with a relatively young population, Shafter and the surrounding region have witnessed an out-migration of young people, and the retention of skilled, young professionals continues to be a challenge. The loss of a skilled and young workforce is partially attributed to a lack of economic opportunities more readily available in larger metropolitan areas of California and other regions of the country.

Relative to national standards, Kern County is ethnically diverse, though less diverse than neighboring Los Angeles County. As of July 1, 2019, the U.S. Census Bureau reports Kern County is predominantly Hispanic/Latino (54.6 %) and White (32.8%). In the coming decades, the County is predicted to become increasingly Latino. Shafter's ethnic diversity leads that trend with 84.2% Hispanic/Latino residents (Bureau, 2021).

The CEDS prepared for Kern County in 2021 provides notable takeaways for Shafter's demographics when compared amongst other County cities and unincorporated areas (Natelson Dale Group, Inc., 2021), highlighted as follows:

- The lowest percentage of family households at 36.5%
- Among the lowest median household incomes at \$42,205
- Among the highest percentages below poverty level at 24.4%
- Among the lowest populations of 25 years over and over with a bachelor's degree at 8.3%

## Socioeconomics

### Labor Force and Employment

Mirroring State and regional patterns, the Kern County unemployment rate has been historically high compared to other comparable counties and California as a whole. One factor is the seasonality of employment in farming and agriculture. In the 2000s, the annual unemployment rate has ranged from a low of 7.6% (2006) to a high of 16.0% (2010), then back to 8.1 % (2018). In April of 2010, the unemployment rates were 18.3% and 28.2% for Kern County and Shafter, respectively, compared to the nationwide average of approximately 10%. According to the U.S. Census Bureau, the 2010 ACS 1-Year Estimates show Kern County's unemployment rate at 14.6% and Shafter's unemployment rate is at 10.4% according to the U.S. Census Bureau, 2006-2010 ACS been almost 70% higher at approximately 29% (Bureau, 2021).

According to the Brookings Institute, the Kern County labor force has grown 23% from 2009 to 2019, specifically 278,000 to 342,000 jobs, mounting a relatively strong recovery from the Great Recession compared to the rest of the country (Brookings Institute, 2020) . Despite this recovery, Shafter's unemployment rate is still relatively high within the current economic climate. It also faces underemployment as long-standing and severe economic development issues. While underemployment statistics are not readily available, a relatively undiversified industrial base has left Kern County residents unable to fill certain employment positions that provide higher wages to improve living standards. As a

result, unemployment and underemployment contribute to lower incomes, rising poverty in the county, and declining revenues to fund public services.

The CEDS prepared for Kern County in 2021 documents Shafter's employment challenges. Virtually all cities experienced significant unemployment spikes in 2020, presumably due to the early stages of the COVID-19 pandemic. As of July 2020, Shafter was among the highest at 22.3%. Also noteworthy is that the City maintained double-digit employment in 2018 and 2019, before COVID-19 when the state and national averages were below 5%. Shafter is also among four Kern County cities that presently have more jobs than resident workers (Natelson Dale Group, Inc., 2021). Essentially, these trends suggest that job growth, in the case of Shafter, benefits outside areas more than local residents and commerce.

### Wages

Information from the U.S. Census reports that Kern County had a median household income of \$53,350 in 2019, which is slightly lower than the \$53,969 reported for Fresno County, but noticeably lower than Sacramento, San Bernardino, and San Joaquin Counties, as well as the statewide median income of \$75,235. The cost of living within Kern County is the second lowest in the State, according to a California Budget Center study published in 2017. Notable increases to living costs by percentage are:

- 6% for Fresno County.
- 16% for Sacramento County.
- 17% for San Bernardino County.
- 15% for San Joaquin County.

The 2019 U.S. Census data estimates that median household income in Shafter was \$45,854, 14% less than the median household income of \$53,350 reported countywide during the same period (Bureau, 2021).

### Income Distribution

The median household income in Kern County in 2019 was \$53,350 compared to \$44,716 in 2008. California's median household income is 41% higher (\$75,235) than Kern County. Half of Kern County households earned less than \$50,000 per year in 2019, with Shafter in that category at \$45,854 (USA Data, 2021).

The Brookings Institute reports more than 450,000 people or more than half of Kern County residents lived on less income than required to cover their basic expenses in 2018. This large share is primarily a reflection of the economy, the quality of job creation, and local workers' qualifications for well-paid jobs (Brookings Institute, 2020).

The economic data suggests most families struggle to achieve self-sufficiency because adults cannot earn enough income at work – not because they are not working. Less than one-third of Kern residents in struggling families belong to families without workers (Brookings Institute, 2020). In addition, a disproportionate share of people in these families are seniors aged 65 years or older or include adults

unable to work due to a disability. However, most struggling Kern County residents are families with at least one adult who participates in the labor market yet cannot cover all basic living expenses.

### Poverty Status

Based on the poverty thresholds established by the U.S. Census Bureau for household size, 19% of people in Kern County lived in poverty in 2019, while only 11.8% of Californians lived in poverty. However, 23% of Shafter residents live in poverty. African Americans and Hispanics are more likely to live in poverty than other races, with 35% of blacks and 25% of Hispanics under the poverty line in 2018. Only 20% of whites are classified as poor. In Shafter, 26% of whites and 31% of Hispanics live in poverty. There was no data for African Americans in Shafter (Bureau, 2021).

### Housing

The CEDS prepared for Kern County in 2021 includes data relating to housing and provides conclusions on what the trends suggest. Specifically, County's position consists of a higher percentage of detached single-family homes and owner-occupied dwellings when compared to the State, which suggests residential communities are more stable. However, this trend might also suggest that there is a scarcity and gap with housing options that could lead to challenges with affordable housing. Among the cities and unincorporated areas analyzed, Shafter is one of only four that experienced a decrease in home ownership from 2014-2018. However, the fact that the City also experienced an increase in of population of 3% between 2019 and 2020 might also suggest that its home ownership rate will increase in years to come (Natelson Dale Group, Inc., 2021).

### Education

City leadership believes that educational attainment is a worthwhile goal in itself, indicating residents can pursue their individual goals. It is also a means to prosperity for the broader community. To date, Shafter and Kern County residents have lower levels of educational attainment than California residents or the nation as a whole. The American Community Survey for 2015-2019 reports that 10% of Shafter residents 25 or older have at least a bachelor's degree, compared to 16% of Kern County's 25 or older population and 34% of California's. Nationally, 32% of adults over 25 have a bachelor's degree (Bureau, 2021).

Economic forecasts anticipate that unskilled and uneducated people will likely continue to experience wage erosion and discontinuity in their employment history within today's labor market. Therefore, through its Education Partnership Department, the City prioritizes and funds programs to improve basic skills and readiness for higher education among its younger population. Other programs allow adults to build workforce skills and prepare them for entry-level occupations to support leading industries within the City (i.e., its clusters). Generally speaking, a more educated workforce also makes Shafter more competitive amongst employers choosing where to locate their businesses.

### Emerging and Declining Industry Sectors

The City's continuing economic development strategy aims to create a diversified economic base, job growth for various skill levels and salaries, and more efficient traffic and trade corridors. This strategy has demonstrated clear and unified leadership and support from City staff and local elected officials. The City of Shafter has been actively developing the CEDS area since the early 1990s with a leadership and

management structure that has successfully secured and delivered over \$500 million of investment, working in concert with the local municipalities, the County, the Port of Oakland, and the private developers. In addition, past EDA funding has enabled the City to attract and retain large-scale employers and industry leaders, including Grimmway Farms, GAF Corporation, Ross, Walmart, Amazon, and Target. These companies have invested millions into the local economy and, most importantly, have added thousands of jobs to the City and the surrounding region.

For over 20 years, the City has facilitated and promoted two large-scale industrial parks within its boundaries focused on meeting the demand for warehouse, distribution, and fulfillment centers. These parks have the potential to support an inland port concept with their land capacity and immediate access to main railway lines, which supports trade within the U.S. and with countries around the Pacific Rim. Further development within the two parks can also expand value-added agriculture transportation, logistics, and warehousing.

The City's General Plan, by design, anticipates regional and world economic changes, and therefore, has a component supporting diversified development that will be sufficiently broad to preclude the devastating economic impact suffered by the region from a multitude of factors. Thus, the City, looking beyond the immediate economic horizon and anticipating economic changes, has been proactive in diversifying the local economy while supporting the regional economy.

Wonderful Industrial Park

The Wonderful Industrial Park (WIP) is located at the intersection of Seventh Standard Road and Santa Fe Way and is adjacent to the Burlington Northern and Santa Fe railway. The development of this master-planned park, previously referred to as the International Trade and Transportation Center (ITTC), was initially led by the Allen Group but is now led by the Wonderful Company. To date, development within the WIP has resulted in the creation or retention of over 5,000 jobs, highlighted by the following additions:

Facility	Jobs Created/Retained
Target Warehouse & Distribution Center	700
Ross Stores Warehouse & Distribution Center	1,800
Fed Ex	300
Walmart Cold Storage and Distribution Center	350
American Tire Distributors	35

Planned additions to the WIP are highlighted by a one-million-square-foot fulfillment Amazon that should employ an additional 1,000 workers.

Three separate oil servicing companies, MI Swaco, Baker-Hughes, and Weatherford were added to the WIP before the 2014 CEDS update but have since shut down or relocated out of state due to an inability to expand oil drilling operations in the Kern County area. However, Scelzi Enterprises, based in Fresno, recently purchased the Weatherford site to expand its truck bed manufacturing business to Shafter, creating 150 new jobs.

Rail service has not been a priority for current and prospective WIP companies. However, the City owns and operates a rail facility with direct access to the BNSF main rail line that offers several thousand feet

of industrial track and a 150,000 square-foot container yard immediately available for future industrial rail intermodal operations.

### East Shafter Logistical Center

The second large-scale development and job center is located at the intersection of Lerdo Highway and State Route 99, also adjacent to the Union Pacific rail line. This area is commonly referred to as the East Shafter Logistical Center. It encompasses approximately 294 acres, plus its businesses employ more than 900 full-time workers and 1,800 seasonal workers. In addition, the expansion of sewer and water infrastructure to support the full development of commercial and industrial prospects should total 616 acres and generate up to 2,400 new jobs.

## Environment

Kern County is distinct and diverse geographically, including farmland on the valley floor, high desert ecosystems, and the southernmost portion of the Sierra Nevada Mountains. Shafter is centrally located within the County, surrounded by some of the most fertile farmland in the world. However, City staff and leaders must be mindful that economic and population growth can impact the environment. Issues of particular interest to the community leaders and residents are the excessive loss of farmland and reduction of air quality. The goal of a well-conceived economic development strategy is sustainability, a term that mainly refers to the relationship between society and the environment.

### Loss of Agricultural Land

The permanent loss of agricultural lands is a growing concern in the San Joaquin Valley because it threatens the nation's most productive agricultural region and the identity and character of communities throughout the Valley. The American Farmland Trust (AFT), a national farmland conservation group, has ranked the Sacramento and San Joaquin Valleys as the most threatened agricultural areas in the United States. Kern County's agricultural lands still far outweigh the urbanized areas. According to the 2019 Agricultural Crop Report prepared by the Kern County Agricultural Commissioner's Office, there are approximately 2.3 million acres of farmland in Kern County, of which 853,909 acres were harvested in 2007 (County of Kern Department of Agriculture & Measurement Standards, 2020). Conversions have primarily been in the Metropolitan Bakersfield General Plan area and have been focused on the urban expansion of the City of Bakersfield. However, some relatively small conversions have occurred along the south, west, and north boundaries of Shafter.

The County's California Land Conservation Act (Williamson Act) program is an essential tool for encouraging farm production and discouraging the premature conversion of farmed land. According to the Kern County 2013-2014 Williamson Act Open Space Subvention Status Report, a total of 1,703,364 acres of farmland in Kern County is currently enrolled in the Williamson Act contracts for a term of 10 years and 159,567 acres of land are enrolled in 20-year Farmland Security Zone Contracts. Kern County has the highest amount of farmland enrolled in the program (GGU Law Digital Commons, 2014).

### Air Quality

Air quality in the Central Valley is a health concern and a source of visual blight. Controlling the levels and emissions of various air pollutants from multiple sources to achieve the attainment and maintenance of National Ambient Air Quality Standards (NAAQS) is an ongoing challenge for the region. Nonetheless, it is an essential consideration for future planned economic growth. Like many Central Valley areas, Kern

County faces stringent and changing regulatory requirements to comply with State and Federal standards. However, most indicators, such as concentration measurements, suggest air quality has improved steadily since the 1990s. Still, according to the 2008 Kern Council of Governments (Kern COG) Blueprint document, 63% of participants responded that they thought that local government agencies were not doing enough to improve air quality.

## SWOT Analysis

To develop a CEDS, the City must first perform an in-depth analysis of current economic conditions, as well as forecast that issues and factors will impact future economic conditions.

Key area of such an analysis are as follows:

- Strengths are a region's relative competitive advantages (e.g., industry supply chains and clusters, extensive port, rail, and broadband assets, specialized workforce skills, higher education levels, collaboration among stakeholders) and often are internal in nature.
- Weaknesses are a region's relative competitive disadvantages (e.g., a risk-averse or change-resistant regional culture), also often internal in nature
- Opportunities are chances or occasions for regional improvement or progress (e.g., expansion of a biosciences research lab in the region), often external in nature;
- Threats are chances or occasions for negative impacts on the region or regional decline (e.g., several companies in the region considering moving to lower-cost areas of the state), also often are external in nature.

Utilizing all these elements is commonly referred to as a "SWOT Analysis".

### STRENGTHS

- Proximity to highways and rail main lines is ideal for logistics and movement of goods
- Employment growth and opportunities at multiple business and industrial parks
- Higher education opportunities and educational partnerships
- Reasonable cost of living and home values
- City's General Plan that facilitates smart growth and sustainable living and working conditions
- Proactive and effective Police Department
- City government that offers a full-service and consultative approach to attracting new businesses
- Experienced City staff that are focused on a full-service, consultative approach to attracting new businesses
- New master-planned residential communities
- Proximity to Meadows Field Airport for commercial airline travel
- Less bureaucratic public, non-commercial airport hangar plus business opportunities at Minter Field Airport District
- City of Shafter Industrial Rail Facility and Container Storage Yard
- Job capacity through oil and agricultural industries
- City-owned fiber optic network capacity
- Positive community response to safe, well-maintained community
- Business Expansion Attraction and Retention (B.E.A.R.) Economic Incentive Pilot Program that incentivizes downtown business upgrades with a 75-percent reduction of all applicable City permit fees
- Capacity for service at the City-owned industrial rail facility

### WEAKNESSES

- Health and aesthetic impacts poor air quality
- Electrical service vulnerabilities and inefficiencies
- Uncertainty of impacts from State High Speed Rail project
- A lack of brand and name recognition for the City
- Service areas that are disconnected and have an imbalance of commercial and recreational opportunities
- Understaffed City government
- No hotels or visitor centers
- Infrastructure limitations
- Limited sources of sales tax
- Lack of funding and resources to repair, upgrade, and expand infrastructure
- Limited mass transit
- Limited healthcare facilities
- Lack of an operations agreement at the City-owned industrial rail facility

#### OPPORTUNITIES – WITHIN FIVE YEARS

- AB 617 funding for air quality improvements (bike lanes, CNG stations, electric vehicle charging stations, sidewalks, etc.)
- Minter Field Airport District commercial space for hotel and retail
- School partnerships with businesses and local industries to promote job skills and offer internships
- Traffic Impact Fee update to fund critical infrastructure projects
- New groundwater wells, storage tanks, and booster pumping facilities to expand water serving capacity and reliability
- Utilizing the City Learning Center and partnerships with local industries to:
  - Expand higher education partnerships with Bakersfield College
  - Promote and facilitate dual high school and junior college enrollments
  - Offer GED programs
  - Training for vocational skills
- Continue to develop business opportunities related to the Minter Field Airport District
- General Plan Update to further facilitate smart and sustainable growth
- Bicycle and pedestrian facilities to encourage healthy activities
- Expansion of solar and electric-charging infrastructure
- New sources of sales tax revenues (retail, business-to-business, e-commerce)
- Upgrades to downtown for diversify retail and business services
- Partnerships with City Learning Center and job centers
- Define the downtown business district and develop incentive programs to expand and diversify its tenants
- Rail service partnerships with WIP and other industries

## THREATS – WITHIN FIVE YEARS

- Growth outpacing government’s ability to serve.
- Unfunded compliance and policies that conflict with State regulatory mandates and agendas
  - SB 1383 – Organic waste diversion programs and procurements
  - AB 617 – Air pollution reduction initiatives
  - SB 1000 - Environmental laws, regulations, and policies
- Regulations limiting or even eliminating business opportunities
- Educated local students pursuing employment outside the region
- Shrinking labor pool
- Recruitment new personnel to leadership positions
- Infrastructure being dated and exceeding capacity
- The impact of blight on the City’s image
- Severely constrained fiscal resources
- Competition amongst other regions to recruit new industries
- Reliable water supplies and treatment facilities
- Environmentally based challenges and lawsuits
- Loss of agricultural sector due to reduced water supplies and urbanization

## Strategic Direction/Action Plan

This strategic plan summarizes the primary goals developed through the CEDS planning process to capitalize on City strengths and opportunities and respond to the challenge of its weaknesses and threats. The overall vision statement that facilitates these goals is as follows:

***“Fostering sustainable economic growth and opportunities for Shafter’s residents and businesses supported by investments in critical infrastructure.”***

### Goal 1: More Exposure for The City and Its Resources

Despite Shafter’s efforts and successes in building an innovative, progressive, and business-friendly environment, the City still lacks brand recognition that limits its economic potential. This issue exists partially because the City has to compete with a much larger city in Bakersfield within Kern County, plus even the more prominent cities in Los Angeles and San Francisco with California. In addition, the Central Valley of California is consistently marketed for its affordable housing for those who commute to jobs in larger cities but is often overlooked as a resource for creating new jobs. Finally, outsiders to California associate statewide agendas and policies with the larger metropolitan cities, leaving Central Valley cities with less exposure and fewer opportunities to promote themselves.

### Goal 2: Economic and Workforce Diversification

Diversification of the current and prospective workforce in Shafter and the surrounding region is a critical component in economic resilience for the City. Enhancing economic diversity within the City’s business and industry clusters with predominantly higher-skill and higher-paying jobs will increase financial stability for the region. Further, residents with higher-paying jobs tend to have more money saved, smaller debt, and more spending potential to enhance the local economy. A program that helps workers upskill from traditional agriculture towards agricultural technology exemplifies this kind of economic development strategy that Kern County could implement to strengthen economic resilience and vitality.

### Goal 3: Investment in Critical Infrastructure

Shafter’s ability to facilitate economic growth and diversification depends on designing, funding, and constructing critical infrastructure, which, in the case of the City, includes:

- Water supplies and distribution systems.
- Wastewater collections systems.
- Transportation facilities.
- Expanded fiber optic telecommunication systems.

In addition to impact fees and grants to fund new infrastructure, utility service rate revenues and other recurring revenues must be capable of supporting ongoing operations and maintenance for optimum performance and safety.

## Goal 4: Promote Sustainable Growth and Quality of Life

Land-use zoning and planning within the City should promote future economic growth and opportunities while still focusing on the quality of life for the established residents and businesses. In addition, growth and expansion should be sustainable. In the case of Shafter, it means having the funding and other resources to provide essential services for all areas of the City. Sustainability also means that current and prospective residents have immediate access to diversified employment opportunities, affordable housing, goods and services, and recreation. Finally, the City should reasonably preserve agricultural land to ensure economic diversification and avoid excessive congestion, worsening air quality, and losing Shafter's history.

## Evaluation Framework and Performance Measures

To be successfully implemented, this CEDS must have metrics to gauge progress and identify areas for improvement. Further, these metrics must be reviewed and reported to EDA regularly, specifically through annual performance reports. Lastly, the metrics must align with the areas identified in its previously developed SWOT analysis.

Specific considerations for Shafter when developing metrics include the following:

- The reliability of what is measure data
- The timeliness and cost-effectiveness of monitoring
- Measurements that support local and regional goals
- Challenging but attainable data
- Quantifying a satisfactory performance or goal
- Measures are within the City's or region's control

As implementation of the strategy moves forward, tracking economic progress and other activities within a specific cluster that shape the City's future will be necessary. Ideally, monitoring will include evaluating financial performance, cluster competitiveness, economic foundations, and the progress of cluster initiatives. Quantitative and qualitative information will be gathered and used in conjunction with information provided by industry team members. The CEDS will also track the performance of the industry clusters and the level of support they receive and identify competitive gaps they face. Additionally, the community leaders and the CEDS committee must be continually aware of any emerging industry clusters to incorporate into the CEDS.

The ultimate goal of an economic development strategy is to increase jobs and capital investment, reduce income disparity, and maintain the essential elements of our natural environment, thereby achieving a sustainable and prosperous future for the community of Shafter. Therefore, in addition to job creation and retention data, performance indicators should be monitored to track the overall health and well-being of the local economy. Such indicators include, but are not limited to, trends in population, labor force, employment, unemployment, and growth of personal and household income. Specific performance indicators include the following: (1) breadth of the clusters, including concentration, number, size, and role of companies within the cluster; (2) depth of the clusters, including representation of value-chain, market niche, and level of specialization, and; (3) dynamism of the clusters, which includes rates of growth, nature of transformation, changes in concentration, relationship to other clusters, and cluster-to-cluster connection.

To ensure the success of the economic development strategy, its foundations, including language proficiency, college preparation, educational attainment, and degree completion, need to be monitored. The City will develop a qualified and well-trained workforce to support economic development by prioritizing and supporting academic excellence. As a result, the economic outlook for City will improve, which eventually leads to improved infrastructure, better air quality, reduced crime, and overall better quality of life.

#	GOAL	OBJECTIVES	METRICS
1	<b>More Exposure for The City and Its Resources</b>	<ul style="list-style-type: none"> <li>• Expand and improve partnerships with Kern Economic Development Corporation (KEDC).</li> <li>• Identify and assess opportunities to partner with other regions to increase awareness and connectivity to larger metropolitan areas within the State.</li> <li>• Dialog with other cities and local industries</li> <li>• “information saturation”</li> <li>• Principal partners example/model</li> <li>• Trade shows/conventions</li> <li>• Networking with industries professionals</li> </ul>	<ul style="list-style-type: none"> <li>• Number of presentations and connections</li> <li>• Number of inter-regional events and collaborations</li> <li>• Media releases</li> <li>• Community events</li> </ul>
2	<b>Diversify and Train Local Workforce for the Needs of Regional Economy</b>	<ul style="list-style-type: none"> <li>• Develop and strengthen partnerships between educational institutions and regional employers.</li> <li>• Explore potential program to match and partially fund entrepreneurs and small businesses with local students interested in internships or part-time work.</li> <li>• Shafter High resources and programs</li> <li>• Pre-high school programs and/or coordination?</li> <li>• Career day/events at local schools?</li> <li>• Employers Training Resource</li> <li>• Expand tracking systems for post-graduate high school kids (four-year, junior college, military, tech. school, etc.)</li> <li>• Incentivize youth participation in events</li> <li>• Initiate high school curriculum and experiential learning opportunities with regional programs to promote career navigation and introduce career pathways.</li> <li>• Improve dissemination of information on job openings, training resources, etc.</li> <li>• Support workforce development programs focused on the needs of the region’s growth industries</li> <li>• Unify and strengthen coalitions to effectively support developing businesses and their workforce.</li> <li>• Support internships and course co-development with regional employers</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployment rate</li> <li>• Number of students interning or working part-time at local businesses relevant to their course of study</li> <li>• Number of new and existing businesses in key industry clusters</li> <li>• Number of graduates from upskilling training providers</li> </ul>
3	<b>Facilitate Investment in Critical Infrastructure</b>	<ul style="list-style-type: none"> <li>• Ensure adequate infrastructure is in place for new and existing businesses. This includes improving transit, as well as providing fast internet and reliable water and sewage.</li> <li>• Properly fund maintenance and expansion of all public infrastructure.</li> <li>• In addition to standard impact fees to fund local infrastructure, consider funding sources for regionally significant infrastructure.</li> <li>• Plan, implement and update a citywide capital improvement program.</li> <li>• Coordinate annual re-evaluation of candidate infrastructure projects listed in CEDS</li> </ul>	<ul style="list-style-type: none"> <li>• Average Internet speeds</li> <li>• Internet accessibility</li> <li>• Commute times</li> <li>• New utility connections.</li> <li>• Utility service complaints</li> <li>• Traffic counts</li> <li>• Public opinion surveys.</li> <li>• Customers utilizing City Fiber Optic service</li> </ul>

#	GOAL	OBJECTIVES	METRICS
		<ul style="list-style-type: none"> <li>• Facilitate regional coordination on critical infrastructure planning</li> <li>• AB 617</li> <li>• Transit program additions?</li> <li>• Electric vehicle use?</li> </ul>	
4	<p><b>Ensure Region's Development Capacity and Business Friendliness</b></p>	<ul style="list-style-type: none"> <li>• Support implementation of city land use plans to ensure adequate supply of competitive commercial and industrial development sites</li> <li>• Expedite entitlement and permitting of targeted development and business types</li> <li>• Interface with local housing initiatives to ensure adequate supply of workforce housing</li> <li>• Workforce has a place to live/ minimize commutes</li> <li>• Long-term: Connectivity with job centers and residential centers</li> <li>• <u>Diversity</u> of housing stock (<b>seniors</b>, condo, single family, etc.)</li> <li>• Multiple lifestyles</li> <li>• <u>Housing at Southeast Shafter and Core City</u></li> <li>• Prioritize sustainable development</li> <li>• Elaborate on sustainability</li> <li>• <u>Plans and funding?</u> Funding as a separate goal?</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Growth rates</li> <li>• Sales and property tax revenues</li> </ul>

## Economic Resilience

Economic resilience is commonly referred to as the ability to resist and recover from a severe setback (i.e., “shock”) event, including a recession, pandemic, or natural disaster. EDA guidelines suggest that resiliency focus on the following:

1. The ability to recover quickly from a shock
2. The ability to withstand a shock
3. The ability to avoid the shock altogether

Being observant of factors that can lead to a shock can better prepare the City to anticipate and avoid one. These factors include the following downturns in either national or international economy and industries critical to the City or economic downturns. Non-economic factors, such a natural or manmade disaster, can also contribute. The City’s recent experience with the COVID-19 pandemic is an example of an external shock, the effects of which are still impacting its economic future.

EDA recommends that the City and its economic partners develop and practice steady-state and responsive initiatives with pre-and post-incident planning. Steady-state initiatives are long-term efforts that enhance a community’s ability to withstand or avoid a shock. In contrast, responsive initiatives focus on the community’s response to an incident that could not be avoided or did not have measurable impacts.

Steady-state initiatives require planning for and implementing through specific goals or actions to bolster the long-term economic durability. Examples include the following:

- Broaden the industrial base with diversification initiatives and incentives
- Facilitate and promote a resilient workforce who can better shift between jobs or industries when their core employment is threatened through job-driven skills strategies and support organizations
- Leverage City geographic information systems (GIS) with municipal business licenses, tax information, and other business establishment databases to track local and regional “churn” and available development sites. GIS can also leverage hazard information to make rapid post-incident impact assessments
- Ensure redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters.
- Promote business continuity and preparedness in the face of disruptions and prepare to resume operations after an event.
- Implement safe development practices in business districts and surrounding communities. Strategies may include locating structures outside of floodplains, preserving natural lands that act as buffers from storms, and protecting downtowns and other existing development from the impacts of extreme weather.

Responsive initiatives rely on information networks among the various stakeholders within the City and surrounding region to ensure active and regular communications among the public, private, education, and non-profit sectors. Examples include the following:

- Conducting pre-disaster recovery planning to define key stakeholders, roles, responsibilities, and key actions

- Establishing a process for regular communication, monitoring, and updating of business community needs and issues (which can then be used after an incident)
- Establishing or using a capability to rapidly contact key local, regional, state, and federal officials to communicate business sector needs and coordinate impact assessment efforts
- Establishing/using coordination mechanisms and leadership succession plans for short, intermediate, and long-term recovery needs.

EDA CEDS guidelines suggest two standard measures for measuring economic resilience within a community or region. The first is the degree of regional income equality (i.e., how evenly income is distributed across a regional population). The second is the degree of regional economic diversification (i.e., the degree to which economic activity spreads across sectors). The City can access this type of benchmark data from the U.S Census and Commerce departments and the Kern Economic Development Corporation. Further, it will be shared amongst the City's economic and business partners to enhance resiliency planning and responses.

## Candidate CEDS Projects

The City Public Works Director reviewed the list of ranked infrastructure projects in the 2014 CEDS Update. With one exception, all projects have been completed to date. An updated list of projects that could qualify for EDA funding was prepared for the Committee to consider, discuss, and rank. The criteria used to identify a qualifying project is as follows:

- Public Infrastructure (i.e., Water, Wastewater, Streets, Telecommunications)
- Ability to Create and Retain Jobs
- Projected Cost Range of \$2M to \$5M
- Scalable in Scope
- Increasing Infrastructure Capacity
- Private Sector Support & Participation
- Minimal Right-of-Way Needs
- Minimal Environmental Mitigation
- Shovel Readiness (Preference to Commence Within One Year of an EDA Award)

Using this criterion, Committee recommends the following projects listed in order of priority:

*Table 2- Candidate CEDS Prioritized Projects*

#	PROJECT	COST
1	Water & Fiber System Expansions at Southeast Shafter (Wonderful) Industrial Park	\$5,000,000
2	Core City Business Park Street Improvements (Golds Ave., Los Angeles Ave., Cherry Ave.)	\$5,000,000
3	Zerker Rd. Reconstruction - East Shafter Business & Industrial Park	\$2,000,000
4	Santa Fe Way Resurfacing - Galpin St. to Los Angeles Ave.	\$2,000,000
5	7th Standard Road Resurfacing - WB Lanes	\$2,000,000
6	Santa Fe Way Resurfacing from Riverside Ave. to Los Angeles Ave.	\$300,000

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## Appendix

**RESOLUTION NO. 2798**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER,  
CALIFORNIA, AUTHORIZING THE FORMATION OF A U.S. DEPARTMENT OF  
COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION COMPREHENSIVE  
ECONOMIC DEVELOPMENT STRATEGY (CEDs) AND CEDs COMMITTEE**

**WHEREAS**, the City of Shafter is preparing a CEDs document for submission to the U.S. Department of Commerce, Economic Development Administration (EDA); and

**WHEREAS**, with the development of the 2020 Census, the Shafter area CEDs now comprises of Census Tracts 39, 40.01, 40.02, 41.01, and 41.02; and

**WHEREAS**, entities within approved CEDs area are eligible for larger grant rates than non-CEDs area; and

**WHEREAS**, past EDA grant awards to the City have resulted in no less than creation of 2,000 jobs within the region along with other economic benefits whose value is estimated at \$40 million per year.


**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHAFTER,  
CALIFORNIA, DOES HEREBY RESOLVE:**

1. The City of Shafter City Council authorizes the City Manager to submit a CEDs document to the U.S. Department of Commerce Economic Development Administration upon completion of said document.
2. Census Tracts 39, 40.01, 40.02, 41.01, and 41.02 shall comprise the boundaries of the Shafter CEDs area.
3. The City of Shafter City Manager, or his designee, will lead and be responsible for the CEDs and CEDs Committee including formation of the CEDs Committee, pursuant to EDA regulations and guidelines.

**PASSED, APPROVED AND ADOPTED** this 18th day of May, 2021.

  
Cathy L. Prout, Mayor

**ATTEST:**

  
Yazmina Pallares, City Clerk

CERTIFICATE OF GOVERNING BODY'S ACTION

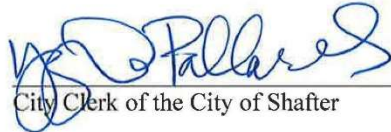
STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF KERN        )

I, Yazmina Pallares, City Clerk of the City of Shafter, California, DO HEREBY CERTIFY that the above Resolution 2798, a Resolution of the City Council of the City of Shafter, was duly passed and adopted at a Regular Meeting held on the 18<sup>th</sup> day of May 2021, by the following vote:

AYES:                    Alvarado, Espinoza, Givens, Lopez, and Prout.  
NOES:                   None.  
ABSENT:                None.  
ABSTAINING:           None.

DATED:                 May 18, 2021

(SEAL)

  
\_\_\_\_\_  
City Clerk of the City of Shafter

## Qualifying Census Tracts

### National Outlook

Source: U.S. Census 2020, American Community Survey 2019 1-Year Estimates

United States		Per Capita Income	
Unemployment		Per Capita Income	
2019	3.80%	2019	\$34,103
2020	8.10%	2020	\$35,672
Average	<b>5.95%</b>	Average	<b>\$34,888</b>

County of Kern		Per Capita Income	
Unemployment		Per Capita Income	
2019	7.60%	2019	\$23,326
2020	10.10%	2020	\$24,524
Average	<b>8.85%</b>	Average	<b>\$23,925</b>

City of Shafter		Per Capita Income	
Unemployment		Per Capita Income	
2019	5.10%	2019	\$16,946
2020	9.40%	2020	\$17,201
Average	<b>7.30%</b>	Average	<b>\$17,074</b>

### National Outlook on Population

Source: U.S. Census 2020, American Community Survey 2019 1-Year Estimates

	2019	2020	Average
United States	328,239,523	331,449,281	329,844,402
County of Kern	887,641	900,202	893,922
City of Shafter	19,447	21,207	20,327

Incorporated IVDA Target-Area Cities Within Kern County ?????

Source: U.S. Census, 2015-2019 American Community Survey 5-Year Estimates

United States		Avg Population: 324,860,000	
<b>Unemployment</b>	4.42%	<b>Per Capita Income</b>	\$33,106

County of Kern		Avg Population: 887,680	
<b>Unemployment</b>		<b>Per Capita Income</b>	
2015-2019	7.90%	2015-2019	\$22,863

City of Shafter		Avg Population: 17,684	
<b>Unemployment</b>		<b>Per Capita Income</b>	
2015-2019	6.80%	2015-2019	\$15,146

**Census Tracts Kern County (in Target Area - Shafter)**

Source: U.S. Census, 2015-2019 American Community Survey 5-Year Estimates

United States	Unemployment 4.42%	Per Capita Income \$33,106	24-month unemployment rate is at least 1% greater than the national avg unemployment	The per capita income (PCI) is NOT more than 80% of the national average PCI.
Census Tract	Unemployment	Per Capita	Qualifying	Qualifying
Census Tract 39	2.30%	\$16,537	FALSE	TRUE
Census Tract 40	10.10%	\$20,163	TRUE	TRUE
Census Tract 41.01	9.00%	\$19,733	TRUE	TRUE
Census Tract 41.02	10.00%	\$15,832	TRUE	TRUE
Census Tract 42	6.40%	\$17,411	TRUE	TRUE



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Ravi Pudipeddi, City Engineer

**SUBJECT:** ADOPTION OF RESOLUTION 3058 FOR DECLARATION OF TWO PARCELS, ONE LOCATED ON THE EAST SIDE OF, AND THE SECOND LOCATED ALONG, FANUCCHI WAY, SOUTH OF EXPRESS AVENUE AS NON-EXEMPT SURPLUS PROPERTY, APPROVING A FORM OF NOTICE OF AVAILABILITY, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO COMPLY WITH THE SURPLUS LAND ACT, AND FINDING THE ACTION EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES SECTION 15378(b)(5) AND SECTION 15312

### **RECOMMENDATION**

Council find that the action is exempt from the California Environmental Quality Act; adopt Resolution No. 3058, a Resolution of the City Council of the City of Shafter Declaring properties located near Fanucchi Way and Express Avenue as non-exempt surplus land; approving the form of Notice of Availability; directing the City Manager to comply with the requirements of the Surplus Land Act, Government Code Section 54220 et seq.

### **BACKGROUND**

The City of Shafter ("City") owns two pieces of real property, comprising 0.14 acres and 2.11 acres respectively, located along Fanucchi Way south of Express Ave in Shafter ("Subject Properties"). The Subject Properties were deeded to the city for Roadway and Utility purposes in the vicinity of parcels zoned Industrial and located near major industrial employers.

The Subject Properties are no longer necessary for City use, and are proposed for declaration as surplus land so that the City can proceed toward disposal.

The Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. New legislation which took effect on January 1, 2020, requires that before a local agency may dispose of land that is no longer necessary for its use, the land must be declared either "surplus land" or "exempt surplus land," as supported by written findings. Adoption of the Resolution would declare the Subject Properties as surplus land.

Upon the City's determination that the Subject Properties are surplus land, the

**CONSENT CALENDAR**

**ADOPTION OF RESOLUTION 3058 FOR DECLARATION OF TWO PARCELS, ONE LOCATED ON THE EAST SIDE OF, AND THE SECOND LOCATED ALONG, FANUCCHI WAY, SOUTH OF EXPRESS AVENUE AS NON-EXEMPT SURPLUS PROPERTY, APPROVING A FORM OF NOTICE OF AVAILABILITY, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO COMPLY WITH THE SURPLUS LAND ACT, AND FINDING THE ACTION EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES SECTION 15378(b)(5) AND SECTION 15312**

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procedures set forth in the Act must be followed prior to disposal. Those procedures require the City to offer the surplus land by issuing (via email wherever possible and by certified mail where not possible) a Notice of Availability, a form of which is attached to the Resolution as **Exhibit B** (the "Notice of Availability"), and accepting notices of interest for a period of 60 days.

If the City receives a letter of interest from any qualifying entities, the City is required to enter into good faith negotiations concerning the price and terms of the sale or lease with that entity for a period of 90 days. If the price or terms cannot be agreed upon after 90 days (or if no entity gives notice of interest), the City may sell or lease the surplus land without further regard to the Act's procedures, except that the City must obtain approval from the State's Department of Housing and Community Development (HCD) that it complied with the Act, and the City must record a restrictive covenant on the Subject Property, requiring that if ten or more residential units are ever built on the Subject Properties, at least 15% of those units must be affordable.

**FISCAL IMPACT**

No budget action is required. There are minimal costs related to issuing a Notice of Availability via email and certified mail.

**CEQA ANALYSIS**

The action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15312 (Surplus Government Property Sales) of the CEQA Guidelines because the project is the declaration and sale of surplus government property not in an area of statewide, regional, or areawide concern and that do not have significant values for wildlife habitat or other environmental purposes and are of such size, shape, or inaccessibility that they are incapable of independent development or use.

**APPROVED BY THE CITY ATTORNEY**

Yes

**ATTACHMENTS**

1. Resolution No. 3058
2. Exhibit A of Resoluiton No. 3058
3. Exhibit B of Resolution No. 3058

**RESOLUTION NO. 3058**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
DECLARING TWO PROPERTIES (ONE LOCATED ON THE EAST SIDE OF, AND  
THE SECOND ALONG, FANUCCHI WAY, SOUTH OF EXPRESS AVENUE) AS NON-  
EXEMPT SURPLUS LAND; APPROVING THE FORM OF NOTICE OF  
AVAILABILITY; DIRECTING THE CITY MANAGER TO COMPLY WITH THE  
REQUIREMENTS OF THE SURPLUS LAND ACT, GOVERNMENT CODE, SECTION  
54220 ET SEQ.; AND FINDING THE ACTION EXEMPT FROM CEQA PURSUANT TO  
CEQA GUIDELINES SECTION 15312**

**WHEREAS**, the City of Shafter (the "City") owns those two certain 0.14 acre and 2.11 acre properties located along Fanucchi Way south of Express Avenue, Shafter, CA 93263 in the industrial zoned neighborhood, which are more particularly described and depicted in Exhibit A, attached hereto and incorporated herein by reference (individually, "Property 1" and "Property 2" respectively, and together the "Subject Properties"); and

**WHEREAS**, the Subject Properties are not necessary for the City's use and none of the statutory exemptions set forth under Government Code Section 54221(f)(1) are applicable, and therefore the Subject Properties and disposition thereof is subject to the Surplus Land Act (Government Code Section 54220 et seq.) (the "Act").

**WHEREAS**, fee simple title to Property 2 can be disposed of but the City requires reservation of an easement for roadway and utility purposes to preserve the City's use.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHAFTER  
HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.

**Section 2.** The City Council finds and declares that the Subject Properties are "surplus land" as used in the Act, because the Properties are owned in fee simple by the City, are not necessary for the City's use, as defined under the Act, Section 54221(c), do not qualify as "exempt surplus land" under the Act, Section 54221(f)(1).

**Section 3.** The City Council approves the form of Notice of Availability, attached hereto as Exhibit B (the "Notice"), and authorizes the City Manager or designee to comply with the requirements of the Act, to tailor, finalize, and issue the Notice to those statutorily entitled to receive it (Section 54222), and to negotiate in good faith with those entities, if any, who submit qualified Notices of Interest while reserving any easements necessary for City roadway and utility purposes (Sections 54222.5 and 54223).

**Section 4.** The action authorized by this Resolution does not authorize or approve the actual disposition or sale of the Subject Properties. Thus, this action does not commit the City to any future action, nor does this action approve a particular project, or grant any specific approval that would have a direct or reasonably foreseeable indirect environmental impact pursuant to the California Environmental Quality Act ("CEQA"). (See 14 California Code of Regulations Sections 15060(c); 15378(b).) As such, there is a declaration of surplus land and authorization to

proceed under the Act do not constitute the approval of a "project" under CEQA, and no further action under CEQA is required. In addition, the action is exempt from environmental review pursuant to State CEQA Guidelines §15312, which applies to the declaration and sale of surplus government property.

**Section 5.** Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

**Section 6.** Effective Date. This Resolution shall become effective immediately.

**PASSED, APPROVED, AND ADOPTED THIS 3<sup>rd</sup> DAY OF FEBRUARY, 2026.**

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Chad Givens, Mayor

**ATTEST:**

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Yazmina Pallares, City Clerk

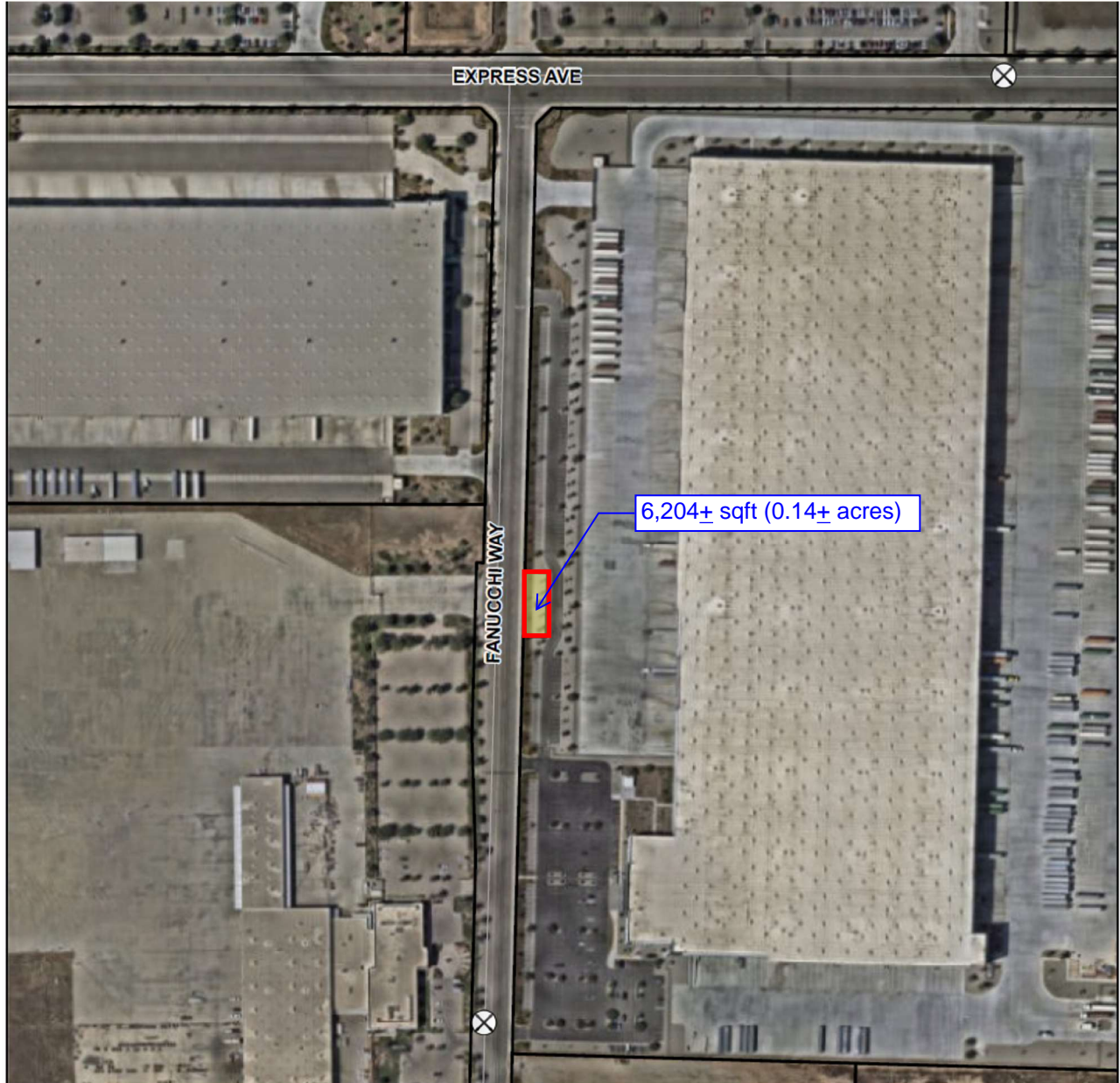
**APPROVED AS TO FORM:**

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Marco Martinez, City Attorney

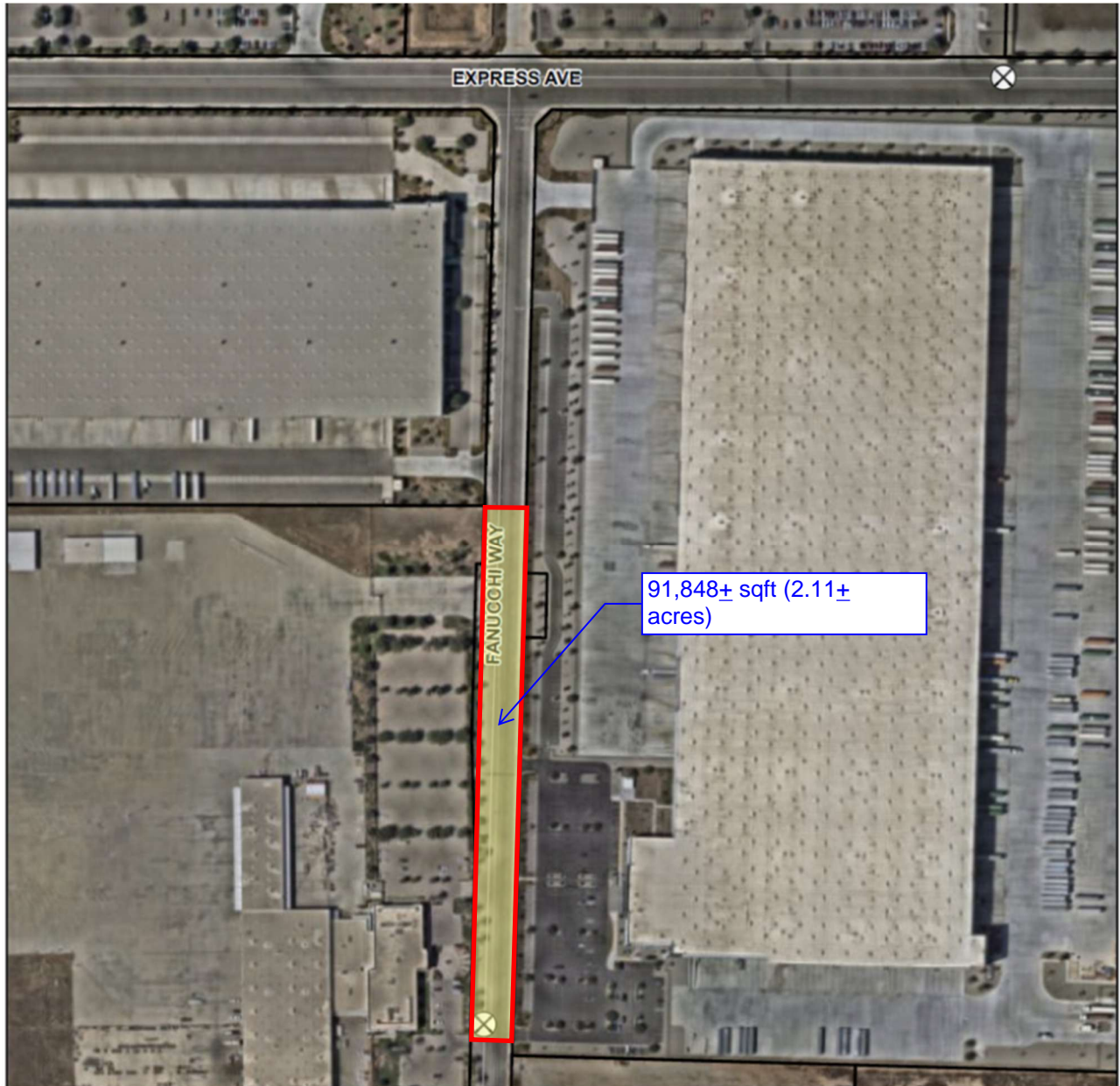
**EXHIBIT A**  
**Site Maps – Subject Properties**  
**Subject Property 1**

The Property comprises of the area deeded to the City for Road Turn Around purposes, which is approximately 0.14 acres (6,204 sqft+/-) in size, and which is depicted below.



**EXHIBIT A**  
**Site Maps – Subject Properties**  
**Subject Property 2**

The Property comprises of the area deeded to the City for Street and Public Utility purposes, which is approximately 2.11 acres (91,848 sqft+/-) in size, and which is depicted below.



**EXHIBIT B**  
**Form of Notice of Availability**  
**(see attached Cover Letter and**  
**Property Description Sheet)**

February 3, 2026

To All Interested Parties:

**RE: Notice of Availability/Offer to Lease or Sell Surplus Property**

As required by Government Code Section 54220 of the State of California, the City of Shafter is providing notification that the City intends to **sell or lease** the surplus property listed in the accompanying table.

In accordance with Government Code Section 54222, you have sixty (60) days from the date this offer was sent via certified mail or electronic mail to notify the City of your interest in acquiring the property. However, this offer shall not obligate the City to sell or lease the property to you. Instead, the City would enter into at least ninety (90) days of negotiations with you pursuant to Government Code Section 54223. If no agreement is reached on sales/lease price and terms, the City may market the property to the general public.

As required by Government Code Section 54227, if the City receives more than one letter of interest during this 60-day period, it will give priority to entities proposing to develop housing where at least 25 percent of the units will be affordable to lower income households. If more than one such proposal is received, priority will be given to the proposal with the greatest number of affordable units. If more than one proposal specifies the same number of affordable units, priority will be given to the proposal that has the lowest average affordability level.

In the event your agency or company is interested in purchasing or leasing the property, you must notify the City in writing within sixty (60) days of the date this notice was sent via certified mail or electronic mail. Notice of your interest in acquiring the property shall be delivered to

City of Shafter,  
Attn: Ravi Pudipeddi, City Engineer  
720 Commerce Way, Shafter, CA 93263.

You may also direct your questions to [rpudipeddi@shafterca.gov](mailto:rpudipeddi@shafterca.gov) or by calling (661) 746-5004.

Entities proposing to submit a letter of interest are advised to review the requirements set forth in the Surplus Land Act (Government Code Section 54220-54234).

**Property 1**

Property #	Jurisdiction Name	Jurisdiction Type	Site Address/Intersection
1	City of Shafter	City	East of Fanucchi Way, south of Express Ave

Property #	City	Five Digit ZIP Code	County	Assessor Parcel Number
1	Shafter	93263	Kern	Deed Doc# 0211127288

Property #	Consolidated Sites	General Plan Designation (Current)	Zoning Designation (Current)
1			Road Turn Around

Property #	Minimum Density Allowed (units/acre)	Maximum Density Allowed (units/acre)	Parcel Size (Gross Acres)	Existing Use/Vacancy
1	n/a	n/a	0.14+/-	Vacant/ Landscape

Property #	Minimum Sales Price	Last Appraised Value	Last Appraised Date
1	FMV	Unknown	Unknown

Property #	Optional Information
1	This area was previously used for road turnaround purposes and is no longer needed.

**Property 2**

Property #	Jurisdiction Name	Jurisdiction Type	Site Address/Intersection
2	City of Shafter	City	Fanucchi Way, south of Express Ave

Property #	City	Five Digit ZIP Code	County	Assessor Parcel Number
2	Shafter	93263	Kern	Deed Doc# 0211127287

Property #	Consolidated Sites	General Plan Designation (Current)	Zoning Designation (Current)
2			Road and Utility Purposes

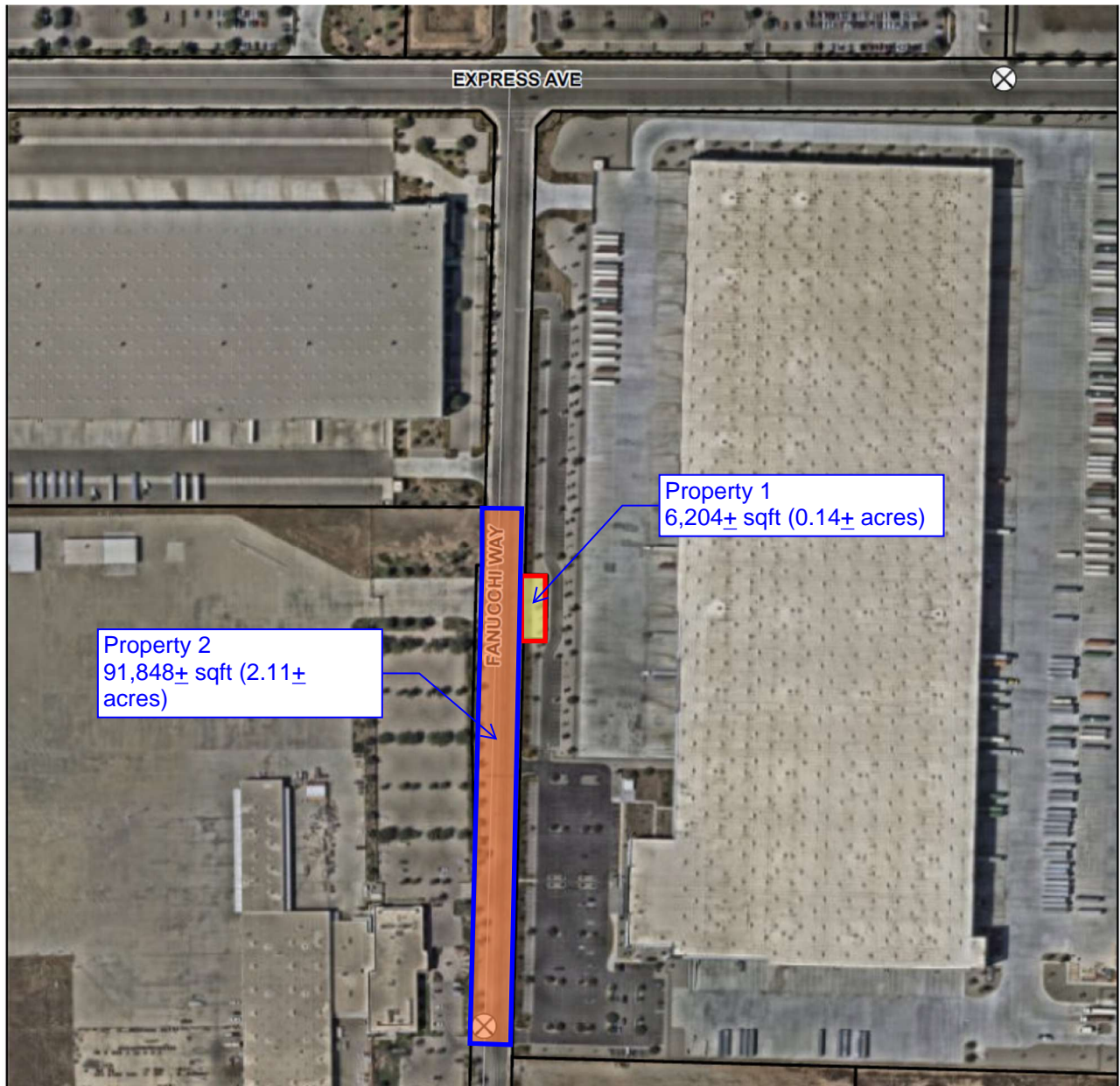
Property #	Minimum Density Allowed (units/acre)	Maximum Density Allowed (units/acre)	Parcel Size (Gross Acres)	Existing Use/Vacancy
2	n/a	n/a	2.11+/-	Roadway and Utility

Property #	Minimum Sales Price	Last Appraised Value	Last Appraised Date
2	FMV	Unknown	Unknown

Property #	Optional Information
2	This area is still being used for roadway and utility purposes, and an easement will be reserved by the City for the road and utility purposes.

(Subject Property (APN 089-230-11))

**Properties 1 and 2**





## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Kyle Ditty, Finance Analyst II, Rogelio Sanchez, Finance Director

**SUBJECT:** TRANSIT DEVELOPMENT ACT ARTICLE 4 CLAIM FOR FISCAL YEAR 2024-2025 RESOLUTION ADOPTION

### **RECOMMENDATION**

Council find the action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines; adopt Resolution 3059, a Resolution of the City Council of the City of Shafter, approving the filing of TDA Article 4 Claim for Fiscal Year 2024-2025.

### **BACKGROUND**

Annually, the City must submit to the Kern Council of Governments claims for Local Transit Assistance (Article 4) and Streets and Roads Maintenance and Improvement (Article 8).

The City of Shafter’s total Transportation Development Act (TDA) allocation for FY 2024-2025 is estimated at \$1,307,347 including \$1,230,507 of Local Transportation Funds (LTF). This total is made up of several components, some of which are restricted to specific transit needs but the majority becomes available for street and road projects once the City’s transit needs are fully funded.

### **ANALYSIS**

The Public Transit Assistance (Article 4) Claim for FY 2024-25 is \$100,331 including the City’s regional planning obligation, which is deducted from the total allocation for the first claim. This claim will be funded with \$62,274 of STAF funding, and \$38,057 of LTF funding, leaving roughly \$1,023,682 in current year LTF funding available for Streets and Roads Maintenance and Improvement Assistance (Article 8) Claim projects. Claims to reflect the local allocation of State and Federal monies authorized by the Transportation Development Act of 1971, as amended, shall be prepared and transmitted to the Kern Council of Governments. Those claims will reflect the projects which were either completed or proposed in the City of Shafter multiple year budgets.

### **FISCAL IMPACT**

The funds for Article 4 are annually budgeted and the funding source assists in the delivery of transit services in the community. The prepared Article 4 claim in the amount of \$100,331 must be approved by the City Council to secure the available funding. No budget amendment is required at this time.

**CONSENT CALENDAR**

**TRANSIT DEVELOPMENT ACT ARTICLE 4 CLAIM FOR FISCAL YEAR 2024-2025 RESOLUTION ADOPTION**

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**CEQA ANALYSIS**

The action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines because the action is the approval of a resolution for Transit Development Act Article 4 claims and therefore, it is the creation of a governmental funding mechanism or other fiscal activity that does not involve any commitment to a specific project that can result in a potentially significant impact and not subject to CEQA.

**APPROVED BY THE CITY ATTORNEY**

No

**ATTACHMENTS**

1. Resolution No. 3059
2. Final TDA 4

**RESOLUTION NO. 3059**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
APPROVING THE FILING OF TDA ARTICLE 4 CLAIM FOR FISCAL YEAR 2024-  
2025**

**WHEREAS**, Transportation Development Act Article 4 and State Transit Assistance Funds Article 6.5 are available for Cities to provide public transit and are held in trust by the Kern County Auditor-Controller for use by eligible claimants for the purpose authorized by Article 4; and

**WHEREAS**, the City of Shafter has established a public transit system and desires to fund its operation and capital requirements with TDA and STA funds.

**NOW THEREFORE BE IT RESOLVED** by the City of Shafter that the City Manager is authorized to execute and file an appropriate transit claim with all necessary supporting documents, with the Kern County Council of Governments for fiscal year 2024-2025; and be it further

**RESOLVED** that a copy of this Resolution be transmitted to the Kern County Council of Governments in conjunction with the filing of the claim; and the Kern County Council of Governments be requested to concur in these findings and grant the allocation of funds specified in the Article 4 Claim.

**PASSED AND ADOPTED** this 3rd day of February, 2026.

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Chad Givens, Mayor

**ATTEST:**

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Yazmina Pallares, City Clerk

**APPROVED AS TO FORM:**

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Marco A. Martinez, City Attorney

Kern Council of Governments

TRANSPORTATION DEVELOPMENT ACT  
PUBLIC TRANSIT CLAIM

2024-2025

**PART 1 OF 8 -- CLAIMANT INFORMATION**

I. Claimant Information

Agency: City of Shafter

Mailing Address: 336 Pacific Ave., Shafter, CA 93263

Office Address: 336 Pacific Ave.,

City, State, Zip Shafter, CA 93263

Telephone: (661) 746-5043

II. Contact Person

Name: Roger Sanchez

Title: Finance Director

Department: Finance

Mailing Address: 336 Pacific Ave., Shafter, CA 93263

Office Address: 336 Pacific Ave.,

City, State, Zip Shafter, CA 93263

Telephone: (661) 746-5043

FAX: (661) 746-1002

E-Mail: [rsanchez@shafterca.gov](mailto:rsanchez@shafterca.gov)

WEB Site: [www.shafter.com](http://www.shafter.com)

2024-2025

2023-2024

Kern Council of Governments

TRANSPORTATION DEVELOPMENT ACT  
PUBLIC TRANSIT CLAIM  
**PART 2 OF 8 - CLAIM AND ASSURANCES**  
For Fiscal Year 2024-2025

A. CLAIM: The City of Shafter hereby claims Local Transportation Fund and State Transit Assistance Fund apportionments and allocations for the 2023-2024 fiscal year plus all unencumbered funds and/or deferred revenues held in its local treasury for public transit uses.


B. COMPLIANCE

ASSURANCES: The City of Shafter hereby certifies that, as a condition of receiving funds pursuant to California Public Utilities Code Sections 99200, et. seq., and California Code of Regulations Sections 6600, et. seq., as amended, it shall ensure that:

1. All funds will be expended in compliance with the requirements of California Public Utilities Code Sections 99200 through 99408, California Code of Regulations Sections 6600 through 6756 and Kern Council of Governments' Transportation Development Act Rules and Regulations.
2. All funds will be expended in accordance with the budgets described in Part 6 of this claim, attached hereto and made a part hereof, by this reference.

These assurances are given in consideration of and the for the purpose of obtaining any and all funds apportioned and allocated for public transit purposes pursuant to Public Utilities Codes, Division 10, Part 11, Chapter 4 of the State of California.

The person whose signature appears below has been authorized to provide the assurances cited above and to prepare, submit and execute this claim on behalf of:

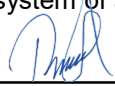
City of Shafter  
 Claimant  
  
 Signature 01/27/2026  
 Date

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Finance Director  
 Title

C. FINANCIAL

ASSURANCES: As the chief financial officer of the City of Shafter I hereby attest to the reasonableness and accuracy of the financial information presented in this claim and declare it to be consistent with the uniform system of accounts and records adopted by the Controller of the State of California.

  
 Signature 01/27/2026  
 Date

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Finance Director  
 Title

Kern Council of Governments

**PART 3 OF 8--PROJECTED PUBLIC TRANSIT RESOURCES**

For Fiscal Year 2024-2025

CLAIMANT: City of Shafter

I. FY 2023-2024 PROJECTED AVAILABLE RESOURCES

A. Deferred Revenues -- unexpended prior year cash receipts held in the claimant's treasury as of June 30, 2023 (from the most recent audit report)	<u>\$56,577</u>
B. Unreserved/Unrestricted Retained Earnings	<u>\$0</u>
C. Interest Earnings -- interest earnings on claimant cash balances through June 30, 2025	<u>\$0</u>
D. Federal Grants & Reimbursements (Source & Amount):	
1. FTA Planning Assistance	<u>\$0</u>
2. FTA Operating Assistance	<u>\$0</u>
3. FTA Capital Assistance	<u>\$0</u>
4. Transfer In Federal Grant - (5311)	<u>\$141,168</u>
E. State Grants & Reimbursements (Source & Amount):	
1. TDA Article 4	<u>\$356,602</u>
2. State Capital Grants - SOGR	<u>\$0</u>
F. Local Cash Grants & Reimbursements (Source & Amount)	
1. LTF--Regional Planning (PUC 99262)	<u>\$35,631</u>
2. LTF--Operations/Capital (PUC 99260a)	<u>\$0</u>
3. LTF--Capital Reserve Withdrawl (CCR 6648)	<u>\$0</u>
4. LTF--Social Service Transit (PUC 99275)	<u>\$0</u>
5. LTF--Contracted/Purchased Transit Services (PUC 99400c)	<u>\$0</u>
6. STAF--Operations (CCR 6730a)	<u>\$0</u>
7. STAF--Capital (CCR 6730b)	<u>\$0</u>
8. STAF--Contracted/Purchased Transit Services (CCR 6731b)	<u>\$0</u>
9. STAF--Social Service Transit (CCR 6731c)	<u>\$0</u>
10. County of Kern--Service Contract(s)	<u>\$0</u>
11. _____	<u>\$0</u>
G. Operating Revenues:	
1. Passenger Fares	<u>\$27,079</u>
2. Special Fares	<u>\$0</u>
3. School Bus Service	<u>\$0</u>
4. Freight Tariffs	<u>\$0</u>
5. Charters	<u>\$0</u>
H. Other Revenues (Source & Amount):	
1. County of Kern--Service Contract(s)	<u>\$19,383</u>
2. _____	<u>\$0</u>
I. TOTAL FY 2023-2024 PROJECTED AVAILABLE RESOURCES -- enter here and Part 4, Line J (Sections A+B+C+D+E+F+G+H)	<u>\$636,440</u>



2.

O. FY 2023-2024 PROJECTED EXPENSES & USES (Sections K+L+M+N)

\$724,021

P. DEFERRED REVENUES AND AVAILABLE RESERVES AS OF JUNE 30, 2024 --  
enter here and on Line A, Part 5 (Sections J-O)

(\$87,581)

Kern Council of Governments

**PART 5 OF 8--BUDGETED PUBLIC TRANSIT RESOURCES**

For Fiscal Year 2024-2025

CLAIMANT:            City of Shafter

I. FY 2024-2025 NONCURRENT TDA & OTHER BUDGETED RESOURCES

A. Deferred Revenues & Available Reserves-- unexpended prior year cash receipts and reserves held in the claimant's treasury as of June 30, 2024 (From Part 4, Line P) (\$87,581)

B. Interest Earnings--interest earnings on claimant cash balances through June 30, 2025 \$0

C. Federal Grants and Reimbursements:

- 1. FTA Planning Assistance \$0
- 2. FTA Operating Assistance \$124,347
- 3. FTA Capital Assistance \$0
- 4. 5311 \$273,412

D. State Grants and Reimbursements (Source/Amount):

- 1. State Capital Grants - LCTOP \$0
- 2. State Capital Grants - SOGR \$0

E. Non-TDA Local Cash Grants and Reimbursement (Source/Amount):

- 1. 470210-SJVAPCD-San Joaquin Air Control \$398,480
- 2. \$0
- 3. \$0

F. Operating Revenues:

- 1. Passenger Fares \$26,993
- 2. Special Fares
- 3. School Bus Service
- 4. Freight Tariffs
- 5. Charters

G. Other Revenues (Source/Amount):

- 1. County of Kern--Service Contract(s) \$29,033
- 2.

I. FY 2024-2025 NONCURRENT TDA & OTHER BUDGETED RESOURCES--enter here and on Part 6, Line J (Sections A+B+C+D+E+F+G) \$764,684

Kern Council of Governments

**PART 6 OF 8--BUDGETED PUBLIC TRANSIT EXPENSES**

For Fiscal Year 2024-2025

CLAIMANT:            City of Shafter

J. FY 2024-2025 NONCURRENT TDA & OTHER BUDGETED RESOURCES (From Part 5, Line I) \$764,684

II. FY 2024-2025 BUDGETED EXPENSES & USES

K. Personnel:

1. Administrative Salaries & Wages	<u>\$46,437</u>
2. Operating Salaries & Wages	<u>\$135,096</u>
3. Other Salaries & Wages	<u>\$0</u>
4. Fringe Benefits	<u>\$210,736</u>

L. Services & Supplies:

1. Professional Services	<u>\$6,773</u>
2. Maintenance Services	<u>\$2,913</u>
3. Other Services (Admin Charges)	<u>\$107,567</u>
4. Vehicle Maintenance & Supplies	<u>\$35,093</u>
5. Utilities	<u>\$19,706</u>
6. Insurance	<u>\$20,191</u>
7. Purchased Transportation Services	<u>                  </u>
8. Miscellaneous	<u>\$154,104</u>
9. Expense & Inter-fund Transfers	<u>\$49,855</u>
10. Interest	<u>                  </u>
11. Lease & Rentals	<u>                  </u>
12. Other (training, travel, Other )	<u>\$3,299</u>

M. Capital Assets (Itemize and identify funding source - i.e., TDA, FTA 5311, CMAQ):

1. 470210-SJVAPCD-San Joaquin Air Control	<u>                  </u>
2. _____	<u>                  </u>
3. _____	<u>                  </u>
4. _____	<u>                  </u>
5. _____	<u>                  </u>

N. Other Uses:

1. Regional Planning Contribution (from most recent TDA estimate)	<u>\$38,057</u>
2. Capital Outlay Reserve Contribution	<u>                  </u>

O. FY 2024-2025 BUDGETED EXPENSES & USES (Sections K+L+M+N) \$829,827

P. FY 2024-2025 UNFUNDED BALANCE (Line J-O) (\$65,143)

Kern Council of Governments

**PART 7 OF 8--TDA FUNDING CLAIM**

For Fiscal Year 2024-2025

CLAIMANT:            City of Shafter

I. FY 2024-2025 UNFUNDED BALANCE (From Part 6, Line P) (\$65,143)

II. FY 2024-2025 TDA TRANSIT FUNDING CLAIM

- 1. LTF--Regional Planning (PUC 99262) (Same as Part 6, Line N1) \$38,057
- 2. LTF--Operations/Capital (PUC 99260a)
- 3. LTF--Capital Reserve Withdrawal (CCR 6648)
- 4. LTF--Social Service Transit (PUC 99275)
- 5. LTF--Contracted/Purchased Transit Services (PUC 99400c)
- 6. LTF--Capital Res. Contrib.(CCR 6648) (Same as Part 6, Line N2)

- 7. STAF--Operations (CCR 6730a) \$62,274
- 8. STAF--Capital (CCR 6730b)
- 9. STAF--Contracted/Purchased Transit Services ( CCR 6731b)
- 10. STAF--Social Service Transit (CCR 6731c)
- 11.
- 12.

**III. FY 2024-2025 TDA FUNDING CLAIM (Should equal line I)** \$100,331

UNEXPENDED RESOURCES AS OF JUNE 30, 2025 (Line I+Line III)(Should be \$0) \$35,188

Kern Council of Governments  
**PART 8.1 OF 8--SUPPLEMENTAL PUBLIC TRANSIT INFORMATION**  
For Fiscal Year 2024-2025

Attach the following documents:

- 1) A copy of the governing body's authorization to execute and file this claim.
- 2) A completed copy of the attached questionnaire (BELOW) on system characteristics and any additional documentation required as a result of responding to each query.
- 3) A listing of all transit service subcontractors (BELOW) and a copy of the contract document, if not previously submitted.
- 4) A copy of the "unmet transit needs" documentation, including a legal notice of a public hearing, the minutes of the public hearing held by the local governing body and a resolution making the appropriate "unmet transit needs finding".
- 5) A copy of the Department of California Highway Patrol form number CHP339, "Transit Operator Compliance Certificate", dated within the past 13 months, documenting participation in the California Department of Motor Vehicles "Driver Pull Notice Program.
- 6) Date of the most recent completed annual TDA internal audit: Month: Day: Year

Kern Council of Governments  
**PART 8.2 OF 8--SYSTEM CHARACTERISTICS QUESTIONNAIRE**  
 For Fiscal Year 2024-2025

(NOTE: Place an "X" in the proper column)

Question	YES	NO
1. Have all recommendations for corrective action from the FY 2023-2024 independent financial audit report been implemented ? IF NO, PLEASE SUBMIT A CORRECTIVE ACTION PLAN COVERING EACH RECOMMENDATION NOT ADDRESSED.	<b>X</b>	
2. Have all recommendations for corrective action from the FY 2022-2023 performance audit report been implemented ? IF NO, PLEASE SUBMIT A CORRECTIVE ACTION PLAN COVERING EACH RECOMMENDATION NO ADDRESSED.	<b>X</b>	
3. Have all past transportation development plan recommendations been implemented ? IF NO, PLEASE SUBMIT A CORRECTIVE ACTION PLAN COVERING EACH RECOMMENDATION NOT ADDRESSED.	<b>X</b>	
4. Does the claimant maintain it's financial records in accordance with the California State Controller's approved "uniform system of accounts and records ?	<b>X</b>	
5. Has the claimant submitted it's "Annual Report of Financial Transactions of Transit Operators" to the California State Controller for the fiscal year ended June 30, 2023 ?	<b>X</b>	
6. Is the system expected to meet the applicable farebox revenue ratio requirement for FY 2023-2024 ? (10% for rural and 20% for urbanized operators)	<b>X</b>	
7. Is the system budgeted to meet the applicable farebox revenue ratio requirement for FY 2024-2025 ? (10% for rural and 20% for urbanized operators)	<b>X</b>	
8. If the answer to questions 6 or 7 is NO (i.e. fares revenues alone are insufficient to meet the applicable revenue ratio requirement), has the claimant committed sufficient "local funds" to supplement fares and thereby comply ?		
9. Does the claimant expect to qualify for and claim an "extension of service exemption" for either FY 2023-2024 or FY 2024-2025 ?		<b>X</b>
10. Is a budget increase in excess of 15% proposed for FY 2024-2025 ?	<b>X</b>	
11. Is an increase or decrease in excess of 15% in the scope of operations or capital budget provisions proposed for FY 2024-2025 ?	<b>X</b>	

Kern Council of Governments  
**PART 8.3 OF 8--SYSTEM CHARACTERISTICS QUESTIONNAIRE**  
 For Fiscal Year 2024-2025

(NOTE: Place an "X" in the proper column)

Question	YES	NO
(NOTE: If the answer to question 11 or 12 is YES, PLEASE SUBMIT A STATEMENT WHICH DESCRIBES THE COMPONENTS OF THE INCREASE/DECREASE AND JUSTIFIES OR SUBSTANTIATES THE CHANGE.)		
12. Is the claimant proposing an increase in executive level salaries for FY 2024-2025 ? IF YES, PLEASE SUBMIT A STATEMENT WHICH DEFINES AND JUSTIFIES THE INCREASE.		<b>X</b>
13. Is the claimant precluded by contract from contracting with common carriers or persons operating under franchise or license ?		<b>X</b>
14. Does the claimant expect to subcontract with outside parties for the provision of operator services in FY 2024-2025 ? IF YES, PLEASE SUBMIT A COPY OF ALL NEW OR AMENDED CONTRACTS NOT PREVIOUSLY SUBMITTED.		<b>X</b>
15. Is the claimant precluded by contract from employing part-time drivers ?		<b>X</b>
16. Does the claimant routinely staff public transportation vehicles designed to be operated by one person with two or more persons ?		<b>X</b>
17. Has the claimant's participation in the California Department of Motor Vehicle "Driver Pull Notice Program" been certified by the California Highway Patrol within the past 13 months ? IF YES, PLEASE SUBMIT A COPY OF FORM chp 339, "TRANSIT OPERATOR COMPLIANCE CERTIFICATE".	<b>X</b>	
18. Is the claimant's retirement system fully funded with respect to it's officers and employees ?	<b>X</b>	
19. Does the claimant have a private pension plan ?		<b>X</b>
20. If the answer to question 19 is YES <b>and</b> the plan is a "defined benefit plan", does the claimant do each of the following:		
a. Conduct periodic actuarial studies of it's employee pension plans to determine the annual cost of future pension benefits ?		
b. Set aside and invest, on a current basis, funds sufficient to provide for the payment of future pension benefits ?		

Kern Council of Governments  
**PART 8.4 OF 8--SYSTEM CHARACTERISTICS QUESTIONNAIRE**  
For Fiscal Year 2024-2025

LISTING OF SUBCONTRACTORS  
City of Shafter

1. None
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

(NOTE: If the contract is **new or amended** from prior years, please submit a copy.)



## CITY OF SHAFTER CITY COUNCIL REPORT

---

**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Kyle Ditty, Finance Analyst II, Rogelio Sanchez, Finance Director

**SUBJECT:** TRANSIT DEVELOPMENT ACT ARTICLE 8 CLAIM FOR FISCAL YEAR 2024-2025 RESOLUTION ADOPTION

### **RECOMMENDATION**

Council find the action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines; adopt Resolution 3060, a Resolution of the City Council of the City of Shafter, approving the execution and filing of a Transit Development Act (TDA) Article 8 Claim for Fiscal Year 2024-2025.

### **BACKGROUND**

Annually, the City must submit to the Kern Council of Governments claims for Local Transit Assistance (Article 4) and Streets and Roads Maintenance and Improvement (Article 8). Claims to reflect the local allocation of State and Federal monies authorized by the Transportation Development Act of 1971, as amended, shall be prepared and transmitted to the Kern Council of Governments. Those claims will reflect the projects which were either completed or proposed in the City of Shafter multiple year budgets, or as otherwise approved by the City Council.

### **ANALYSIS**

The City of Shafter had available Local Transportation Funds (LTF) allocation for FY 2024-2025 estimated at \$1,230,507 and a prior year balance of LTF funds at KernCOG in the amount of \$1,744,354 for a total of \$2,974,861. Of this total, \$38,057 is being used for the City’s Regional Planning Contribution and \$0 for Public Transportation (Article 4). This leaves \$3,015,516 plus \$0 in projected interest, available for streets and roads projects (Article 8).

The City had \$2,598 in TDA Funds on hand on June 30, 2024. This balance plus the TDA funding and projected interest outlined above totals \$2,977,459, which is also the total TDA streets and roads projects reported in this claim. Staff has prepared the attached Article 8 Claim form in the amount of \$1,307,347 to draw down the additional TDA funding needed to complete the \$1,309,945 in street projects. Individual projects will be presented for City Council approval when construction bids and/or quotes are received.

### **FISCAL IMPACT**

**CONSENT CALENDAR**

**TRANSIT DEVELOPMENT ACT ARTICLE 8 CLAIM FOR FISCAL YEAR 2024-2025 RESOLUTION ADOPTION**

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The funds for Article 8 are annually budgeted, and the funding source is used for street and road maintenance and construction throughout the City. The prepared Article 8 claim in the amount of \$1,307,347 must be approved by the City Council to secure the available funding for these projects. As individual projects proceed, they will be brought before the City Council for approval. No budget amendment is required at this time.

**CEQA ANALYSIS**

The action is not defined as a “project” per Section 15378(b)(4) of the CEQA Guidelines because the action is the approval of a resolution for Transit Development Act Article 8 claims and therefore, it is the creation of a governmental funding mechanism or other fiscal activity that does not involve any commitment to a specific project that can result in a potentially significant impact and not subject to CEQA.

**APPROVED BY THE CITY ATTORNEY**

No

**ATTACHMENTS**

1. Resolution No. 3060
2. Final TDA 8

**RESOLUTION NO. 3060**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
APPROVING THE EXECUTION AND FILING OF A TRANSIT DEVELOPMENT ACT  
ARTICLE 8 CLAIM FOR FISCAL YEAR 2024-2025**

**WHEREAS**, Transportation Development Act of 1971 provides for the disbursement of funds from the Local Transportation Fund held in trust by the Kern County Auditor-Controller for use by eligible claimants for the purpose authorized by Article 8, Section 99400 Streets and Roads; and

**WHEREAS**, an eligible claimant wishing to receive an allocation from the Local Transportation Fund must file its application with the Kern County Council of Governments pursuant to the rules and regulations that have been adopted by the Secretary of the Business and Transportation Agency of the State of California in accordance with the provisions of the aforementioned legislation; and

**WHEREAS**, funds from the Local Transportation fund will be required to maintain the street and road system and provide public transportation; and

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Shafter that the City Manager is authorized to execute and file an appropriate claim pursuant to the terms of the Transportation Development Act of 1971, as amended, and pursuant to applicable rules and regulations promulgated thereunder, together with all necessary supporting documents, with the Kern County Council of Governments for fiscal year 2024-2025 Transportation Development Act monies; and be it further

**RESOLVED** that a copy of this Resolution be transmitted to the Kern County Council of Governments in conjunction with the filing of the claim; and the Kern County Council of Governments be requested to concur in these findings and grant the allocation of funds specified in the Article 8 Claim.

**PASSED AND ADOPTED** this 3rd day of February, 2026.

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Chad Givens, Mayor

**ATTEST:**

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Yazmina Pallares, City Clerk

**APPROVED AS TO FORM:**

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Marco A. Martinez, City Attorney

Kern Council of Governments

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM (FY 2024-2025 )

Part 1 of 6 - CLAIMANT INFORMATION

I. Claimant

Agency: City of Shafter

Mailing Address: 336 Pacific Avenue

Office Address: 336 Pacific Avenue

City/State/Zip: Shafter, CA 93263

Telephone: (661) 746-5001

WEB Site: <https://www.shafter.com>

II. Contact Person

Name: Roger Sanchez

Title: Finance Director

Department: Finance

Office Address: 336 Pacific Avenue

City/State/Zip: Shafter, CA 93263

Telephone: (661) 745-5043

E-mail: [rsanchez@shafterca.gov](mailto:rsanchez@shafterca.gov)

2024-2025  
2023-2024

City of Shafter

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM

Part 2 of 6 - Claim and Assurances  
For Fiscal Year 2024-2025

A. CLAIM: The City of Shafter hereby claims all Local Transportation Fund apportionments and allocations for the 2024-2025 fiscal year plus all unencumbered fund balances and/or deferred revenues held in its local treasury less funds first allocated for transit uses.

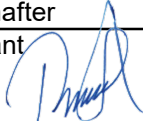
B. COMPLIANCE ASSURANCES: The City of Shafter hereby certifies that, as a condition of receiving funds pursuant to Public Utilities Code Section 99200, et seq. and California Administrative Code Section 6600, et seq., as amended, it shall ensure that:

1. All funds will be expended in compliance with the requirements of Public Utilities Code Sections 99200 through 99408, California Administrative Code Sections 6600 through 6684, Office of the State Controller "Guidelines Relating to Gas Tax Expenditures" and Kern Council of Governments' Transportation Development Act Rules and Regulations.

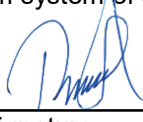
2. All funds will be expended in accordance with the budgets described in Parts 4 and 5 of this claim, attached hereto and made a part hereof, by this reference.

These assurances are given in consideration of and for the purpose of obtaining any and all funds allocated for streets and roads purposes pursuant to Public Utilities Code, Division 10, Part 11, Chapter 4 of the State of California.

The person whose signature appears below has been authorized to provide the assurances cited above and prepare, submit and execute this claim on behalf of:

City of Shafter  
Claimant  
  
01/27/2026  
\_\_\_\_\_  
Signature Date  
Finance Director  
Title

C. FINANCIAL ASSURANCES: As the chief financial officer of the City of Shafter I hereby attest to the reasonableness and accuracy of the financial information presented in this claim and declare it to be consistent with the uniform system of accounts and records adopted by the Controller of the State of California.

  
01/27/2026  
\_\_\_\_\_  
Signature Date  
Finance Director  
Title

City of Shafter

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM

Part 3 of 6 - FY 2023-2024 Revenues and Expenditures

<u>Account/Description</u>	<u>Amount</u>
<u>I. Prior Year Available Resources</u>	
A. Deferred Revenues - Actual unexpended prior year TDA cash receipts held in claimant's treasury as of June 30, 2023 (from prior year audit report)	\$ <u>1,444,652</u>
B. Prior Year Cash Receipts from trust funds - TDA cash receipts through June 30, 2024	
1. Local Transportation Fund	\$ <u>-</u>
C. Prior Year Interest Earned - interest earnings on claimant cash balances through June 30, 2024	\$ <u>2,598</u>
D. Fund Balance - Actual fund balances or reserves held in claimant's treasury as of June 30, 2023 (from prior year audit report)	\$ <u>-</u>
E. TOTAL FY 2023-2024 AVAILABLE RESOURCES (Lines A+B1+C+D)	\$ <u>1,447,250</u>
<u>II. FY 2023-2024 Expenditures</u>	
F. Administration and Engineering	
G. Maintenance	\$ <u>435,612</u>
H. Construction	\$ <u>1,009,040</u>
I. Equipment	
J. Other	
K. TOTAL FY 2023-2024 EXPENDITURES (Lines F+G+H+I+J)	\$ <u>1,444,652</u>
L. AVAILABLE RESOURCES AT JUNE 30, 2024 -enter here and Part 4, Line A (Line E-K)	\$ <u><u>2,598</u></u>

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM

Part 4 of 6 - Object Budget  
For Fiscal Year 2024-2025

<u>Account/Description</u>	<u>Amount</u>
<u>I. Prior Year Available Resources</u>	
A. Available Resources - estimated unexpended prior year TDA cash receipts held in claimant's treasury as of June 30, 2024 (from Part 3, Line L)	\$ 2,598
B. Trust Fund Balances at June 30, 2024	
1. Local Transportation Fund	\$ 1,744,354
C. FY 2024-2025 Trust Fund Apportionments - (from Kern COG estimate)	
1. Local Transportation Fund	\$ 1,230,507
2. Regional Planning Contribution	\$ 38,057
D. FY 2023-2024 Interest Earned - estimated interest earnings on claimant cash balances through June 30, 2025	\$ -
E. TOTAL ESTIMATED FY 2024-2025 AVAILABLE RESOURCES (Line A+B1+C1+C2+D)	\$ 3,015,516
<u>II. FY 2024-2025 Planning &amp; Transit Allocations</u>	
F. Local Transportation Fund	\$ -
1. Public Transit (from transit claim)	\$ -
2. Regional Planning Contribution (from Fund Estimate, Schedule B)	\$ 38,057
G. NET ESTIMATED PRIOR YEAR AVAILABLE RESOURCES (Line E-F1-F2)	\$ 2,977,459
<u>III. FY 2024-2025 Estimated Expenditures</u>	
H. Administration and Engineering	
I. Maintenance	\$ 494,828
J. Construction	\$ 815,117
K. Equipment	
L. Other	
M. TOTAL FY 2024-2025 ESTIMATED EXPENDITURES-Itemize in Part 5 (Line H+I+J+K+L)	\$ 1,309,945
N. Capital Outlay Reserve Allocations	
1. Local Transportation Fund	\$ -
O. DEFERRED REVENUES OR FUND BALANCE AT JUNE 30, 2025 (Line G-M-N1)	\$ 1,667,514
<b><u>FY 2024-2025 NET CLAIM AMOUNT (Line M - Line A)</u></b>	<b><u>\$ 1,307,347</u></b>

City of

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM

Part 5 of 6 - Project Budget  
For Fiscal Year 2024-2025

<u>Location/Description</u>	<u>Type</u>	<u>Expenditures</u>
<u>Requires project location and description of project</u>	<u>_____</u>	<u>_____</u>
<u>ST00011ADA Imp. - Streets &amp; Sidewalks</u>	<u>M</u>	<u>\$ 9,997</u>
<u>ST00022NPNS Street &amp; Road Improvements</u>	<u>M</u>	<u>\$ 15,663</u>
<u>ST00023Street Striping – Roadways</u>	<u>M</u>	<u>\$ 158,538</u>
<u>ST000327th Standard Rd#2 LN Reconstruction</u>	<u>C</u>	<u>\$ 36,944</u>
<u>ST00036Lerdo Hwy Reconstruction Proj. SB1</u>	<u>C</u>	<u>\$ 49,176</u>
<u>ST00006.24Sand Sealing 2024</u>	<u>M</u>	<u>\$ 310,630</u>
<u>ST00021.24Residential Road Reconstructn 2024</u>	<u>C</u>	<u>\$ 719,851</u>
<u>ST00038.1RSTP - Lerdo Highway Reconstruction</u>	<u>C</u>	<u>\$ 9,146</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>TOTAL FY 2023-2024 PROJECT EXPENDITURES (Equal to Part 4, Line M)</u>	<u>_____</u>	<u>\$ 1,309,945</u>

City of Shafter

TRANSPORTATION DEVELOPMENT ACT  
STREETS AND ROADS CLAIM

Part 6 of 6 - Supplemental Information  
For Fiscal Year 2024-2025

Attach the following documentation:

1. A copy of the proof of publication for the public notice regarding conduct of a hearing for the purpose of receiving public testimony regarding transit needs within the claimant's service area.
2. A copy of the governing body's resolution or minute order which makes one of the following findings:
  - a. There are no unmet transit needs.
  - b. There are no unmet transit needs that are reasonable to meet.
  - c. There are unmet transit needs, including needs that are reasonable to meet.
3. A copy of the governing body's authorization to execute and file this claim.



## CITY OF SHAFTER CITY COUNCIL REPORT

---

**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Lance Lippincott, City Manager

**SUBJECT:** LETTER OF OPPOSITION TO LEAGUE OF CALIFORNIA CITIES  
PROPOSAL TO RE-ALLOCATE BRADLEY BURNS E-  
COMMERCE SALES TAX

### **RECOMMENDATION**

Council find the action is not defined as a “project” per Section 15378(b)(5) of the California Environmental Quality Act Guidelines; authorize submittal of a letter signed by the Mayor on behalf of the City of Shafter opposing the League of California Cities proposal to re-allocate Bradley Burnes e-commerce sales tax.

### **BACKGROUND**

The City of Shafter is a member of the League of California Cities, an advocacy entity that assists California cities in supporting, opposing, or introducing new legislation to the benefit of local jurisdictions. On January 22, 2026, the League of California Cities Revenue and Taxation Policy Committee met to discuss a 50/50 split of Bradley-Burns e-commerce sales and use tax from 100% to the point of distribution, to 50% to the point of distribution and 50% to the point of sale. The City of Shafter has a significant e-commerce and logistics sector, with current Bradley-Burns e-commerce sales and use tax being used to offset the impacts of warehousing through investments in infrastructure and public safety. If this item advances, the City of Shafter could see a large reduction in sales tax and a decreased ability to offset impacts. Conversely, benefiting cities under this item do not have any costs associated with warehousing impacts, but would receive 50% of the e-commerce based sales tax that is on its face, inequitable. This opposition letter will be submitted in advance of future meetings on this topic.

### **FISCAL IMPACT**

There is no direct fiscal impact to the City associated with approval of this opposition letter.

### **CEQA ANALYSIS**

The action is not defined as a “project” per Section 15378(b)(5) of the CEQA Guidelines because the action is approval of a letter of support and therefore, it is organizational and administrative activity that will not result in direct or indirect physical changes to the environment and not subject to CEQA.

**CONSENT CALENDAR**

**LETTER OF OPPOSITION TO LEAGUE OF CALIFORNIA CITIES PROPOSAL TO RE-ALLOCATE  
BRADLEY BURNS E-COMMERCE SALES TAX**

---

**APPROVED BY THE CITY ATTORNEY**

No

**ATTACHMENTS**

1. Cal Cities Opposition Letter



336 Pacific Avenue • Shafter, California 93263

**League of California Cities (CalCities)**

1400 K Street, Suite 400  
Sacramento, CA 95814

January 30, 2026

**RE:** Opposition to the Cal Cities City Managers Department Sales Tax Working Group’s Proposed Recommendations to Change the Allocation of the Bradley-Burns 1% Sales Tax on E-Commerce Transactions - Protecting City of Shafter’s Financial Stability

Dear CEO/Executive Director Carolyn Coleman and CalCities Board Members,

On behalf of the City of Shafter, I am writing to express our strong opposition to the Sales Tax Working Group’s proposed recommendation to alter the Bradley-Burns 1% sales tax allocation by implementing a 50/50 revenue split between point-of-sale and destination jurisdictions for e-commerce transactions. This proposed shift would severely undermine the City of Shafter’s fiscal stability and penalize a City that has planned responsibly, invested strategically, and assumed the full burden of supporting the state’s logistics and e-commerce economy.

Over the past twenty years, the City of Shafter has deliberately positioned itself as a regional logistics and distribution hub. Through thoughtful planning, infrastructure investment, and strong economic development policies, we have successfully attracted major employers, including Amazon, Ross, Target, Walmart, Williams Sonoma, and many others, each operating large-scale fulfillment and distribution centers in our city. These developments have transformed City of Shafter into a critical link in California’s supply chain and have supplied the area with tens of thousands of good paying jobs. Soon, the City of Shafter will add to this portfolio with a substantial inland port facility providing critical opportunities to reduce truck emissions through the utilization of rail.

However, these benefits have come with considerable costs. The City of Shafter has invested hundreds of millions of dollars in infrastructure improvements, widening roads, building interchanges, enhancing traffic flow, and increasing public safety services to accommodate the heavy truck and employee traffic associated with e-commerce operations. Most of these facilities operate 24/7, placing ongoing strain on city resources including public works, fire protection, code enforcement, and policing.

The point-of-sale sales tax revenue generated by these centers has been a vital source of funding to help offset these burdens. Under the current tax structure, these revenues support millions of dollars of expenditures below:

- Public safety services, including additional police officers and paramedic staffing in high-traffic

City Manager  
(661) 746-5000  
Fax (661) 746-0607

Finance  
(661) 746-5001  
Fax (661) 746-1002

Human Resources  
(661) 746-5003  
Fax (661) 746-2645

Planning/Building  
(661) 746-5002  
Fax (661) 746-9125

Public Works/Engineering  
(661) 746-5004  
Fax (661) 746-9125

industrial zones along with the need to have the appropriate firefighting equipment which require expensive ladder trucks in order to be able to properly fight industrial fires.

- Street repair and maintenance, particularly for roadways affected by constant heavy truck traffic.
- Economic development initiatives that continue to attract businesses and create local employment.
- Traffic management and infrastructure improvements, including signal upgrades and intersection enhancements.

Should the proposed 50/50 split be enacted, the City of Shafter stands to lose millions annually, for an estimated decrease between 20% to 35% of current general fund revenue. This reduction would force the City to consider significant cuts to essential services, most notably in public safety, road maintenance, and neighborhood services.

The proposal also creates a structural imbalance: while point-of-sale cities like the City of Shafter continue to bear the full responsibility for the impacts of logistics operations, they would receive only half of the associated revenue, while destination cities, which bear none of the direct infrastructure or public safety costs, would receive an equal share of the sales tax. This is inequitable, unsustainable, and fundamentally undermines the integrity of California's local revenue framework as well as Cal Cities spirit of maintaining local control.

Furthermore, the proposal would retroactively penalize cities that made long-term investments in economic development based on the existing tax structure. It disincentivizes future investment in large-scale commerce and erodes the trust between cities and the State when it comes to financial planning and infrastructure partnerships.

We respectfully urge CalCities to reject this proposal and advocate for a more balanced and equitable approach, one that reflects the real costs born by point-of-sale cities and preserves the fiscal viability of those communities that have supported California's e-commerce economy.

We remain committed to collaborating on fair and sustainable policy solutions and appreciate your ongoing efforts to protect the interests of California's municipalities.

Sincerely,

Chad Givens  
Mayor  
City of Shafter



## CITY OF SHAFTER CITY COUNCIL REPORT

---

**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Alan Cazares, Associate Planner

**SUBJECT:** INTRODUCE ORDINANCE NO. 777 TO ADOPT ZONE CODE  
AMENDMENT NO. 25-23

### **RECOMMENDATION**

That the Shafter City Council conduct a public hearing and introduce for first reading, by title only, and waive reading of Ordinance No. 777, an Ordinance of the City Council of the City of Shafter, approving Zone Code Amendment No. 25-23, an amendment to Title 17 (Zoning Ordinance) Section 11.200 of the Shafter Municipal Code relating to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) to comply with recent changes in state law, and (2) find that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act (CEQA) per Public Resources Code Section 21080.17.

### **BACKGROUND**

The proposed ordinance (**Exhibit 1**) will amend Title 17 (Zoning Ordinance) Section 11.200 of the Shafter Municipal Code to comply with recent changes to state law that impose new limits on local authority to regulate Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). Except as otherwise noted, these new laws took effect on January 1, 2026.

In recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that impose new limits on local authority to regulate ADUs and JADUs. In late 2025, four new bills were enacted that further amended state ADU law as summarized below.

#### AB 462 – Coastal Development Permits; Disaster-Affected Areas

AB 462 modifies several permitting requirements associated with processing Coastal Development Permits for ADUs located in the Coastal Zone. Beyond changes to CDP processing, AB 462 modifies the rules governing the issuance of a certificate of occupancy (CofO) for an ADU. Historically, state law has prohibited a local agency from issuing a CofO for an ADU before one is issued for the primary dwelling (i.e., the primary dwelling must have a CofO before the ADU can receive one). AB 462 creates a narrow exception to this prohibition for detached ADUs when all of the following conditions are satisfied: (1) the Governor has declared a state of emergency for the county on or after February 1, 2025; (2) the primary dwelling was substantially damaged or destroyed by an event referenced in the state of emergency proclamation;

### **PUBLIC HEARINGS**

and (3) the ADU has been issued construction permits and passed all required inspections. (Gov. Code, § 66328(b).) If these conditions are satisfied, the detached ADU can receive a CofO before the primary dwelling. In all other scenarios, the primary dwelling still needs a CofO before one can be issued for an ADU.

AB 462 was enacted as an urgency measure that took effect immediately when signed by the Governor (on October 10, 2025). The following three bills were enacted as non-urgency measures and took effect on January 1, 2026.

AB 1154 – JADU Owner-Occupancy; Short-Term Rental

When a JADU is developed, existing state law requires a property owner to reside in the JADU or remaining portion of the single-family dwelling. AB 1154 narrows this requirement to now only apply when a JADU shares sanitation facilities (bathroom) with the single-family dwelling. If the JADU has its own bathroom, then the property owner does not have to reside on the property at all. (See amended Gov. Code, § 66333(b).)

AB 1154 also expressly prohibits JADUs from being used as short-term rentals (i.e., rented for a term shorter than 30 days). (See amended Gov. Code, § 66333(g).) Most ADU ordinances already included this prohibition (as well as prohibiting ADUs from being used as short-term rentals). But now it's required by state law.

SB 9; SB 543 – ADU Ordinance Submittal to HCD; Approval

Under existing law, local agencies are required to submit a copy of their ADU ordinance to the California Department of Housing and Community Development (HCD) within 60 days of adoption.

This year's SB 9 and SB 543 create a penalty for failing to do so by rendering null and void any local ordinance that is not submitted to HCD within 60 days of adoption. (See amended Gov. Code, § 66326(d); new Gov. Code, § 66333.5(d).) The bills further specify that a local ADU ordinance is null and void if HCD issues findings that the ordinance does not comply with state law and the local agency fails to respond to HCD within 30 days.

SB 543 – ADU Size; Number of ADUs; Impact Fees; Application Timeline

SB 543 makes numerous changes and clarifications to state ADU law, the most notable of which are summarized below.

*ADU & JADU Size*

Existing law limits the maximum size of a JADU to 500 square feet and prohibits local ADU ordinances from imposing certain development standards that would prevent an ADU created under Government Code section 66314 through 66322 from being at least 800 square feet.

SB 543 amends state ADU law to specify that allowable square footage of an ADU or JADU refers to square footage of "interior livable space." (See amended Gov. Code, § 66313(d), 66321(b)(2).)

*Impact Fees*

Existing law exempts ADUs that are 750 square feet or smaller from development impacts fees (DIFs). SB 543 clarifies that DIFs may not be imposed on an ADU that has 750 or fewer square feet of interior livable space or on a JADU with 500 or fewer square feet of interior livable space. The bill also exempts an ADU or JADU with fewer than 500 square feet of interior livable space from school impact fees. (See amended Gov. Code, § 66311.5.)

*Quantity of ADUs Created Under Government Code Section 66323*

Existing state law creates four categories of ADUs that must be approved if they comply with the limited standards provided in Government Code section 66323(a)(1)–(4).

These are:

1. a converted ADU and JADU created on a lot with a proposed or existing single-family dwelling (Gov. Code, § 66323(a)(1));
2. a detached ADU created on a lot with a proposed or existing single-family dwelling (Gov. Code, § 66323(a)(2));
3. converted ADUs created in an existing multifamily dwelling (Gov. Code, § 66323(a)(3)); and
4. detached ADUs created on a lot with a proposed or existing multifamily dwelling.

For some time, there has been uncertainty as to whether ADUs created under Government Code section 66323 could be combined. Some practitioners interpreted the statute to not require local agencies to allow combinations. Initially, HCD took the same position, in its 2020 ADU Handbook. But for the last few years, HCD has taken the opposite position: that yes, combinations are permitted. (See HCD January 2025 ADU Handbook, at p. 19 [“Pursuant to Government Code section 66323, subdivision (a), local governments must allow units created pursuant to subparagraphs (1) and (2) together or (3) and (4) together”].)

SB 543 codifies HCD’s most recent interpretation by amending Government Code section 66323 to specifically allow combinations. Thus, a lot with a multifamily dwelling can now have a converted ADU or ADUs created under section 66323(a)(3) and detached ADUs created under section 66323(a)(4). And a lot with a single family dwelling can now have a converted ADU and a JADU created under section 66323(a)(1) and a detached ADU created under section 66323(a)(2).

*ADU Permitting Process*

Existing law has long required local agencies to approve or deny an ADU application within 60 days of receiving a complete application. However, state law was silent with respect to incompleteness determinations, subsequent resubmittals, and appealing local decisions on ADU applications. SB 543 requires local agencies to now:

1. determine whether an ADU application is complete within 15 business days of submittal;
2. if the application is incomplete, within the same 15 days provide the applicant with a list of incomplete items and how to address them;

3. review a resubmitted application for completeness within 15 business days;
4. provide the applicant with a written appeal process for any incompleteness determination or denial (to the Planning Commission or City Council, or both); and
5. provide a final written determination on the appeal within 60 business days of receiving the appeal). (See amended Gov. Code, §§ 66317 [ADUs], 66335 [JADUs].)

**NEXT STEPS & RECOMMENDATION:**

AB 462 took effect immediately when signed, but technically it doesn't require any change to a local ADU ordinance; the City just needed to follow the new rules for CDP processing and issuance of a CofO, if applicable. Since the city of Shafter is not within the coastal zone, AB 462 was not an issue. However, the remaining bills took effect on January 1, 2026, and for the City's ADU ordinance to remain valid and enforceable, it needed to comply with the new changes in state law. As a result, at the December 16th City Council regular meeting, the Shafter City Council approved and adopted an Urgency Ordinance effective immediately to comply with the new ADU laws prior to the January 1st effective date of the aforementioned laws.

However, the adoption of a zoning urgency measure carries some legal risk with the Attorney General's Office, so the City is now going through the normal municipal code amendment process for re-adoption. This non-urgency ordinance is the same in form and content as the adopted urgency ordinance of December 16th. Adopting the proposed ordinance changes (**Exhibit A to Exhibit 1**) under the formal Zone Code Amendment process ensures that the City's ADU ordinance (Title 17 Section 11.200) remains in compliance with state ADU law and meets the normal zoning ordinance adoption requirements. Approval and adoption of Ordinance No. 777 (**Exhibit 1**) ensures that the City protects itself from any potential legal challenges.

On January 13, 2026, the Shafter Planning Commission held a duly noticed public hearing to consider the proposed Zone Code Amendment No. 25-23 and thereafter voted unanimously to recommend approval of the ZCA and adoption of the non-urgency ordinance to the City Council. Staff now recommend that the City Council proceed in accordance with the recommendation set forth above. The second-reading and actual adoption of the attached Ordinance No. 777 is tentatively scheduled for the February 17th City Council meeting.

**FISCAL IMPACT**

There is no fiscal impact directly resulting from the proposed action. Indirectly, the adoption of the urgency ordinance may expedite the development of accessory dwelling units and junior accessory dwelling units. Development of residential projects typically results in increased one-time building-related revenues.

**CEQA ANALYSIS**

Under California Public Resources Code section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county implementing the provisions of Chapter 13

of Division 1 of Title 7 of the California Government Code, which is California's ADU law. Therefore, the adoption of the proposed ordinance is statutorily exempt from CEQA in that the proposed Zone Code Amendment 25-23 implements state ADU law.

**APPROVED BY THE CITY ATTORNEY**

Not Applicable

**ATTACHMENTS**

1. Ordinance No. 777
2. Exhibit A of Ordinance No. 777

**ORDINANCE NO. 777**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
APPROVING ZONE CODE AMENDMENT NO. 25-23, AMENDING TITLE 17  
(ZONING ORDINANCE) SECTION 11.200 OF THE SHAFTER MUNICIPAL CODE  
RELATING TO ACCESSORY DWELLING UNITS (ADUs) AND JUNIOR  
ACCESSORY DWELLING UNITS (JADUs), AND FINDING THE ACTION TO BE  
STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE  
§ 21080.17**

**WHEREAS**, the City of Shafter, California (“City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

**WHEREAS**, state law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units (“ADUs”) and junior accessory dwelling units (“JADUs”); and

**WHEREAS**, in recent years, the California Legislature has approved, and the Governor has signed into law, numerous bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

**WHEREAS**, in 2025, the California Legislature approved, and the Governor signed into law, Assembly Bill 462 (“AB 462”), Assembly Bill 1154 (“AB 1154”), Senate Bill 9 (“SB 9”), and Senate Bill 543 (“SB 543”), which further amend state ADU law; and

**WHEREAS**, the new updates to state ADU law took effect on January 1, 2026, and for the City’s ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 462, AB 1154, SB 9, and SB 543; and

**WHEREAS**, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect the most recent changes to state law; and

**WHEREAS**, on January 13, 2026, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning this proposed Ordinance. Following the public hearing, the Planning Commission voted to forward the Ordinance to the City Council with a recommendation in favor of its adoption; and

**WHEREAS**, on February 03, 2026, the City Council held a duly-noticed public hearing to consider the Ordinance, including: (1) the public testimony and agenda reports prepared in connection with the Ordinance, (2) the policy considerations discussed therein, and (3) the consideration and recommendation by the Shafter Planning Commission; and

**WHEREAS**, all legal prerequisites to the adoption of the Ordinance have occurred.

**NOW, THEREFORE**, the City Council of the City of Shafter does ordain as follows:

**SECTION 1. Incorporation.** The recitals above are each incorporated by reference and adopted as findings by the City Council.

**SECTION 2. CEQA.** Under California Public Resources Code section 21080.17, the California Environmental Quality Act (“CEQA”) does not apply to the adoption of an ordinance by a city or county implementing the provisions of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California’s ADU law. Therefore, adoption of the Ordinance is statutorily exempt from CEQA in that it implements state ADU law.

**SECTION 3. General Plan.** The City Council hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

**SECTION 4. Code Amendment** Title 17 Section 11.200 of the Shafter Municipal Code is hereby amended and restated to read in its entirety as provided in Exhibit “A,” attached hereto and incorporated herein by reference.

**SECTION 5. Effective Date.** This Ordinance takes effect 30 days after its adoption.

**SECTION 6. HCD Submittal.** In accordance with Government Code sections 66326 and 66333.5, the City Clerk is directed to submit a copy of this Ordinance to the California Department of Housing and Community Development within 60 days after adoption.

**SECTION 7. Publication.** The City Clerk is directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

**SECTION 8. Custodian of Records.** The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 336 Pacific Avenue, Shafter, CA 93263.

**SECTION 9. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

(Continues on next page)

**PASSED AND ADOPTED THIS 17<sup>th</sup> DAY OF FEBRUARY, 2026**

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Chad Givens, Mayor

**ATTEST:**

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Yazmina Pallares, City Clerk

**APPROVED AS TO FORM:**

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Marco A. Martinez, City Attorney

**EXHIBIT A**

Proposed Ordinance Changes

(follows this page)

## 1.190 DEFINITIONS

The following definitions and those set forth throughout this Title shall apply when interpreting the intent or meaning of the requirements and guidelines of this Title.

### **Accessory Dwelling Unit (ADU)**

An attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:

- An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
- A manufactured home, as defined by section 18007 of the California Health and Safety Code.

### **Accessory Structure**

A structure that is accessory and incidental to a dwelling located on the same lot. ~~An accessory structure may be erected only after the principal structure is established.~~

### **ADU**

~~See "Accessory Dwelling Unit."~~

### **Efficiency Kitchen**

A kitchen that includes (1) a cooking facility with appliances and (2) a food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.

### **JADU**

~~See "Junior Accessory Dwelling Unit."~~

### **Junior Accessory Dwelling Unit (JADU)**

A residential unit that satisfies all of the following:

- It is no more than 500 square feet of interior livable space in size.
- It is contained entirely within ~~the~~ an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
- It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
- If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the ~~existing~~ existing or proposed single family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
- It includes an efficiency kitchen, as defined here in Section 1.190.

**Nonconforming Zoning Condition**

A physical improvement on a property that does not conform with current zoning standards.

**Parking (Tandem)**

Parking space configuration where two or more parking spaces are lined up one behind the other.

**Passageway**

A pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.

**Public Transit**

A location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

## 11.200 ACCESSORY DWELLING UNITS (ADUs) AND JUNIOR ACCESSORY DWELLING UNITS (JADUs)

### 1. Purpose

The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

### 2. Effect of Conforming

An ADU or JADU that conforms to the standards in this section will not be

- a. ~~(1) d~~ Deemed to be inconsistent with the city's general plan and zoning designation for the lot on which the ADU or JADU is located;
- b. ~~(2) D~~ deemed to exceed the allowable density for the lot on which the ADU or JADU is located;
- c. ~~(3) e~~ Considered in the application of any local ordinance, policy, or program to limit residential growth;
- d. ~~and (4) R~~ required to correct a nonconforming zoning condition, defined as a physical improvement on a property that does not conform with current zoning standards, but this does not prevent the city from enforcing compliance with applicable building standards in accordance with Health and Safety Code Section 17980.12.

### 3. Approvals

The following approvals apply to ADUs and JADUs created under this section.

- a. Ministerial ADU and Building Permits Required. Every ADU and JADU requires an ADU permit and a building permit. The city will review and approve permit applications in accordance with subsection (d)(3) below. Building permit Only. If an ADU or JADU complies with each of the general requirements in subsection 4 below, it is allowed with only a building permit in the following scenarios:
  - ~~(1) — Converted on Single family Lot: One ADU as described in this subsection 3a(1) and one JADU on a lot with a proposed or existing single family dwelling on it, where the ADU or JADU:~~
    - ~~(a) — Is either: within the space of a proposed single family dwelling; within the existing space of an existing single family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and~~
    - ~~(b) — Has exterior access that is independent of that for the single family dwelling; and~~
    - ~~(c) — Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.~~

- ~~(d) The JADU complies with the requirements of Government Code Sections 66333 through 66339.~~
- ~~(2) Limited Detached on Single family Lot: One detached, new construction ADU on a lot with a proposed or existing single family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection 3a(1) above), if the detached ADU satisfies each of the following limitations:~~
- ~~(a) The side and rear yard setbacks are at least four feet.~~
- ~~(b) The total floor area is 800 square feet or smaller.~~
- ~~(c) The peak height above grade does not exceed the applicable height limit in subsection 4b below.~~
- ~~(3) Converted on Multifamily Lot: One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection 3a(3), at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.~~
- ~~(4) Limited Detached on Multifamily Lot: No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:~~
- ~~(a) The side and rear yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.~~
- ~~(b) The peak height above grade does not exceed the applicable height limit provided in subsection 4b below.~~
- ~~(c) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.~~
- b. Processing Fee. The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU-permit processing fee is determined by the Planning Director and approved by the city council by resolution. ADU Permit
- ~~(1) Except as allowed under subsection 3a above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections 4 and 5 below.~~

~~(2) The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU permit processing fee is determined by the director of community development and approved by the city council by resolution.~~

c. Process and Timing

~~(1) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.~~Completeness.

~~(a) Determination in 15 days. The city will determine whether an application to create or serve an ADU or JADU is complete and will provide written notice of the determination to the applicant within 15 business days after the city receives the application submittal.~~

~~(b) Incomplete items. If the city's determination under subsection (3)(c)(1)(a) above is that the application is incomplete, the city's notice must list the incomplete items and describe how the application can be made complete.~~

~~(c) Cure. After receiving a notice that the application is incomplete, the applicant may cure and address the items that were deemed by the city to be incomplete.~~

~~(d) Subsequent submittals. If the applicant submits additional information to address incomplete items, within 15 business days of the subsequent submittal the city will determine in writing whether the additional information remedies all the incomplete items that the city identified in its original notice. The city may not require the application to include an item that was not included in the original notice.~~

~~(e) Deemed complete. If the city does not make a timely determination as required by this subsection (1), the application or resubmitted application is deemed complete for the purposes of subsection (3)(c)(3) below.~~

~~(f) Appeal of incompleteness. An applicant may appeal the city's determination that the application is incomplete by submitting a written appeal to the city clerk. The planning commission will review the written appeal and affirm or reverse the completeness determination and provide a final written determination to the applicant within 60 business days after receipt of the appeal.~~

~~(2) No discretion or hearing. Ministerial permits for an ADU or JADU are considered and approved without discretionary review or a hearing. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city~~

- ~~has not approved or denied the completed application within 60 days, the application is deemed approved unless either:~~
- ~~(a) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or~~
  - ~~(b) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.~~
- (3) Deadline to approve or deny ministerial approvals. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a complete application. If the city has not approved or denied the complete application within 60 days, the application is deemed approved unless either:~~If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection 3c(2) above.~~
- (a) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
  - (b) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
- (4) Denial. If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection (3)(c)(3) above.~~A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.~~

(5) Appeal of denial. An applicant may appeal the city's denial of the application by submitting a written appeal to the city clerk. The planning commission will review the written appeal and affirm or reverse the denial and provide a final written determination to the applicant within 60 business days after receipt of the appeal.

(6) Concurrent review of demolition. A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

4. Classes.

a. Class 1: Statutorily Regulated. Class 1 ADUs and JADUs are approved under Government Code section 66323. If an ADU or JADU complies with each of the general requirements in subsection (5) below, it is allowed in each of the scenarios provided in this subsection (4)(a). An ADU and JADU approved under subsection (4)(a)(1) may be combined with an ADU approved under subsection (4)(a)(2), and ADUs approved under subsection (4)(a)(3) may be combined with ADUs approved under subsection (4)(a)(4).

(1) Converted on Lot with Single-Family: One ADU as described in this subsection (4)(a)(1) and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

(a) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and

(b) Has exterior access that is independent of that for the single-family dwelling; and

(c) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.

(d) The JADU complies with the requirements of Government Code sections 66333 through 66339

(2) Limited Detached on Lot with Single-Family: One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling, if the detached ADU satisfies each of the following limitations:

(a) The side- and rear-yard setbacks are at least four feet.

(b) The total floor area is 800 square feet of livable space or smaller.

(c) The peak height above grade does not exceed the applicable height limit in subsection (5)(b) below.

(3) Converted on Lot with Multifamily: One or more ADUs within portions of existing multifamily dwelling structures that are not

used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection (4)(a)(3), at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

(4) Limited Detached on Lot with Multifamily: No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

(a) The side- and rear-yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.

(b) The peak height above grade does not exceed the applicable height limit provided in subsection (5)(b) below.

(c) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot

b. Class 2: Locally Regulated. Class 2 ADUs are approved under Government Code sections 66314–66322. Except for Class 1 ADUs approved under subsection (4)(a) above, all ADUs are subject to the standards set forth in subsections (5) and (6) below.

5. General ADU and JADU Requirements. The following requirements apply to all Class 1 and Class 2 ADUs and JADUs that are approved under subsections 3a or 3b above:

a. Zoning

(1) A Class 1 ADU approved under subsection (4)(a) may An ADU or JADU subject only to a building permit under subsection 3a above may be created on a lot in a residential or mixed-use zone.

(2) A Class 2 ADU approved under subsection (4)(b) above An ADU or JADU subject to an ADU permit under subsection 3b above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.

(3) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

b. Height

- (1) Except as otherwise provided by subsections [54b\(2\)](#) and [54b\(3\)](#) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
  - (2) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or a high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
  - (3) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
  - (4) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection [54b\(4\)](#) may not exceed two stories.
  - (5) For purposes of this subsection [54b](#), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure~~height is measured above existing legal grade to the peak of the structure.~~
- c. Fire Sprinklers
- (1) Fire sprinklers are required in an ADU or JADU if sprinklers are required in the primary residence.
  - (2) The construction of an ADU or JADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
- d. Rental Term. No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.
- e. No Separate Conveyance. An ADU or JADU may be rented, but except as otherwise provided in Government Code Section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
- f. Septic System. If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.
- g. Owner Occupancy

- (1) ~~ADUs. ADUs are not subject to an owner-occupancy requirement~~An ADU that is permitted on or after January 1, 2020 is not subject to any owner-occupancy requirement.
- (2) JADUs.
- a. ~~As required by state law, all~~JADUs are generally subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence.
- b. Exceptions. The owner-occupancy requirement in this subsection (5)(g)(2) does not apply in either of the following situations:
- (1) The JADU has separate sanitation facilities (i.e., does not share sanitation facilities with the existing primary dwelling unit structure).
- (2) The property is entirely owned by another governmental agency, land trust, or housing organization~~However, the owner-occupancy requirement in this subsection 4g(2) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.~~
- h. ~~Deed Restriction. Prior to issuance of a building permit for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Planning Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:~~
- (1) ~~Except as otherwise provided in Government Code Section 66341, the ADU or JADU may not be sold separately from the primary dwelling.~~
- (2) ~~The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.~~
- (3) ~~The deed restriction runs with the land and may be enforced against future property owners.~~
- (4) ~~The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Director, providing evidence that the ADU or JADU has in fact been eliminated. The Director may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Director's determination consistent with other provisions of this Code. If the ADU or JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining~~

~~structure and improvements must otherwise comply with applicable provisions of this Code.~~

~~(5) The deed restriction is enforceable by the director or his or her designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.~~

~~i. Rent Reporting. In order to facilitate the city's obligation to identify adequate sites for housing in accordance with Government Code sections 65583.1 and 66330, the following requirements must be satisfied:~~

~~(1) With the building permit application, the applicant must provide the city with an estimate of the projected annualized rent that will be charged for the ADU or JADU.~~

~~(2) Within 90 days after each January 1 following issuance of the building permit, the owner must report the actual rent charged for the ADU or JADU during the prior year. If the city does not receive the report within the 90-day period, the owner is in violation of this Code, and the city may send the owner a notice of violation and allow the owner another 30 days to submit the report. If the owner fails to submit the report within the 30-day period, the city may enforce this provision in accordance with applicable law.~~

~~j. Building and Safety~~

~~(1) Must comply with building code. Subject to subsection 54ij(2) below, all ADUs and JADUs must comply with all local building code requirements.~~

~~(2) No change of occupancy. Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the Building Official or Code Enforcement Officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection 54ij(2) prevents the city from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.~~

~~j. Certificate of Occupancy Timing.~~

~~(1) Generally. No certificate of occupancy for an ADU or JADU may be issued before the certificate of occupancy is issued for the primary dwelling unit~~

~~(2) Limited Exception for State-declared Emergencies. Notwithstanding subsection (5)(j)(1) above, a certificate of~~

occupancy for an ADU may be issued before a certificate of occupancy for the primary dwelling if each of the following requirements are met:

- (a) The county is subject to a proclamation of a state of emergency made by the California Governor on or after February 1, 2025.
- (b) The primary dwelling was substantially damaged or destroyed by an event referenced in the Governor's state of emergency proclamation.
- (c) The ADU has been issued construction permits and has passed all required inspections.
- (d) The ADU is not attached to the primary dwelling.

56. Specific ADU Requirements. The following requirements apply only to Class 2 ADUs that require an ADU permit approved under subsection 3(4)(b) above. This subsection (6) does not apply to Class 1 ADUs or JADUs approved under subsection (4)(a) above.

a. Maximum Size

- (1) The maximum size of a detached or attached ADU subject to this subsection (6) is 850 square feet of interior livable space for a studio or one-bedroom unit and 1,000 square feet of interior livable space for a unit with two or more bedrooms.
- ~~(2) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.~~
- ~~(3) Application of other development standards in this subsection (6), such as FAR setbacks or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection 5a(2) above or of a FAR, front setback, lot coverage limit, or open space requirements a development standard in this subsection (6) may require the ADU have less than 800 square feet of interior livable space to be less than 800 square feet.~~

~~b. Floor Area Ratio (FAR). No ADU subject to this subsection 5 may cause the total FAR of the lot to exceed 45 percent, subject to subsection 5a(3) above.~~

eb. Setbacks

- (1) An ADU that is subject to this subsection (56) must conform to 4-foot side- and rear-yard setbacks. An ADU that is subject to this subsection (6) must conform to a 25-foot front-yard setback, subject to subsection 5a(3)(a)(3) above.
- ~~(2) An ADU that is subject to this subsection 5 must conform to 4-foot side- and rear yard setbacks.~~

- (~~23~~) No setback is required for an ADU that is subject to this subsection (~~56~~) if the ADU is constructed in the same location and to the same dimensions as an existing structure.
- ~~dc.~~ Lot Coverage. No ADU subject to this subsection (~~56~~) may cause the total lot coverage of the lot to exceed 50 percent, subject to subsection ~~5a(6)(a)(3)~~ above.
- ~~e.~~ ~~Minimum Open Space. No ADU subject to this subsection 5 may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection 5a(3) above.~~
- ~~fe.~~ Passageway. No passageway, defined as a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU, is required for an ADU.
- ~~gf.~~ Parking
- (1) Generally. One off-street parking space is required for each ADU, or bedroom, whichever is less. The parking space may be provided in setback areas or as tandem parking, defined as two or more automobiles that are parked on a driveway or in any other location on a lot, lined up behind one another.
  - (2) Exceptions. No parking under subsection (~~56~~)(~~fg~~)(1) is required in the following situations:
    - (a) The ADU is located within one-half mile walking distance of public transit, defined as a location including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
    - (b) The ADU is located within an architecturally and historically significant historic district.
    - (c) The ADU is part of the proposed or existing primary residence or an accessory structure ~~under subsection 3a(1) above~~.
    - (d) When on-street parking permits are required but not offered to the occupant of the ADU.
    - (e) When there is an established car share vehicle stop located within one block of the ADU.
    - (f) When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections (~~56~~)(~~gf~~)(2)(a) through (~~fe~~) above.
  - (3) No Replacement. When a garage, carport, ~~or~~ covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an

ADU, those off-street parking spaces are not required to be replaced.

~~(4) No off-street parking is required for a JADU.~~

hg. Architectural Requirements

(1) The materials and colors of the exterior walls, roof, and windows and doors must ~~match the appearance and architectural design be the same as~~ those of the primary dwelling.

(2) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.

(3) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.

(4) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.

~~(5) The interior horizontal dimensions of an ADU must be at least 10 feet wide in every direction, with a minimum interior wall height of seven feet.~~

~~(6) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.~~

~~(7) All windows and doors in an ADU are less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.~~

~~i. Landscape Requirements. Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:-~~

~~(1) At least one 15-gallon size plant shall be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant shall be provided for every ten linear feet of exterior ADU wall.~~

~~(2) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least 6 feet in height may be installed.~~

~~(3) All landscaping must be drought tolerant.~~

~~(4) All landscaping must be from the city's approved plant list.~~

~~j. Historical Protections. An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.~~

- ~~ki.~~ Allowed Stories. No ADU subject to this subsection 5 may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph ~~4b(5)(b)(4)~~ of this section.
67. Fees. The following requirements apply to all Class 1 ADUs and JADUs and Class 2 ADUs ~~all ADUs~~ that are approved under subsections ~~3a(4)(a)~~ or ~~3b(4)(b)~~ above.
- a. Impact Fees
- (1) No impact fee is required for a JADU or for an ADU that has less than 750 square feet ~~in size of interior livable space~~. For purposes of this subsection ~~6a(7)(a)~~, “impact fee” means a “fee” under the Mitigation Fee Act (Government Code Section 66000(b)) and a fee under the Quimby Act (Government Code Section 66477). “Impact fee” here does not include any connection fee or capacity charge for water or sewer service.
  - (2) A JADU or ADU with less than 500 square feet of interior livable space does not increase assessable space by 500 square feet for purposes of Education Code section 17620(a)(1)(C), and is therefore not subject to school fees under Education Code section 17620.
  - ~~(3)~~ Any impact fee that is required for an ADU that has 750 square feet or more of interior livable space larger in size ~~larger in size~~ must be charged proportionately in relation to the square footage of the primary dwelling unit. (e.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)
- b. Utility Fees
- (1) If an ADU or JADU is constructed with a new single-family home, a separate utility connection directly between the ADU or JADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
  - (2) Except as described in subsection ~~6b(7)(b)(1)~~, JADUs and converted ADUs on a single-family lot that are created under subsection ~~3a(4)(a)(1)~~ above are not required to have a new or separate utility connection directly between the JADU or ADU and the utility. Nor is a connection fee or capacity charge required. Notwithstanding the rest of this paragraph, a direct utility connection is required for separate conveyance of an ADU when separate conveyance is allowed under this code.
  - (3) Except as described in subsection ~~6b(7)(b)(1)~~, all ADUs that are not covered by subsection ~~6b(7)(b)(2)~~ require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.

- (a) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
- (b) The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

**78.** Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures

- a. Generally. The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.
- b. Unpermitted ADUs and JADUs constructed before 2020.
  - (1) Permit to Legalize. As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:
    - (a) The ADU or JADU violates applicable building standards, or
    - (b) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (section 11.200).
  - (2) Exceptions:
    - (a) Notwithstanding subsection ~~7b(8)(b)~~(1) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
    - (b) Subsection ~~7b(8)(b)~~(1) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

**89.** Nonconforming ADUs and Discretionary Approval. Any proposed ADU or JADU that would otherwise be allowed under this section but that does not conform to the objective design or development standards set forth in subsections 1 through ~~7-8~~ of this section may be allowed by the city with a conditional use permit, in accordance with the ~~other~~ provisions of Section 2.50 of this title.



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Rogelio Sanchez, Finance Director

**SUBJECT:** ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR  
FISCAL YEAR 2024-2025

### **RECOMMENDATION**

Council find the action is not defined as a "project" pursuant to Section 15378(b)(4) of the CEQA Guidelines; accept the Annual Comprehensive Financial Report (ACFR), Federal Single Audit, and SAS 114 letter, for the year ended June 30, 2025.

### **BACKGROUND**

The Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024-25 has been completed and audited by the City's independent auditors, The Pun Group, LLP. The audit resulted in an unqualified audit opinion, commonly referred to as a "clean opinion," indicating that the City's financial statements are presented fairly, in all material respects, in accordance with Generally Accepted Accounting Principles (GAAP).

City staff has included the ACFR for City Council's review. A representative from The Pun Group will attend the meeting remotely to provide an overview of the audit results and to address any questions from the City Council or the public.

The Letter of Transmittal and Management's Discussion and Analysis (MD&A) sections of the ACFR provide important context and analysis, including highlights of the City's financial position, year-over-year trends, and discussion of major operational and financial activities for the fiscal year ended June 30, 2025. These sections are intended to be read in conjunction with the basic financial statements to support a comprehensive understanding of the City's financial results.

The Independent Auditor's Report, located at the beginning of the ACFR, confirms the issuance of an unqualified opinion. Due to timing constraints associated with the audit completion, the FY 2024-25 ACFR was submitted to the Government Finance Officers Association (GFOA) for consideration under the Certificate of Achievement for Excellence in Financial Reporting program this year.

For Fiscal Year 2024-25, the City's federal expenditures were below the threshold requiring a Single Audit under the Uniform Guidance (2 CFR Part 200). As a result, a Single Audit was not required or performed for the fiscal year.

### **MANAGEMENT REPORT**

In addition, The Pun Group has issued the Statement on Auditing Standards (SAS) 114 / AU-C 260 communication, which summarizes key matters communicated to those charged with governance. This letter addresses significant accounting policies, audit findings, internal control considerations, corrected and uncorrected misstatements, and any significant difficulties encountered during the audit. The auditors will be available during the City Council meeting to present these items and respond to questions.

Overall, the ACFR, together with the MD&A and related audit communications, provides a comprehensive and transparent overview of the City's financial condition and operations for Fiscal Year 2024-25 and is submitted for City Council review and acceptance.

Note: The Final ACFR will be available at <https://www.shafter.com/153/Financial-Reports>.

### **FISCAL IMPACT**

There is no direct fiscal impact associated with the presentation of the Annual Comprehensive Financial Report (ACFR). The costs related to the audit and preparation of the ACFR were previously budgeted in the City's Finance Department expenditures for Fiscal Year 2024-25.

### **CEQA ANALYSIS**

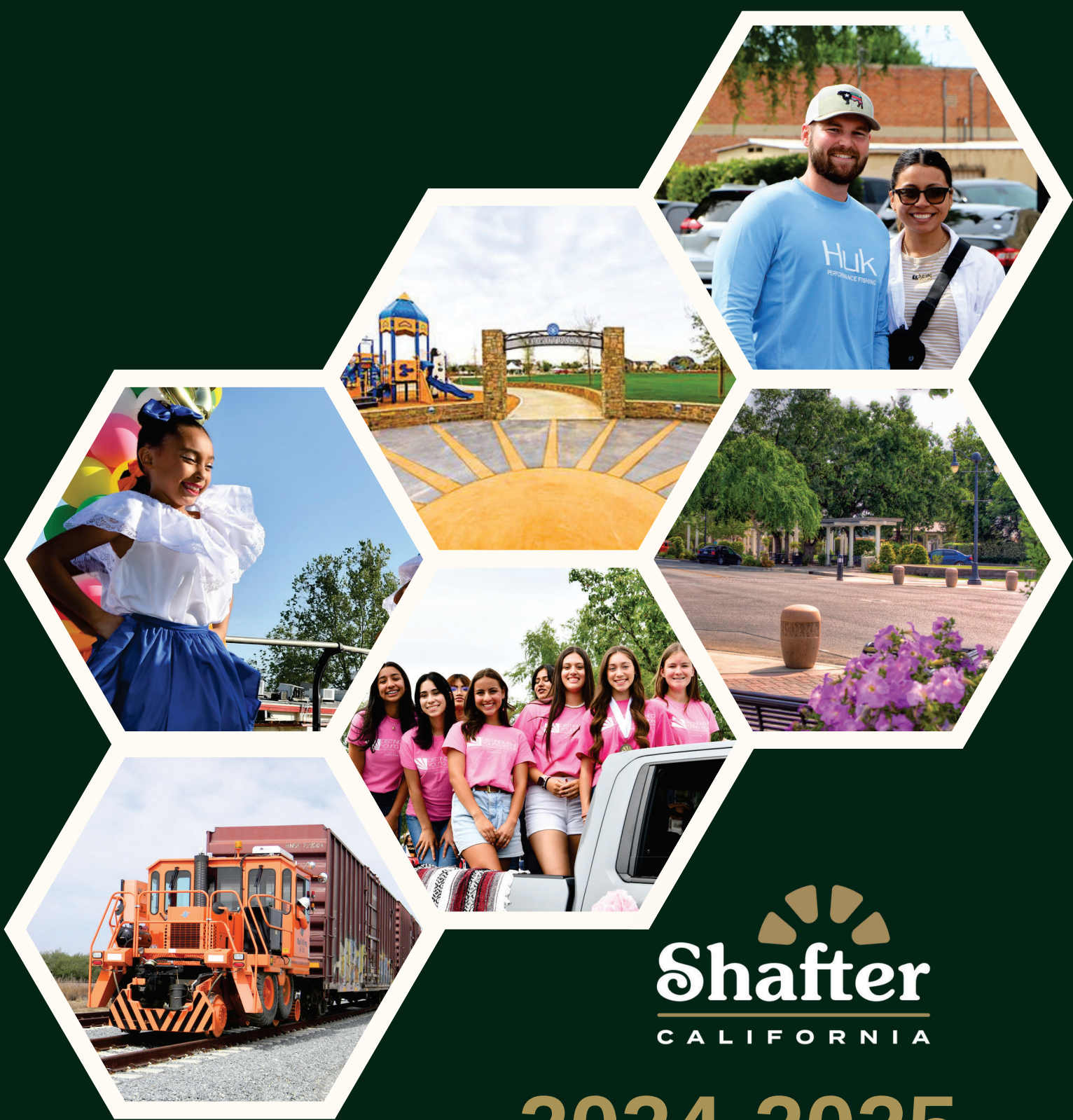
The action is not defined as a "project" per Section 15378(b)(4) of the CEQA Guidelines because the action is the acceptance of a comprehensive financial report and therefore, it is the creation of a governmental funding mechanism or other fiscal activity that does not involve any commitment to a specific project that can result in a potentially significant impact and not subject to CEQA.

### **APPROVED BY THE CITY ATTORNEY**

No

### **ATTACHMENTS**

1. FY25 Shafter ACFR\_Secured



**Shafter**  
CALIFORNIA

**2024-2025**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



# **City of Shafter**

Shafter, California

## **Annual Comprehensive Financial Report**

*For the Fiscal Year Ended June 30, 2025*

Prepared by  
Administrative Services Department



**City of Shafter**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2025**  
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January 27, 2026

Honorable Mayor  
Members of the City Council  
Citizens of the  
City of Shafter

**Annual Comprehensive Financial Report (ACFR) Submission**

The Annual Comprehensive Financial Report (ACFR) of the City of Shafter (City) for the fiscal year ended June 30, 2025, is hereby submitted. The accuracy, completeness, and fairness of this report, including all disclosures, are the responsibility of the City. To ensure reliable financial reporting, the City has implemented a comprehensive internal control framework designed to safeguard assets against loss, theft, or misuse while ensuring the preparation of financial statements in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). Recognizing that the cost of internal controls should not outweigh their benefits, this framework provides reasonable, not absolute, assurance against material misstatement. Management asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent Audit**

The City financial statements have been audited by The Pun Group, LLP. The objective of this independent audit was to obtain reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2025, are free from material misstatement. The audit involved evaluating evidence supporting financial disclosures, assessing accounting principles and significant estimates, and reviewing overall financial statement presentation. Based on this audit, the independent auditor issued an unmodified opinion, concluding that the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of this report.

The City's financial audit is also part of a broader, federally mandated Single Audit, designed to meet federal grantor agency requirements. This audit evaluates both financial statement accuracy and compliance with legal and regulatory requirements, particularly regarding federal award administration. The results of this audit are available in the City's separately issued Single Audit Report.

**Management's Discussion and Analysis (MD&A)**

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report.

### **Profile of the City of Shafter**

The City is located in the southern San Joaquin Valley in Kern County, California. This primarily rural region is heavily invested in agriculture and oil and gas production. Founded in 1913 and incorporated in 1938, the City became a Charter City in 1995. Covering approximately 38.82 square miles, it serves a population of approximately 23,455. The City operates under a Council-Manager government structure, with a five-member City Council elected at large for staggered four-year terms. Council elections are held in November of even-numbered years.

The City provides a range of essential services, including police protection, refuse collection, water and wastewater services, rail operations, infrastructure maintenance, and recreational programs. Fire protection is contracted through Kern County, and ambulance services are provided by a private contractor. This report encompasses all fund types and account groups related to the City and the Successor Agency to the Shafter Community Development Agency.

Several other governmental entities operate within the City's limits, including the State of California, Kern County, and various local districts. These entities, such as the Kern High School District, Richland School District, and Shafter Recreation and Park District, are legally separate and not considered component units of the City. For additional details on the reporting entity, see Note 1 to the financial statements.

### **Financial Planning and Budgeting**

The annual budget is the cornerstone of the City's financial planning and control. Each department submits budget requests to the City Manager, who collaborates with the Finance Director to develop a proposed budget. The City prioritizes sustainable budgeting, ensuring that ongoing expenditures do not exceed conservatively estimated revenues. The City Manager presents the proposed budget to the City Council by June 1st, and the Council adopts the final budget by June 30th. The City Manager has the authority to transfer funds between departments, while supplemental appropriations require Council approval and certification of available funds. Budget-to-actual comparisons for each governmental fund are included in the Required Supplementary Information (RSI) section of this report.

### **Factors Affecting Financial Condition**

The City maintains a strong financial position, with recurring revenues consistently exceeding recurring expenditures and sufficient fund balances to cover liabilities and maintain prudent reserves. This stability results from long-term financial planning, conservative fiscal policies, and proactive economic development initiatives that have fostered business growth.

The City's general fund balance is structured to cover outstanding pension liabilities, post-employment benefit obligations, contingent commitments, and strategic capital improvements while maintaining a healthy reserve.

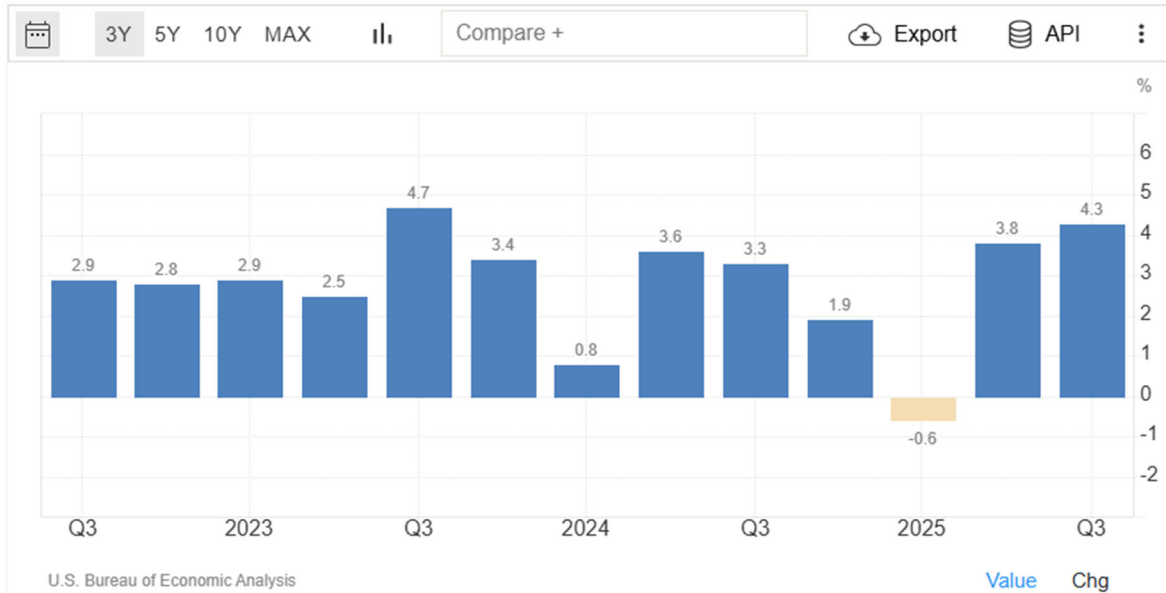
The City's revenue structure is heavily reliant on sales tax, with a significant portion generated by a small number of businesses, particularly in the oil services sector.

To mitigate this concentration risk, the City Council has adopted a Fund Balance Policy requiring a minimum unassigned fund balance of 50% of the following year’s general fund operating expenditures. Current fund balance levels exceed this threshold. Additionally, portions of the general fund balance are assigned for one-time strategic projects and payments toward unfunded liabilities, excluding them from minimum fund balance calculations.

**Economic Outlook**

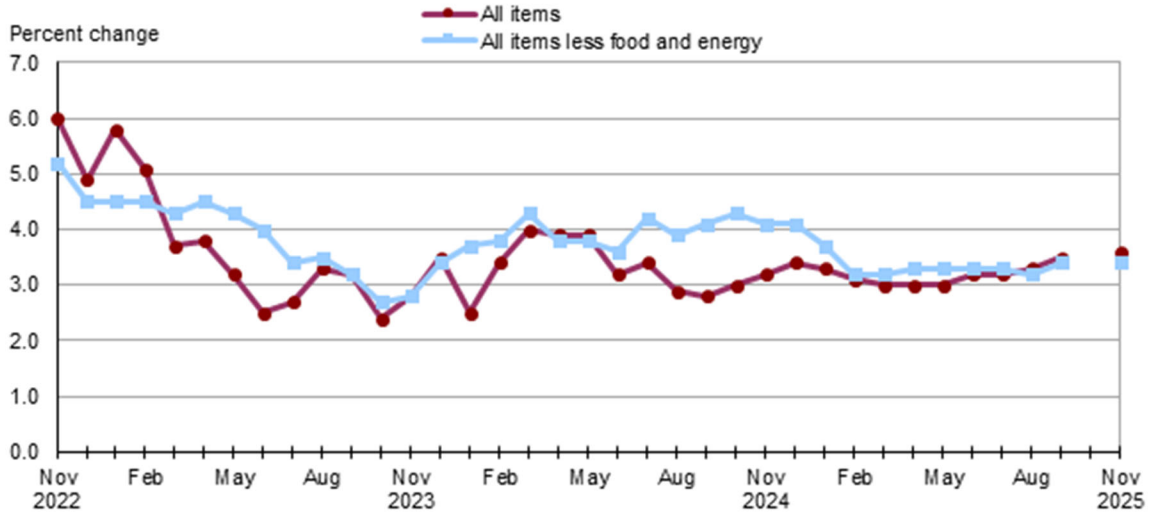
The gross domestic product (GDP) in the US advanced an annualized 4.3% in Q3 2025, the most in two years compared to 3.8% in Q2, and forecasts of 3.3%, the delayed estimate showed. The growth mainly reflected increases in consumer spending, exports, and government spending. Consumer spending rose 3.5%, the most so far this year (vs 2.5% in Q2), led by both goods (3.1% vs 2.2%) and services (3.7% vs 2.6%), mostly health care, international travel, information processing equipment and prescription drugs. Fixed investment continued to rise although at a slower pace (1% vs 4.4%), supported by equipment (5.4% vs 8.5%) and intellectual property products (5.4% vs 15%) while investment in structures (-6.3% vs -7.5%) and residential (-5.1% vs -5.1%) continued to decline. Also, exports rebounded sharply (8.8% vs -1.8%) due to capital and nondurable goods and imports declined further (-4.7% vs -29.3%). Government spending recovered (2.2% vs -0.1%) and the drag from private inventories was smaller (-0.22 pp vs -3.44 pp). *source: U.S. Bureau of Economic Analysis*

**United States GDP Growth Rate:**



<https://tradingeconomics.com/united-states/gdp-growth>

**Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, November 2022–November 2025**

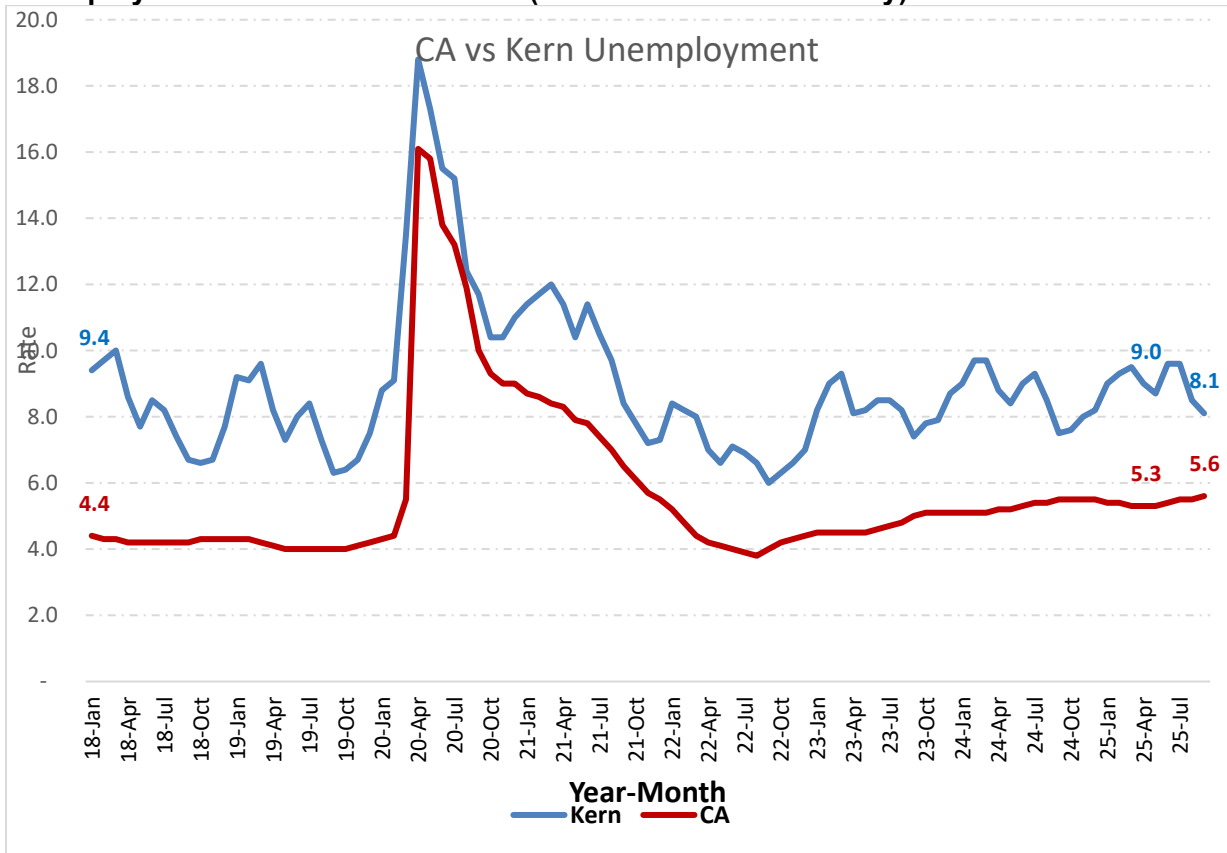


Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.

Source: U.S. Bureau of Labor Statistics.

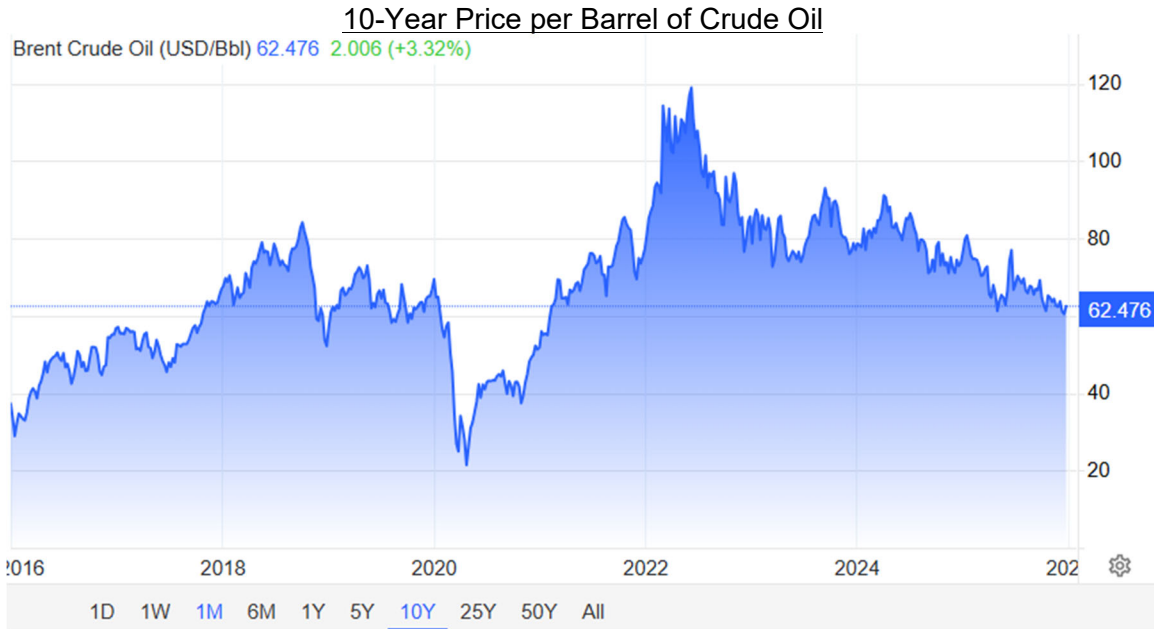
Source: [https://www.bls.gov/regions/west/news-release/consumerpriceindex\\_losanjeles.htm](https://www.bls.gov/regions/west/news-release/consumerpriceindex_losanjeles.htm)

**Unemployment Rate Historical Trend (California vs Kern County):**



(Source: US Bureau of Labor Statistics)

There is no reliable data source available to measure the specific unemployment rate in the City. However, the City’s economic development efforts have successfully created thousands of new jobs in recent years, primarily in logistics, warehousing, and the oil and gas sectors. These job opportunities continue to benefit City’s unemployed workforce.



Source: <https://tradingeconomics.com/commodity/brent-crude-oil>

**Review of the City’s Housing Market**

The City’s housing market continued to demonstrate strong performance in 2024 - 2025, aligning with broader state and national trends while outperforming much of the region. The City once again set a record for the highest number of single-family residential permits issued, reflecting sustained demand and ongoing development activity.

Nationally, median home prices increased by nearly 5 percent between 2024 and 2025. While appreciation is expected to continue, most housing experts project a slower pace of growth, with national price increases forecast between 1 and 4 percent. California’s housing market experienced mixed conditions, with Kern County recording a modest median home price increase of approximately 1.79 percent. In contrast, the City significantly exceeded county trends, posting a 6.5 percent increase in home values.

Housing inventory within the City’s historic core remained limited; however, new residential construction helped moderate supply constraints. During the past year, the City permitted approximately 100 new single-family homes, increased the number of residential lots to 252, and advanced three housing developments across a range of price points. Several additional residential tracts are scheduled to begin construction in 2026, further supporting long-term growth within the historic core.

Residential development in southeast Shafter, near the City of Bakersfield, continues to play a major role in the local housing market. The Gossamer Grove and Marcona Preserve developments by Lennar Homes - planned for a combined total of 3,827 single-family homes - maintained an annual build-out pace of approximately 250 to 350 units, with more than 450 homes permitted in the past year alone. These projects remain key contributors to population growth, rising home values, and increased assessed valuation. In addition, the fully entitled Mission Lakes development and ongoing mass grading for approximately 2,000 additional residential lots further reinforces this area's long-term development outlook.

As a result of sustained residential activity, the City's population grew by approximately 3.8 percent over the past year, placing the City among the fastest-growing communities in Kern County and among the fastest-growing cities statewide. This growth reflects the City's continued desirability, expanding housing opportunities, and economic vitality, positioning the City for continued success in the years ahead.

**Economic Development:**

The City's economic development program has evolved in response to changes in State policy and regional market conditions. Following the dissolution of redevelopment agencies in 2012, the City advanced a locally driven approach centered on infrastructure investment, streamlined permitting, and maintaining an environment where businesses can operate successfully. This approach has supported sustained industrial activity and economic diversification.

Agriculture and energy have historically served as foundational components of City's economy, with agriculture continuing to represent a significant share of regional employment. The City's geographic location in the center of California, positioned between Interstate 5 and State Route 99 and supported by City-owned rail infrastructure connected to the BNSF mainline, has enabled the City to function as a logistics, distribution, and industrial center.

Industrial development in the City has been anchored by the Wonderful Industrial Park, encompassing approximately 1,600 acres of master-planned industrial land. Since the early 2000s, the City has attracted firms engaged in logistics, distribution, manufacturing, and industrial services. Industrial facilities in the City account for millions of square feet of developed space, support a substantial employment base, and benefit from rail-served and large-format industrial sites that remain a defining asset of the local economy.

In addition to logistics and distribution, the City's industrial base includes construction and building materials suppliers, oil and gas service firms, and agricultural technology operations. The City's ag-technology presence includes businesses engaged in agricultural research, plant development, and value-added crop innovation. Collectively, these sectors contribute to a diversified industrial profile and broaden the City's employment base.

The City has demonstrated adaptability during changes in California's energy and regulatory environment. Since 2017, several legacy energy-related facilities have transitioned to new industrial or manufacturing uses, maintaining productive utilization of industrial properties and continued employment activity.

Residential development and population growth have supported corresponding increases in retail and service activity. The City's population is projected to grow from approximately 22,000 residents to 30,000 by 2030, providing additional support for commercial development and diversification of the tax base.

Over the past decade, the City has invested significant resources in infrastructure necessary to support economic activity, including transportation improvements, water and wastewater capacity, City-owned rail operations, and a fiber-optic network. These investments have aligned economic growth with service capacity and long-term fiscal sustainability.

The City's economic development efforts continue to focus on supporting existing industries and facilitating reinvestment, maintaining infrastructure readiness to accommodate future growth, encouraging a balanced mix of industrial, manufacturing, and commercial activity, and aligning economic development with long-term fiscal and operational objectives.

The City's economic development strategy has supported sustained industrial investment, employment opportunities, and growth in the City's tax base. The City's location, infrastructure assets, and diversified industrial base continue to position the City as a stable and competitive economic center within Kern County and the Central Valley.

**Enterprise funds.** All enterprise functions of the City are expected to cover their full share of direct and indirect costs. To ensure financial sustainability, the City conducted a rate analysis for Water, Wastewater, and Refuse utilities, resulting in a five-year series of rate adjustments. The first increase took effect on July 1, 2025.

These rate adjustments provide the necessary funding to keep pace with rising operational costs, new regulatory requirements for wastewater treatment and recycling, water treatment expenses to maintain clean drinking water, and essential capital improvements.

### **The Infrastructure of Community**

The Community Services department includes the Shafter Library & Learning Center, the Shafter Aquatic Center and downtown revitalization. These projects are diverse, however, they can all be considered part of the community infrastructure of the City. Some areas of the City organization have responsibility for infrastructure that is crucial for safety and survival. For example, the removal of waste, the provision of clean water, and enforcing the law to protect residents from violence. Libraries, public pools, and a vibrant downtown are infrastructure of a different kind. They enable a community to thrive.

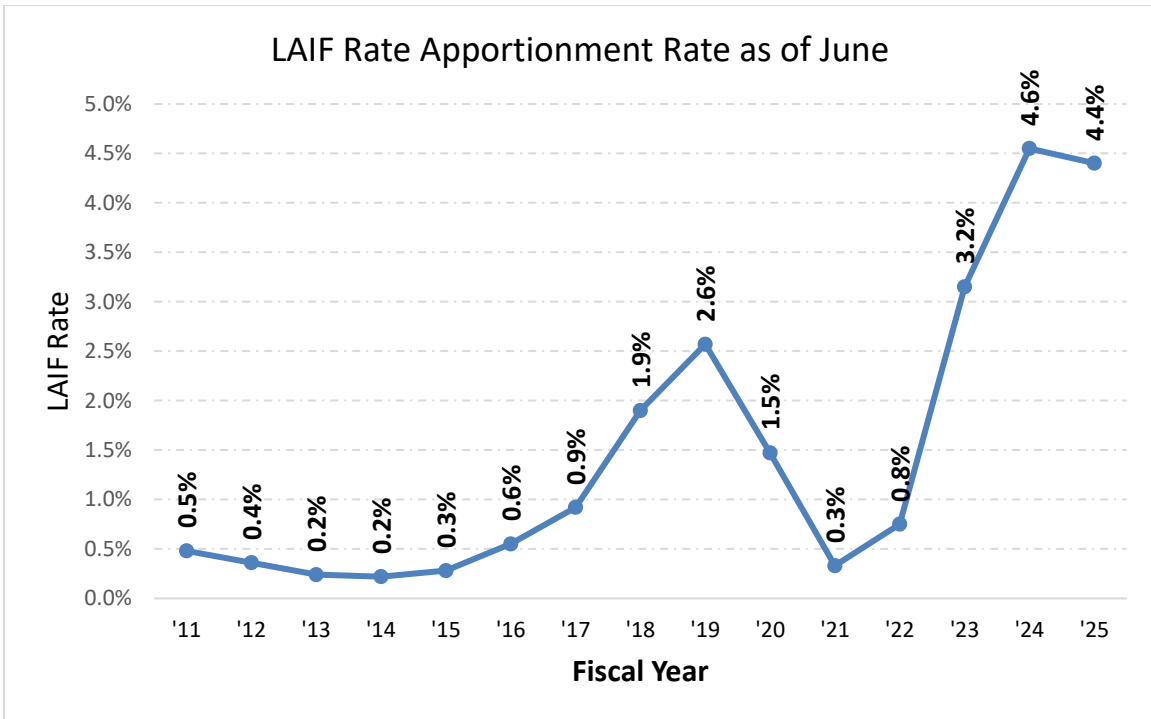
The City is increasingly focused on community infrastructure and this reorganization is evidence of that.

1. **Shafter Library & Learning Center:** The centerpiece of the City’s educational initiatives, the Shafter Library & Learning Center, has a mission to nurture discovery, learning, and connection in the community. Established through a series of developments since 2014, it now offers:
  - A full-service library.
  - Educational programming including classes, author visits, and science demonstrations.
  - Partnerships with institutions like Bakersfield College for additional classes and services.
  - Five-day-a-week operations with extended hours.
  - In 2025 the Center averaged 858 visitors attending classes or programs and 1,866 book circulations per month.
  - “Scoutmobile,” our mobile library, supports outreach at public events and provides library services to outlying areas.
  - A chess garden, set to be constructed in 2026, will extend our library to our exterior patio to serve as additional gathering space for patrons.
2. **Shafter Aquatic Center:** Reopening under City management in 2026, the Aquatic Center will support youth competition, recreation, and fitness opportunities for residents.
3. **Downtown Revitalization:** The City’s efforts to revitalize downtown Shafter are in the early stages. They include:
  - Downtown events like First Fridays and the Shafter Farmers Market.
  - A Downtown Façade Grant Program, designed to support businesses and business owners as they invest in exterior building improvements to make downtown Shafter thrive.
  - Community and business engagement to develop and implement the downtown component of the City's strategic plan.

Together, these initiatives represent a substantial investment in the growth of individual residents, families, and connections across the community.

**Cash and investment policies and practice.** The City continues to maintain an Investment Policy, which is submitted annually to the City Council, along with quarterly Treasurer’s Reports reporting investment activity and portfolio balances during the fiscal year. The goals of the policy are to invest public funds in a manner which will provide in this order: security, liquidity, and return; while conforming to all State and local statutes governing the investment of public funds.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, Local Agency Investment Fund of the State of California (LAIF), California Cooperative Liquid Assets Securities System (California CLASS), Corporate Bonds and obligations of the U.S. Treasury.



Source: <https://www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp>

The City’s investment portfolio follows the City’s investment policy. The safety and liquidity policy objectives were placed above rates of return considerations in making deposits and investments. Accordingly, deposits were either insured by federal depository insurance, collateralized or backed by the full faith of the federal government. For additional information, see Note 2 to the financial statements.

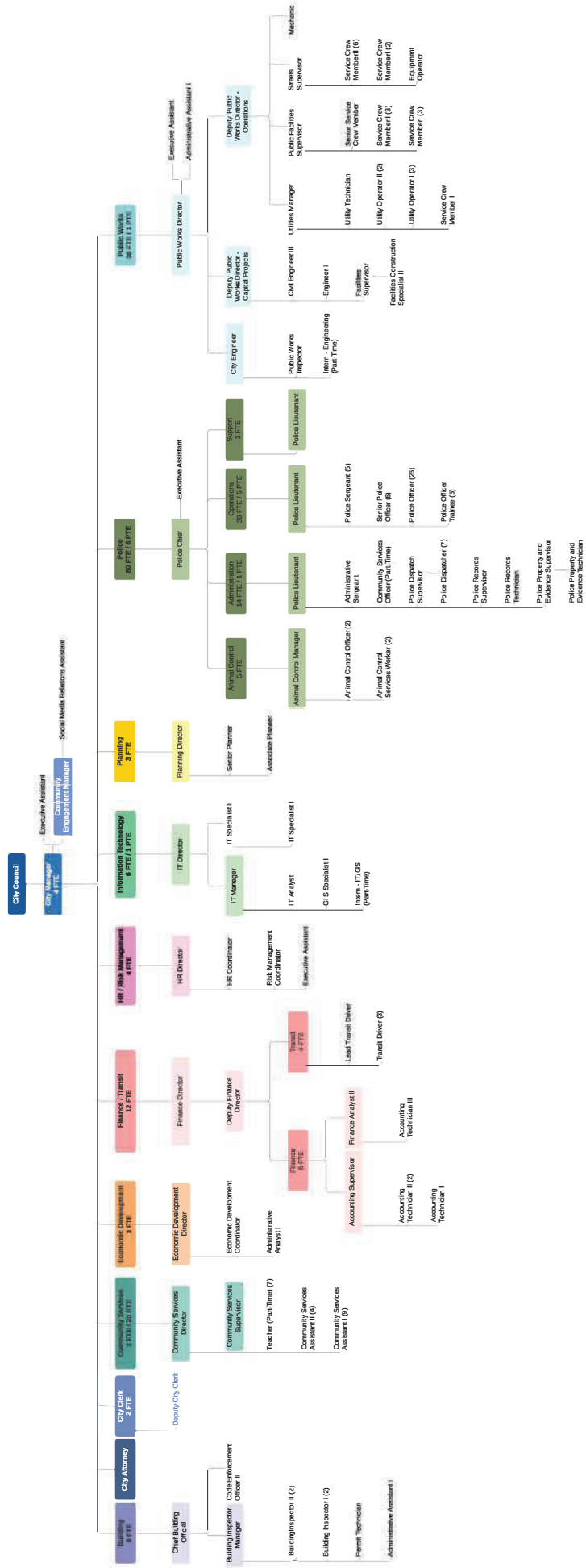
**Pension and other post-employment benefits.** The City provides pension benefits for its safety and non-safety employees in separate plans managed by the California Public Employees Retirement System (CalPERS). The City is subject to the Public Employees’ Pension Reform Act of 2013 (PEPRA) which imposes a lower pension benefit level and mandated employee cost sharing on new members. Each year a CalPERS actuary calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. This payment is calculated as a percentage of payroll and remitted to CalPERS with each payroll cycle. As a matter of policy, the City fully funds each year’s annual required contribution to the pension plans as determined by the actuary.

Respectfully submitted,

Roger Sanchez

Finance Director

City of Shafter  
Organizational Chart  
July 1, 2025  
143 Full-Time Employees  
28 Part-Time/Extra-Help Employees



# City of Shafter

Principal Officers  
as of June 30, 2025

**City Council (Elected)**

Chad Givens, Mayor

Gustavo Olvera, Jr., Mayor Pro Tem

Gilbert T. Alvarado, Councilmember

Pete Espinoza, Councilmember

Cathy Prout, Councilmember

**City Manager**

Lance Lippincott

**Human Resources Director**

Carol Chavolla

**Planning Director**

Steve Esselman

**Chief Building Official**

Dennis Fidler

**Community Services Director**

David Franz

**Economic Development Director**

Kamal Siada

**Public Works Director**

Michael James

**Chief of Police**

Randy Milligan

**City Clerk**

Yazmina Pallares

**Information Technology**

Johnny Rubio

**Finance Director**

Roger Sanchez

**Community Engagement Manager**

Rachel Zermeno

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## INDEPENDENT AUDITOR'S REPORT



To the Honorable Mayor and Members  
of the City Council of the City of Shafter  
Shafter, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shafter, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### **Emphasis of a Matter**

##### *Change in Accounting Principle*

As discussed in Notes 1 and 14 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective July 1, 2024. The implementation of this standard required the City to change its method of accounting for compensated absences and resulted in a restatement of beginning net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

##### *Correction of Error*

As discussed in Note 14 to the financial statements, during the current fiscal year we identified an error in the recording of revenue in prior periods. The correction of this error resulted in a restatement of beginning fund balance and net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor’s Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members  
of the City Council of the City of Shafter  
Shafter, California  
Page 4

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
January 27, 2026

# CITY OF SHAFTER

## Management's Discussion and Analysis (Unaudited)

### For the Fiscal Year ended June 30, 2025

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As management of the City of Shafter (the "City"), we present this Management's Discussion and Analysis (MD&A) as part of the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This section provides a clear and concise overview of the City's financial performance, financial position, and significant financial activities during the year. The MD&A is intended to assist readers in understanding how current-year results compare with prior years, the factors that influenced those results, and the City's overall fiscal health. Readers are encouraged to consider this discussion in conjunction with the letter of transmittal, the basic financial statements, and the accompanying notes, which together provide a comprehensive view of the City's financial condition and operations.

#### **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024-2025**

- At June 30, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$253.32 million, reflecting a continued strengthening of the City's overall financial position.
- Total net position increased by approximately \$20.97 million which includes the prior year adjustment as a result to the implementation of GASB 101 during fiscal year 2025. Governmental activities accounted for an increase of approximately \$20.42 million, while business-type activities reported a modest increase of approximately \$0.55 million, as reported in the Statement of Activities.
- As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of approximately \$147.59 million, of which approximately \$35.98 million, or 24.38%, was unassigned, providing significant liquidity and financial flexibility.
- The General Fund reported an unassigned fund balance of approximately \$36.35 million, representing approximately 120.08% of total General Fund operating expenditures of \$30.27 million, substantially exceeding the City's minimum reserve policy.
- Year-end General Fund revenues totaled approximately \$38.13 million, representing 114.13% of the final budget estimate of \$33.40 million, and exceeding budgeted expectations by approximately \$4.71 million.
  - **Tax revenues** exceeded budget by approximately \$2.29 million, or 9.26%.
  - **Licenses, permits, and fees** exceeded budget by approximately \$1.39 million, or 58.20%, reflecting higher-than-anticipated development and service activity.
  - **Investment earnings** exceeded budget by approximately \$1.95 million, driven by higher interest rates and the investment of elevated cash balances during fiscal year 2024–2025.
- All proprietary funds reported operating losses during fiscal year 2025, reflecting continued cost pressures across enterprise operations. The Water Fund reported an operating loss of approximately \$1.72 million, while the Wastewater Fund reported an operating loss of approximately \$0.68 million.
- Changes in labor costs varied by fund, with decreases in the Water Fund and increases in the Wastewater Fund, primarily attributable to market-based salary adjustments and higher repairs and maintenance expenditures. The Wastewater Fund's operating loss was more than offset by approximately \$1.00 million in transfers in, resulting in a net increase in fund net position, while the Water Fund experienced a net decrease in fund net position for the year. Overall, the impact of operating losses on unrestricted net position varied by fund, depending on the availability of nonoperating revenues and transfers.

# CITY OF SHAFTER

## Management's Discussion and Analysis (Unaudited) (Continued)

For the Fiscal Year ended June 30, 2025

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the reader to the City of Shafter's basic financial statements. The City of Shafter's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements and, 3) notes to the financial statements. This report also contains supplemental information to help the reader develop a full understanding of the City's financial activities.

#### **Government-Wide Financial Statements**

The government-wide financial statements include the **Statement of Net Position** and the **Statement of Activities and Changes in Net Position**. These statements are intended to provide a reader with a broad overview of the City's finances. They are presented in a manner that is similar to private-sector business.

The **Statement of Net Position** presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Increases and decreases in net position that occur over time may serve as an indicator of the City's financial position.

The **Statement of Activities and Changes in Net Position** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported using the **Accrual Basis of Accounting**. Changes are reported as soon as the underlying event causing the changes occurs, regardless of the timing of the related cash flows. Therefore, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years, such as revenues related to uncollected taxes or earned but unused employee leave.

Both of the government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to be self-supporting. The self-supporting functions are called "**Business-Type Activities**" or enterprise funds and are intended to recover all or a significant portion of their costs through user fees and charges for services.

The governmental activities of the City include general government administration, public safety (police, fire, and animal control), public works, culture and recreation, City planning, park, recreation and payments on long-term debt.

The self-supporting, business-type activities include Shafter's water services, wastewater services, refuse collection, transit operations, rail operations, and network operations.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal and accounting requirements. The City's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These statements focus on how cash and other financial assets can readily be converted to available resources. They also show fund balances that are left at the end of the fiscal year and distinguish between amounts that are restricted for specific purposes versus funds that are available for spending.

**CITY OF SHAFTER**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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***Governmental Funds***

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Shafter maintains several individual funds that are organized according to their type. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for these funds based on major funds and non-major funds aggregated. There are three major governmental funds, the General Fund, and the transportation fund. Financial information from the remaining governmental funds is combined into a single, aggregated presentation called non-major governmental funds.

***Proprietary Funds***

Proprietary funds are used to account for services and activities for which the City charges customers. The City of Shafter maintains two different types of propriety funds.

*Enterprise Funds.* These are funds that are used to report business-type activities in government-wide financial statements. The City of Shafter has four major enterprise funds: water, wastewater, rail, and fiber optic and communication tower fund. All other enterprise funds are aggregated as non-major funds.

*Internal Service Funds.* These funds are used to allocate and accumulate costs internally among the City's functions. The City uses internal service funds to account for the maintenance and replacement of its fleet, maintenance of City buildings and facilities, risk management, and information technology. These funds are included in the governmental activities of the government-wide financial statements because their activities support governmental activities. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

***Fiduciary Funds***

Fiduciary funds are used to account for financial resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide statements because the resources of these funds are not available to support the City of Shafter's governmental activities. The City maintains four fiduciary funds, one private purpose trust fund for the RDA Successor Agency and three agency funds for third party moneys held by the City relating to the operation of the modified community correctional facility.

**Notes to Basic Financial Statements**

The notes to basic financial statements provide information that will help the reader gain a full understanding of the data provided in the government-wide and individual fund financial statements.

**Required Supplemental Information**

This report also presents certain required supplementary information concerning the City's progress in its obligation to provide pension benefits to its employees and the budget-to-actual information for the City's General Fund.

**CITY OF SHAFTER**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial positions. Therefore, prior-year information is made available for a comparative analysis of government-wide data.

**Analysis of Net Position**

As of June 30, 2025, the City of Shafter reported total assets of \$281.86 million (FY 24-25 ACFR, Statement of Net Position), deferred outflows of resources of \$5.78 million, total liabilities of \$28.79 million, and deferred inflows of resources of \$5.53 million. As a result, total net position amounted to \$253.32million, representing an increase of \$20.97 million, or 9.3%, compared to the prior fiscal year.

A significant portion of the City's net position, \$109.78 million, represents the City's net investment in capital assets, including land, buildings, infrastructure, and equipment. These assets are essential to the delivery of municipal services and are not available for discretionary spending. Restricted net position totaled \$36.71 million and is constrained by external legal or contractual requirements. Unrestricted net position totaled \$106.82 million, providing the City with substantial financial flexibility. It should be noted that even though the City's capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources because capital assets typically cannot be used to liquidate these liabilities.

During fiscal year 2025, the City's total net position increased by \$20.97 million. Governmental activities reported an increase in net position of \$20.42 million, while business-type activities reported an increase of \$0.55 million.

The increase in governmental activities was primarily driven by higher investment earnings resulting from elevated interest rates and strong cash balances, continued growth in property and motor vehicle-related tax revenues, and disciplined expenditure control despite inflationary pressures.

Business-type activities reported a net increase in net position of approximately \$0.55 million during fiscal year 2025. While operating expenses increased across the enterprise funds, particularly within the Water and Wastewater Funds, these pressures were partially offset by stable service charges, nonoperating revenues, and interfund transfers.

The Water Fund generated operating revenues of approximately \$5.6 million against operating expenses of approximately \$7.3 million, resulting in an operating loss of approximately \$1.7 million and a net decrease in fund net position of approximately \$0.3 million which includes the prior period adjustments as a result to implementation of GASB 101 for the fiscal year.

The Wastewater Fund reported operating revenues of approximately \$2.7 million and operating expenses of approximately \$3.4 million, resulting in an operating loss of approximately \$0.7 million. However, nonoperating revenues and transfers totaling approximately \$1.1 million more than offset the operating shortfall, resulting in a net increase in fund net position of approximately \$0.4 million for the fiscal year.

Collectively, these offsetting results, together with performance in the City's other enterprise funds, contributed to a modest but positive change in net position at the government-wide level, indicating that while operating cost pressures persist, overall business-type activities remained financially stable in fiscal year 2025.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

The following table is a condensed Statement of Net Position for the City as of June 30, 2025 and 2024:

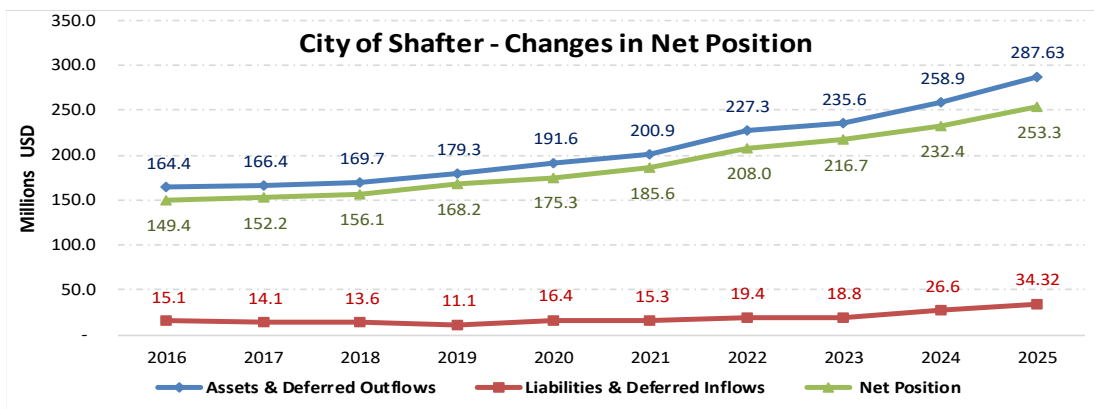
**City of Shafter**  
**Statement of Net Position**  
**For Years ended June 30, 2025 and 2024**  
**(Amounts In Millions)**

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 169.10	\$ 140.39	\$ 2.93	\$ 4.51	\$ 172.03	\$ 144.90
Capital assets	62.51	60.01	47.31	45.63	109.82	105.64
<b>Total assets</b>	<b>231.61</b>	<b>200.40</b>	<b>50.24</b>	<b>50.14</b>	<b>281.85</b>	<b>250.54</b>
Deferred outflows of resources	4.98	7.66	0.80	0.73	5.78	8.39
Long-term liabilities	6.23	5.76	1.04	0.61	7.27	6.37
Other liabilities	20.33	11.99	1.19	2.00	21.52	13.99
<b>Total liabilities</b>	<b>26.56</b>	<b>17.75</b>	<b>2.23</b>	<b>2.61</b>	<b>28.79</b>	<b>20.36</b>
Deferred inflows of resources	3.47	4.17	2.05	2.06	5.52	6.23
<b>Net position</b>						
Net investment						
in capital assets	62.51	58.51	47.27	45.56	109.78	104.07
Restricted	36.71	21.90	-	-	36.71	21.90
Unrestricted	107.34	105.73	(0.51)	0.64	106.83	106.37
<b>Total net position</b>	<b>\$ 206.56</b>	<b>\$ 186.14</b>	<b>\$ 46.76</b>	<b>\$ 46.20</b>	<b>\$ 253.32</b>	<b>\$ 232.34</b>

**Changes in Net Position**

The City’s total net position increased by \$20.97 million during fiscal year 2025, reflecting continued improvement in the City’s overall financial condition. As of June 30, 2025, the City reported a total net position of \$253.31 million, representing an increase of approximately 9.3% compared to the prior fiscal year. As illustrated in the accompanying chart, this growth continues a multi-year upward trend driven primarily by increases in assets and deferred outflows of resources, while liabilities and deferred inflows have grown at a slower pace.

Governmental activities accounted for the majority of the increase, with net position rising by approximately \$20.41 million, largely attributable to strong revenue performance, favorable investment earnings, and continued capital investment. Business-type activities reported a modest increase in net position of approximately \$0.55 million, as operating cost pressures within the enterprise funds were partially offset by nonoperating revenues and interfund transfers, resulting in an overall positive outcome at the government-wide level. It is worth noting that vacancies mitigated budget pressures.



**CITY OF SHAFTER**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

The following table presents a condensed Statement of Activities and Changes in Net Position for the City for the fiscal years ended June 30, 2025 and 2024, highlighting the primary sources of revenues and expenses and the resulting changes in net position for governmental and business-type activities.

**Statement of Activities and Changes in Net Position**  
**For Years ended June 30, 2025 and 2024**  
**(Amounts In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 14.23	\$ 9.28	\$ 10.97	\$ 10.60	\$ 25.20	\$ 19.88
Operating grants and contributions	2.34	3.40	0.55	0.15	2.89	3.55
Capital grants and contributions	6.89	3.05	-	0.01	6.89	3.06
General revenues:						
Property taxes	3.81	3.33	-	-	3.81	3.33
Sales taxes	16.44	18.85	-	-	16.44	18.85
Motor vehicle taxes	4.86	4.43	-	-	4.86	4.43
Other taxes	1.79	2.09	-	0.15	1.79	2.24
Investment earnings	7.13	4.54	0.18	0.07	7.31	4.61
Miscellaneous revenue	0.18	0.06	0.31	-	0.49	0.06
<b>Total revenues</b>	<b>57.67</b>	<b>49.03</b>	<b>12.00</b>	<b>10.98</b>	<b>69.67</b>	<b>60.01</b>
<b>Expenses:</b>						
General government	12.76	9.56	-	-	12.76	9.56
Public safety	12.55	10.26	-	-	12.55	10.26
Public works	8.38	10.74	-	-	8.38	10.74
Culture and recreation	0.87	0.86	-	-	0.87	0.86
Interest on Long-term Debt	0.02	-	-	-	0.02	-
Water services	-	-	7.31	6.95	7.31	6.95
Wastewater services	-	-	3.41	3.16	3.41	3.16
Refuse collection	-	-	2.10	1.99	2.10	1.99
Transit operations	-	-	0.82	0.69	0.82	0.69
Fiber optic & communication tower	-	-	0.35	0.44	0.35	0.44
Rail spur services	-	-	0.32	0.36	0.32	0.36
<b>Total expenses</b>	<b>34.58</b>	<b>31.42</b>	<b>14.31</b>	<b>13.59</b>	<b>48.89</b>	<b>45.01</b>
Increase/(decrease) in net position						
before other financing sources and uses	20.59	17.61	0.19	(2.62)	20.77	15.00
Loss on the disposal of assets	-	-	-	-	-	-
Adjustment	(0.17)	-	0.37	-	0.20	-
Transfers	(2.50)	(0.69)	2.50	0.69	(0.00)	-
Change in net position	20.42	16.92	0.55	(1.93)	20.98	15.00
Net position - beginning, as restated	186.14	169.22	46.20	48.12	232.34	217.34
Net position - ending	<b>\$ 206.56</b>	<b>\$ 186.14</b>	<b>\$ 46.76</b>	<b>\$ 46.20</b>	<b>\$ 253.32</b>	<b>\$ 232.34</b>

The following table presents a condensed Statement of Activities and Changes in Net Position for the City for the fiscal years ended June 30, 2025 and 2024. This summary highlights the City's primary revenue sources, major functional expenditures, and the resulting changes in net position for both governmental and business-type activities. As shown, fiscal year 2025 reflects continued strength in governmental activities and modest improvement in business-type activities, contributing to an overall increase in the City's financial position.

**CITY OF SHAFTER**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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**Governmental Activities**

Net position in the governmental activities increased by \$20.59 million in fiscal year 2025 due to the following:

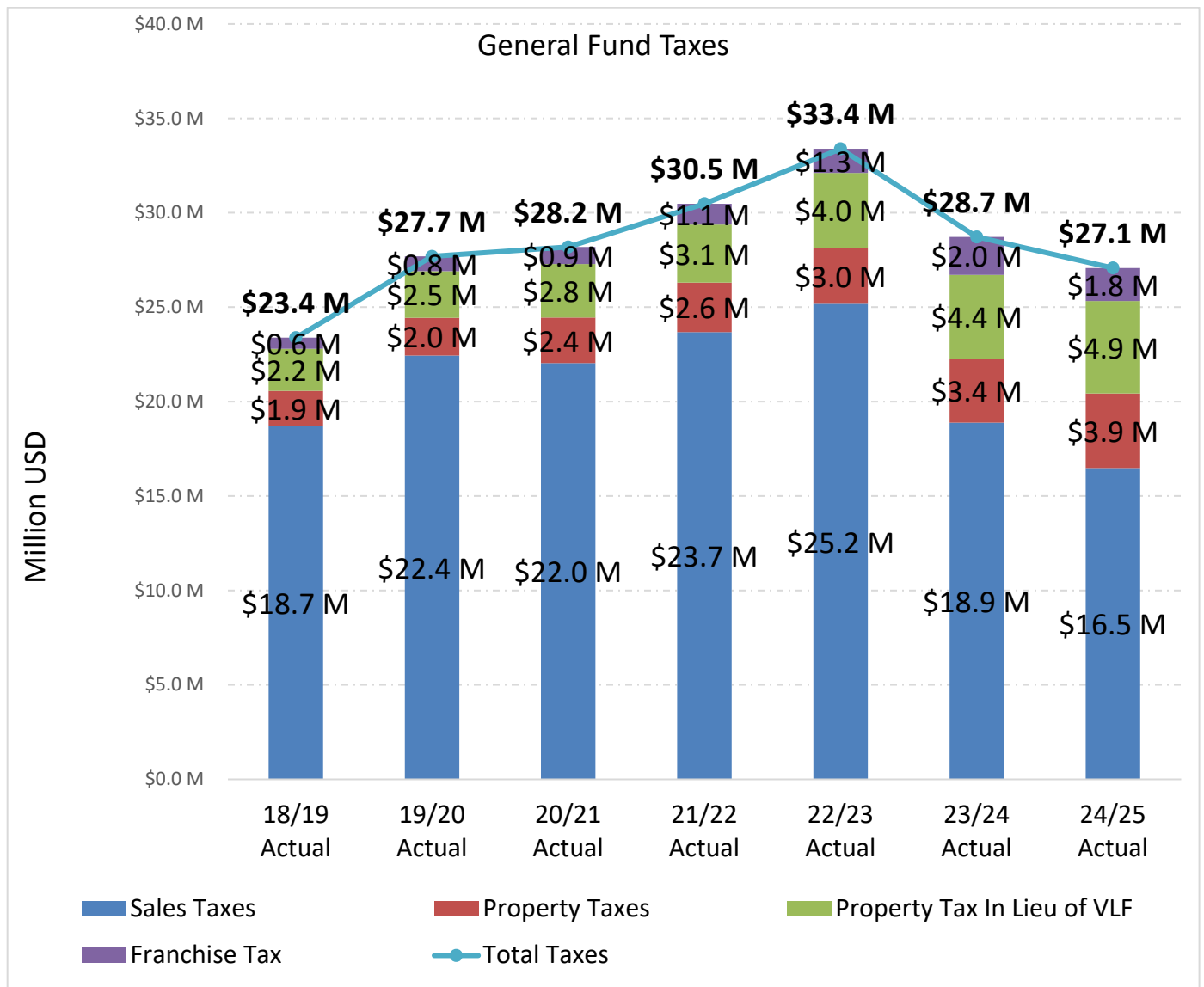
**Revenue Breakdown:**

- Taxes Collected: The City collected \$30.84 million in tax revenue, reflecting a decrease of \$1.03 million (4.43%) from the previous year's \$32.21 million. The decrease was mainly attributed to changes in Sales Tax agreements.
- Fees increased by \$1.60 million (14.52%), which is largely attributed to illegal dumping fee collected, offsite plan check and inspections and roughly \$.531million increase in utility user fee.
- Impact Fees increased by \$5.07 million (124.97%), suggesting a spike in development-related revenue as the new building codes normally triggers contractors to pulling permits before code changes.
- Licenses & Permits increased by \$855,358 (65.82%), due to additional encroachment permits and business licenses which indicates business sentiment adapting to price fluctuations in the market. Most notably is increase in building permits which is primarily driven by building code changes that contractor want to avoid, therefore, permits are pulled in advance.
- Fines increased by \$4,785 (8.26%), showing a slight rise in revenue from public safety fines and asset forfeitures.
- Rents decreased by \$390,117 (-96.22%), due to sale of leased property.
- Interest Revenue saw a strong increase of \$1,118,623 (91.12%), benefiting from higher interest rates.
- Grants increased significantly by \$728,541 (22.00%), suggesting a increase in grant funding.

**Expense Breakdown:**

- Wages & Benefits increased by \$2.2 million (11.20%), reflecting higher personnel costs from the hiring of vacant positions and COLA increases to wages.
- Planned Operations increased by \$1.04 million (10.50%), indicating an increase in professional services.
- Utility Bills rose by \$302,905 (8.99%), suggesting an increase in mandatory expenses with rate hikes from utility providers.
- Operations - Internal saw a significant increase of \$1,044,443 (10.50%), due to expanded internal projects or services.
- Capital Outlay increased by \$1.33 million (182.52%), indicating a significant investments for fixed assets.
- Capital Projects decreased by \$2.22 million (-17.91%).

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

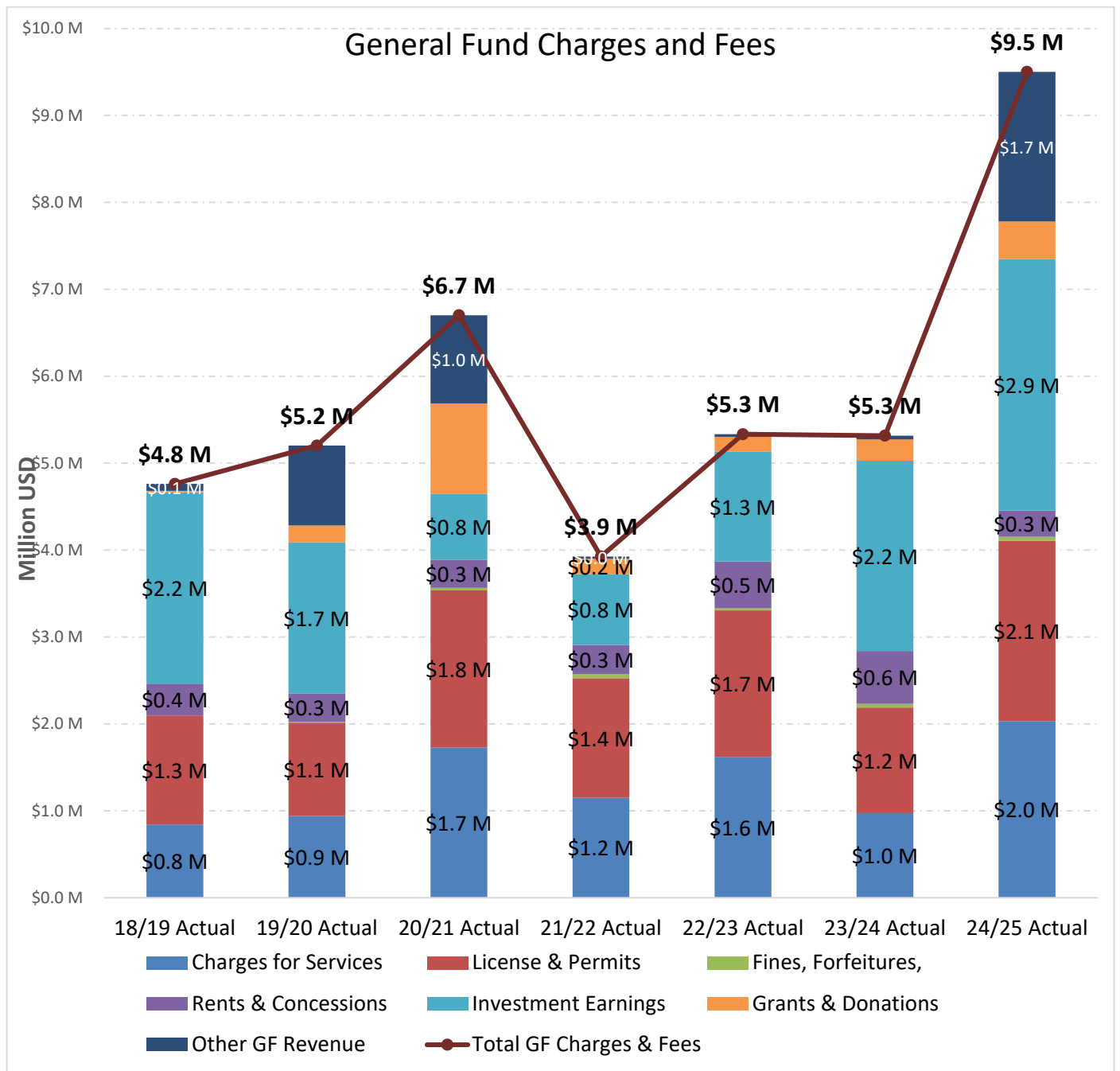


The General Fund’s tax revenues have displayed notable variability over the past seven fiscal years, reflecting changes in economic conditions, development activity, and revenue structure. Total tax revenues increased steadily from \$23.4 million in FY 2018–19 to a peak of \$33.4 million in FY 2022–23, driven primarily by growth in sales tax revenues, which remained the City’s largest tax source throughout the period.

In fiscal year 2023–24, total tax revenues declined to \$28.7 million, followed by a further decrease to \$27.1 million in FY 2024–25. The recent decline is largely attributable to a reduction in sales tax revenues, which decreased from \$25.2 million in FY 2022–23 to \$16.5 million in FY 2024–25, reflecting changes in sales tax agreements and broader economic conditions.

Despite the decline in sales tax revenues, property tax revenues and property tax in lieu of vehicle license fees (VLF) increased over the period, providing a stabilizing effect on total tax revenues. Property-related revenues rose from a combined \$4.1 million in FY 2018–19 to \$8.8 million in FY 2024–25, partially offsetting volatility in sales tax and contributing to a more diversified and resilient tax base.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**



General Fund charges, fees, and related revenues have shown notable variability over the past seven fiscal years, reflecting changes in development activity, grant funding, and investment performance. Total revenues from these sources increased from \$4.8 million in FY 2018–19 to \$6.7 million in FY 2020–21, before declining sharply to \$3.9 million in FY 2021–22, largely due to reductions in grants and investment earnings during that period.

In fiscal years 2022–23 and 2023–24, total charges and fees stabilized at approximately \$5.3 million, supported by consistent levels of charges for services, licenses and permits, and a recovery in investment earnings.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

As of June 30, 2025, total General Fund charges and fees increased significantly to approximately \$9.5 million, representing the highest level in the period shown. This increase was driven primarily by higher investment earnings of approximately \$2.9 million, increased charges for services of approximately \$2.0 million, and stronger licenses and permits revenue of approximately \$2.1 million, reflecting a combination of elevated cash balances, higher interest rates, and increased development and service activity.

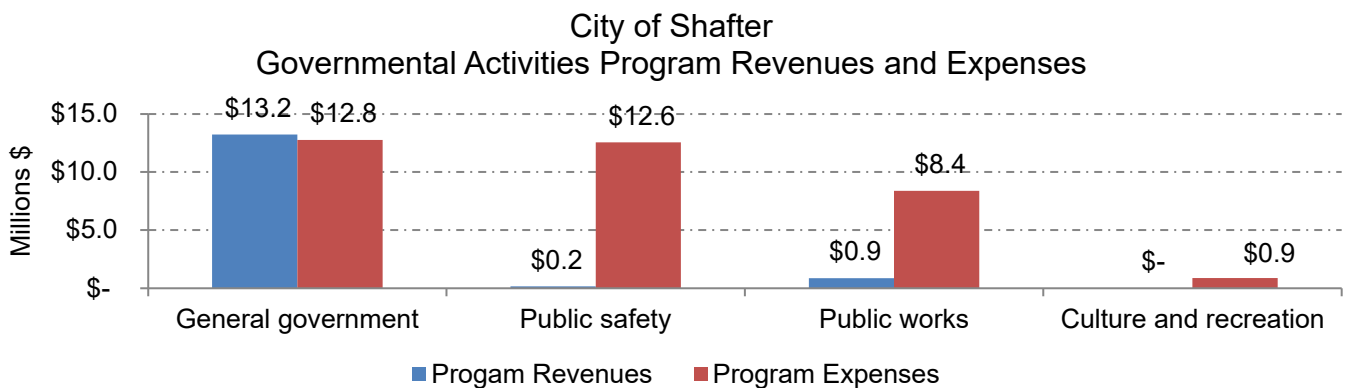
Overall, the composition of charges and fees has shifted over time, with investment earnings emerging as a more significant revenue component in recent years, increasing both total revenue levels and exposure to market and interest rate conditions.

**Governmental Activities Expenses**

Fiscal year 2024–25 governmental activities continued to exhibit a structural imbalance between program revenues and program expenses across most functional areas. As illustrated in the accompanying chart, general government activities generated approximately \$13.2 million in program revenues compared to \$12.8 million in program expenses, resulting in near full cost recovery for this function.

While, public safety activities incurred approximately \$12.6 million in program expenses while generating only \$0.2 million in program revenues, reflecting the City’s continued reliance on general revenues to support essential police services. Public works activities reported approximately \$8.4 million in program expenses compared to \$0.9 million in program revenues, indicating limited cost recovery for infrastructure-related services. Culture and recreation activities also operated with minimal program revenue, requiring subsidy from general revenues.

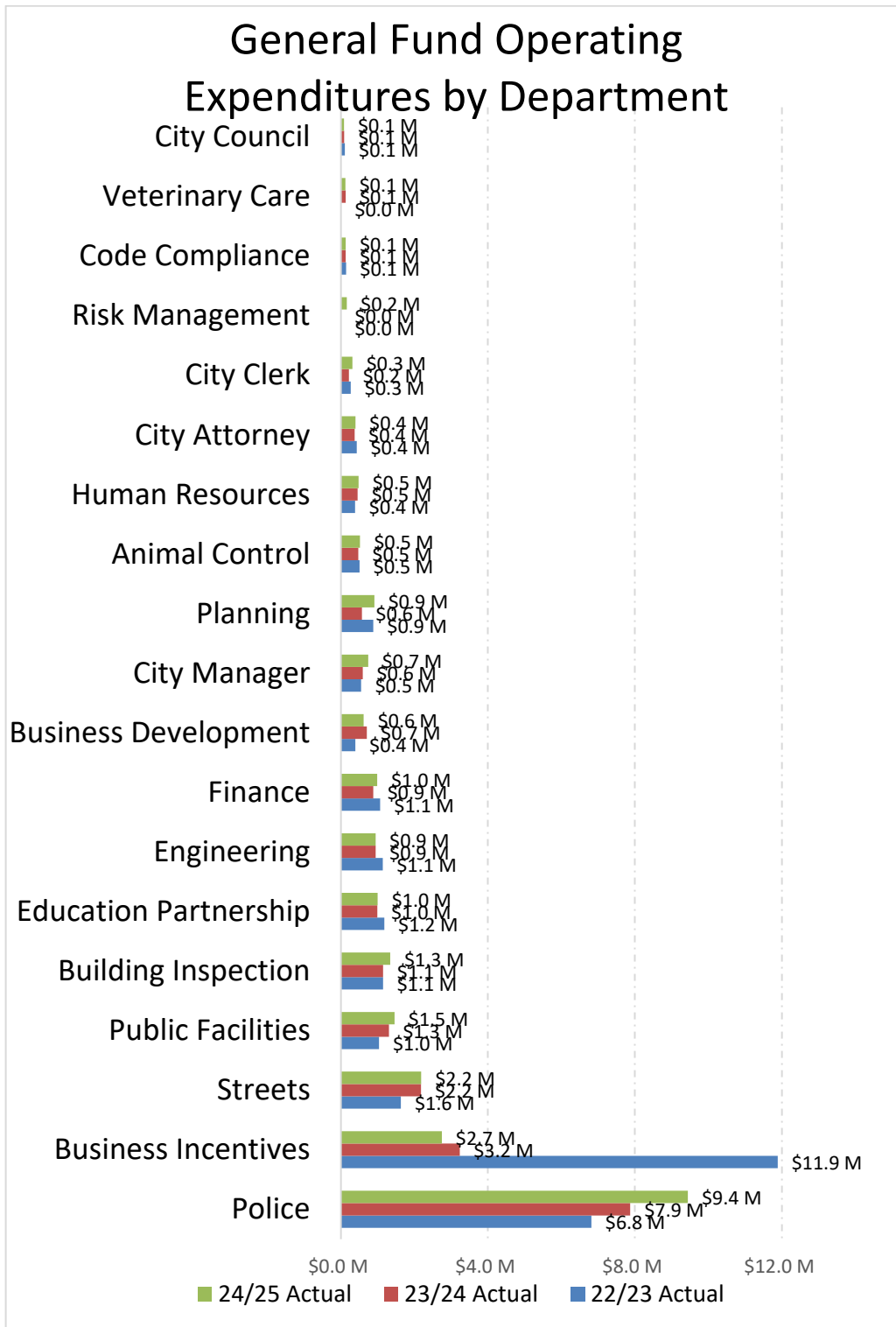
While projected labor costs were expected to increase during the fiscal year, vacancies within the police department partially mitigated overall expenditure growth, and maintenance and operating costs remained elevated due to inflationary pressures. Overall, expenditure levels remained consistent with the prior year, while program revenue coverage varied significantly by function.



**CITY OF SHAFTER**

**Management’s Discussion and Analysis (Unaudited) (Continued)**

**For the Fiscal Year ended June 30, 2025**



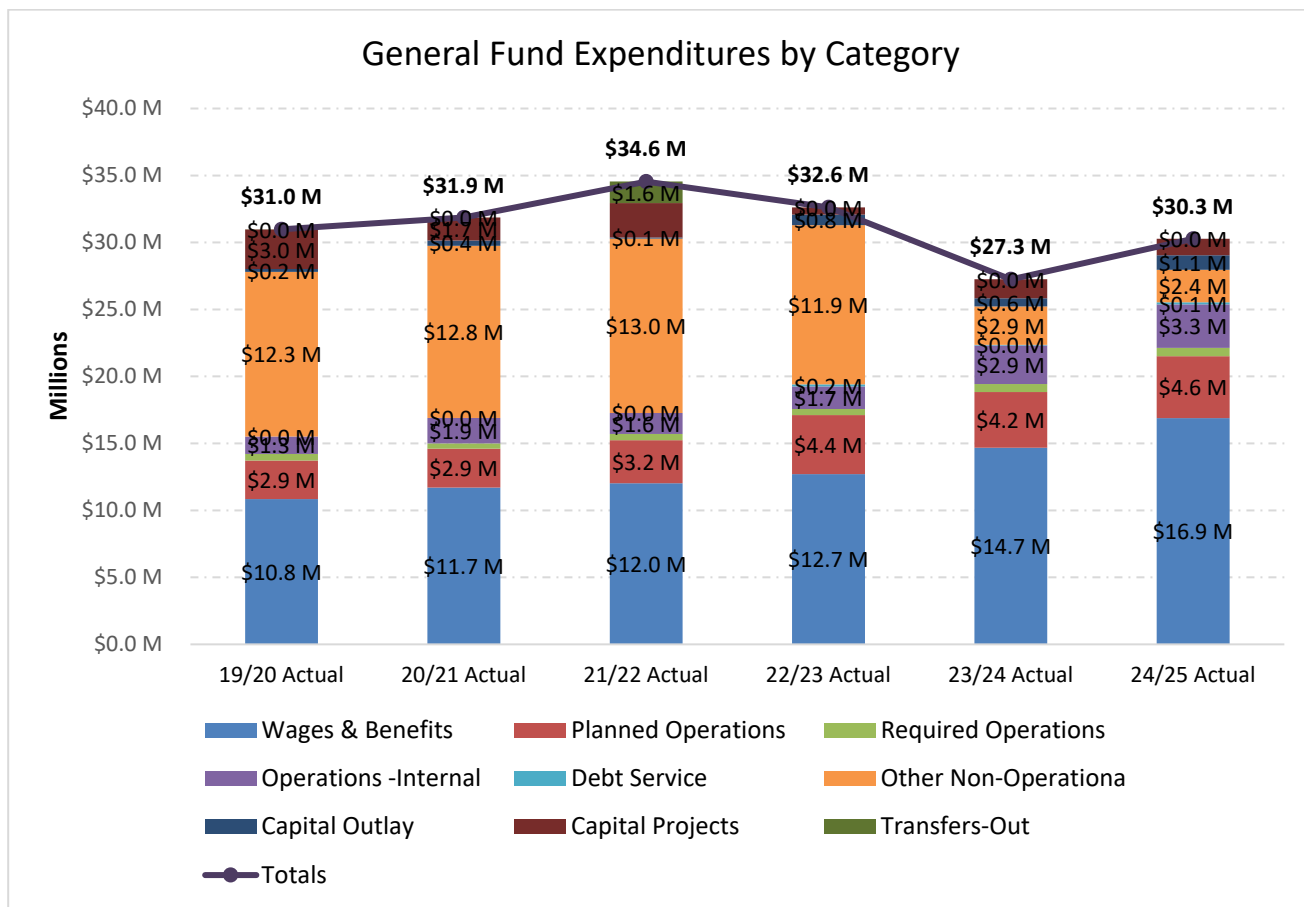
General Fund operating expenditures remain concentrated in a limited number of core service areas, with public safety and economic development–related activities accounting for the largest share of departmental spending. As illustrated in the chart, the Police Department continued to represent the City’s single largest operating expenditure, increasing from \$7.9 million in FY 2023–24 to \$9.4 million in FY 2024–25, reflecting the partial filling of vacant positions, wage adjustments, and higher operating costs. It is worth noting that vacancies mitigated budget pressures.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

Business Incentives expenditures declined significantly in FY 2024–25 to approximately \$2.7 million, compared to \$3.2 million in FY 2023–24 and \$11.9 million in FY 2022–23, reflecting the completion of several large, nonrecurring incentive and development-related programs. This decline materially reduced overall expenditure volatility within the General Fund.

Expenditures across most administrative and support departments, including Finance, Human Resources, City Clerk, City Attorney, and Planning, remained relatively stable year over year, generally ranging between \$0.3 million and \$1.0 million per department, indicating continued cost containment and consistent service delivery.

Infrastructure-related functions, including Streets and Public Facilities, increased modestly in FY 2024–25, reflecting ongoing maintenance and operational needs. Overall, General Fund operating expenditures increased in fiscal year 2024–25 but remained aligned with budgetary expectations, with changes driven primarily by personnel-related costs and the timing of nonrecurring programs rather than broad-based expenditure growth.



General Fund expenditures have varied over the past six fiscal years, reflecting changes in staffing levels, program activity, and the timing of nonrecurring expenditures. Total General Fund expenditures increased from \$31.0 million in FY 2019–20 to a peak of \$34.6 million in FY 2021–22, followed by a decline to \$27.3 million in FY 2023–24. In fiscal year 2024–25, expenditures increased to \$30.3 million, reflecting a partial normalization of spending levels.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

Wages and benefits remained the largest expenditure category throughout the period and increased steadily from \$10.8 million in FY 2019–20 to \$16.9 million in FY 2024–25, reflecting market-based salary adjustments, benefit cost increases, and the gradual filling of vacant positions.

Planned operations are the second largest cost category and increased from \$2.9 million in FY 2019–20 to \$4.6 million in FY 2024–25, consistent with higher service demands and inflationary pressures.

Other non-operational expenditures were elevated in fiscal years 2020–21 through 2022–23, peaking at approximately \$13.0 million, before declining significantly to \$2.9 million in FY 2023–24 and \$2.4 million in FY 2024–25, indicating the completion of several large, nonrecurring initiatives.

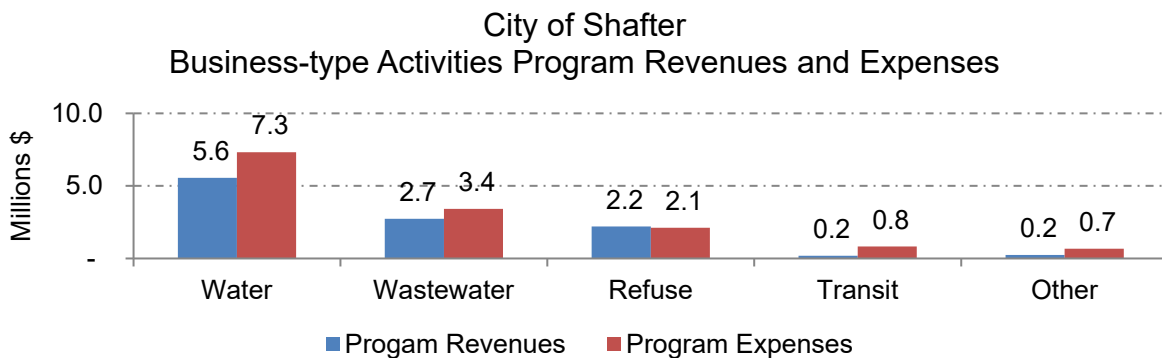
**Business-Type Activities**

Business-type activities continued to experience operating cost pressures during fiscal year 2024–25, with program expenses exceeding program revenues across most enterprise functions, as illustrated in the accompanying chart. The Water Fund reported approximately \$5.6 million in program revenues compared to \$7.3 million in program expenses, resulting in an operating loss for the year. Similarly, the Wastewater Fund generated approximately \$2.7 million in program revenues against \$3.4 million in program expenses, reflecting continued cost pressures.

Refuse operations remained relatively balanced, with program revenues of approximately \$2.2 million and program expenses of approximately \$2.1 million, while Transit and other enterprise activities continued to rely on operating subsidies due to limited revenue generation.

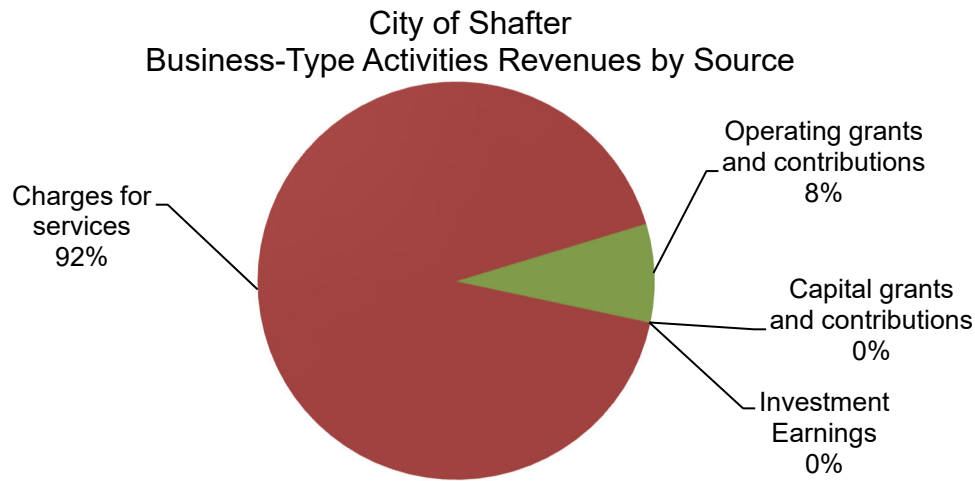
The increase in operating costs was primarily attributable to higher labor costs, equipment and supply expenses, repairs and maintenance, and utility costs. Additional analysis of operating results, nonoperating revenues, transfers, and long-term sustainability is provided in the enterprise funds section of this discussion.

Management continues to evaluate enterprise fund rate structures to ensure that user charges remain sufficient to recover operating costs and support long-term capital needs.



**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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**FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The City of Shafter’s governmental funds statements provide information on the short-term inflows, outflows, and balances of resources that are available for spending. This information is useful in assessing the City’s financial requirements. In particular, the unreserved fund balance may serve as a useful measure of City funds that are available for spending at the end of the fiscal year.

As reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances, total governmental fund revenues increased to \$56.35 million in fiscal year 2025, compared to \$51.30 million in fiscal year 2024, representing an increase of \$5.05 million, or 9.86%. This rebound follows a revenue decline in fiscal year 2024 and reflects stronger overall revenue performance during fiscal year 2025.

Over the six-year period shown in the accompanying table, governmental fund revenues have demonstrated volatility, with noticeable growth in fiscal year 2023 (36.34%), followed by a contraction in fiscal year 2024 (11.86%), and a strong recovery in fiscal year 2025. This pattern reflects the City’s sensitivity to economic conditions, intergovernmental revenues, and one-time funding sources.

The General Fund accounted for the majority of the revenue increase, with operating revenues (excluding internal transfers, charges, and grants) increasing by \$5.05 million compared to the prior year. Among major revenue categories, tax revenues experienced the largest growth, increasing by \$2.88 million, driven primarily by sales tax growth of \$1.49 million. In addition, licenses and permits increased by \$1.10 million, representing a 57.31% increase, reflecting heightened development activity and permitting volumes during the fiscal year.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

Overall, the increase in governmental fund revenues during fiscal year 2025 strengthened fund balances and improved the City’s capacity to support ongoing operations and future capital and service demands. The following represents the City’s governmental revenues for the last five years.

<b>City of Shafter</b>					
<b>Governmental Funds - Revenues</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenue</b>	\$ 44,315,308	\$ 42,531,113	\$ 58,198,465	\$ 51,296,291	\$ 56,354,972
<b>Dollar Change:</b>	2,121,332	(1,784,195)	15,667,352	(6,902,174)	5,058,681
<b>Percentage Change:</b>	5.03%	-4.03%	36.84%	-11.86%	9.86%

Expenditures for governmental funds totaled \$37.99 million in fiscal year 2025, representing an increase of \$2.01 million, or 5.59%, compared to \$35.98 million in fiscal year 2024. This increase follows a relatively flat expenditure year in fiscal year 2024, when expenditures declined slightly by \$98,650, or 0.27%, compared to fiscal year 2023.

The increase in fiscal year 2025 expenditures reflects a return to more normal operating levels following prior-year cost containment. While labor costs were projected to increase, vacancies within the Police Department continued to partially offset anticipated personnel-related growth. As a result, salary and benefit expenditures increased at a more moderate pace than originally projected. The following represents the City’s governmental expenditures for the last five years.

<b>City of Shafter</b>					
<b>Governmental Funds - Expenditures</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Expenditures</b>	\$ 34,087,464	\$ 36,413,105	\$ 36,082,804	\$ 35,984,154	\$ 37,995,664
<b>Dollar Change:</b>	(569,482)	2,325,641	(330,301)	(98,650)	2,011,510
<b>Percentage Change:</b>	-1.64%	6.82%	-0.91%	-0.27%	5.59%

The City of Shafter’s governmental funds experienced a fund balance increase of \$20.64 million during fiscal year 2025, representing a 16.26% increase compared to the prior year. This follows a \$14.51 million increase (12.90%) in fiscal year 2024, continuing a multi-year trend of strengthening governmental fund balances.

As of June 30, 2025, the City’s governmental funds reported a combined ending fund balance of \$147.59 million, up from \$126.95 million in fiscal year 2024. The increase in fiscal year 2025 was primarily driven by strong revenue performance, particularly within the General Fund, combined with continued expenditure controls that limited the rate of spending compared to revenues.

The growth in fiscal year 2025 builds upon the significant fund balance gains realized in fiscal year 2024, which represented the largest single-year increase in governmental fund balance over the prior six-year period. Together, these results reflect sustained fiscal discipline, conservative budgeting practices, and favorable revenue conditions that have strengthened the City’s financial position and enhanced its capacity to absorb economic volatility and fund future priorities. The following represents the City’s governmental fund balance for the last five years.

<b>City of Shafter</b>					
<b>Governmental Funds - Fund Balance</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Fund Balance</b>	\$ 88,504,904	\$ 90,195,147	\$ 112,444,824	\$ 126,955,443	\$ 147,598,789
<b>Dollar Change:</b>	10,118,452	1,690,243	22,249,677	14,510,619	20,643,346
<b>Percentage Change:</b>	12.91%	1.91%	24.67%	12.90%	16.26%

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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Of the \$87,772,858 General Fund balance as of June 30, 2025:

- \$0.75 million or 0.85% was non-spendable.
- \$50.67 million or 57.74% was assigned.
- \$36.35 million or 41.42% was unassigned.

Nonspendable fund balance consists primarily of amounts that are not in a spendable form, such as advances to other funds and amounts due from the former redevelopment agency, a fiduciary fund. Assigned fund balance represents resources that the City has expressed intent to use for specific purposes, including strategic initiatives, contingencies, and planned capital projects. Unassigned fund balance represents resources that are available for appropriation and use without external or internal restrictions.

The General Fund is the City’s primary operating fund. As of June 30, 2025, the General Fund reported an unassigned fund balance of \$36.35 million, reflecting an increase of \$5.56 million, or 18.05%, compared to the prior fiscal year. This increase continues the upward trend in unassigned reserves observed over the past several years.

As a measure of liquidity, unassigned fund balance is compared to total General Fund operating expenditures. As of June 30, 2025, the General Fund’s unassigned fund balance represented 129.99% of General Fund operating expenditures, net of capital outlay. This level significantly exceeds the City’s minimum reserve policy threshold of 50.00%.

In addition to unassigned reserves, the City maintains substantial assigned fund balances that may be reallocated at the City Council’s discretion, including amounts designated for capital projects or available for internal financing. Strong revenue performance combined with disciplined expenditure management has allowed the City to fund ongoing operations without reliance on reserves. These reserve levels provide flexibility to address future capital needs, economic uncertainty, and opportunities to invest in projects that reduce long-term operating costs or generate positive returns. The following represents the General Fund’s unassigned fund balance for the last five years.

	<b>City of Shafter</b>				
	<b>General Fund - Unassigned Fund Balance</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Fund Balance</b>	\$ 21,746,015	\$ 19,915,650	\$ 25,166,220	\$ 30,793,501	\$ 36,351,863
<b>Dollar Change:</b>	1,640,063	(1,830,365)	5,250,570	5,627,281	5,558,362
<b>Percentage Change:</b>	8.16%	-8.42%	26.36%	22.36%	18.05%

**Proprietary Funds**

The City’s proprietary fund statements provide financial information similar to the government-wide financial statements, with a focus on services financed primarily through user charges. The City of Shafter operates seven enterprise funds, of which four are reported as major funds: the Water Fund, Wastewater Fund, Rail Fund, and Telecommunications Fund. The Refuse Fund and Transit Services Fund are reported as non-major enterprise funds.

For fiscal year 2025, total proprietary fund revenues totaled \$12.00 million, representing an increase of \$1.02 million, or 9.31%, compared to \$10.98 million in fiscal year 2024. This increase follows a 4.42% revenue increase in fiscal year 2024 and represents continued recovery after significant revenue declines experienced in fiscal years 2021 and 2022.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

While proprietary fund revenues have improved over the past two fiscal years, the historical trend reflects revenue volatility, particularly within enterprise operations subject to external economic and market conditions. Revenue performance in the Water and Wastewater Funds remained relatively stable, while fluctuations in other enterprise funds contributed to year-to-year variability.

Overall, the revenue growth reported in fiscal year 2025 reflects improved operating conditions and stabilizing user charge collections across the City’s enterprise operations. The following represents the City’s proprietary revenues for the last five years.

<b>City of Shafter</b>					
<b>Proprietary Funds - Revenues</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenue:</b>	\$ 13,595,857	\$ 9,667,871	\$ 10,516,824	\$ 10,981,946	\$ 12,004,304
<b>Dollar Change:</b>	(8,232,718)	(3,927,986)	848,953	465,122	1,022,358
<b>Percentage Change:</b>	-37.72%	-28.89%	8.78%	4.42%	9.31%

As of June 30, 2025, total proprietary fund expenses amounted to \$14.32 million, reflecting an increase of \$0.73 million, or 5.38%, compared to \$13.59 million in fiscal year 2024. This increase follows a 49.53% increase in fiscal year 2023, after two consecutive years of significant expenditure declines in fiscal years 2021 (-40.23%) and 2022 (-42.61%).

Expense fluctuations within the proprietary funds are primarily driven by the City’s major enterprise operations, including the Water, Wastewater, Rail, and Telecommunications Funds, which are subject to variations in operating demands, infrastructure maintenance requirements, and capital-related activities. The increases observed in fiscal years 2024 and 2025 indicate a return to more typical operating expenditure levels following the unusually low spending experienced during fiscal years 2021 and 2022.

While proprietary fund expenditures increased in fiscal year 2025, the rate of growth remained moderate, reflecting continued cost control efforts despite inflationary pressures affecting labor, utilities, materials, and contracted services. Management continues to monitor enterprise fund cost structures to ensure that expenditures remain aligned with service delivery requirements and long-term infrastructure needs. The following represents the City’s proprietary expenses for the last five years.

<b>City of Shafter</b>					
<b>Proprietary Funds - Expenses</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Expenses:</b>	\$ 15,130,860	\$ 8,684,075	\$ 12,985,060	\$ 13,586,291	\$ 14,316,729
<b>Dollar Change:</b>	(10,182,659)	(6,446,785)	4,300,985	601,231	730,438
<b>Percentage Change:</b>	-40.23%	-42.61%	49.53%	4.63%	5.38%

As of June 30, 2025, the ending net position of the City’s proprietary funds totaled \$46.75 million, reflecting an increase of \$0.55 million, or 1.20%, compared to \$46.20 million in fiscal year 2024. This modest increase follows several consecutive years of declining net position after the proprietary funds peaked at \$51.52 million in fiscal year 2021.

The stabilization in fiscal year 2025 reflects a combination of improved revenue performance and moderated expenditure growth across the City’s enterprise operations. While proprietary funds continued to experience operating cost pressures, especially within the Water, Wastewater, Rail, and Telecommunications Funds, expenditure increases were partially offset by growth in user charge revenues and controlled cost management.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

While the stabilization of proprietary fund net position represents a positive development, continued monitoring remains important. Management continues to evaluate cost recovery levels, operating efficiencies, and long-term capital needs to ensure that enterprise operations remain financially sustainable and capable of supporting required infrastructure investments. The following represents the City’s proprietary net position for the last five years.

<b>City of Shafter</b>					
<b>Proprietary Funds Ending Net Position</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Ending Net Position</b>	\$ 51,519,202	\$ 50,483,556	\$ 48,119,048	\$ 46,204,488	\$ 46,759,180
<b>Dollar Change:</b>	(1,061,331)	(1,035,646)	(2,364,508)	(1,914,560)	554,692
<b>Percentage Change:</b>	-2.02%	-2.01%	-4.68%	-3.98%	1.20%

**Water Services Fund**

The Water Fund plays a critical role in supporting the City’s potable water and sanitation infrastructure and is funded primarily through charges for services, supplemented by investment earnings, interfund transfers, and limited grant activity. Over the past several fiscal years, the Water Fund has experienced moderate revenue fluctuations and steadily increasing operating costs, reflecting rising regulatory requirements, infrastructure maintenance needs, and inflationary pressures.

Total Water Fund revenues for fiscal year 2024–25 totaled approximately \$7.1 million. Charges for services remained the primary revenue source, increasing from \$5.34 million in fiscal year 2023–24 to \$5.59 million in fiscal year 2024–25, following prior-year peaks of \$5.60 million in fiscal year 2022–23. Investment earnings declined from \$37,668 in fiscal year 2023–24 to \$20,201 in fiscal year 2024–25, reflecting changes in cash balances and investment activity during the year. In addition, the Water Fund received \$1.49 million in transfers in, primarily related to the funding of water infrastructure projects supported by American Rescue Plan Act (ARPA) resources.

Total Water Fund expenses increased by 4.31%, from \$6.95 million in fiscal year 2023–24 to \$7.31 million in fiscal year 2024–25. Wages and benefits decreased by \$86,367, primarily due to vacant positions during the fiscal year. Planned operations increased by \$85,729, rising from \$0.91 million to \$0.99 million, largely attributable to higher water treatment supply costs. Required operations increased by 11.13%, from \$2.00 million to \$2.24 million, reflecting higher regulatory compliance and maintenance expenditures.

Internal operations costs increased in recent years as shared services and administrative support costs were allocated to the Water Fund, contributing to overall expense growth. While expenditure increases were partially offset by higher service charge revenues and transfer support, operating costs continued to grow at a faster pace than recurring revenues during fiscal year 2024–25.

As a result, management continues to evaluate operating efficiencies, cost containment opportunities, and long-term rate adequacy to ensure the Water Fund remains financially sustainable and capable of supporting required infrastructure investments.

**Wastewater Services Fund**

The Wastewater (Sewer) Fund provides an essential public service to the City and is financed primarily through charges for services, supplemented by investment earnings, grant revenues, and occasional interfund transfers. Over the past five fiscal years, the fund has experienced variability in revenues and steadily increasing operating costs, reflecting changes in external funding, rate structures, and ongoing operational requirements.

## **CITY OF SHAFTER**

### **Management's Discussion and Analysis (Unaudited) (Continued)**

#### **For the Fiscal Year ended June 30, 2025**

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Total revenues for the Wastewater Fund have fluctuated significantly over the five-year period. Peak revenues of \$7.07 million in fiscal year 2019–20 were largely attributable to a one-time transfer in of \$5.01 million, which supported infrastructure or operational needs. Following that one-time event, revenues declined sharply to \$2.41 million in fiscal year 2020–21, before gradually recovering to \$2.59 million in fiscal year 2021–22, \$2.54 million in fiscal year 2022–23, and \$3.07 million in fiscal year 2023–24.

In fiscal year 2024–25, Wastewater Fund revenues continued to strengthen, driven primarily by growth in service charges. Charges for services increased from \$2.59 million in fiscal year 2023–24 to \$2.72 million in fiscal year 2024–25, reflecting rate adjustments and changes in customer usage. Investment earnings declined modestly from the prior year, decreasing by \$9,286 (26.53%), consistent with changes in cash balances and investment activity during the fiscal year.

Total Wastewater Fund expenses increased by 6.10%, rising from \$3.19 million in fiscal year 2023–24 to \$3.41 million in fiscal year 2024–25. Wages and benefits increased by \$89,784 (16.12%), from \$552,316 to \$642,100, reflecting staffing changes, market-based salary adjustments, and benefit cost increases. Planned operations increased from \$897,335 to \$952,005, indicating higher operating, maintenance, and service-related costs.

Despite rising operating expenses, total revenues, inclusive of service charges and a transfer in, exceeded expenses in fiscal year 2024–25, resulting in a favorable change in net position for the Wastewater Fund. Revenues increased by 25.12% year over year, while expenses rose by 6.10%, reflecting continued pressure from labor, maintenance, and regulatory costs. The transfer in played a meaningful role in offsetting these cost increases, supporting the fund's overall financial position during the year. Management will continue to monitor cost trends, rate adequacy, reliance on transfers, and long-term capital needs to ensure the Wastewater Fund remains financially sustainable and capable of meeting ongoing regulatory and infrastructure requirements.

### **Refuse Services**

The Refuse Fund accounts for the City's solid waste collection and related services. A significant structural change occurred in fiscal year 2022–23, when refuse operations were outsourced to American Refuse. This transition altered the fund's cost structure, shifting expenses away from internal staffing toward contracted service costs. The financial results over the past five fiscal years reflect this realignment.

Total revenues for the Refuse Fund have increased steadily, reaching \$1.99 million in fiscal year 2023–24 and rising further to \$2.19 million in fiscal year 2024–25, representing a 14.86% year-over-year increase. This growth has been driven primarily by service charges. Charges for services increased from \$1.04 million in fiscal year 2019–20 to \$1.97 million in fiscal year 2023–24, and continued to grow in fiscal year 2024–25, reflecting rate adjustments and changes in service demand. Investment earnings, while modest, increased gradually from \$12,282 in fiscal year 2019–20 to \$15,005 in fiscal year 2023–24 and \$17,220 in fiscal year 2024–25. Grant revenues were limited and episodic, peaking in fiscal year 2022–23, declining in fiscal year 2023–24, and absent in fiscal year 2024–25.

Total Refuse Fund expenses increased by 6.19%, rising from \$1.99 million in fiscal year 2023–24 to \$2.10 million in fiscal year 2024–25. Following the outsourcing of refuse services, wages and benefits declined from \$122,217 to \$85,200, reflecting the reduced need for in-house staffing. Conversely, planned operations increased from \$1.81 million to \$1.94 million, consistent with higher contracted service costs associated with outsourced operations.

The outsourcing of refuse services has shifted the fund's cost profile toward contracted operating expenditures while reducing internal staffing and related overhead. Although operating expenses increased modestly in fiscal year 2024–25, revenue growth continued to outpace expense growth, supporting the fund's ongoing financial stability. Management will continue to evaluate service costs, contract terms, and rate adequacy to ensure long-term operational efficiency and fiscal sustainability.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

**GENERAL FUND HIGHLIGHTS**

General Fund revenues increased modestly over the two most recent fiscal years, rising from \$37.13 million in fiscal year 2023–24 to \$38.13 million in fiscal year 2024–25. Over the longer term, revenues have generally trended upward, reflecting growth in key revenue categories and improved investment earnings, while remaining sensitive to economic and development conditions.

Taxes, the City’s largest General Fund revenue source, increased steadily from \$27.69 million in fiscal year 2019–20 to a peak of \$33.39 million in fiscal year 2022–23, before declining to \$28.71 million in fiscal year 2023–24 and further to \$27.03 million in fiscal year 2024–25. The recent decline reflects changes in taxable activity and revenue arrangement, mainly within sales and related tax categories.

Fees for services and licenses and permits exhibited greater volatility over the period, peaking in fiscal years 2020–21 and 2022–23, declining in fiscal year 2023–24, and rebounding in fiscal year 2024–25 to \$3.78 million. The increase in the most recent year suggests renewed development activity and higher demand for fee-based services.

Investment earnings emerged as a significant driver of revenue growth. Earnings increased from \$1.26 million in fiscal year 2022–23 to \$2.19 million in fiscal year 2023–24, and rose sharply to \$4.60 million in fiscal year 2024–25, reflecting higher interest rates and increased average cash balances during the year.

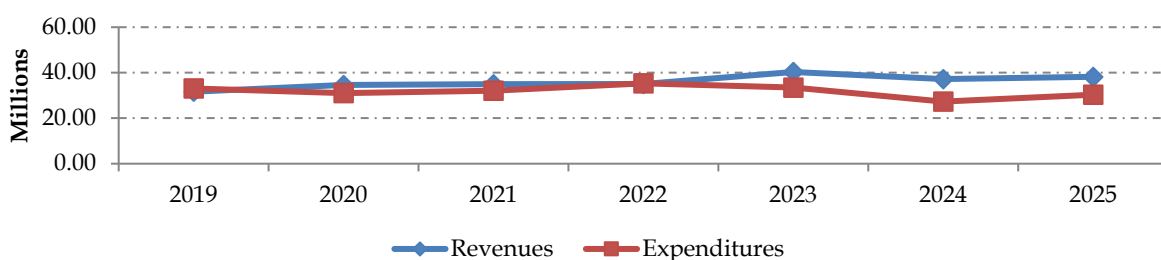
General Fund expenditures peaked at \$37.07 million in fiscal year 2021–22, declined to \$27.25 million in fiscal year 2023–24, and then increased to \$30.27 million in fiscal year 2024–25, representing an 11.08% year-over-year increase. The increase in fiscal year 2024–25 reflects rising personnel costs and moderate growth in operational spending.

Wages and benefits continued to represent the largest expenditure category, increasing from \$14.68 million in fiscal year 2023–24 to \$16.89 million in fiscal year 2024–25, an increase of 13.91%, driven by salary adjustments, staffing levels, and benefit cost increases. Planned and required operations rose from \$4.16 million in fiscal year 2023–24 to \$4.60 million in fiscal year 2024–25, a 9.25% increase, reflecting higher service delivery and maintenance costs.

Other non-operational expenses declined significantly from historical levels exceeding \$11 million, totaling \$2.87 million in fiscal year 2023–24 and decreasing further by \$435,338 (8.59%) in fiscal year 2024–25, indicating continued cost containment and reduced discretionary spending. Capital projects and capital outlay expenditures also declined, falling from \$1.42 million in fiscal year 2023–24 to \$1.23 million in fiscal year 2024–25, a 16.93% decrease, reflecting fewer large-scale infrastructure projects funded through the General Fund.

The General Fund continues to demonstrate a positive structural balance in that revenues can sustain operating expenses, with revenues exceeding expenditures in fiscal year 2024–25 and strong investment earnings supporting financial flexibility amid rising personnel and operating costs.

**City of Shafter - General Fund Revenues and Expenditures**



**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

**City of Shafter**  
**Capital Assets Net of Depreciation And Amortization**  
**As of June 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 8,719,997	\$ 9,694,125	\$ 628,861	\$ 628,861	\$ 9,348,858	\$ 10,322,986
Buildings and improvements	11,505,248	9,616,887	2,624,109	2,795,800	14,129,357	12,412,687
Improvements other than buildings	4,270,835	3,772,373	1,781,236	1,872,831	6,052,071	5,645,204
Machinery and equipment	1,657,738	692,240	2,391,166	2,571,069	4,048,904	3,263,309
Automotive equipment	1,551,158	956,374	616,740	579,443	2,167,898	1,535,817
Infrastructure	30,756,393	23,393,648	37,186,613	33,690,554	67,943,006	57,084,202
Construction in process	3,548,496	10,131,229	2,025,949	3,418,974	5,574,445	13,550,203
Intangible Right to Use Asset	502,145	707,587	51,957	75,636	554,102	783,223
<b>Total</b>	<b>\$ 62,512,010</b>	<b>\$ 58,964,463</b>	<b>\$ 47,306,631</b>	<b>\$ 45,633,168</b>	<b>\$ 109,818,641</b>	<b>\$ 104,597,631</b>

**Capital Assets**

As of June 30, 2025, the City of Shafter reported total capital assets, net of accumulated depreciation and amortization, of \$109.82 million, an increase of \$5.22 million (5.0%) from \$104.60 million in fiscal year 2024. This increase reflects continued investment in infrastructure and facilities, partially offset by annual depreciation.

Governmental activities accounted for \$62.51 million of total capital assets, increasing by \$3.55 million (6.0%) from \$58.96 million in the prior year. The most significant growth occurred in infrastructure, which increased by \$7.37 million, from \$23.39 million in 2024 to \$30.76 million in 2025, reflecting continued investment in streets, drainage, and related public works assets. Buildings and improvements also increased by \$1.88 million, rising from \$9.62 million to \$11.51 million, largely due to completed facility projects placed into service during the year. These increases were partially offset by depreciation in machinery, automotive equipment, and intangible right-to-use assets.

Business-type activities reported capital assets totaling \$47.31 million, an increase of \$1.67 million (3.7%) from \$45.63 million in fiscal year 2024. The increase was driven primarily by infrastructure additions, which rose by \$3.50 million, from \$33.69 million to \$37.19 million, reflecting ongoing investment in the City’s water, wastewater, and utility systems.

Construction in progress declined significantly on a Citywide basis, decreasing from \$13.55 million in 2024 to \$5.57 million in 2025, a reduction of \$7.98 million. This decrease indicates the completion and capitalization of several major capital projects during the fiscal year, which transitioned from construction in progress to depreciable infrastructure and building assets.

The City’s capital asset portfolio remains heavily concentrated in long-lived infrastructure assets, which support essential service delivery. Continued attention to capital planning, asset condition assessments, and sustainable funding strategies will be critical to maintaining service levels and addressing future replacement and rehabilitation needs.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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**Long-term debt.**

As of June 30, 2025, the City had no bonded debt.

The City of Shafter has no general obligation debt. The City’s limit for general obligation debt exceeds \$200 million, which represents 10% of the total assessed valuation of the city.

During the current fiscal year, the City of Shafter did not issue any new debt or refinance any existing debt. Additional information pertaining to City of Shafter’s debt administration and outstanding long-term obligations can be found in Note 6, Long-Term Debt, of the Notes to the Financial Statements.

Claims and litigation liabilities are not recorded as the City has sufficient reserves with the Central San Joaquin Risk Management Authority to cover outstanding claim reserves for workers’ compensation claims and liability claims.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The following factors were taken into consideration in preparation of the fiscal year 2025-26 budget.

**Budgeting Approach:** The City of Shafter conducts financial planning on a “Recurring Revenues versus Recurring Expenditure Basis” to insure financial stability. One-time revenues are not used to pay for recurring operating expenditures. Detailed projections are developed throughout the year and used to monitor recurring revenues and drive decisions regarding any cost or service level increase. This approach has served the city well over the years and resulted in a strong balance sheet and stable annual operations.

**Employee Wages and Benefits:** Cost-of-living increases were incorporated into the 2025-2026 budget. The City Council did authorize the payment of the increases to health, dental and life insurance costs for City employees. As commercially available health insurance has been increasing by double digits, the City made a shift in 2017 to pool with other public agencies for health insurance through two Joint Powers Authorities (JPA). These JPA agreements typically require a three-year minimum commitment and are the assumed providers for 2020-2021.

**Capital Projects:** The City spent \$11.34 million in CIP projects for the fiscal year 24-25. The following table lists related projects and expenses within the same period.

**CITY OF SHAFTER**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

Project NO	ProjTitle	2020	2021	2022	2023	2024	2025	2026	Total
PF00002	Shafter Aquatic Center Proj.	\$ -	\$ 9,707	\$ -	\$ -	\$ 1,811,001	\$ 1,834,649	\$ 51,677	\$ 3,707,034
WW00002	Southeast Shafter Sewer Imp.	2,523,855	143,112	109,457	18,893	18,915	4,481	1,265	2,819,978
WA00015	Well 21 Development	2,750	181,330	10,499	428,735	828,249	893,981	61	2,345,605
WW00010	WWTP Expansion Project					286,740	1,337,569	588,102	2,212,412
WA00007	Water Meter Retrofits	67,126	360,704	799,524	406,972	264,577	129,714	181,340	2,209,959
PK00008	North Shafter Community Park				79,558	222,675	96,100	1,753,849	2,152,183
PF00004	Shafter Aquatic Center Building Con					51,332	433,291	1,667,080	2,151,703
PD00001	Police Substation at 7th Std. Rd.		10,420		16,102	167,379	320,640	1,297,494	1,812,034
ST00035	Santa Fe Way Resurfacing Project					13,713	14,368	1,763,504	1,791,585
WA00017	Water Meter - New Installations					367,464	1,141,153		1,508,617
ST00042	Roundabout @ 7th Standard & Hwy 43						690,925	639,667	1,330,592
WA00001	Major Well or Casing Repairs	193,701	264,621	207,492	310,351		148,644	78,768	1,203,575
PK00007.1	Stringham Park Amenities Project					1,000,844	74,386		1,075,230
ST00036	Lerdo Hwy Reconstruction Proj. SB1				619	946,321	49,176		996,116
WA00002	Water Tank Improvements	180,152	654,207	80,415	32,276	18,999	20,000		986,050
ST00002	Widen 7th Std. Rd. - Santa Fe to 43		147,200	331,432	91,828	107,676	41,459	198,404	917,999
PK00009	Skate Park Improvements				3,164	707,120	36,293	15,336	761,913
PK00012	Veterans Park Soccer Field Lighting					16,454	738,022		754,476
ST00032	7th Standard Rd#2 LN Reconstruction				50	712,699	36,944		749,694
ST00039.24	2024 RMRA-Road Improvement Project					608	721,834		722,443
ST00021.24	Residential Road Reconstructn 2024						719,851		719,851
IT00003	Citywide Broadband Fiber Expansion					149,840	337,170		487,010
ST00022	NPNS Street & Road Improvements	48,515			9,999		219,794	91,808	370,116
WA00003	Well Maintenance Projects	24,000	26,015	131,093	5,967	26,402	1,920	127,533	342,931
PK00006	Veterans Park Imp. Basketball Court			3,350	8,471	300,208	28,118		340,147
ST00006.24	Sand Sealing 2024						310,630		310,630
	Others	86,607	83,753	64,150	77,103	433,113	962,961	402,705	2,110,390
		<b>\$3,126,706</b>	<b>\$1,881,069</b>	<b>\$1,737,412</b>	<b>\$1,490,089</b>	<b>\$8,452,330</b>	<b>\$11,344,073</b>	<b>\$8,858,593</b>	<b>\$36,890,272</b>

**Economic Factors and Future Outlook**

The City enters fiscal year 2026 in a strong financial position. Economic factors influencing future financial performance include continued residential and industrial development, sales tax variability tied to major contributors, and elevated but stabilizing interest rates.

Management will continue to emphasize conservative revenue forecasting, sustainable recurring revenues, disciplined expenditure control, and strategic capital investment to preserve long-term financial stability.

Investment earnings are projected to increase with higher interest rates and larger cash balances. Shafter is home to several oil related businesses. Sales taxes had significant decreases from the top five major contributors; however, there was an unexpected boost from the recent fulfilment center which allowed sales taxes to exceed all expectations. Gossamer Grove, a roughly 3,500 lot housing development in Southeast Shafter is continuing under construction and selling homes. Additionally, there are a couple of large industrial developments currently permitted or under construction in the Wonderful Industrial Park. With all this development we are anticipating continued growth in assessed valuation and population over the next few years.

**CITY OF SHAFTER**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Fiscal Year ended June 30, 2025**

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**REQUESTS FOR INFORMATION**

The financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Individuals are free to contact the City of Shafter's Finance Department with questions or requests for additional financial information.

All inquiries can be made by calling **661-746-5001** or visit us at <https://www.shafterca.gov/42/Finance>.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Shafter**  
**Statement of Net Position**  
**June 30, 2025**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 156,402,396	\$ 3,492,020	\$ 159,894,416
Accounts receivable, net	199,592	447,017	646,609
Interest receivable	796,008	22,388	818,396
Intergovernmental receivable	7,043,531	335,873	7,379,404
Lease receivable - due within one year	165,962	108,763	274,725
Internal balances	3,107,039	(3,107,039)	-
Total current assets	167,714,528	1,299,022	169,013,550
Noncurrent assets:			
Due from Fiduciary Funds	745,013	-	745,013
Lease receivable - due in more than one year	646,563	1,636,205	2,282,768
Capital assets:			
Non-depreciable/amortizable	12,268,493	2,654,810	14,923,303
Depreciable/amortizable, net	50,243,517	44,651,821	94,895,338
Total capital assets	62,512,010	47,306,631	109,818,641
Total noncurrent assets	63,903,586	48,942,836	112,846,422
<b>Total assets</b>	231,618,114	50,241,858	281,859,972
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB	264,873	30,835	295,708
Related to pensions	4,715,512	770,270	5,485,782
<b>Total deferred outflows of resources</b>	4,980,385	801,105	5,781,490

**City of Shafter**  
**Statement of Net Position (Continued)**  
**June 30, 2025**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,811,504	666,667	4,478,171
Accrued payroll	634,042	67,169	701,211
Deposits	14,541,902	179,127	14,721,029
Interest payable	7,843	756	8,599
Unearned revenue	531,982	139,752	671,734
Compensated absences - due within one year	540,416	107,427	647,843
Subscription liability, due within one year	176,998	19,863	196,861
Total OPEB liability - due within one year	83,368	9,543	92,911
Total current liabilities	<u>20,328,055</u>	<u>1,190,304</u>	<u>21,518,359</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	1,580,468	389,028	1,969,496
Subscription liability, due in more than one year	264,841	29,218	294,059
Total OPEB liability - due in more than one year	748,606	87,315	835,921
Aggregate net pension liability	3,638,564	533,347	4,171,911
Total noncurrent liabilities	<u>6,232,479</u>	<u>1,038,908</u>	<u>7,271,387</u>
<b>Total liabilities</b>	<u>26,560,534</u>	<u>2,229,212</u>	<u>28,789,746</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	402,678	46,881	449,559
Related to pensions	2,273,618	412,036	2,685,654
Related to leases	801,071	1,595,654	2,396,725
<b>Total deferred inflows of resources</b>	<u>3,477,367</u>	<u>2,054,571</u>	<u>5,531,938</u>
<b>NET POSITION</b>			
Net investment in capital assets	62,512,010	47,272,138	109,784,148
Restricted:			
Public safety	3,473,545	-	3,473,545
Transportation	2,961,187	-	2,961,187
Capital improvements	17,863,432	-	17,863,432
Other purposes	12,415,621	-	12,415,621
Total restricted	<u>36,713,785</u>	<u>-</u>	<u>36,713,785</u>
Unrestricted (deficit)	107,334,803	(512,958)	106,821,845
<b>Total net position</b>	<u>\$ 206,560,598</u>	<u>\$ 46,759,180</u>	<u>\$ 253,319,778</u>

**City of Shafter**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

<b>Functions/Programs</b>	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 12,757,653	\$ 13,225,141	\$ -	\$ -	\$ 13,225,141
Public safety	12,548,862	145,519	2,283,613	-	2,429,132
Public works	8,381,690	862,390	59,044	6,885,554	7,806,988
Culture and recreation	870,381	-	-	-	-
Interest on long-term debt	21,727	-	-	-	-
Total governmental activities	34,580,313	14,233,050	2,342,657	6,885,554	23,461,261
Business-type activities:					
Water services	7,313,136	5,553,568	-	-	5,553,568
Wastewater services	3,408,601	2,728,402	-	-	2,728,402
Rail Spur services	317,143	-	-	-	-
Fiber optic and communication tower	349,826	227,490	487,010	-	714,500
Refuse collection services	2,106,348	2,195,827	-	-	2,195,827
Transit services	821,675	261,960	59,102	-	321,062
Total business-type activities	14,316,729	10,967,247	546,112	-	11,513,359
<b>Total primary government</b>	\$ 48,897,042	\$ 25,200,297	\$ 2,888,769	\$ 6,885,554	\$ 34,974,620

**City of Shafter**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2025**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 467,488	\$ -	\$ 467,488
Public safety	(10,119,730)	-	(10,119,730)
Public works	(574,702)	-	(574,702)
Culture and recreation	(870,381)	-	(870,381)
Interest on long-term debt	(21,727)	-	(21,727)
Total governmental activities	(11,119,052)	-	(11,119,052)
Business-type activities:			
Water services	-	(1,759,568)	(1,759,568)
Wastewater services	-	(680,199)	(680,199)
Rail Spur services	-	(317,143)	(317,143)
Fiber optic & communication tower	-	364,674	364,674
Refuse collection services	-	89,479	89,479
Transit services	-	(500,613)	(500,613)
Total business-type activities	-	(2,803,370)	(2,803,370)
<b>Total primary government</b>	(11,119,052)	(2,803,370)	(13,922,422)
<b>General Revenues and Transfers:</b>			
<b>General revenues:</b>			
Taxes:			
Property taxes	3,811,932	-	3,811,932
Sales taxes	16,439,791	-	16,439,791
Unrestricted motor vehicle license tax	4,859,115	-	4,859,115
Vehicle license fee in lieu tax	35,044	-	35,044
Franchise tax	1,750,482	-	1,750,482
Other taxes	176,000	-	176,000
Total taxes	27,072,364	-	27,072,364
Investment earnings	7,127,999	176,347	7,304,346
Miscellaneous revenue	4,777	314,598	319,375
<b>Transfers</b>	(2,498,143)	2,498,143	-
<b>Total general revenues and transfers</b>	31,706,997	2,989,088	34,696,085
<b>Change in net position</b>	20,587,945	185,718	20,773,663
<b>Net Position:</b>			
Beginning of year, as previously reported	186,143,227	46,204,488	232,347,715
Adjustments	(170,574)	368,974	198,400
Beginning of year, as restated (Note 14)	185,972,653	46,573,462	232,546,115
End of year	\$ 206,560,598	\$ 46,759,180	\$ 253,319,778

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**FUND FINANCIAL STATEMENTS**

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## **Governmental Funds Financial Statements**

**General Fund** - The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**Transportation Special Revenue Fund** - This fund is used to account for the City's share of motor fuel tax revenues and special state grants that are legally restricted to construction and maintenance of local roads within the City limits.

**Traffic Mitigation Improvement Capital Projects Fund** - This fund was established to account for expenditures for the cost of traffic related projects.

**City of Shafter**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	Major Funds		
	General Fund	Transportation Special Revenue Fund	Traffic Mitigation Improvement Capital Project Fund
<b>ASSETS</b>			
Cash and investments	\$ 97,113,837	\$ 98,556	\$ 20,497,577
Receivables:			
Accounts receivable, net	199,592	-	-
Interest	458,257	227	121,869
Intergovernmental	3,957,480	2,872,401	-
Lease	812,525	-	-
Due from other funds	3,539,781	-	-
Due from Fiduciary Fund	745,013	-	-
<b>Total assets</b>	<b>\$ 106,826,485</b>	<b>\$ 2,971,184</b>	<b>\$ 20,619,446</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,597,385	\$ 9,997	\$ 805,624
Accrued payroll	603,928	-	-
Unearned revenues	506,982	-	-
Deposits payable	14,541,902	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>18,250,197</b>	<b>9,997</b>	<b>805,624</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	2,359	1,307,347	-
Related to leases	801,071	-	-
<b>Total deferred inflows of resources</b>	<b>803,430</b>	<b>1,307,347</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	745,013	-	-
Restricted	-	1,653,840	-
Assigned	50,675,982	-	19,813,822
Unassigned (deficit)	36,351,863	-	-
<b>Total fund balances</b>	<b>87,772,858</b>	<b>1,653,840</b>	<b>19,813,822</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 106,826,485</b>	<b>\$ 2,971,184</b>	<b>\$ 20,619,446</b>

**City of Shafter**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2025**

	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 38,589,696	\$ 156,299,666
Receivables:		
Accounts receivable, net	-	199,592
Interest	215,655	796,008
Intergovernmental	213,650	7,043,531
Lease	-	812,525
Due from other funds	-	3,539,781
Due from Fiduciary Fund	-	745,013
<b>Total assets</b>	<b>\$ 39,019,001</b>	<b>\$ 169,436,116</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	333,937	3,746,943
Accrued payroll	-	603,928
Unearned revenues	25,000	531,982
Deposits payable	-	14,541,902
Due to other funds	233,805	233,805
<b>Total liabilities</b>	<b>592,742</b>	<b>19,658,560</b>
<b>Deferred inflows of resources</b>		
Unavailable revenue	67,990	1,377,696
Related to leases	-	801,071
<b>Total deferred inflows of resources</b>	<b>67,990</b>	<b>2,178,767</b>
<b>Fund Balances:</b>		
Nonspendable	-	745,013
Restricted	33,744,941	35,398,781
Assigned	4,984,494	75,474,298
Unassigned (deficit)	(371,166)	35,980,697
<b>Total fund balances</b>	<b>38,358,269</b>	<b>147,598,789</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 39,019,001</b>	<b>\$ 169,436,116</b>

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**City of Shafter**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2025**

**Total Fund Balances - Total Governmental Funds** \$ 147,598,789

Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Grant revenue earned but not received within 60 days is categorized as a deferred inflow in the fund financial statement but grant revenue in the government wide statements. 1,377,696

Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Government-Wide Statement of Net Position	62,512,010
Less: amount reported in Internal Service Funds	<u>(530,846)</u>
Total capital assets	<u>61,981,164</u>

Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.

Amount reported in Government-Wide Statement of Net Position	
Compensated absences	(2,120,884)
Subscription liability	(441,839)
Total OPEB liability	(831,974)
Aggregate net pension liability	(3,638,564)
Less: amount reported in Internal Service Funds:	
Compensated absences	160,439
Subscription liability	70,354
Total OPEB liability	46,298
Aggregate net pension liability	<u>203,363</u>
Total long-term liabilities	<u>(6,552,807)</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds, net of \$925 in internal service funds. (6,918)

Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	264,873
Deferred outflows of resources related to pensions	4,715,512
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to OPEB	(14,740)
Deferred outflows of resources related to pensions	<u>(303,156)</u>
Total deferred outflows of resources	<u>4,662,489</u>

Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	(402,678)
Deferred inflows of resources related to pensions	(2,273,618)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to OPEB	22,408
Deferred inflows of resources related to pensions	<u>160,264</u>
Total deferred inflows of resources	<u>(2,493,624)</u>

Internal service funds are used by management to charge the cost of fleet management, risk management, information technology, and building maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. (6,191)

**Net Position of Governmental Activities** \$ 206,560,598

**City of Shafter**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	Major Funds		
	General Fund	Transportation Special Revenue Fund	Traffic Mitigation Improvement Capital Project Fund
<b>REVENUES:</b>			
Property taxes and special assessments	\$ 3,851,860	\$ -	\$ -
Property taxes in lieu of VLF	4,859,115	-	-
Sales tax	16,439,791	-	-
Franchise tax	1,750,482	-	-
Other taxes	136,071	-	-
Licenses, permits and fees	3,783,191	-	5,247,808
Fines, forfeitures and penalties	48,038	-	-
Investment earnings	4,652,835	31,916	954,290
Intergovernmental	468,303	1,565,054	-
Charges for current services	2,097,810	-	-
Other	39,210	-	-
<b>Total revenues</b>	<b>38,126,706</b>	<b>1,596,970</b>	<b>6,202,098</b>
<b>EXPENDITURES:</b>			
Current:			
General government	9,829,033	-	-
Public safety	11,543,659	-	363,434
Public works	6,257,722	-	-
Culture and recreation	187,477	-	-
Capital outlay	2,308,760	1,298,604	1,776,389
Debt Service:			
Principal	134,616	-	-
Interest	12,771	-	-
<b>Total expenditures</b>	<b>30,274,038</b>	<b>1,298,604</b>	<b>2,139,823</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,852,668</b>	<b>298,366</b>	<b>4,062,275</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of property	1,685,191	-	-
Transfers in	262,460	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,947,651</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,800,319</b>	<b>298,366</b>	<b>4,062,275</b>
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year, as previously reported	77,972,539	(1,741,516)	15,751,547
Adjustments	-	3,096,990	-
Beginning of year, as restated (Note 14)	77,972,539	1,355,474	15,751,547
End of year	<b>\$ 87,772,858</b>	<b>\$ 1,653,840</b>	<b>\$ 19,813,822</b>

**City of Shafter**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>		
Property taxes and special assessments	\$ 1,140,990	\$ 4,992,850
Property taxes in lieu of VLF	-	4,859,115
Sales tax	-	16,439,791
Franchise tax	-	1,750,482
Other taxes	1,208,388	1,344,459
Licenses, permits and fees	4,302,472	13,333,471
Fines, forfeitures and penalties	27,660	75,698
Investment earnings	1,785,297	7,424,338
Intergovernmental	1,917,332	3,950,689
Charges for current services	47,059	2,144,869
Other	-	39,210
<b>Total revenues</b>	<b>10,429,198</b>	<b>56,354,972</b>
<b>EXPENDITURES:</b>		
Current:		
General government	-	9,829,033
Public safety	-	11,907,093
Public works	565,235	6,822,957
Culture and recreation	-	187,477
Capital outlay	3,717,964	9,101,717
Debt service:		
Principal	-	134,616
Interest	-	12,771
<b>Total expenditures</b>	<b>4,283,199</b>	<b>37,995,664</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,145,999</b>	<b>18,359,308</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from sale of property	-	1,685,191
Transfers in	88,237	350,697
Transfers out	(2,848,840)	(2,848,840)
<b>Total other financing sources (uses)</b>	<b>(2,760,603)</b>	<b>(812,952)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,385,396</b>	<b>17,546,356</b>
<b>FUND BALANCES (DEFICIT):</b>		
Beginning of year, as previously reported	34,972,873	126,955,443
Adjustments	-	3,096,990
Beginning of year, as restated (Note 14)	34,972,873	130,052,433
End of year	<b>\$ 38,358,269</b>	<b>\$ 147,598,789</b>

**City of Shafter**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2025**

**Net Change in Fund Balances - Total Governmental Funds** \$ 17,546,356

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expenses. This is the amount of capital assets recorded in the current period (net of \$406,681 added in internal service funds) (\$247,108 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	8,854,609
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation and amortization expense, net of internal service funds of \$135,562 was not reported as expenditures in the Governmental Funds.	(3,775,215)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(1,802,960)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt, net of internal services funds of \$54,654.	134,616
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year (net of \$2,038 in internal service funds).	(6,918)
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds (net of \$26,402 in internal service funds).	(42,546)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	1,307,347
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(2,625,436)
Changes in net pension liabilities	445,172
Changes in pension related deferred inflows of resources	643,208
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	(5,750)
Changes in total OPEB liabilities	56,821
Changes in OPEB related deferred inflows of resources	(100,243)
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(41,116)

**Change in Net Position of Governmental Activities** \$ 20,587,945

## Proprietary Funds Financial Statements

***Water Services Fund*** - This fund is used to account for the activities of the City's water pumping, treatment and distribution operations.

***Wastewater Services Fund*** - This fund is used to account for the activities of the City's wastewater collection and treatment operations.

***Rail Spur Services Fund*** - This fund is used to account for the activities of the City's Rail operations created with the construction of an initial rail spur within the City. The enterprise account is being built and significant operational revenue is expected in future years. The revenue from this operation is initially pledged for repayment of a loan advanced by the General Fund.

***Fiber Optic and Communication Tower*** - This fund is used to account for the activities of the City's fiber optic distribution operations to separate service areas within the City. The enterprise account is being built and operational revenue is expected in future years. The revenue from this operation is initially pledged for repayment of a loan advanced by the General Fund.

***Internal Service Funds*** - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

**City of Shafter**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	Major Funds			
	Water Services	Wastewater Services	Rail Spur Services	Fiber Optic and Communication Tower
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 2,874,051	\$ -	\$ -
Receivables:				
Accounts receivable, net	105,090	95,796	9,280	145,776
Interest	7,181	10,995	-	1,113
Intergovernmental	-	-	-	-
Lease	18,505	-	-	90,258
Total current assets	<u>130,776</u>	<u>2,980,842</u>	<u>9,280</u>	<u>237,147</u>
Noncurrent assets:				
Lease receivable	778,487	-	-	857,718
Capital assets:				
Non-depreciable	973,167	1,681,643	-	-
Depreciable, net	19,811,153	13,727,726	7,576,392	2,922,470
Total capital assets	<u>20,784,320</u>	<u>15,409,369</u>	<u>7,576,392</u>	<u>2,922,470</u>
Total noncurrent assets	<u>21,562,807</u>	<u>15,409,369</u>	<u>7,576,392</u>	<u>3,780,188</u>
<b>Total assets</b>	<u>21,693,583</u>	<u>18,390,211</u>	<u>7,585,672</u>	<u>4,017,335</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to OPEB	16,954	7,890	426	-
Related to pensions	444,063	203,525	8,888	-
<b>Total deferred outflow of resources</b>	<u>461,017</u>	<u>211,415</u>	<u>9,314</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	270,496	166,912	193	393
Accrued payroll	36,524	16,214	428	-
Due to other funds	215,217	-	1,838,087	658,589
Deposits	107,468	10,250	-	-
Interest payable	290	238	-	-
Unearned revenue	-	-	-	-
Compensated absences, due within one year	67,061	28,147	2,051	-
Subscription liability, due within one year	7,698	6,567	-	-
Total OPEB liability, due within one year	<u>5,247</u>	<u>2,442</u>	<u>132</u>	<u>-</u>
Total current liabilities	<u>710,001</u>	<u>230,770</u>	<u>1,840,891</u>	<u>658,982</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	245,432	105,194	6,778	-
Subscription liability, due in more than one year	11,238	8,990	-	-
Total OPEB liability, due in more than one year	48,006	22,342	1,206	-
Aggregate net pension liability	<u>307,476</u>	<u>140,924</u>	<u>6,154</u>	<u>-</u>
Total noncurrent liabilities	<u>612,152</u>	<u>277,450</u>	<u>14,138</u>	<u>-</u>
<b>Total liabilities</b>	<u>1,322,153</u>	<u>508,220</u>	<u>1,855,029</u>	<u>658,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to OPEB	25,775	11,996	648	-
Related to pensions	237,540	108,870	4,755	-
Related to leases	722,691	-	-	872,963
<b>Total deferred inflows of resources</b>	<u>986,006</u>	<u>120,866</u>	<u>5,403</u>	<u>872,963</u>
<b>NET POSITION</b>				
Net investment in capital assets	20,765,384	15,393,812	7,576,392	2,922,470
Unrestricted (deficit)	<u>(918,943)</u>	<u>2,578,728</u>	<u>(1,841,838)</u>	<u>(437,080)</u>
<b>Total net position (deficit)</b>	<u>\$ 19,846,441</u>	<u>\$ 17,972,540</u>	<u>\$ 5,734,554</u>	<u>\$ 2,485,390</u>

See accompanying Notes to the Basic Financial Statements.

**City of Shafter**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2025**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 617,969	\$ 3,492,020	\$ 102,730
Receivables:			
Accounts receivable, net	91,075	447,017	-
Interest	3,099	22,388	-
Intergovernmental	335,873	335,873	-
Lease	-	108,763	-
Total current assets	<u>1,048,016</u>	<u>4,406,061</u>	<u>102,730</u>
Noncurrent assets:			
Lease receivable	-	1,636,205	-
Capital assets:			
Non-depreciable	-	2,654,810	-
Depreciable, net	614,080	44,651,821	530,846
Total capital assets	<u>614,080</u>	<u>47,306,631</u>	<u>530,846</u>
Total noncurrent assets	<u>614,080</u>	<u>48,942,836</u>	<u>530,846</u>
<b>Total assets</b>	<u>1,662,096</u>	<u>53,348,897</u>	<u>633,576</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	5,565	30,835	14,740
Related to pensions	113,794	770,270	303,156
<b>Total deferred outflow of resources</b>	<u>119,359</u>	<u>801,105</u>	<u>317,896</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	228,673	666,667	64,561
Accrued payroll	14,003	67,169	30,114
Due to other funds	395,146	3,107,039	198,937
Deposits	61,409	179,127	-
Interest payable	228	756	925
Unearned revenue	139,752	139,752	-
Compensated absences, due within one year	10,168	107,427	47,695
Subscription liability, due within one year	5,598	19,863	45,782
Total OPEB liability, due within one year	<u>1,722</u>	<u>9,543</u>	<u>4,562</u>
Total current liabilities	<u>856,699</u>	<u>4,297,343</u>	<u>392,576</u>
Noncurrent liabilities:			
Compensated absences, due in more than one year	31,624	389,028	112,744
Subscription liability, due in more than one year	8,990	29,218	24,572
Total OPEB liability, due in more than one year	15,761	87,315	41,736
Aggregate net pension liability	<u>78,793</u>	<u>533,347</u>	<u>203,363</u>
Total noncurrent liabilities	<u>135,168</u>	<u>1,038,908</u>	<u>382,415</u>
<b>Total liabilities</b>	<u>991,867</u>	<u>5,336,251</u>	<u>774,991</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	8,462	46,881	22,408
Related to pensions	60,871	412,036	160,264
Related to leases	-	1,595,654	-
<b>Total deferred inflows of resources</b>	<u>69,333</u>	<u>2,054,571</u>	<u>182,672</u>
<b>NET POSITION</b>			
Net investment in capital assets	614,080	47,272,138	501,712
Unrestricted (deficit)	<u>106,175</u>	<u>(512,958)</u>	<u>(507,903)</u>
<b>Total net position (deficit)</b>	<u>\$ 720,255</u>	<u>\$ 46,759,180</u>	<u>\$ (6,191)</u>

See accompanying Notes to the Basic Financial Statements.

**City of Shafter**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Major Funds			
	Water Services	Wastewater Services	Rail Spur Services	Fiber Optic and Communication Tower
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 5,553,568	\$ 2,728,402	\$ -	\$ 227,490
Other	37,945	-	-	2,196
<b>Total operating revenues</b>	<b>5,591,513</b>	<b>2,728,402</b>	<b>-</b>	<b>229,686</b>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	1,562,030	707,036	26,287	-
Administration	1,360,138	733,914	87,600	139,087
Contractual	600,411	20,760	585	3,430
Materials	-	-	-	-
Maintenance and repair	216,568	865,397	282	20,699
Utilities	2,293,011	82,723	2,469	15,614
Parts and supplies	24,043	114,302	-	2,271
Depreciation/amortization	1,256,536	884,136	199,920	168,725
<b>Total operating expenses</b>	<b>7,312,737</b>	<b>3,408,268</b>	<b>317,143</b>	<b>349,826</b>
<b>OPERATING (LOSS)</b>	<b>(1,721,224)</b>	<b>(679,866)</b>	<b>(317,143)</b>	<b>(120,140)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	20,600	114,937	-	14,732
Interest expense	(399)	(333)	-	-
Grants	-	-	-	487,010
<b>Total nonoperating revenues (expenses)</b>	<b>20,201</b>	<b>114,604</b>	<b>-</b>	<b>501,742</b>
<b>INCOME(LOSS) BEFORE TRANSFERS</b>	<b>(1,701,023)</b>	<b>(565,262)</b>	<b>(317,143)</b>	<b>381,602</b>
<b>TRANSFERS:</b>				
Transfers in	1,495,879	1,002,264	-	-
<b>Total transfers</b>	<b>1,495,879</b>	<b>1,002,264</b>	<b>-</b>	<b>-</b>
<b>Changes in net position</b>	<b>(205,144)</b>	<b>437,002</b>	<b>(317,143)</b>	<b>381,602</b>
<b>NET POSITION (DEFICIT):</b>				
Beginning of year, as previously reported	20,148,311	17,579,016	6,052,281	2,103,788
Adjustments	(96,726)	(43,478)	(584)	-
Beginning of year, as restated (Note 14)	20,051,585	17,535,538	6,051,697	2,103,788
End of year	<b>\$ 19,846,441</b>	<b>\$ 17,972,540</b>	<b>\$ 5,734,554</b>	<b>\$ 2,485,390</b>

**City of Shafter**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Formerly Major Fund Refuse Collection Fund	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>				
Charges for services		\$ 2,457,787	\$ 10,967,247	\$ 4,144,175
Other		274,457	314,598	1,578
<b>Total operating revenues</b>		<b>2,732,244</b>	<b>11,281,845</b>	<b>4,145,753</b>
<b>OPERATING EXPENSES:</b>				
Salaries and wages		516,305	2,811,658	1,120,531
Administration		178,494	2,499,233	600,084
Contractual		1,950,597	2,575,783	1,555,163
Materials		-	-	-
Maintenance and repair		30,927	1,133,873	248,934
Utilities		15,660	2,409,477	223,304
Parts and supplies		65,865	206,481	305,335
Depreciation/amortization		169,890	2,679,207	135,562
<b>Total operating expenses</b>		<b>2,927,738</b>	<b>14,315,712</b>	<b>4,188,913</b>
<b>OPERATING (LOSS)</b>		<b>(195,494)</b>	<b>(3,033,867)</b>	<b>(43,160)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings		26,078	176,347	4,082
Interest expense		(285)	(1,017)	(2,038)
Grants		59,102	546,112	-
<b>Total nonoperating revenues (expenses)</b>		<b>84,895</b>	<b>721,442</b>	<b>2,044</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>		<b>(110,599)</b>	<b>(2,312,425)</b>	<b>(41,116)</b>
<b>TRANSFERS:</b>				
Transfers in		-	2,498,143	-
<b>Total transfers</b>		<b>-</b>	<b>2,498,143</b>	<b>-</b>
<b>Changes in net position</b>		<b>(110,599)</b>	<b>185,718</b>	<b>(41,116)</b>
<b>NET POSITION (DEFICIT):</b>				
Beginning of year, as previously reported	407,994	(86,902)	46,204,488	95,316
Adjustments	(407,994)	917,756	368,974	(60,391)
Beginning of year, as restated (Note 14)	-	830,854	46,573,462	34,925
End of year	<u>\$ -</u>	<u>\$ 720,255</u>	<u>\$ 46,759,180</u>	<u>\$ (6,191)</u>

**City of Shafter**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Major Funds			
	Water Services	Wastewater Services	Rail Spur Services	Fiber Optic and Communication Tower
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipts from customers	\$ 5,750,976	\$ 2,770,840	\$ -	\$ 237,490
Cash payments to suppliers	(4,862,073)	(1,778,278)	(91,533)	(200,379)
Cash payments to or on behalf of employees	(1,393,255)	(630,291)	(31,116)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(504,352)</b>	<b>362,271</b>	<b>(122,649)</b>	<b>37,111</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts	1,495,879	1,002,264	-	-
Interfund payments	215,217	-	122,649	(196,419)
Intergovernmental receipts	-	-	-	487,010
Intergovernmental payments	-	-	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>1,711,096</b>	<b>1,002,264</b>	<b>122,649</b>	<b>290,591</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(2,469,628)	(1,636,667)	-	(342,301)
Principal payments on capital debt	(7,547)	(6,438)	-	-
Interest paid on capital debt	(1,086)	(907)	-	-
Proceed from sale of capital assets	262,930	-	-	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(2,215,331)</b>	<b>(1,644,012)</b>	<b>-</b>	<b>(342,301)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	20,752	103,942	-	14,599
<b>Net cash provided by investing activities</b>	<b>20,752</b>	<b>103,942</b>	<b>-</b>	<b>14,599</b>
<b>Net change in cash and cash equivalents</b>	<b>(987,835)</b>	<b>(175,535)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	987,835	3,049,586	-	-
End of year	<u>\$ -</u>	<u>\$ 2,874,051</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating (loss)	\$ (1,721,224)	\$ (679,866)	\$ (317,143)	\$ (120,140)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	1,256,536	884,136	199,920	168,725
Accounts receivable	173,282	63,221	-	24,811
Lease receivable	16,935	-	-	89,833
Prepaid items and inventories	54,124	2,788	6	693
Deferred outflows - OPEB related	5,210	664	73	-
Deferred outflows - pension related	(39,990)	(47,537)	(255)	-
Accounts payable	(422,028)	36,026	(601)	(19,971)
Accrued payroll	1,705	376	(256)	-
Compensated absences	28,760	10,754	(7,652)	-
Aggregate net pension liability	113,923	66,205	2,018	-
Total OPEB liability	(19,415)	(3,265)	(217)	-
Deposits payable	4,499	(20,783)	-	-
Unearned revenue	-	-	-	-
Deferred inflows - OPEB related	1,702	2,703	135	-
Deferred inflows - pension related	76,882	46,849	1,323	-
Deferred inflows - leases	(35,253)	-	-	(106,840)
Total adjustments	<u>1,216,872</u>	<u>1,042,137</u>	<u>194,494</u>	<u>157,251</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (504,352)</u></b>	<b><u>\$ 362,271</u></b>	<b><u>\$ (122,649)</u></b>	<b><u>\$ 37,111</u></b>

**City of Shafter**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from customers	\$ 3,275,713	\$ 12,035,019	\$ 4,160,116
Cash payments to suppliers	(2,165,585)	(9,097,848)	(2,914,996)
Cash payments to or on behalf of employees	(478,685)	(2,533,347)	(1,026,457)
<b>Net cash provided by (used in) operating activities</b>	<u>631,443</u>	<u>403,824</u>	<u>218,663</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund receipts	-	2,498,143	-
Interfund payments	(147,322)	(5,875)	(94,407)
Intergovernmental receipts	59,102	546,112	-
Intergovernmental payments	(335,355)	(335,355)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(423,575)</u>	<u>2,703,025</u>	<u>(94,407)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(166,790)	(4,615,386)	(406,681)
Principal payments on capital debt	(5,495)	(19,480)	(54,654)
Interest paid on capital debt	(775)	(2,768)	(4,939)
Proceed from sale of capital assets	-	262,930	-
<b>Net cash (used in) capital and related financing activities</b>	<u>(173,060)</u>	<u>(4,374,704)</u>	<u>(466,274)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	22,979	162,272	4,082
<b>Net cash provided by investing activities</b>	<u>22,979</u>	<u>162,272</u>	<u>4,082</u>
<b>Net change in cash and cash equivalents</b>	57,787	(1,105,583)	(337,936)
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	560,182	4,597,603	440,666
End of year	<u>\$ 617,969</u>	<u>\$ 3,492,020</u>	<u>\$ 102,730</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating (loss)	\$ (195,494)	\$ (3,033,867)	\$ (43,160)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	169,890	2,679,207	135,562
Accounts receivable	522,383	783,697	14,363
Lease receivable	-	106,768	-
Prepaid items and inventories	715	58,326	11,498
Deferred outflows - OPEB related	1,300	7,247	7,034
Deferred outflows - pension related	11,701	(76,081)	41,146
Accounts payable	75,239	(331,335)	6,327
Accrued payroll	3,352	5,177	4,319
Compensated absences	(4,566)	27,296	26,402
Aggregate net pension liability	18,962	201,108	28,282
Total OPEB liability	(4,977)	(27,874)	(21,593)
Deposits payable	8,054	(8,230)	-
Unearned revenue	13,032	13,032	-
Deferred inflows - OPEB related	10,620	15,160	7,854
Deferred inflows - pension related	1,232	126,286	629
Deferred inflows - leases	-	(142,093)	-
Total adjustments	<u>826,937</u>	<u>3,437,691</u>	<u>261,823</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 631,443</u>	<u>\$ 403,824</u>	<u>\$ 218,663</u>

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## **Fiduciary Funds Financial Statements**

***Custodial Funds*** - These funds account for assets held by the City in a Fiduciary capacity for individuals, private organizations, and other governments that are not held in trusts or equivalent arrangements.

***RDA Successor Agency Private Purpose Trust Fund*** - This fund is used to account for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former Shafter Community Development Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

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**City of Shafter**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 116,649	\$ 952,151
Cash and investments with fiscal agent	-	555
Due from other governments	6,894	-
Prepaid bonds insurance	-	58,910
<b>Total assets</b>	<b>\$ 123,543</b>	<b>\$ 1,011,616</b>
<b>LIABILITIES</b>		
Deposits payable	\$ 120,188	\$ -
Interest payable	-	61,884
Due to City	-	745,013
Long-term debt:		
Due in one year	-	565,000
Due in more than one year	-	7,770,043
<b>Total liabilities</b>	<b>120,188</b>	<b>9,141,940</b>
<b>NET POSITION (DEFICIT)</b>		
Restricted for individuals, organizations, and other governments	3,355	-
Restricted for redevelopment (deficit) and other purposes	-	(8,130,324)
<b>Total net position (deficit)</b>	<b>\$ 3,355</b>	<b>\$ (8,130,324)</b>

**City of Shafter**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Redevelopment Property Tax Trust Fund (RPTTF)	\$ -	\$ 1,408,593
Special assessments for other governments	13,022	-
<b>Total additions</b>	<b>13,022</b>	<b>1,408,593</b>
<b>DEDUCTIONS:</b>		
Administrative expenses	1,321	250,000
Interest expense and fiscal charges	-	362,445
Principal payments on conduit debt	5,200	-
Interest payments on conduit debt	3,146	-
Depreciation	-	16,423
<b>Total deductions</b>	<b>9,667</b>	<b>628,868</b>
<b>Changes in net position</b>	<b>3,355</b>	<b>779,725</b>
<b>NET POSITION (DEFICIT):</b>		
Beginning of year	-	(8,910,049)
End of period	<b>\$ 3,355</b>	<b>\$ (8,130,324)</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Shafter**  
**Index of Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**City of Shafter**  
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**City of Shafter**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

The basic financial statements of the City of Shafter, California (City) have been prepared in conformity with Accounting Principles Generally Accepted Accounting in the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

**A. Financial Reporting Entity**

The City was incorporated in 1938 and became a Charter City in 1995. The local government is comprised of five Council members who are elected every four years and act under powers granted under a City Charter. The City provides a variety of services including general administration, public safety, street and highway maintenance, maintenance of water, wastewater and refuse, and operation of a correctional facility, however the correctional facility was closed in October 2020.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

*Blended and Discretely Presented Component Units*

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government. The City has no blended component units.

**B. Basis of Presentation, Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Presentation, Accounting and Measurement Focus (Continued)***

*Government - Wide Financial Statements*

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and Long-Term Debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

*Governmental Fund Financial Statements*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Presentation, Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements (Continued)*

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major Governmental Funds:

*General Fund* - The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

*Transportation Special Revenue Fund* - This fund is used to account for the City's share of motor fuel tax revenues and special state grants that are legally restricted to construction and maintenance of local roads within the City limits.

*Traffic Mitigation Improvement Capital Project Fund* - This Fund was established to account for expenditure for the cost of traffic related projects.

*Proprietary Fund Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund and an aggregate column for all nonmajor funds.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

Proprietary Fund Financial Statements (Continued)

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds. These areas of service include fleet maintenance, facilities maintenance, and technology.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major Proprietary Funds:

*Water Services Fund* - This fund is used to account for the activities of the City's water pumping, treatment and distribution operations.

*Wastewater Services Fund* - This fund is used to account for the activities of the City's wastewater collection and treatment operations.

*Rail Spur Services Fund* - This fund is used to account for the activities of the City's Rail operations created with the construction of an initial rail spur within the City.

*Fiber Optic and Communication Tower Fund* - This fund is used to account for the activities of the City's fiber optic distribution operations to separate service areas within the City.

Internal Service Funds

Internal Service Funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

The City reports the following Internal Service Funds:

*Building Maintenance Fund* - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City Hall building.

*Liability Coverage Fund* - This fund is used to account for the accumulation and allocation of costs associated with risk management.

*Vehicle Maintenance Fund* - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City fleet of vehicles.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Presentation, Accounting and Measurement Focus (Continued)***

*Internal Service Funds (Continued)*

*Information Technology Fund* - This fund is used to account for the costs associated with automation maintenance of the City's various computers, servers and interdepartmental electronic communications.

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Fiduciary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Fiduciary fund types are accounted for according to the nature of the fund.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include the North Park/Norther Shafter Custodial Fund account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e., unclaimed property/escheat property). The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

***RDA Successor Agency Private Purpose Trust Fund***

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund.

***C. Deferred Outflows and Inflows of Resources***

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

*Deferred Inflows of Resources* represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***D. Cash, Cash Equivalents and Investments***

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash and Investments with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. It is the City's intent to hold investments to maturity.

Investments are reported in the accompanying financial statements at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***E. Receivables***

Customer or trade receivables are reported as “accounts receivable” and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

***F. Inventories and Prepaid Items***

Inventories are valued at cost, using the weighted-average method. Inventories of the Enterprise Funds consist primarily of water storage held for future use. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased. Prepaid items in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

***G. Interfund Transactions***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

***H. Leases***

*Lessor*

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**I. Subscription-Based Information Technology Arrangements (SBITAs)**

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$10,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term. Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

**J. Capital Assets**

Capital assets, which include land, buildings, improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Gifts or contributions of capital assets are recorded at acquisition value when received. City policy has set the capitalization threshold for reporting capital assets at \$5,000 and for reporting infrastructure assets at \$10,000. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

<u>Asset Type</u>	<u>Years</u>
Buildings and improvements	10-40
Machinery and equipment	3-40
Infrastructure	15-60
Subscription assets	Shorter of the subscription assets's Useful life or the subscription term

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**J. Capital Assets (Continued)**

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include:

- Street system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business

Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting. Estimated historical costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the estimated historical cost.

**K. Interest Payable**

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, interest payable of long-term debt is recognized as the liability is incurred.

**L. Compensated Absences**

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

**Vacation:** The City’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

**Sick Leave:** The City’s policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, compensated absences are recorded as expenses when earned.

In the Governmental Fund Financial Statements, compensated absences are recorded as expenditures in the year paid. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund’s share of the unpaid liability is recorded as a long-term liability of the fund.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**M. Bond Premiums and Discounts**

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the Governmental Fund Financial Statements, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources of the applicable premium or discount.

**N. Long-Term Debt**

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

In the Governmental Fund Financial Statements, long-term debt is not included but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***P. Other Postemployment Benefits (OPEB)***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary (Note 10). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

***Q. Net Position***

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, Net Position are classified in the following categories:

*Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of debt and deferred gain on refinancing that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted* - This component of net position consists of restricted assets reduced by liabilities and deferred outflows/inflows of resources related to those assets.

*Unrestricted* - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

***R. Fund Balances***

In the Governmental Fund Financial Statements fund balances are classified in the following categories:

*Nonspendable* - Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* - Restricted fund balances encompass the portion of net resources subject to externally enforceable legal restrictions. This includes externally restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* - Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself (resolution or ordinance) at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**R. Fund Balances (Continued)**

*Assigned* - Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the City Manager and the Director of Finance for that purpose. The City Council may also assign fund balance, however, unlike commitments, assignments generally only exist temporarily, and additional action does not normally have to be taken for the removal of an assignment.

*Unassigned* - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

**S. Spending Policy**

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first.

In the Governmental Fund Financial Statements, when expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

**T. Property Taxes**

In 1978, a State constitutional amendment (Article XIII A) provided that the ad valorem real property tax rate be limited to 1% of market value and be levied only by the county and shared with all other jurisdictions. The County of Kern collects the property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdictions' assessed valuation, subject to adjustments for voter-approved debt. Property taxes are formally due on November 1 and February 1 and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective March 1 of the preceding year.

**U. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**V. Implementation of New GASB Pronouncements for the Year Ended June 30, 2025**

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2025. See Note 19.

**GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025.

**W. Upcoming Government Accounting Standards Implementations**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

**GASB Statement No. 103** – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

**GASB Statement No. 104** – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

**GASB Statement No. 105** – In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This Statement establishes accounting and financial reporting requirements for events and transactions that occur after the financial statement date but before financial statements are issued. The Statement defines the types of subsequent events and requires disclosure of certain nonrecognized subsequent events. Application of this Statement is effective for the City's fiscal year ending June 30, 2027.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Cash and Investments**

Cash and investments are presented in the accompanying financial statements at June 30, 2025 as follows:

	<u>Government-Wide Statement of Net Position</u>			<u>Fiduciary Funds</u>	
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Statement of</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Net Position</u>	
Cash and investments	\$ 156,402,396	\$ 3,492,020	\$ 159,894,416	\$ 1,068,800	\$ 160,963,216
Cash and investments with fiscal agent	-	-	-	555	555
<b>Total cash and investments</b>	<u>\$ 156,402,396</u>	<u>\$ 3,492,020</u>	<u>\$ 159,894,416</u>	<u>\$ 1,069,355</u>	<u>\$ 160,963,771</u>

Cash and investments consisted of the following at June 30, 2025:

<b>Cash:</b>	
Cash on hand	\$ 5,759
Deposits with financial institution	25,649,242
<b>Total cash</b>	<u>25,655,001</u>
<b>Investments:</b>	
Investments	135,308,215
Investments held by bond trustee	555
<b>Total investments</b>	<u>135,308,770</u>
<b>Total cash and investments</b>	<u>\$ 160,963,771</u>

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$25,649,242 at June 30, 2025. Bank balances were \$28,123,292 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Cash and Investments (Continued)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy.

Authorized Investment Types	Authorized By Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Repurchase Agreements	Yes	7 days	None	None
Reverse Repurchase Agreements	No	92 days	None	None
Medium-Term Notes	Yes	5 years	15%	15%
Mutual Funds	Yes	N/A	10%	10%
Money Market Mutual Funds	Yes	N/A	10%	10%
Mortgage Pass-Through Securities	No	5 years	None	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$75 Million**	None
JPA Pools (other investment pools)	Yes	N/A	None	None

\* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

\*\* Limit set by LAIF governing Board not California Government Code

In accordance with the City's investment policy, a maximum of 25% of the City's investment portfolio may be invested for more than 5 years, not to exceed 10 years.

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

**C. Fair Value Measurements**

Fair value of assets measured on a recurring basis at June 30, 2025, are as follows:

	Total	Level 1	Level 2
<b>Investments measured by fair value level:</b>			
Negotiable certificates of deposit	\$ 19,059,000	\$ -	\$ 19,059,000
U.S. Treasury Notes	15,648,668	15,648,668	-
Non U.S. Government Agency Securities	150,360	-	150,360
Corporate Securities	18,797,744	-	150,360
Federal Agency Securities	51,625,568	-	18,797,744
Municipal Securities	11,982,510	-	11,982,510
<b>Total investments by fair value level</b>	<b>117,263,850</b>	<b>\$ 15,648,668</b>	<b>\$ 50,139,974</b>
<b>Investments not subject to the fair value hierarchy:</b>			
Local agency investment funds - State of CA	2,438,956		
Money market mutual funds	196,224		
California CLASS	15,409,740		
<b>Total investments not subject to the fair value hierarchy</b>	<b>18,044,920</b>		
<b>Total investments</b>	<b>\$ 135,308,770</b>		

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Cash and Investments (Continued)**

**C. Fair Value Measurements (Continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

**D. Risk Disclosure**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	1 year or less	1-3 years	3-5 years
Local Agency Investment Funds	\$ 2,438,956	\$ 2,438,956	\$ -	\$ -
California CLASS	15,409,740	15,409,740	-	-
Money market mutual funds	195,669	195,669	-	-
Certificates of deposit	19,059,000	4,209,000	9,909,000	4,941,000
U.S. Treasury Notes	15,648,668	2,858,219	6,161,410	6,629,039
Non U.S. Government Agency Securities	150,360	-	150,360	-
Corporate Securities	18,797,744	2,600,167	4,229,641	11,967,936
Federal Agency Securities	51,625,568	451	26,358,330	25,266,787
Municipal Securities	11,982,510	990,520	6,373,993	4,617,997
Held by bond trustee:				
Money market mutual funds	555	555	-	-
<b>Total investments</b>	<b>\$ 135,308,770</b>	<b>\$ 28,703,277</b>	<b>\$ 53,182,734</b>	<b>\$ 53,422,759</b>

**Disclosure Relating to Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage of Portfolio
Federal Home Loan Bank	Federal Agency Securities	\$ 17,574,487	12.99%
Federal Farm Credit Bank	Federal Agency Securities	12,670,860	9.36%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	8,026,223	5.93%

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Cash and Investments (Continued)**

**D. Risk Disclosure (Continued)**

**Disclosures Relating to Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025, the City’s deposits (bank balances) were collateralized under California Law.

**Disclosures Relating to Credit Risk**

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

<b>Investment Type</b>	<b>Total</b>	<b>Minimum Legal Rating</b>	<b>Ratings at Year-End AA or AAA</b>	<b>Rating at Year-End A /A-1</b>	<b>Not Rated</b>
Local Agency Investment Funds	\$ 2,438,956	N/A	\$ -	\$ -	\$ 2,438,956
California CLASS	15,409,740	A-1	-	-	15,409,740
Money market mutual funds	195,669	AA+	-	-	195,669
Certificates of deposit	19,059,000	A	92,640	2,960,000	16,006,360
U.S. Treasury Notes	15,648,668	N/A	15,648,668	-	-
Non U.S. Government Agency Securities	150,360	A	-	-	150,360
Corporate Securities	18,797,744	AA	12,759,708	5,789,036	249,000
Federal Agency Securities	51,625,569	N/A	51,625,569	-	-
Municipal Securities	11,982,509	N/A	11,006,839	975,670	-
Held by bond trustee:					
Money market mutual funds	555	AA	555	-	-
<b>Total investments</b>	<b>\$ 135,308,770</b>		<b>\$ 91,133,979</b>	<b>\$ 9,724,706</b>	<b>\$ 34,450,085</b>

**E. California CLASS**

California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenience method for investing in high-liquid, short to medium term securities. Deposits and withdrawals to and from California CLASS are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, California CLASS is valued based on inputs not categorized as level 1, level 2 or level 3. As of June 30, 2025, the City had \$15,409,740 invested in the California CLASS.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 2 – Cash and Investments (Continued)**

**F. Investment in State Investment Pool**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$2,438,956 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

**Note 3 – Lease Receivable**

**A. Governmental Activities**

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 1 to 11 years. The calculated interest rates used range from 0.41% to 2.45% and vary depending on the length of the lease. For the fiscal year ended June 30, 2025, the City recognized \$197,574 in lease revenue and \$11,402 in interest revenue. At June 30, 2025, the City reported a deferred inflow of resources related to leases of \$801,071.

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance			Classification		
	July 1, 2024	Additions	Deletions	June 30, 2025	Due within One Year	Due in More Than One Year
Lease receivable	\$ 975,617	\$ -	\$ (163,092)	\$ 812,525	\$ 165,962	\$ 646,563

As of June 30, 2025, the required payments for these leases, including interest, are:

Year Ending	Principal	Interest	Total
June 30,			
2026	\$ 165,962	\$ 9,583	\$ 175,545
2027	168,892	7,733	176,625
2028	114,577	5,866	120,443
2029	58,374	4,812	63,186
2030	59,214	3,971	63,185
2031 - 2035	245,506	7,236	252,742
<b>Total</b>	<b>\$ 812,525</b>	<b>\$ 39,201</b>	<b>\$ 851,726</b>

**B. Business-Type Activities**

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 21 years. The calculated interest rates used range from 0.41% to 2.45% and vary depending on the length of the lease. For the fiscal year ended June 30, 2025, the City recognized \$106,840 in lease revenue and \$29,479 in interest revenue. At June 30, 2025, the City reported a deferred inflow of resources related to leases of \$1,595,654.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 3 – Lease Receivable (Continued)**

**B. Business-Type Activities (Continued)**

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance			Classification		
	July 1, 2024	Additions	Deletions	June 30, 2025	Due within One Year	Due in More Than One Year
Lease receivable	\$ 1,851,738	\$ -	\$ (106,770)	\$ 1,744,968	\$ 108,763	\$ 1,636,205

As of June 30, 2025, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 108,763	\$ 28,046	\$ 136,809
2027	113,444	26,540	139,984
2028	95,669	25,021	120,690
2029	88,211	23,634	111,845
2030	91,388	22,223	113,611
2031 - 2035	483,857	87,913	571,770
2036 - 2040	460,091	48,355	508,446
2041 - 2045	303,545	17,054	320,599
<b>Total</b>	<b>\$ 1,744,968</b>	<b>\$ 278,786</b>	<b>\$ 2,023,754</b>

**Note 4 – Interfund Balances and Transactions**

**A. Due to/Due from Other Funds**

As of June 30, 2025, interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Federal Grants Special Revenue Fund	\$ 232,961	Overdrawn Cash
General Fund	Housing and Community Development Special Revenue Fund	844	Overdrawn Cash
General Fund	Water Services Enterprise Fund	215,217	Overdrawn Cash
General Fund	Rail Spur Services Enterprise Fund	1,838,087	Overdrawn Cash
General Fund	Fiber Optic and Communication Tower Enterprise Fund	658,589	Overdrawn Cash
General Fund	Transit Services Enterprise Fund	395,146	Overdrawn Cash
General Fund	Information Technology Internal Service Fund	198,937	Overdrawn Cash
	<b>Total</b>	<b>\$ 3,539,781</b>	

Current interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid shortly after the end of the fiscal year.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 4 – Interfund Balances and Transactions (Continued)**

**B. Transfers**

Interfund transfers for the year ended June 30, 2025, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Federal Grants Special Revenue Fund	\$ 67,797	Administrative cost
General Fund	SLESF Grants Special Revenue Fund	194,663	Administrative cost
	<b>Subtotal</b>	<u>262,460</u>	
Water Services Enterprise Fund	Federal Grants Special Revenue Fund	1,108,431	Capital projects
Water Services Enterprise Fund	Water Capital Improvement Capital Projects Fund	387,448	Capital projects
	<b>Subtotal</b>	<u>1,495,879</u>	
Wastewater Services Fund	Wastewater Capital Improvement Capital Projects Fund	1,002,264	Capital projects
State Grants Special Revenue Fund	Federal Grants Special Revenue Fund	88,237	Administrative cost
	<b>Total</b>	<u>\$ 2,848,840</u>	

**Note 5 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2025 are as follows:

	<u>Balance</u>			<u>Adjustments/</u>	<u>Balance</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2025</u>
Capital assets, not being depreciated/amortized					
Land	\$ 9,694,125	\$ -	\$ (985,753)	\$ 11,625	\$ 8,719,997
Construction in progress	10,131,228	2,859,552	(6,680)	(9,435,604)	3,548,496
Total capital assets, not being depreciated/amortized	<u>19,825,353</u>	<u>2,859,552</u>	<u>(992,433)</u>	<u>(9,423,979)</u>	<u>12,268,493</u>
Capital assets, being depreciated/amortized					
Building and improvements	32,021,830	360,131	-	2,339,544	34,721,505
Improvements other than buildings	5,898,779	330,450	(1,123,709)	1,177,397	6,282,917
Machinery and equipment	4,214,085	1,220,197	-	-	5,434,282
Automotive equipment	3,804,576	1,113,243	(59,843)	-	4,857,976
Infrastructure	71,854,391	3,377,717	-	5,907,037	81,139,145
Subscription Asset	1,062,416	-	(30,916)	1	1,031,501
Total capital assets, being depreciated/amortized	<u>118,856,077</u>	<u>6,401,738</u>	<u>(1,214,468)</u>	<u>9,423,979</u>	<u>133,467,326</u>
Accumulated depreciation/amortization:					
Building and improvements	(22,404,943)	(811,314)	-	-	(23,216,257)
Improvements other than buildings	(2,126,406)	(198,859)	313,183	-	(2,012,082)
Machinery and equipment	(3,521,847)	(254,697)	-	-	(3,776,544)
Automotive equipment	(2,848,203)	(518,456)	59,841	-	(3,306,818)
Infrastructure	(48,460,743)	(1,922,009)	-	-	(50,382,752)
Subscription asset	(354,831)	(205,442)	30,917	-	(529,356)
Total accumulated depreciation/amortization	<u>(79,716,973)</u>	<u>(3,910,777)</u>	<u>403,941</u>	<u>-</u>	<u>(83,223,809)</u>
Total capital assets, being depreciated/amortized, net	<u>39,139,104</u>	<u>2,490,961</u>	<u>(810,527)</u>	<u>9,423,979</u>	<u>50,243,517</u>
Total capital assets, net	<u>\$ 58,964,457</u>	<u>\$ 5,350,513</u>	<u>\$ (1,802,960)</u>	<u>\$ -</u>	<u>\$ 62,512,010</u>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 5 – Capital Assets (Continued)**

**A. Governmental Activities (Continued)**

Depreciation/amortization expense was charged to functions/programs as follows:

General government	\$	1,871,852
Public safety		262,298
Public works		1,332,699
Culture and recreation		308,366
Internal service funds		<u>135,562</u>
<b>Total depreciation/ amortization expense</b>	<b>\$</b>	<b><u><u>3,910,777</u></u></b>

**B. Business-Type Activities**

Summary of changes in capital assets for business-type activities for the year ended June 30, 2025 are as follows:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments/ Transfers</b>	<b>Balance June 30, 2025</b>
Capital assets, not being depreciated/amortized					
Land	\$ 628,861	\$ -	\$ -	\$ -	628,861
Construction in progress	3,418,974	1,324,166	-	(2,717,191)	2,025,949
Total capital assets, not being depreciated/amortized	<u>4,047,835</u>	<u>1,324,166</u>	<u>-</u>	<u>(2,717,191)</u>	<u>2,654,810</u>
Capital assets, being depreciated/amortized					
Building and improvements	6,821,633	-	-	(2)	6,821,631
Improvements other than buildings	2,687,874	-	-	(1)	2,687,873
Machinery and equipment	5,761,696	60,872	-	2	5,822,570
Automotive equipment	1,816,581	233,169	-	2	2,049,752
Infrastructure	62,899,964	2,734,463	-	2,717,191	68,351,618
Subscription Asset	126,570	-	(18,110)	(1)	108,459
Total capital assets, being depreciated/amortized	<u>80,114,318</u>	<u>3,028,504</u>	<u>(18,110)</u>	<u>2,717,191</u>	<u>85,841,903</u>
Accumulated depreciation/amortized:					
Building and improvements	(4,025,833)	(171,689)	-	-	(4,197,522)
Improvements other than buildings	(815,043)	(91,594)	-	-	(906,637)
Machinery and equipment	(3,190,627)	(240,777)	-	-	(3,431,404)
Automotive equipment	(1,237,138)	(195,877)	-	3	(1,433,012)
Infrastructure	(29,209,410)	(1,955,593)	-	(2)	(31,165,005)
Subscription Asset	(50,934)	(23,677)	18,110	(1)	(56,502)
Total accumulated depreciation/amortized	<u>(38,528,985)</u>	<u>(2,679,207)</u>	<u>18,110</u>	<u>-</u>	<u>(41,190,082)</u>
Total capital assets, being depreciated/amortized, net	<u>41,585,333</u>	<u>349,297</u>	<u>-</u>	<u>2,717,191</u>	<u>44,651,821</u>
Total capital assets, net	<u>\$ 45,633,168</u>	<u>\$ 1,673,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,306,631</u>

Depreciation/amortization expense for business-type activities for the year ended June 30, 2025 are as follows:

Water Services	\$	1,256,536
Wastewater Services		884,136
Rail Spur Services		199,920
Fiber Optic and Communication Tower		168,725
Refuse Collection Services		15,786
Transit Services		<u>154,104</u>
<b>Total depreciation/ amortization expense</b>	<b>\$</b>	<b><u><u>2,679,207</u></u></b>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 6 – Long-Term Debt**

**A. Governmental Activities**

A summary of changes in the Long-Term Debt of the governmental activities for the year ended June 30, 2025, is as follows:

	Balance			Balance June 30, 2025	Classification	
	July 1, 2024	Additions	Deletions		Due within One Year	Due in More Than One Year
Subscription liability	\$ 631,109	\$ -	\$ (189,270)	\$ 441,839	\$ 176,998	\$ 264,841

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 6 years. The calculated interest rates varied ranging from 2.92 percent to 3.01 percent, which is based on the length of the SBITA and date of the agreement.

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$1,031,501 and the total subscription liability was \$441,839, of which \$176,998 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the subscription liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 176,998	\$ 10,929	\$ 187,927
2027	128,604	6,623	135,227
2028	131,801	3,426	135,227
2029	4,436	142	4,578
Total	\$ 441,839	\$ 21,120	\$ 462,959

**B. Business-Type Activities**

A summary of changes in the Long-Term Debt of the business-type activities for the year ended June 30, 2025, is as follows:

	Balance			Balance June 30, 2025	Classification	
	July 1, 2024	Additions	Deletions		Due within One Year	Due in More Than One Year
Subscription liability	\$ 68,561	\$ -	\$ (19,480)	\$ 49,081	\$ 19,863	\$ 29,218

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 6 years. The calculated interest rates varied ranging from 2.92 percent to 3.01 percent, which is based on the length of the SBITA and date of the agreement.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 6 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$108,459 and the total subscription liability was \$49,081, of which \$19,863 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the subscription liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 19,863	\$ 931	\$ 20,794
2027	14,474	541	15,015
2028	14,744	273	15,017
Total	<u>\$ 49,081</u>	<u>\$ 1,745</u>	<u>\$ 50,826</u>

**C. Fiduciary Funds**

Summary of changes in fiduciary funds long-term debt for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in More Than One Year
2016 Refunding Tax Allocation						
Bonds, Series A	\$ 9,010,000	\$ -	\$ (545,000)	\$ 8,465,000	\$ 565,000	\$ 7,900,000
Less: bond discounts	(141,258)	-	11,301	(129,957)	-	(129,957)
Total	<u>\$ 8,868,742</u>	<u>\$ -</u>	<u>\$ (533,699)</u>	<u>\$ 8,335,043</u>	<u>\$ 565,000</u>	<u>\$ 7,770,043</u>

On December 28, 2016, the Agency issued Successor Agency to the Shafter Community Development Agency Taxable Tax Allocation Refunding Bonds, 2016 Series A in the amount of \$12,530,000, maturing through 2036 in annual principal payments ranging in amounts from \$470,000 to \$880,000. Interest is payable semi-annually ranging from 1.375% to 4.375%. The proceeds of the bonds were used to decrease the 2006 Tax Allocation Bonds Series A Project Area No. 1 original issue \$9,150,000 and 2006 Tax Allocation Bonds Series A Project Area No. 2 original issue \$6,685,000. The bonds are secured by pledged tax revenues on the taxable property within the former Shafter Community Development Project Area. Bonds outstanding at June 30, 2025 were \$8,465,000.

In the event of default, bond owners will be limited to enforcing the obligation of the Agency to repay the Bonds on an annual basis to the extent of the Pledged Tax Revenues. No real or personal property in the Project Areas is pledged to secure the Bonds, and it is not anticipated that the Agency will have available moneys sufficient to redeem all of the Bonds upon the occurrence of an Event of Default.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 6 – Long-Term Debt (Continued)**

**C. Fiduciary Funds (Continued)**

The annual debt service requirements on the loan outstanding at June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 565,000	\$ 344,059	\$ 909,059
2027	585,000	324,288	909,288
2028	600,000	301,300	901,300
2029	625,000	275,269	900,269
2030	650,000	248,175	898,175
2031-2035	3,715,000	789,978	4,504,978
2036-2037	1,725,000	5,881,073	7,606,073
Total	<u>\$ 8,465,000</u>	<u>\$ 8,164,142</u>	<u>\$ 16,629,142</u>

**Note 7 – Special Assessment Debt with No City Commitment**

The special assessment bonds are secured by valid assessment liens upon certain property within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying basic financial statements. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders.

On December 21, 1994, the City issued a Limited Obligation Improvement Bond, Assessment District No. 92-1, for the North Park/North Shafter Water Project. The principal amount of \$155,143 and matures in increments through 2034 in semi-annual principal payments ranging in amounts from \$1,253 to \$8,100. Interest is payable semi-annually at 4.5% per annum. The principal amount of bonds outstanding at June 30, 2025, was \$67,300.

**Note 8 – Compensated Absences**

**A. Governmental Activities**

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2025 is as follows:

	Balance		Balance	Classification	
	July 1, 2024, as restated			Increases/ (Decreases)	June 30, 2025
Compensated absences	\$ 2,051,936	\$ 68,948	\$ 2,120,884	\$ 540,416	\$ 1,580,468

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 8 – Compensated Absences (Continued)**

**A. Governmental Activities (Continued)**

Compensated absences in the governmental activities are obligations of the following funds:

Governmental Funds	\$ 1,960,445
Building Maintenance Internal Service Fund	5,178
Vehicle Maintenance Internal Service Fund	41,460
Information Technology Internal Service Fund	113,801
<b>Total</b>	<b>\$ 2,120,884</b>

**B. Business-Type Activities**

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2025 is as follows:

	Balance		Balance	Classification	
	July 1, 2024, as restated			Increases/ (Decreases)	June 30, 2025
Compensated absences	\$ 469,159	\$ 27,296	\$ 496,455	\$ 107,427	\$ 389,028

Compensated absences in the business-type activities are obligations of the following funds:

Water Services Fund	\$ 312,493
Wastewater Services Fund	133,341
Rail Spur Services Fund	8,829
Refuse Collection Services Fund	15,053
Transit Services Fund	26,739
<b>Total</b>	<b>\$ 496,455</b>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 768,611	\$ 195,839	\$ 964,450
CalPERS Safety	646,473	-	646,473
Total pension contribution made after measurement date	<u>1,415,084</u>	<u>195,839</u>	<u>1,610,923</u>
Change in assumption			
CalPERS Miscellaneous	53,927	13,740	67,667
CalPERS Safety	37,922	-	37,922
Total change in assumption	<u>91,849</u>	<u>13,740</u>	<u>105,589</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	120,787	30,776	151,563
CalPERS Safety	74,397	-	74,397
Total projected earnings on pension plan investments in excess of actual earnings	<u>195,184</u>	<u>30,776</u>	<u>225,960</u>
Adjustment due to difference in proportions			
CalPERS Miscellaneous	1,905,443	485,498	2,390,941
CalPERS Safety	812,101	-	812,101
Total adjustment due to difference in proportions	<u>2,717,544</u>	<u>485,498</u>	<u>3,203,042</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	174,325	44,417	218,742
CalPERS Safety	121,526	-	121,526
Total difference between expected and actual experience	<u>295,851</u>	<u>44,417</u>	<u>340,268</u>
Total deferred outflows of resources			
CalPERS Miscellaneous	3,023,093	770,270	3,793,363
CalPERS Safety	1,692,419	-	1,692,419
Total deferred outflows of resources	<u>\$ 4,715,512</u>	<u>\$ 770,270</u>	<u>\$ 5,485,782</u>
<b>Net pension liability:</b>			
CalPERS Miscellaneous	\$ 2,099,388	\$ 533,347	\$ 2,632,735
CalPERS Safety	1,539,176	-	1,539,176
Total net pension liability	<u>\$ 3,638,564</u>	<u>\$ 533,347</u>	<u>\$ 4,171,911</u>
<b>Deferred inflows of Resources:</b>			
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	\$ 1,612,995	\$ 412,036	\$ 2,025,031
CalPERS Safety	660,623	-	660,623
Total employer contributions in excess of proportionate share of contribution	<u>2,273,618</u>	<u>412,036</u>	<u>2,685,654</u>
Total deferred inflows of resources			
CalPERS Miscellaneous	1,612,995	412,036	2,025,031
CalPERS Safety	660,623	-	660,623
Total deferred inflows of resources	<u>\$ 2,273,618</u>	<u>\$ 412,036</u>	<u>\$ 2,685,654</u>
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 2,022,505	\$ 516,645	\$ 2,539,150
CalPERS Safety	946,811	-	946,811
Total net pension expenses	<u>\$ 2,969,316</u>	<u>\$ 516,645</u>	<u>\$ 3,485,961</u>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**B. General Information about the Pension Plans**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in either the City’s Miscellaneous Employee Pension Plan (Miscellaneous Plan) or Safety Employee Pension Plan (Safety Plan), both of which are cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members of the Miscellaneous Plan and Safety Plan with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

Benefits Provided

The Plans’ provisions and benefits in effect at June 30, 2024, measurement date, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Prior to January 1, 2013</b>	<b>On or After January 1, 2013</b>
Hire Date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	7.00%	7.870%
Required employer contribution rates	12.520%	7.780%
Final Annual Compensation	1 year	1 year
	<b>Safety</b>	
	<b>Prior to January 1, 2013</b>	<b>On or After January 1, 2013</b>
Hire Date		
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50 - 63
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%
Required employee contribution rates	9.00%	13.750%
Required employer contribution rates	24.330%	13.760%
Final Annual Compensation	1 year	1 year

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**B. General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

At June 30, 2025, the following employees were covered by the benefit terms for the plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Active employees	93	27
Inactive employees or beneficiaries currently receiving benefits	91	31
Inactive employees entitled to, but not yet receiving benefits	168	27
Total	<u>352</u>	<u>85</u>

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the contributions made to the Miscellaneous and Safety Plans were \$964,450 and \$646,473, respectively.

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2025, the City reported net pension liability for its proportionate shares of the net pension liability of the Plans as follows:

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
<b>Miscellaneous</b>			
Balance at: 6/30/23 (Valuation date)	\$ 51,969,954	\$ 49,212,788	\$ 2,757,166
Balance at: 6/30/24 (Measurement date)	55,119,093	52,486,358	2,632,735
Net changes during 2023-2024	3,149,139	3,273,570	(124,431)
<b>Safety</b>			
Balance at: 6/30/23 (Valuation date)	\$ 23,739,440	\$ 22,108,913	\$ 1,630,527
Balance at: 6/30/24 (Measurement date)	24,978,836	23,439,660	1,539,176
Net changes during 2023-2024	1,239,396	1,330,747	(91,351)

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for each Plan as of June 30, 2023 and 2024 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2023	0.055139%	0.021813%	0.076952%
Proportion - June 30, 2024	0.054434%	0.021111%	0.075545%
Change - Increase/(Decrease)	<u>-0.000705%</u>	<u>-0.000702%</u>	<u>-0.001407%</u>

For the year ended June 30, 2025, the City recognized pension expense for the Miscellaneous and Safety Plans of \$2,539,150 and \$946,811, respectively. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution made after the measurement date	\$ 964,450	\$ -
Difference between expected and actual experience	218,742	-
Changes of assumptions	67,667	-
Net difference between projected and actual earnings on pension plan investments	151,563	-
Employer contributions in excess/(under) proportionate share of contributions	-	2,025,031
Adjustments due to difference in proportions	2,390,941	-
Total	<u>\$ 3,793,363</u>	<u>\$ 2,025,031</u>

<u>Safety Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution made after the measurement date	\$ 646,473	\$ -
Difference between expected and actual experience	121,526	-
Changes of assumptions	37,922	-
Net difference between projected and actual earnings on pension plan investments	74,397	-
Employer contributions in excess/(under) proportionate share of contributions	-	660,623
Adjustments due to difference in proportions	812,101	-
Total	<u>\$ 1,692,419</u>	<u>\$ 660,623</u>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

	Aggregate Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	\$ 1,610,923	\$ -
Difference between expected and actual experience	340,268	-
Changes of assumptions	105,589	-
Net difference between projected and actual earnings on pension plan investments	225,960	-
Employer contributions in excess/(under) proportionate share of contributions	-	2,685,654
Adjustments due to difference in proportions	3,203,042	-
Total	\$ 5,485,782	\$ 2,685,654

For the Miscellaneous Plan and Safety Plan, \$964,450 and 646,473, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2025	\$ 877,163	\$ 275,463
2026	50,514	139,442
2027	(71,855)	(4,127)
2028	(51,940)	(25,455)
2029	-	-
Thereafter	-	-
Total	\$ 803,882	\$ 385,323

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS’ membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

<sup>1</sup>The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management Study

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1%</b>	<b>Current Discount</b>	<b>Discount Rate + 1%</b>
	<b>(5.90%)</b>	<b>Rate (6.90%)</b>	<b>(7.90%)</b>
Miscellaneous	\$ 10,070,527	\$ 2,632,735	\$ (3,489,663)
Safety	4,951,261	1,539,176	(1,251,430)
	\$ 15,021,788	\$ 4,171,911	\$ (4,741,093)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Payable to the Pension Plan**

At June 30, 2025, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2025.

**Note 10 – Other Post Employment Health Benefits**

**A. Summary**

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Deferred outflows of resources:</b>			
OPEB contribution made after measurement date	\$ 81,979	\$ 9,543	\$ 91,522
Differences between actual and expected experience	66,417	7,732	74,149
Change in assumption	116,477	13,560	130,037
Total deferred outflows of resources	\$ 264,873	\$ 30,835	\$ 295,708
<b>Total OPEB Liability</b>	\$ 831,974	\$ 96,858	\$ 928,832
<b>Deferred inflows of Resources:</b>			
Differences between actual and expected experience	\$ 333,401	\$ 38,816	\$ 372,217
Change in assumption	69,277	8,065	77,342
Total deferred outflows of resources	\$ 402,678	\$ 46,881	\$ 449,559
<b>OPEB Expense</b>	\$ 100,239	\$ 11,670	\$ 111,909

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 10 – Other Post Employment Health Benefits (Continued)**

**B. General Information about OPEB**

Plan Description

The City provides postemployment health benefits through a single-employer defined benefit plan administered by the City. Employees of the Miscellaneous bargaining group and other non-represented employees, who retire from the City with ten years or more of contiguous City service, are eligible for a Post-Retirement Health Benefit for themselves and spouse or child or children. This benefit is finite in nature and provides for the cost of benefits for one year only. This cost is computed at the rate of the current health care premiums and the current dental premiums, in place at the time of retirement.

Eligibility

Employees of the City are eligible for retiree health benefits if they retire within 120 days of their separation date. Membership in the plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Active employees	84
Retirees	2
Total	86

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the Board of Directors. The Board of Directors has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2020, the City’s average contribution rate was 0.33 % of covered-employee payroll. Employees are not required to contribute to the plan.

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability at June 30, 2024 was \$928,832.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.93%
Inflation	2.50%
Aggregate payroll increases	2.75%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Mortality projected fully generational with Scale MP-2021
Healthcare Trend Rate - Non-Medicare	An annual healthcare cost trend rate of 7.9% initially reduced by decrements to an ultimate of 3.45% therefore.
Healthcare Trend Rate - Medicare (Kaiser)	An annual healthcare cost trend rate of 5.65% initially reduced by decrements to an ultimate of 3.45% therefore.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Other Post Employment Health Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 percent which increased from 3.65% in the previous year. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance at June 30, 2023 (Valuation Date)	\$ 1,035,120
Changes Recognized for the Measurement Period:	
Service Cost	83,690
Interest on the total OPEB liability	39,453
Difference between expected and actual experience	(130,669)
Changes of assumptions	(22,919)
Benefit payments	(75,843)
Net Changes during July 1, 2023 to June 30, 2024	(106,288)
Balance at June 30, 2024 (Measurement Date)	\$ 928,832

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

<b>Plan's Total OPEB Liability</b>		
Discount Rate - 1% (2.93%)	Current Discount Rate (3.93%)	Discount Rate + 1% (4.93%)
\$ 1,012,765	\$ 928,832	\$ 850,758

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.9 percent decreasing to 2.5 percent) or 1-percentage-point higher (8.9 percent decreasing to 4.5 percent) than the current healthcare cost trend rates:

<b>Plan's Total OPEB Liability</b>		
Healthcare Cost Trend Rate - 1%	Healthcare Cost Trend Rate	Healthcare Cost Trend Rate + 1%
\$ 806,334	\$ 928,832	\$ 1,075,655

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 10 – Other Post Employment Health Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$111,909. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Changes of assumptions	\$ 130,037	\$ 77,342
Difference between expected and actual experience	74,149	372,217
Employer contributions made subsequent to the measurement date	91,522	-
Total	\$ 295,708	\$ 449,559

For the OPEB Plan \$91,522 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the Total OPEB Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Measurement Period Ended June 30</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2025	\$ (11,234)
2026	(12,502)
2027	(13,223)
2028	(11,442)
2029	(11,442)
Thereafter	(185,530)
	\$ (245,373)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 12.6 years, which was determined as of July 1, 2018, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

**Note 11 – Risk Management and Self-Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influences by member municipalities beyond their representation of that board. Obligations and liabilities of these risk pools are not the City's responsibility.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 11 – Risk Management and Self-Insurance (Continued)**

Since 1986, the City has joined together with other cities to form a public entity risk pool known as the Central San Joaquin Valley Risk Management Authority - CSJVRMA (the “Authority”), a joint powers authority established in accordance with the California government code. The relationship between the City and the Authority is such that the Authority is not a component unit of the City for financial reporting purposes. Financial statements for the Authority may be obtained from the Authority's management.

The Authority is currently operating as a common risk management and insurance program for 53 member cities. The program's general objectives are to formulate, develop, and administer, on the behalf of the member cities, a program of insurance, to obtain lower cost for that coverage, and to develop a comprehensive loss control program. A member may withdraw from the Authority only by giving six-month notice. Cities applying for membership in the Authority may do so on approval of a two-thirds vote of the board of the Authority.

The latest financial information of the Authority for fiscal year ended June 30, 2024, is as follows:

Total assets	\$ 179,635,612
Total liabilities	\$ 144,400,470
Net position	\$ 35,235,142
Operating revenues	\$ 89,306,501
Operating expenses	\$ 94,324,180
Nonoperating revenues (expenses)	\$ 6,290,415
Change in net position	\$ 1,272,736

**A. Coverage**

The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 53 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The CSJVRMA is governed by a Board of Directors elected by the member agencies; it is not a component unit of the City. Audited financial statements are available from the Central San Joaquin Risk Management Authority at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The City is covered for the first \$1,000,000 of each general liability claim and \$250,000 of each workers’ compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on an estimated claims liabilities formula which, among other expenses, includes reported and incurred but not reported (IBNR) claims, and charges the City’s account for liability losses under \$25,000 and workers’ compensation losses under \$50,000.

The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000 and workers’ compensation coverage from \$250,000 to the statutory limit. The City has had no settlements which exceeded insurance coverage in the last ten fiscal years, and no changes in insurance coverage from the prior year. The City’s deductible amount is included with the premiums.

The CSJVRMA maintains separate records for each member for each year of participation. The records track cash paid to the CSJVRMA through deposit premium assessments, the City’s self-insured retention portion of claims paid, and the City’s allocation of shared risks. Three years after the close of the workers’ compensation coverage year and five years after the close of the general liability coverage year, the CSJVRMA assesses the status of all members for the year, then either makes a refund to a member if it has positive balance (i.e., payout and reserve experience is less than premiums paid) or collects any deficit.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 12 – Classification of Fund Balances**

At June 30, 2025, fund balances are classified as follows:

	General Fund	Transportation Special Revenue Fund	Traffic Mitigation Improvement Capital Project Fund	Non-major Governmental Funds	Total
<b>Nonspendable</b>					
Due from Fiduciary	\$ 745,013	\$ -	\$ -	\$ -	\$ 745,013
<b>Total nonspendable</b>	<b>745,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>745,013</b>
<b>Restricted</b>					
Transportation	-	1,653,840	-	-	1,653,840
State Grants	-	-	-	5,896,203	5,896,203
State Gasoline Tax	-	-	-	3,473,545	3,473,545
Road Maintenance & Rehabilitation Act	-	-	-	1,166,959	1,166,959
Traffic Safety	-	-	-	293,597	293,597
SLESF - law enforcement	-	-	-	255,863	255,863
Assets forfeiture - drug enforcement and education	-	-	-	224,079	224,079
Police services	-	-	-	3,779	3,779
Lighting & Landscaping Maintenance	-	-	-	2,652,929	2,652,929
Low Moderate Income Housing	-	-	-	1,914,555	1,914,555
Water capital improvements	-	-	-	2,515,597	2,515,597
Wastewater capital improvements	-	-	-	14,440,010	14,440,010
Refuse capital improvements	-	-	-	334,814	334,814
New parks and park improvements	-	-	-	573,011	573,011
<b>Total restricted</b>	<b>-</b>	<b>1,653,840</b>	<b>-</b>	<b>33,744,941</b>	<b>35,398,781</b>
<b>Assigned</b>					
Loss contingency - State BOE petition	24,397,391	-	-	-	24,397,391
RDA bond proceeds for Shafter JCAI	1,490,000	-	-	-	1,490,000
TCP settlement proceeds for water treatment projects	3,538,591	-	-	-	3,538,591
Accumulated Losses in Other Funds	4,000,000	-	-	-	4,000,000
Funds available to loan to Water and Wastewater Funds	13,250,000	-	-	-	13,250,000
Funds available for Capital Projects	4,000,000	-	-	-	4,000,000
Traffic Mitigation improvement	-	-	19,813,822	-	19,813,822
Capital Assets Replacement	-	-	-	4,868,045	4,868,045
MCCF Building and Equipment Replacement	-	-	-	574	574
Median Mitigation Improvement	-	-	-	115,875	115,875
<b>Total assigned</b>	<b>50,675,982</b>	<b>-</b>	<b>19,813,822</b>	<b>4,984,494</b>	<b>75,474,298</b>
<b>Unassigned (deficit)</b>	<b>36,351,863</b>	<b>-</b>	<b>-</b>	<b>(371,166)</b>	<b>35,980,697</b>
<b>Total fund balances</b>	<b>\$ 87,772,858</b>	<b>\$ 1,653,840</b>	<b>\$ 19,813,822</b>	<b>\$ 38,358,269</b>	<b>\$ 147,598,789</b>

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 13 – Other Required Disclosures**

**A. Deficit Net Position/Fund Balances**

At June 30, 2025, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
RDA Successor Agency Private Purpose Trust Fund	Fiduciary Fund	\$ 8,130,324
Federal Grants Fund	Special Revenue Fund	370,322
Housing and Community Development	Special Revenue Fund	844
Building Maintenance Fund	Internal Service Fund	20,073
Vehicle Maintenance Fund	Internal Service Fund	16,974

The Special Revenue Fund and Internal Service Funds deficits are expected to be eliminated by future grant revenues, intergovernmental and charges for services. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Funds deficit which will be eliminated by future revenues.

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2025, expenditures exceeded appropriations in the following funds:

Fund	Excess Expenditures Over Appropriations
Traffic Mitigation Improvement Capital Projects Fund	\$ 198,868
Water Capital Improvement Capital Projects Fund	3,953

**Note 14 – Adjustments and Restatements of Beginning Balances**

Due to a decrease in the amount of fees being received, the City determined that the Refuse Services Enterprise Fund no longer meets the quantitative criteria for major governmental fund reporting. Accordingly, beginning in the current fiscal year, the Refuse Services Enterprise Fund are reported as nonmajor enterprise funds. The effect of this change in fund classification is presented in the column titled “Adjustment –Major to nonmajor fund” in the following table.

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the following table.

During the current fiscal year, during the current fiscal year we identified an error in the recording of revenue in prior periods. The correction of this error resulted in a restatement of beginning fund balance and net position as of July 1, 2024. The effects of the error correction are summarized below in the “Error Correction - TDA Revenue Correction” column in the following table.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 14 – Adjustments and Restatements of Beginning Balances (Continued)**

	June 30, 2024, As Previously Reported	Adjustment - Major to nonmajor funds	Restatement - GASB 101 implementation	Error Correction - TDA Revenue Correction	June 30, 2024, As Restated
<b>Government-wide</b>					
Governmental activities	\$ 186,143,227	\$ -	\$ (814,676)	\$ 644,102	\$ 185,972,653
Business-type activities	46,204,488	-	(155,372)	524,346	46,573,462
<b>Total government-wide</b>	<b>\$ 232,347,715</b>	<b>\$ -</b>	<b>\$ (970,048)</b>	<b>\$ 1,168,448</b>	<b>\$ 232,546,115</b>
<b>Governmental funds</b>					
Major funds:					
General Fund	\$ 77,972,539	\$ -	\$ -	\$ -	\$ 77,972,539
Transportation Fund	(1,741,516)	-	-	3,096,990	1,355,474
Traffic Mitigation Improvement Fund	15,751,547	-	-	-	15,751,547
Nonmajor funds	34,972,873	-	-	-	34,972,873
<b>Total governmental funds</b>	<b>\$ 126,955,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,096,990</b>	<b>\$ 130,052,433</b>
<b>Proprietary funds</b>					
<b>Enterprise funds</b>					
Major funds:					
Water Services Fund	\$ 20,148,311	\$ -	\$ (96,726)	\$ -	\$ 20,051,585
Wastewater Services Fund	17,579,016	-	(43,478)	-	17,535,538
Rail Services Fund	6,052,281	-	(584)	-	6,051,697
Fiber Optic and Communication Tower Fund	2,103,788	-	-	-	2,103,788
Refuse Collection Services Fund	407,994	(407,994)	-	-	-
Non-major funds:					
Refuse Collection Services Fund	-	407,994	(3,684)	-	404,310
Transit Services Fund	(86,902)	-	(10,900)	524,346	426,544
<b>Total enterprise funds</b>	<b>\$ 46,204,488</b>	<b>\$ -</b>	<b>\$ (155,372)</b>	<b>\$ 524,346</b>	<b>\$ 46,573,462</b>
<b>Internal service funds</b>					
Building Maintenance Fund	\$ (68,597)	\$ -	\$ (194)	\$ -	\$ (68,791)
Liability Coverage Fund	(641)	-	2,184	-	1,543
Vehicle Maintenance Fund	(21,687)	-	(10,567)	-	(32,254)
Information Technology Fund	186,241	-	(51,814)	-	134,427
<b>Total internal service funds</b>	<b>\$ 95,316</b>	<b>\$ -</b>	<b>\$ (60,391)</b>	<b>\$ -</b>	<b>\$ 34,925</b>

**Note 15 – Commitments and Contingencies**

**A. Litigation**

There are various claims and legal actions pending against the City for which no provision has been made in the accompanying general purpose financial statements. In the opinion of the City attorney and City management, liabilities arising from these claims and legal actions, if any, will not have an adverse material effect on the financial position of the City.

**B. Grants**

The City has received Federal grants for specific purposes that are subject to review and audit by the Federal government. Although such audits could result in expenditure disallowance under grant terms, and any required reimbursements are not expected to be material.

**City of Shafter**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 15 – Commitments and Contingencies (Continued)**

**C. State Board of Equalization Local Sales Tax Allocation Petitions**

In 2010, a petition was filled with the State Board of Equalization challenging the 1% local sales tax allocation for a large Shafter based retailer going back to the fourth quarter of 2009. This petition is ongoing and will most likely not be resolved for several years. In the meantime, the City is continuing to receive the local sales tax revenue from this retailer. Although management and the City’s attorney believe the City has a strong case, the City has assigned \$24,397,371 of General Fund Balance as a loss contingency reserve in case of an adverse outcome.

**D. Contractual Commitments**

The City has capital contractual commitments for which funds have been encumbered as of June 30, 2025. Encumbrances related to capital projects are funded through the current year appropriated budget, which carries over to the following year.

The following contractual construction commitments existed at June 30, 2025:

<b>Project Name</b>	<b>Contract Amount</b>	<b>Expenditures as of June 30, 2025</b>	<b>Remaining Commitments</b>
Police Substation at 7th Std. Rd.	\$ 9,757,295	\$ 514,541	\$ 9,242,754
Shafter Aquatic Center Building Construction	4,318,218	484,623	3,833,595
Santa Fe Way Resurfacing Project	1,791,585	28,081	1,763,504
North Shafter Community Park	2,152,182	398,333	1,753,849
Roundabout at 7th Standard Road and Hwy 43	1,367,567	690,925	676,642
WWTP Expansion Project	2,212,411	1,624,309	588,102
Widen 7th Standard Road - Santa Fe to Hwy 43	1,307,241	719,595	587,646
Water Meter Retrofits	2,209,957	2,028,617	181,340
Hwy 43 Roundabout Project at Santa Fe	346,072	230,314	115,758
Shafter Aquatic Center Project	3,707,034	3,655,357	51,677
<b>Total</b>	<b>\$ 29,169,562</b>	<b>\$ 10,374,695</b>	<b>\$ 18,794,867</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Shafter**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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**1. Budgetary Information**

*Budgetary Policy and Control*

The City Council adopts an annual budget, submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. All appropriations lapse at year-end with the exception of capital improvement budgets which lapse when exhausted or within three years if not re-appropriated. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the City Council. Supplemental appropriations during the fiscal year were not material.

The annual budget is prepared on a basis consistent with generally accepted accounting principles. It is adopted for all governmental type funds, except for Debt Service Funds. The Police Services Fund, Housing and Community Development Fund, Lighting and Landscaping District and MCCF Building and Equipment Replacement Funds did not adopt a budget for year ended June 30, 2025.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

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**City of Shafter**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes and special assessments	\$ 3,432,800	\$ 3,492,292	\$ 3,851,860	\$ 359,568
Property taxes in lieu of VLF	4,455,000	4,455,000	4,859,115	404,115
Sales tax	27,787,000	15,094,072	16,439,791	1,345,719
Franchise tax	1,589,500	1,589,500	1,750,482	160,982
Other taxes	114,800	114,800	136,071	21,271
Licenses, permits and fees	1,426,080	2,391,356	3,783,191	1,391,835
Fines, forfeitures and penalties	24,600	30,002	48,038	18,036
Investment earnings	1,721,030	3,056,804	4,652,835	1,596,031
Intergovernmental	21,400	1,243,895	468,303	(775,592)
Charges for current services	1,856,000	1,904,300	2,097,810	193,510
Other	24,780	33,911	39,210	5,299
<b>Total revenues</b>	<b>42,452,990</b>	<b>33,405,932</b>	<b>38,126,706</b>	<b>4,720,774</b>
<b>EXPENDITURES:</b>				
Current:				
General government	17,889,701	10,400,787	9,829,033	571,754
Public safety	11,492,147	12,549,144	11,543,659	1,005,485
Public works	6,745,035	7,471,277	6,257,722	1,213,555
Culture and recreation	510,113	528,786	187,477	341,309
Capital outlay	2,444,000	3,328,396	2,308,760	1,019,636
Debt Service:				
Principal	-	-	134,616	(134,616)
Interest	-	-	12,771	(12,771)
<b>Total expenditures</b>	<b>39,080,996</b>	<b>34,278,390</b>	<b>30,274,038</b>	<b>4,004,352</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,371,994</b>	<b>(872,458)</b>	<b>7,852,668</b>	<b>8,725,126</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of property	-	-	1,685,191	1,685,191
Transfers in	-	-	262,460	262,460
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,947,651</b>	<b>1,947,651</b>
<b>Net change in fund balance</b>	<b>\$ 3,371,994</b>	<b>\$ (872,458)</b>	<b>9,800,319</b>	<b>\$ 10,672,777</b>
<b>FUND BALANCE:</b>				
Beginning of year			77,972,539	
End of year			<u>\$ 87,772,858</u>	

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 31,916	\$ 31,916
Intergovernmental	850,000	850,000	1,565,054	715,054
<b>Total revenues</b>	<u>850,000</u>	<u>850,000</u>	<u>1,596,970</u>	<u>746,970</u>
<b>EXPENDITURES:</b>				
Capital outlay	1,183,000	2,094,490	1,298,604	795,886
<b>Total expenditures</b>	<u>1,183,000</u>	<u>2,094,490</u>	<u>1,298,604</u>	<u>795,886</u>
<b>Net change in fund balance</b>	<u>\$ (333,000)</u>	<u>\$ (1,244,490)</u>	298,366	<u>\$ 1,542,856</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(1,741,516)	
End of year			<u>\$ (1,443,150)</u>	

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

Measurement period	Last Ten Fiscal Years <sup>1</sup>				
	2023-24	2022-23	2021-22	2020-21	2019-20
<b>Total OPEB liability</b>					
Service cost	\$ 83,690	\$ 82,817	\$ 146,857	\$ 142,020	\$ 128,353
Interest on the total OPEB liability	39,453	36,941	28,421	28,307	42,434
Differences between expected and actual experience	(130,669)	-	(234,723)	-	(119,666)
Changes of assumptions	(22,919)	(9,557)	(52,435)	4,828	97,708
Benefit payments, including refunds of of employee contributions	(75,843)	(71,575)	(121,118)	(168,970)	(19,108)
<b>Net change in total pension liability</b>	(106,288)	38,626	(232,998)	6,185	129,721
<b>Total OPEB liability - beginning</b>	1,035,120	996,494	1,229,492	1,223,307	1,093,586
<b>Total OPEB liability - ending (a)</b>	<u>\$ 928,832</u>	<u>\$ 1,035,120</u>	<u>\$ 996,494</u>	<u>\$ 1,229,492</u>	<u>\$ 1,223,307</u>
<b>Covered-employee payroll</b>	<u>\$ 12,063,781</u>	<u>\$ 10,570,782</u>	<u>\$ 9,636,679</u>	<u>\$ 10,859,666</u>	<u>\$ 8,175,600</u>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<u>7.70%</u>	<u>9.79%</u>	<u>10.34%</u>	<u>11.32%</u>	<u>14.96%</u>
Measurement period	2018-19	2017-18	2016-17	2015-16	
<b>Total OPEB liability</b>					
Service cost	\$ 119,132	\$ 87,622	\$ 66,630	\$ 64,533	
Interest	41,112	25,248	19,164	17,574	
Differences between expected and actual experience	-	166,836	-	-	
Changes of assumptions	30,457	107,545	(31,411)	33,613	
Benefit payments, including refunds of of employee contributions	(80,664)	(42,632)	(42,461)	(14,403)	
<b>Net change in total pension liability</b>	110,037	344,619	11,922	101,317	
<b>Total OPEB liability - beginning</b>	983,549	638,930	627,008	525,691	
<b>Total OPEB liability - ending (a)</b>	<u>\$ 1,093,586</u>	<u>\$ 983,549</u>	<u>\$ 638,930</u>	<u>\$ 627,008</u>	
<b>Covered-employee payroll</b>	<u>\$ 6,904,125</u>	<u>\$ 6,654,022</u>	<u>\$ 5,982,927</u>	<u>\$ 5,594,858</u>	
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	<u>15.84%</u>	<u>14.78%</u>	<u>10.68%</u>	<u>11.21%</u>	

<sup>1</sup> Historical information is presented for measurement periods after GASB No. 75 was implemented.

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedules of Proportionate Share of the Net Pension Liability**  
**As of June 30, 2025**

**Miscellaneous Plan**  
**Last Ten Fiscal Years**

Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Plan's proportion of the net pension liability (asset)	0.054434%	0.055139%	0.034584%	-0.373233%	-0.013050%
Plan's proportionate share of the net pension liability (asset)	\$ 2,632,735	\$ 2,757,166	\$ 1,618,281	\$ (7,086,949)	\$ (550,450)
Plan's covered payroll	\$ 8,356,941	\$ 6,893,592	\$ 6,705,334	\$ 8,071,316	\$ 10,029,113
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	31.50%	40.00%	24.13%	-87.80%	-5.49%
Plan's fiduciary net position	\$ 52,486,358	\$ 49,212,788	\$ 47,414,042	\$ 53,722,244	\$ 44,449,649
Plan's fiduciary net position as a percentage of the total pension liability	95.22%	94.69%	96.70%	115.20%	101.25%
Plan's proportionate share of aggregate employer contributions	\$ 706,899	\$ 569,834	\$ 500,845	\$ 637,064	\$ 843,597
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Plan's proportion of the net pension liability (asset)	-0.035956%	-0.057907%	0.068420%	0.050280%	-0.010180%
Plan's proportionate share of the net pension liability (asset)	\$ (1,439,873)	\$ (2,182,345)	\$ 2,697,227	\$ 1,746,829	\$ (279,264)
Plan's covered payroll	\$ 9,962,904	\$ 9,503,909	\$ 9,075,068	\$ 8,795,952	\$ 8,385,083
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	-14.45%	-22.96%	29.72%	19.86%	-3.33%
Plan's fiduciary net position	\$ 42,280,166	\$ 39,076,002	\$ 30,750,129	\$ 27,283,433	\$ 26,547,389
Plan's fiduciary net position as a percentage of the total pension liability	103.53%	105.92%	91.94%	93.98%	101.06%
Plan's proportionate share of aggregate					

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedules of Proportionate Share of the Net Pension Liability (Continued)**  
**As of June 30, 2025**

**Safety Plan**  
**Last Ten Fiscal Years**

Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Plan's proportion of the net pension liability (asset)	0.021111%	0.021813%	0.012884%	-0.078276%	0.000274%
Plan's proportionate share of the net pension liability (asset)	\$ 1,539,176	\$ 1,630,527	\$ 885,312	\$ (2,747,083)	\$ 18,262
Plan's covered payroll	\$ 3,706,841	\$ 3,283,931	\$ 1,372,566	\$ 1,604,669	\$ 1,604,669
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	41.52%	588.07%	565.39%	334.52%	502.66%
Plan's fiduciary net position	\$ 23,439,660	\$ 22,108,913	\$ 20,562,003	\$ 21,919,953	\$ 17,594,656
Plan's fiduciary net position as a percentage of the total pension liability	93.84%	67.98%	68.75%	80.74%	69.45%
Plan's proportionate share of aggregate employer contributions	\$ 483,198	\$ 453,710	\$ 439,623	\$ 413,337	\$ 361,604
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Plan's proportion of the net pension liability (asset)	-0.006706%	-0.011575%	0.018877%	0.015451%	-0.000770%
Plan's proportionate share of the net pension liability (asset)	\$ (418,601)	\$ (679,163)	\$ 1,127,918	\$ 800,238	\$ (31,768)
Plan's covered payroll	\$ 1,983,520	\$ 1,896,452	\$ 1,909,531	\$ 1,600,988	\$ 1,369,953
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	469.78%	504.26%	498.95%	443.60%	353.04%
Plan's fiduciary net position	\$ 15,852,988	\$ 15,124,338	\$ 11,774,640	\$ 11,053,636	\$ 10,860,631
Plan's fiduciary net position as a percentage of the total pension liability	70.70%	71.50%	71.11%	72.67%	77.91%
Plan's proportionate share of aggregate					

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension**  
**As of June 30, 2025**

**Miscellaneous Plan**  
**Last Ten Fiscal Years**

Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 964,450	\$ 706,899	\$ 569,834	\$ 500,845	\$ 637,064
Contributions in relation to the actuarially determined contributions	(964,450)	(706,899)	(569,834)	(500,845)	(637,064)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 8,607,649	\$ 8,356,941	\$ 6,893,592	\$ 6,705,334	\$ 8,071,316
Contributions as a percentage of covered payroll	11.20%	61.76%	59.88%	57.67%	55.02%
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 843,597	\$ 795,495	\$ 803,239	\$ 683,489	\$ 653,073
Contributions in relation to the actuarially determined contributions	(843,597)	(795,495)	(5,075,239)	(683,489)	(653,073)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,272,000)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 10,029,113	\$ 9,962,904	\$ 9,503,909	\$ 9,075,068	\$ 8,795,952
Contributions as a percentage of covered payroll	8.41%	7.98%	53.40%	7.53%	7.42%

**Notes to Schedule:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2025:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Market Value
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

**City of Shafter**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension (Continued)**  
**For the Year Ended June 30, 2025**

**Safety Plan**  
**Last Ten Fiscal Years**

Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 646,473	\$ 483,198	\$ 453,710	\$ 439,623	\$ 413,337
Contributions in relation to the actuarially determined contributions	(646,473)	(483,198)	(453,710)	(439,623)	(413,337)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 3,818,046	\$ 3,706,841	\$ 3,283,931	\$ 1,372,566	\$ 1,604,669
Contributions as a percentage of covered payroll	16.93%	13.04%	61.76%	59.88%	57.67%
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 361,604	\$ 320,722	\$ 349,243	\$ 299,645	\$ 257,507
Contributions in relation to the actuarially determined contributions	(361,604)	(320,722)	(2,034,243)	(299,645)	(257,507)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,685,000)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,113,776	\$ 1,983,520	\$ 1,896,452	\$ 1,909,531	\$ 1,600,988
Contributions as a percentage of covered payroll	17.11%	16.17%	107.27%	15.69%	16.08%

**Notes to Schedule:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2025:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Market Value
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

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**SUPPLEMENTARY INFORMATION**

## Non-Major Governmental Funds

### **Special Revenue Funds:**

***Federal Grants Fund*** - This fund is used to account for various Federal Highway and transportation grants received by the City.

***State Grants Fund*** - This fund is used to account for various capital projects funded by state grants.

***Traffic Safety Fund*** - This fund is used to account for the City's share of traffic violation fines allocated for traffic enforcement and signage.

***Supplemental Law Enforcement Services Fund ("SLESF") Grants Fund*** - This fund is used to account for revenues and expenditures associated with front line law enforcement and municipal police services.

***State Gasoline Tax Fund*** - This fund is used to account for the City's share of gasoline taxes that are apportioned under Streets and Highways Code sections 2105, 2106, 2107, and 2107.5 of the State of California. These funds are restricted to activities and purchases that assist in the construction of and maintenance of local roads within the City limits.

***Police Services Fund*** - This fund is used to account for the fines imposed by the County of Kern and local donations to assist with the Drug Awareness and Rehabilitation Education program (DARE).

***Asset Forfeiture Fund*** - This fund is used to account for revenues associated with the sale of assets seized from individuals convicted of drug related crimes. The expenditures of this fund must assist in drug abuse enforcement or education.

***Road Maintenance and Rehabilitation "Act" Fund*** - This fund is used to account for intergovernmental revenues and expenditures relative to the State of California Road Maintenance and Rehabilitation Act for maintenance or reconstruction related to streets.

***Housing and Community Development Fund*** - This fund is used to account for revenues and expenditures related to programs and projects funded with Housing & Community Development grant proceeds.

***Low and Moderate Income Housing Fund*** - This fund is used to account for balance of the former low and moderate income housing funds of the former Shafter Community Development Agency and revenues and expenditures related to such housing projects and programs.

***Lighting and Landscaping District Fund*** - This fund is used to account for funds received from the lighting and landscaping district to provide for alternative sources of funding for maintenance and service of landscaping and public lighting facilities located within the public areas of the assessment districts.

### **Capital Projects Funds:**

***Water Capital Improvement Fund*** - This fund was established to account for the impact fees charged to developers for the improvements that will become necessary to keep pace with the demands placed on existing plant assets. This allows for an incremental charge for existing capacity to be established that will build additional plant capacity in staged phases.

***Wastewater Capital Improvement Fund*** - This fund was established to account for the impact fees charged to developers for the improvements that will become necessary to keep pace with the demands placed on existing plant assets.

***Refuse Capital Improvement Fund*** - This fund was established to account for the impact fees charged to developers for the cost of new refuse collecting system that will become necessary to keep pace with the demands placed on existing assets.

## **Non-Major Governmental Funds (Continued)**

### **Capital Projects Funds, Continued:**

*Park Capital Improvement Fund* - This fund was established to account for the park-in-lieu fee that is charged to developers for the cost of new parks or improvements to existing parks.

*Capital Assets Replacement Fund* - This fund was established to account for the purchase or construction of a new City Hall facility. The purpose of the fund is to set-aside and restricts assets to replace existing facilities in the future.

*Modified Community Correctional Facility ("MCCF") Building and Equipment Replacement Fund* - This fund is used to account for the activities of the City's small prison equipment and building replacement operations that must be provided under a triple net lease with the owner.

*Median Mitigation Improvement Fund* - This fund was established to account for expenditures for the cost of median installation related projects that serve more than one project or multiple phases of projects.

**City of Shafter**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue				
	Federal Grants	State Grants	Traffic Safety	SLESF Grants	State Gasoline Tax
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 6,026,638	\$ 291,891	\$ 253,236	\$ 3,402,187
Receivables:					
Interest	6,341	33,456	1,706	2,627	20,201
Intergovernmental	-	47,059	-	-	51,157
<b>Total assets</b>	<u>\$ 6,341</u>	<u>\$ 6,107,153</u>	<u>\$ 293,597</u>	<u>\$ 255,863</u>	<u>\$ 3,473,545</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 84,213	\$ 210,950	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-	-
Due to other funds	232,961	-	-	-	-
<b>Total liabilities</b>	<u>317,174</u>	<u>210,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	59,489	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>59,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	5,896,203	293,597	255,863	3,473,545
Assigned	-	-	-	-	-
Unassigned (deficit)	(370,322)	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>(370,322)</u>	<u>5,896,203</u>	<u>293,597</u>	<u>255,863</u>	<u>3,473,545</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 6,341</u>	<u>\$ 6,107,153</u>	<u>\$ 293,597</u>	<u>\$ 255,863</u>	<u>\$ 3,473,545</u>

(Continued)

**City of Shafter**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue				
	Police Services	Asset Forfeiture	Road Maintenance and Rehabilitation	Housing and Community Development	Low and Moderate Income Housing
<b>ASSETS</b>					
Cash and investments	\$ 3,779	\$ 222,769	\$ 1,053,581	\$ -	\$ 1,903,359
Receivables:					
Interest	-	1,310	6,445	-	11,196
Intergovernmental	-	-	106,933	8,501	-
<b>Total assets</b>	<b>\$ 3,779</b>	<b>\$ 224,079</b>	<b>\$ 1,166,959</b>	<b>\$ 8,501</b>	<b>\$ 1,914,555</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	844	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>844</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	-	-	8,501	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,501</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	3,779	224,079	1,166,959	-	1,914,555
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	(844)	-
<b>Total fund balances (deficit)</b>	<b>3,779</b>	<b>224,079</b>	<b>1,166,959</b>	<b>(844)</b>	<b>1,914,555</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,779</b>	<b>\$ 224,079</b>	<b>\$ 1,166,959</b>	<b>\$ 8,501</b>	<b>\$ 1,914,555</b>

(Continued)

**City of Shafter**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue		Capital Projects		
	Lighting and Landscaping District	Water Capital Improvement	Wastewater Capital Improvement	Refuse Capital Improvement	Park Capital Improvement
<b>ASSETS</b>					
Cash and investments	\$ 2,696,601	\$ 2,501,114	\$ 14,347,622	\$ 332,856	\$ 569,625
Receivables:					
Interest	16,770	17,193	92,388	1,958	3,386
Intergovernmental	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,713,371</b>	<b>\$ 2,518,307</b>	<b>\$ 14,440,010</b>	<b>\$ 334,814</b>	<b>\$ 573,011</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 35,442	\$ 2,710	\$ -	\$ -	\$ -
Unearned revenues	25,000	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>60,442</b>	<b>2,710</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	2,652,929	2,515,597	14,440,010	334,814	573,011
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>2,652,929</b>	<b>2,515,597</b>	<b>14,440,010</b>	<b>334,814</b>	<b>573,011</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,713,371</b>	<b>\$ 2,518,307</b>	<b>\$ 14,440,010</b>	<b>\$ 334,814</b>	<b>\$ 573,011</b>

(Continued)

**City of Shafter**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Capital Projects			Total Non-major Governmental Funds
	Capital Assets Replacement	MCCF Building and Equipment Replacement	Median Mitigation Improvement	
<b>ASSETS</b>				
Cash and investments	\$ 4,868,045	\$ 1,196	\$ 115,197	\$ 38,589,696
Receivables:				
Interest	-	-	678	215,655
Intergovernmental	-	-	-	213,650
<b>Total assets</b>	<b>\$ 4,868,045</b>	<b>\$ 1,196</b>	<b>\$ 115,875</b>	<b>\$ 39,019,001</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 622	\$ -	333,937
Unearned revenues	-	-	-	25,000
Due to other funds	-	-	-	233,805
<b>Total liabilities</b>	<b>-</b>	<b>622</b>	<b>-</b>	<b>592,742</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	67,990
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,990</b>
<b>Fund balances:</b>				
Restricted	-	-	-	33,744,941
Assigned	4,868,045	574	115,875	4,984,494
Unassigned (deficit)	-	-	-	(371,166)
<b>Total fund balances (deficit)</b>	<b>4,868,045</b>	<b>574</b>	<b>115,875</b>	<b>38,358,269</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,868,045</b>	<b>\$ 1,196</b>	<b>\$ 115,875</b>	<b>\$ 39,019,001</b>

(Concluded)

**City of Shafter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue				
	Federal Grants	State Grants	Traffic Safety	SLESF Grants	State Gasoline Tax
<b>REVENUES:</b>					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	601,811
Licenses, permits and fees	-	-	-	-	-
Fines, forfeitures and penalties	-	-	19,450	-	-
Investment earnings	58,783	279,590	13,880	20,630	160,119
Intergovernmental	198,037	1,524,632	-	194,663	-
Charges for current services	-	47,059	-	-	-
<b>Total revenues</b>	<b>256,820</b>	<b>1,851,281</b>	<b>33,330</b>	<b>215,293</b>	<b>761,930</b>
<b>EXPENDITURES:</b>					
Current:					
Public works	-	-	-	-	-
Capital outlay	1,067,284	1,892,106	49,999	-	95,039
<b>Total expenditures</b>	<b>1,067,284</b>	<b>1,892,106</b>	<b>49,999</b>	<b>-</b>	<b>95,039</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(810,464)</b>	<b>(40,825)</b>	<b>(16,669)</b>	<b>215,293</b>	<b>666,891</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	88,237	-	-	-
Transfers out	(1,264,465)	-	-	(194,663)	-
<b>Total other financing sources (uses)</b>	<b>(1,264,465)</b>	<b>88,237</b>	<b>-</b>	<b>(194,663)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(2,074,929)</b>	<b>47,412</b>	<b>(16,669)</b>	<b>20,630</b>	<b>666,891</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	1,704,607	5,848,791	310,266	235,233	2,806,654
End of year	<u>\$ (370,322)</u>	<u>\$ 5,896,203</u>	<u>\$ 293,597</u>	<u>\$ 255,863</u>	<u>\$ 3,473,545</u>

(Continued)

**City of Shafter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue				
	Police Services	Asset Forfeiture	Road Maintenance and Rehabilitation	Housing and Community Development	Low and Moderate Income Housing
<b>REVENUES:</b>					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	606,577	-	-
Licenses, permits and fees	-	-	-	-	-
Fines, forfeitures and penalties	-	8,210	-	-	-
Investment earnings	39	10,766	43,150	-	92,732
Intergovernmental	-	-	-	-	-
Charges for current services	-	-	-	-	-
<b>Total revenues</b>	<b>39</b>	<b>18,976</b>	<b>649,727</b>	<b>-</b>	<b>92,732</b>
<b>EXPENDITURES:</b>					
Current:					
Public works	-	-	-	-	-
Capital outlay	-	-	605,102	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>605,102</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>39</b>	<b>18,976</b>	<b>44,625</b>	<b>-</b>	<b>92,732</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>39</b>	<b>18,976</b>	<b>44,625</b>	<b>-</b>	<b>92,732</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	3,740	205,103	1,122,334	(844)	1,821,823
End of year	<u>\$ 3,779</u>	<u>\$ 224,079</u>	<u>\$ 1,166,959</u>	<u>\$ (844)</u>	<u>\$ 1,914,555</u>

(Continued)

**City of Shafter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue		Capital Projects		
	Lighting and Landscaping District	Water Capital Improvement	Wastewater Capital Improvement	Refuse Capital Improvement	Park Capital Improvement
<b>REVENUES:</b>					
Property taxes and special assessments	\$ 1,140,990	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Licenses, permits and fees	-	573,784	3,518,666	-	209,872
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	126,730	134,414	700,648	16,219	25,008
Intergovernmental	-	-	-	-	-
Charges for current services	-	-	-	-	-
<b>Total revenues</b>	<b>1,267,720</b>	<b>708,198</b>	<b>4,219,314</b>	<b>16,219</b>	<b>234,880</b>
<b>EXPENDITURES:</b>					
Current:					
Public works	565,235	-	-	-	-
Capital outlay	-	3,953	4,481	-	-
<b>Total expenditures</b>	<b>565,235</b>	<b>3,953</b>	<b>4,481</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>702,485</b>	<b>704,245</b>	<b>4,214,833</b>	<b>16,219</b>	<b>234,880</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(387,448)	(1,002,264)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(387,448)</b>	<b>(1,002,264)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>702,485</b>	<b>316,797</b>	<b>3,212,569</b>	<b>16,219</b>	<b>234,880</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	1,950,444	2,198,800	11,227,441	318,595	338,131
End of year	<u>\$ 2,652,929</u>	<u>\$ 2,515,597</u>	<u>\$ 14,440,010</u>	<u>\$ 334,814</u>	<u>\$ 573,011</u>

(Continued)

**City of Shafter**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	Capital Projects			Total Total Other Governmental Funds
	Capital Assets Replacement	MCCF Building and Equipment Replacement	Median Mitigation Improvement	
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ 1,140,990
Other taxes	-	-	-	1,208,388
Licenses, permits and fees	-	-	150	4,302,472
Fines, forfeitures and penalties	-	-	-	27,660
Investment earnings	96,975	-	5,614	1,785,297
Intergovernmental	-	-	-	1,917,332
Charges for current services	-	-	-	47,059
<b>Total revenues</b>	<b>96,975</b>	<b>-</b>	<b>5,764</b>	<b>10,429,198</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	565,235
Capital outlay	-	-	-	3,717,964
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,283,199</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>96,975</b>	<b>-</b>	<b>5,764</b>	<b>6,145,999</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	88,237
Transfers out	-	-	-	(2,848,840)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,760,603)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>96,975</b>	<b>-</b>	<b>5,764</b>	<b>3,385,396</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	4,771,070	574	110,111	34,972,873
End of year	<u>\$ 4,868,045</u>	<u>\$ 574</u>	<u>\$ 115,875</u>	<u>\$ 38,358,269</u>

(Concluded)

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Traffic Mitigation Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 2,537,000	\$ 3,718,783	\$ 5,247,808	\$ 1,529,025
Investment earnings	130,000	130,000	954,290	824,290
<b>Total revenues</b>	<u>2,667,000</u>	<u>3,848,783</u>	<u>6,202,098</u>	<u>2,353,315</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	370,000	363,434	6,566
Capital outlay	1,966,336	1,570,955	1,776,389	(205,434)
<b>Total expenditures</b>	<u>1,966,336</u>	<u>1,940,955</u>	<u>2,139,823</u>	<u>(198,868)</u>
<b>Net change in fund balance</b>	<u>\$ 700,664</u>	<u>\$ 1,907,828</u>	4,062,275	<u>\$ 2,154,447</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>15,751,547</u>	
End of year			<u>\$ 19,813,822</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Federal Grants Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 58,783	\$ 58,783
Intergovernmental	5,088,650	5,148,140	198,037	(4,950,103)
<b>Total revenues</b>	<u>5,088,650</u>	<u>5,148,140</u>	<u>256,820</u>	<u>(4,891,320)</u>
<b>EXPENDITURES:</b>				
Capital outlay	6,098,387	4,547,193	1,067,284	3,479,909
<b>Total expenditures</b>	<u>6,098,387</u>	<u>4,547,193</u>	<u>1,067,284</u>	<u>3,479,909</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,009,737)</u>	<u>600,947</u>	<u>(810,464)</u>	<u>(1,411,411)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(1,264,465)	(1,264,465)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,264,465)</u>	<u>(1,264,465)</u>
<b>Net change in fund balance</b>	<u>\$ (1,009,737)</u>	<u>\$ 600,947</u>	<u>(2,074,929)</u>	<u>\$ (2,675,876)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			1,704,607	
End of year			<u>\$ (370,322)</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**State Grants Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 279,590	\$ 279,590
Intergovernmental	6,000,000	6,000,000	1,524,632	(4,475,368)
Charges for current services	-	-	47,059	47,059
<b>Total revenues</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>1,851,281</u>	<u>(4,148,719)</u>
<b>EXPENDITURES:</b>				
Capital outlay	11,429,402	7,818,995	1,892,106	5,926,889
<b>Total expenditures</b>	<u>11,429,402</u>	<u>7,818,995</u>	<u>1,892,106</u>	<u>5,926,889</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,429,402)</u>	<u>(1,818,995)</u>	<u>(40,825)</u>	<u>1,778,170</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	88,237	88,237
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>88,237</u>	<u>88,237</u>
<b>Net change in fund balance</b>	<u>\$ (5,429,402)</u>	<u>\$ (1,818,995)</u>	<u>47,412</u>	<u>\$ 1,866,407</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,848,791</u>	
End of year			<u>\$ 5,896,203</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Traffic Safety Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and penalties	\$ 26,520	\$ 26,520	\$ 19,450	\$ (7,070)
Investment earnings	3,000	3,000	13,880	10,880
<b>Total revenues</b>	<u>29,520</u>	<u>29,520</u>	<u>33,330</u>	<u>3,810</u>
<b>EXPENDITURES:</b>				
Capital outlay	225,000	225,000	49,999	175,001
<b>Total expenditures</b>	<u>225,000</u>	<u>225,000</u>	<u>49,999</u>	<u>175,001</u>
<b>Net change in fund balance</b>	<u>\$ (195,480)</u>	<u>\$ (195,480)</u>	(16,669)	<u>\$ 178,811</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>310,266</u>	
End of year			<u>\$ 293,597</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**SLESF Grants Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 20,630	\$ 20,630
Intergovernmental	-	194,664	194,663	(1)
<b>Total revenues</b>	<u>-</u>	<u>194,664</u>	<u>215,293</u>	<u>20,629</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(194,663)	(194,663)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(194,663)</u>	<u>(194,663)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 194,664</u>	<u>20,630</u>	<u>\$ (174,034)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>235,233</u>	
End of year			<u>\$ 255,863</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**State Gasoline Tax Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 516,100	\$ 516,100	\$ 601,811	\$ 85,711
Investment earnings	3,000	3,000	160,119	157,119
<b>Total revenues</b>	<u>519,100</u>	<u>519,100</u>	<u>761,930</u>	<u>242,830</u>
<b>EXPENDITURES:</b>				
Capital outlay	450,000	450,057	95,039	355,018
<b>Total expenditures</b>	<u>450,000</u>	<u>450,057</u>	<u>95,039</u>	<u>355,018</u>
<b>Net change in fund balance</b>	<u>\$ 69,100</u>	<u>\$ 69,043</u>	666,891	<u>\$ 597,848</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,806,654</u>	
End of year			<u>\$ 3,473,545</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Police Services Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 39	\$ 39
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>39</u>	<u>\$ 39</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,740</u>	
End of year			<u>\$ 3,779</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and penalties	\$ -	\$ 8,210	\$ 8,210	\$ -
Investment earnings	3,000	3,000	10,766	7,766
<b>Total revenues</b>	<u>3,000</u>	<u>11,210</u>	<u>18,976</u>	<u>7,766</u>
<b>Net change in fund balance</b>	<u>\$ 3,000</u>	<u>\$ 11,210</u>	18,976	<u>\$ 7,766</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>205,103</u>	
End of year			<u>\$ 224,079</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Road Maintenance and Rehabilitation Act Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 460,000	\$ 460,000	\$ 606,577	\$ 146,577
Investment earnings	-	-	43,150	43,150
<b>Total revenues</b>	<u>460,000</u>	<u>460,000</u>	<u>649,727</u>	<u>189,727</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>500,000</u>	<u>1,090,633</u>	<u>605,102</u>	<u>485,531</u>
<b>Total expenditures</b>	<u>500,000</u>	<u>1,090,633</u>	<u>605,102</u>	<u>485,531</u>
<b>Net change in fund balance</b>	<u>\$ (40,000)</u>	<u>\$ (630,633)</u>	44,625	<u>\$ 675,258</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,122,334</u>	
End of year			<u>\$ 1,166,959</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Low and Moderate Income Housing Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 25,000	\$ 25,000	\$ 92,732	\$ 67,732
<b>Total revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>92,732</u>	<u>67,732</u>
<b>Net change in fund balance</b>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	92,732	<u>\$ 67,732</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,821,823</u>	
End of year			<u>\$ 1,914,555</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Lighting and Landscaping District Special Revenue Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes and special assessments	\$ 981,106	\$ 981,106	\$ 1,140,990	\$ 159,884
Investment earnings	-	-	126,730	126,730
<b>Total revenues</b>	<u>981,106</u>	<u>981,106</u>	<u>1,267,720</u>	<u>286,614</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	670,165	718,773	565,235	153,538
<b>Total expenditures</b>	<u>670,165</u>	<u>718,773</u>	<u>565,235</u>	<u>153,538</u>
<b>Net change in fund balance</b>	<u>\$ 310,941</u>	<u>\$ 262,333</u>	702,485	<u>\$ 440,152</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,950,444</u>	
End of year			<u>\$ 2,652,929</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Water Capital Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 245,000	\$ 423,211	\$ 573,784	\$ 150,573
Investment earnings	15,404	15,404	134,414	119,010
<b>Total revenues</b>	<u>260,404</u>	<u>438,615</u>	<u>708,198</u>	<u>269,583</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	3,953	(3,953)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>3,953</u>	<u>(3,953)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>260,404</u>	<u>438,615</u>	<u>704,245</u>	<u>265,630</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(387,448)	(387,448)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(387,448)</u>	<u>(387,448)</u>
<b>Net change in fund balance</b>	<u>\$ 260,404</u>	<u>\$ 438,615</u>	316,797	<u>\$ (121,818)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,198,800</u>	
End of year			<u>\$ 2,515,597</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Wastewater Capital Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 1,700,000	\$ 2,447,117	\$ 3,518,666	\$ 1,071,549
Investment earnings	60,000	60,000	700,648	640,648
<b>Total revenues</b>	<u>1,760,000</u>	<u>2,507,117</u>	<u>4,219,314</u>	<u>1,712,197</u>
<b>EXPENDITURES:</b>				
Capital outlay	862,500	862,500	4,481	858,019
<b>Total expenditures</b>	<u>862,500</u>	<u>862,500</u>	<u>4,481</u>	<u>858,019</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>897,500</u>	<u>1,644,617</u>	<u>4,214,833</u>	<u>2,570,216</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(1,002,264)	(1,002,264)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,002,264)</u>	<u>(1,002,264)</u>
<b>Net change in fund balance</b>	<u>\$ 897,500</u>	<u>\$ 1,644,617</u>	<u>3,212,569</u>	<u>\$ 1,567,952</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>11,227,441</u>	
End of year			<u>\$ 14,440,010</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Refuse Capital Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 2,329	\$ 2,329	\$ -	\$ (2,329)
Investment earnings	3,379	3,379	16,219	12,840
<b>Total revenues</b>	<u>5,708</u>	<u>5,708</u>	<u>16,219</u>	<u>10,511</u>
<b>Net change in fund balance</b>	<u>\$ 5,708</u>	<u>\$ 5,708</u>	16,219	<u>\$ 10,511</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>318,595</u>	
End of year			<u>\$ 334,814</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Park Capital Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 15,000	\$ 141,436	\$ 209,872	\$ 68,436
Investment earnings	544	544	25,008	24,464
<b>Total revenues</b>	<u>15,544</u>	<u>141,980</u>	<u>234,880</u>	<u>92,900</u>
<b>Net change in fund balance</b>	<u>\$ 15,544</u>	<u>\$ 141,980</u>	234,880	<u>\$ 92,900</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>338,131</u>	
End of year			<u>\$ 573,011</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Capital Assets Replacement Capital Projects Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 50,000	\$ 50,000	\$ 96,975	\$ 46,975
Other	335,580	335,580	-	(335,580)
<b>Total revenues</b>	<u>385,580</u>	<u>385,580</u>	<u>96,975</u>	<u>(288,605)</u>
<b>Net change in fund balance</b>	<u>\$ 385,580</u>	<u>\$ 385,580</u>	96,975	<u>\$ (288,605)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>4,771,070</u>	
End of year			<u>\$ 4,868,045</u>	

**City of Shafter**  
**Budgetary Comparison Schedule**  
**Median Mitigation Improvement Fund**  
**For the Year Ended June 30, 2025**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ 150	\$ 150	\$ -
Investment earnings	1,600	1,600	5,614	4,014
<b>Total revenues</b>	<u>1,600</u>	<u>1,750</u>	<u>5,764</u>	<u>4,014</u>
<b>Net change in fund balance</b>	<u>\$ 1,600</u>	<u>\$ 1,750</u>	5,764	<u>\$ 4,014</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>110,111</u>	
End of year			<u>\$ 115,875</u>	

## **Non-Major Enterprise Funds**

***Refuse Collection Services Fund*** - This fund is used to account for the activities of the City's refuse collection and recycling operations.

***Transit Services Fund*** - This fund is used to account for the activities of the government's public transit operations.

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**City of Shafter**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2025**

	Refuse Collection Services	Transit Services	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 617,969	\$ -	\$ 617,969
Receivables:			
Accounts receivable, net	91,075	-	91,075
Interest	3,099	-	3,099
Intergovernmental	-	335,873	335,873
Total current assets	<u>712,143</u>	<u>335,873</u>	<u>1,048,016</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net	127,593	486,487	614,080
Total capital assets	<u>127,593</u>	<u>486,487</u>	<u>614,080</u>
Total noncurrent assets	<u>127,593</u>	<u>486,487</u>	<u>614,080</u>
<b>Total assets</b>	<u>839,736</u>	<u>822,360</u>	<u>1,662,096</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	1,432	4,133	5,565
Related to pensions	26,399	87,395	113,794
<b>Total deferred outflow of resources</b>	<u>27,831</u>	<u>91,528</u>	<u>119,359</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	124,415	104,258	228,673
Accrued payroll	1,920	12,083	14,003
Due to other funds	-	395,146	395,146
Deposits	61,409	-	61,409
Interest payable	228	-	228
Unearned revenue	89,967	49,785	139,752
Compensated absences, due within one year	3,405	6,763	10,168
Subscription liability, due within one year	5,598	-	5,598
Total OPEB liability, due within one year	443	1,279	1,722
Total current liabilities	<u>287,385</u>	<u>569,314</u>	<u>856,699</u>
Noncurrent liabilities:			
Compensated absences, due in more than one year	11,648	19,976	31,624
Subscription liability, due in more than one year	8,990	-	8,990
Total OPEB liability, due in more than one year	4,055	11,706	15,761
Aggregate net pension liability	18,279	60,514	78,793
Total noncurrent liabilities	<u>42,972</u>	<u>92,196</u>	<u>135,168</u>
<b>Total liabilities</b>	<u>330,357</u>	<u>661,510</u>	<u>991,867</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	2,177	6,285	8,462
Related to pensions	14,121	46,750	60,871
<b>Total deferred inflows of resources</b>	<u>16,298</u>	<u>53,035</u>	<u>69,333</u>
<b>NET POSITION</b>			
Investment in capital assets	127,593	486,487	614,080
Unrestricted (deficit)	393,319	(287,144)	106,175
<b>Total net position</b>	<u>\$ 520,912</u>	<u>\$ 199,343</u>	<u>\$ 720,255</u>

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**City of Shafter**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Refuse Collection Services	Transit Services	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 2,195,827	\$ 261,960	\$ 2,457,787
Other	1,045	273,412	274,457
<b>Total operating revenues</b>	<b>2,196,872</b>	<b>535,372</b>	<b>2,732,244</b>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	94,131	422,174	516,305
Administration	-	178,494	178,494
Contractual	1,937,476	13,121	1,950,597
Maintenance and repair	137	30,790	30,927
Utilities	1,581	14,079	15,660
Parts and supplies	56,952	8,913	65,865
Depreciation/amortization	15,786	154,104	169,890
<b>Total operating expenses</b>	<b>2,106,063</b>	<b>821,675</b>	<b>2,927,738</b>
<b>OPERATING INCOME (LOSS)</b>	<b>90,809</b>	<b>(286,303)</b>	<b>(195,494)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings	26,078	-	26,078
Interest expense	(285)	-	(285)
Grants	-	59,102	59,102
<b>Total nonoperating revenues (expenses)</b>	<b>25,793</b>	<b>59,102</b>	<b>84,895</b>
<b>Changes in net position</b>	<b>116,602</b>	<b>(227,201)</b>	<b>(110,599)</b>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year, as previously reported	-	(86,902)	(86,902)
Adjustments	404,310	513,446	917,756
Beginning of year, as restated (Note 14)	404,310	426,544	830,854
End of year	<b>\$ 520,912</b>	<b>\$ 199,343</b>	<b>\$ 720,255</b>

**City of Shafter**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Refuse Collection Services	Transit Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from customers	\$ 2,217,930	\$ 1,057,783	\$ 3,275,713
Cash payments to suppliers	(2,021,017)	(144,568)	(2,165,585)
Cash payments to or on behalf of employees	(94,963)	(383,722)	(478,685)
<b>Net cash provided by (used in) operating activities</b>	<b>101,950</b>	<b>529,493</b>	<b>631,443</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund payments	-	(147,322)	(147,322)
Intergovernmental receipts	-	59,102	59,102
Intergovernmental payments	-	(335,355)	(335,355)
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>(423,575)</b>	<b>(423,575)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(60,872)	(105,918)	(166,790)
Principal payments on capital debt	(5,495)	-	(5,495)
Interest paid on capital debt	(775)	-	(775)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(67,142)</b>	<b>(105,918)</b>	<b>(173,060)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	22,979	-	22,979
<b>Net cash provided by investing activities</b>	<b>22,979</b>	<b>-</b>	<b>22,979</b>
<b>Net change in cash and cash equivalents</b>	<b>57,787</b>	<b>-</b>	<b>57,787</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	560,182	-	560,182
End of year	<u>\$ 617,969</u>	<u>\$ -</u>	<u>\$ 617,969</u>

(Continued)

**City of Shafter**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Refuse Collection Services	Transit Services	Total
<b>RECONCILIATION OF OPERATING (LOSS)</b>			
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating (loss)	\$ 90,809	\$ (286,303)	\$ (195,494)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation/amortization	15,786	154,104	169,890
Accounts receivable	(1,963)	524,346	522,383
Prepaid items and inventories	7	708	715
Deferred outflows - OPEB related	1,067	233	1,300
Deferred outflows -pension related	15,634	(3,933)	11,701
Accounts payable	(24,881)	100,120	75,239
Accrued payroll	(632)	3,984	3,352
Compensated absences	(9,130)	4,564	(4,566)
Aggregate net pension liability	(1,573)	20,535	18,962
Total OPEB liability	(2,956)	(2,021)	(4,977)
Deposits payable	8,054	-	8,054
Unearned revenue	14,967	(1,935)	13,032
Deferred inflows - OPEB related	(2,947)	13,567	10,620
Deferred inflows - pension related	(292)	1,524	1,232
Total adjustments	11,141	815,796	826,937
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 101,950</b>	<b>\$ 529,493</b>	<b>\$ 631,443</b>

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## **Internal Service Funds**

***Building Maintenance Fund*** - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City Hall building.

***Liability Coverage Fund*** - This fund is used to account for the accumulation and allocation of costs associated with risk management.

***Vehicle Maintenance Fund*** - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City fleet of vehicles.

***Information Technology Fund*** - This fund is used to account for the costs associated with automation maintenance of the City's various computers, servers and interdepartmental electronic communications.

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**City of Shafter**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2025**

	Building Maintenance	Liability Coverage	Vehicle Maintenance	Information Technology	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 53,977	\$ 1,418	\$ 47,335	\$ -	\$ 102,730
Total current assets	<u>53,977</u>	<u>1,418</u>	<u>47,335</u>	<u>-</u>	<u>102,730</u>
Noncurrent assets:					
Capital assets:					
Depreciable, net	-	-	-	530,846	530,846
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,846</u>	<u>530,846</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,846</u>	<u>530,846</u>
<b>Total assets</b>	<u>53,977</u>	<u>1,418</u>	<u>47,335</u>	<u>530,846</u>	<u>633,576</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Related to OPEB	2,912	566	1,670	9,592	14,740
Related to pensions	33,647	24,987	52,820	191,702	303,156
<b>Total deferred outflow of resources</b>	<u>36,559</u>	<u>25,553</u>	<u>54,490</u>	<u>201,294</u>	<u>317,896</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 46,649	\$ -	\$ 1,311	\$ 16,601	\$ 64,561
Accrued payroll	3,910	-	3,417	22,787	30,114
Due to other funds	-	-	-	198,937	198,937
Interest payable	-	-	-	925	925
Compensated absences, due within one year	1,450	-	13,914	32,331	47,695
Subscription liability, due within one year	-	-	-	45,782	45,782
Total OPEB liability, due within one year	901	175	517	2,969	4,562
Total current liabilities	<u>52,910</u>	<u>175</u>	<u>19,159</u>	<u>320,332</u>	<u>392,576</u>
Noncurrent liabilities:					
Advance from other funds	-	-	-	-	-
Compensated absences, due in more than one year	3,728	-	27,546	81,470	112,744
Subscription liability, due in more than one year	-	-	-	24,572	24,572
Long-term debt, due in more than one year	-	-	-	-	-
Total OPEB liability, due in more than one year	8,248	1,602	4,727	27,159	41,736
Aggregate net pension liability	23,297	10,754	36,574	132,738	203,363
Total non-current liabilities	<u>35,273</u>	<u>12,356</u>	<u>68,847</u>	<u>265,939</u>	<u>382,415</u>
<b>Total liabilities</b>	<u>88,183</u>	<u>12,531</u>	<u>88,006</u>	<u>586,271</u>	<u>774,991</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB	4,428	860	2,538	14,582	22,408
Related to pensions	17,998	11,465	28,255	102,546	160,264
Related to leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>22,426</u>	<u>12,325</u>	<u>30,793</u>	<u>117,128</u>	<u>182,672</u>
<b>NET POSITION</b>					
Investment in capital assets	(901)	(175)	(517)	503,305	501,712
Unrestricted (deficit)	(19,172)	2,290	(16,457)	(474,564)	(507,903)
<b>Total net position (deficit)</b>	<u>\$ (20,073)</u>	<u>\$ 2,115</u>	<u>\$ (16,974)</u>	<u>\$ 28,741</u>	<u>\$ (6,191)</u>

**City of Shafter**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2025**

	Building Maintenance	Liability Coverage	Vehicle Maintenance	Information Technology	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 942,503	\$ 1,477,530	\$ 293,442	\$ 1,430,700	\$ 4,144,175
Other	5	1,073	-	500	1,578
<b>Total operating revenues</b>	<b>942,508</b>	<b>1,478,603</b>	<b>293,442</b>	<b>1,431,200</b>	<b>4,145,753</b>
<b>OPERATING EXPENSES:</b>					
Salaries and wages	125,087	68	143,658	851,718	1,120,531
Administration	334,962	5,395	101,578	158,149	600,084
Contractual	8,005	1,472,601	12,728	61,829	1,555,163
Maintenance and repair	212,545	-	5,111	31,278	248,934
Utilities	202,475	-	4,440	16,389	223,304
Parts and supplies	11,513	-	11,454	282,368	305,335
Depreciation/amortization	-	-	-	135,562	135,562
<b>Total operating expenses</b>	<b>894,587</b>	<b>1,478,064</b>	<b>278,969</b>	<b>1,537,293</b>	<b>4,188,913</b>
<b>OPERATING (LOSS)</b>	<b>47,921</b>	<b>539</b>	<b>14,473</b>	<b>(106,093)</b>	<b>(43,160)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment earnings	797	-	801	2,484	4,082
Interest expense	-	33	6	(2,077)	(2,038)
<b>Total nonoperating revenues (expenses)</b>	<b>797</b>	<b>33</b>	<b>807</b>	<b>407</b>	<b>2,044</b>
<b>Changes in net position</b>	<b>48,718</b>	<b>572</b>	<b>15,280</b>	<b>(105,686)</b>	<b>(41,116)</b>
<b>NET POSITION:</b>					
Beginning of year, as previously reported	(68,597)	(641)	(21,687)	186,241	95,316
Adjustments	(194)	2,184	(10,567)	(51,814)	(60,391)
Beginning of year, as restated (Note 14)	(68,791)	1,543	(32,254)	134,427	34,925
End of year	<u>\$ (20,073)</u>	<u>\$ 2,115</u>	<u>\$ (16,974)</u>	<u>\$ 28,741</u>	<u>\$ (6,191)</u>

**City of Shafter**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2025**

	Building Maintenance	Liability Coverage	Vehicle Maintenance	Information Technology	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from customers	\$ 942,508	\$ 1,492,966	\$ 293,442	\$ 1,431,200	\$ 4,160,116
Cash payments to suppliers	(752,099)	(1,494,859)	(137,205)	(530,833)	(2,914,996)
Cash payments to or on behalf of employees	(135,417)	(9,026)	(132,194)	(749,820)	(1,026,457)
<b>Net cash provided by (used in) operating activities</b>	<b>54,992</b>	<b>(10,919)</b>	<b>24,043</b>	<b>150,547</b>	<b>218,663</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund payments	(1,812)	-	(54,009)	(38,586)	(94,407)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(1,812)</b>	<b>-</b>	<b>(54,009)</b>	<b>(38,586)</b>	<b>(94,407)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	-	-	-	(406,681)	(406,681)
Principal payments on capital debt	-	-	-	(54,654)	(54,654)
Interest paid on capital debt	-	33	6	(4,978)	(4,939)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>33</b>	<b>6</b>	<b>(466,313)</b>	<b>(466,274)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment earnings	797	-	801	2,484	4,082
<b>Net cash provided by investing activities</b>	<b>797</b>	<b>-</b>	<b>801</b>	<b>2,484</b>	<b>4,082</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>53,977</b>	<b>(10,886)</b>	<b>(29,159)</b>	<b>(351,868)</b>	<b>(337,936)</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	-	12,304	76,494	351,868	440,666
End of year	<b>\$ 53,977</b>	<b>\$ 1,418</b>	<b>\$ 47,335</b>	<b>\$ -</b>	<b>\$ 102,730</b>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating (loss)	\$ 47,921	\$ 539	\$ 14,473	\$ (106,093)	\$ (43,160)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	-	-	-	135,562	135,562
Accounts receivable	-	14,363	-	-	14,363
Lease receivable	-	-	-	-	-
Prepaid items and inventories	8,542	-	141	2,815	11,498
Deferred outflows - OPEB related	106	1,394	572	4,962	7,034
Deferred outflows -pension related	(20,553)	1	(11,952)	73,650	41,146
Accounts payable	8,860	(16,863)	(2,034)	16,364	6,327
Accrued payroll	725	(1,837)	29	5,402	4,319
Compensated absences	1,565	(5,006)	(4,182)	34,025	26,402
Aggregate net pension liability	5,651	-	16,998	5,633	28,282
Total OPEB liability	1,137	(3,032)	(2,110)	(17,588)	(21,593)
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deferred inflows - OPEB related	(1,194)	-	12,006	(2,958)	7,854
Deferred inflows - pension related	2,232	(478)	102	(1,227)	629
Deferred inflows - Leases	-	-	-	-	-
Total adjustments	7,071	(11,458)	9,570	256,640	261,823
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 54,992</b>	<b>\$ (10,919)</b>	<b>\$ 24,043</b>	<b>\$ 150,547</b>	<b>\$ 218,663</b>

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**STATISTICAL SECTION  
(UNAUDITED)**

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# STATISTICAL SECTION

## (Unaudited)

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This part of the City of Shafter's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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**Sources:** Unless otherwise noted, the information in these schedules was derived from the City's comprehensive annual financial reports for the relevant year.

**City of Shafter**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 29,611,048	\$ 23,168,573	\$ 24,858,194	\$ 32,365,663	\$ 28,413,250
Restricted	8,033,789	993,526	6,352,954	7,547,228	7,194,403
Unrestricted	67,966,535	51,122,765	58,480,562	62,563,324	62,689,600
Total governmental activities	<u>\$ 105,611,372</u>	<u>\$ 75,284,864</u>	<u>\$ 89,691,710</u>	<u>\$ 102,476,215</u>	<u>\$ 98,297,253</u>
Business-type activities:					
Net investment in capital assets	\$ 45,885,714	\$ 46,783,879	\$ 49,015,719	\$ 49,475,583	\$ 52,032,825
Restricted	-	-	-	-	-
Unrestricted (deficit)	(2,124,745)	(6,401,622)	(41,026)	1,276,100	547,708
Total business-type activities	<u>\$ 43,760,969</u>	<u>\$ 40,382,257</u>	<u>\$ 48,974,693</u>	<u>\$ 50,751,683</u>	<u>\$ 52,580,533</u>
Primary government:					
Net investment in capital assets	\$ 75,496,762	\$ 76,089,267	\$ 79,607,499	\$ 89,427,684	\$ 95,217,045
Restricted	8,033,789	8,968,882	10,736,419	12,846,282	9,708,578
Unrestricted	65,841,790	67,179,252	65,796,359	65,883,414	70,348,734
Total primary government net position	<u>\$ 149,372,341</u>	<u>\$ 152,237,401</u>	<u>\$ 156,140,277</u>	<u>\$ 168,157,380</u>	<u>\$ 175,274,357</u>

(Continued)

**City of Shafter**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	\$ 44,475,566	\$ 50,263,552	\$ 50,504,240	\$ 58,333,348	\$ 62,512,010
Restricted	12,674,126	16,868,739	16,868,739	30,091,125	36,713,785
Unrestricted	76,928,223	90,338,740	90,338,740	97,718,754	107,334,803
Total governmental activities	<u>\$ 134,077,915</u>	<u>\$ 157,471,031</u>	<u>\$ 157,711,719</u>	<u>\$ 186,143,227</u>	<u>\$ 206,560,598</u>
Business-type activities:					
Net investment in capital assets	\$ 52,007,797	\$ 45,200,303	\$ 45,200,303	\$ 45,564,607	\$ 47,272,138
Restricted	-	-	-	-	-
Unrestricted (deficit)	(488,595)	5,283,253	5,283,253	639,881	(512,958)
Total business-type activities	<u>\$ 51,519,202</u>	<u>\$ 50,483,556</u>	<u>\$ 50,483,556</u>	<u>\$ 46,204,488</u>	<u>\$ 46,759,180</u>
Primary government:					
Net investment in capital assets	\$ 96,483,363	\$ 95,463,855	\$ 95,704,543	\$ 103,897,955	\$ 109,784,148
Restricted	12,674,126	16,868,739	16,868,739	30,091,125	36,713,785
Unrestricted	76,439,628	95,621,993	95,621,993	98,358,635	106,821,845
Total primary government net position	<u>\$ 185,597,117</u>	<u>\$ 207,954,587</u>	<u>\$ 208,195,275</u>	<u>\$ 232,347,715</u>	<u>\$ 253,319,778</u>

(Concluded)

**City of Shafter**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses:</b>					
<b>Governmental Activities:</b>					
General government	\$ 13,149,940	\$ 11,956,687	\$ 13,874,474	\$ 14,252,931	\$ 18,153,345
Public safety	4,958,937	6,204,114	5,864,836	6,147,990	7,233,609
Fire	244,982	292,406	-	-	-
Public works	4,063,021	4,443,142	4,431,680	4,706,558	4,967,919
Culture & recreation	1,009,002	1,217,965	1,197,934	1,219,642	1,237,182
Interest on long-term debt	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>23,425,882</b>	<b>24,114,314</b>	<b>25,368,924</b>	<b>26,327,121</b>	<b>31,592,055</b>
<b>Business-type activities:</b>					
Water services	3,481,988	3,458,616	3,879,784	3,963,562	4,799,662
Wastewater services	2,085,894	2,149,564	2,489,418	2,374,999	2,472,967
Rail spur services	453,795	496,134	469,309	522,698	479,847
Fiber optic and communication tower	303,043	354,832	320,432	375,556	359,335
Modified community correctional facility operations	16,001,708	16,799,773	17,079,707	14,766,071	15,653,274
Modified community correctional facility COP	613,376	-	-	-	-
Refuse collection services	1,151,779	1,200,421	972,840	1,012,346	1,156,643
Transit services	313,136	347,624	389,616	403,708	388,791
<b>Total business-type activities expenses</b>	<b>24,404,719</b>	<b>24,806,964</b>	<b>25,601,106</b>	<b>23,418,940</b>	<b>25,310,519</b>
<b>Total primary government expenses</b>	<b>47,830,601</b>	<b>48,921,278</b>	<b>50,970,030</b>	<b>49,746,061</b>	<b>56,902,574</b>
<b>Program Revenues:</b>					
<b>Governmental Activities:</b>					
<b>Charges for services</b>					
General government	\$ 6,759,926	\$ 6,857,466	\$ 6,728,390	\$ 4,415,751	\$ 7,243,754
Public safety	161,313	760,305	406,321	1,678,707	431,338
Public works	3,112,912	2,630,967	3,603,483	4,495,996	407,755
Culture & recreation	46,168	14,896	13,848	30,402	-
Operating grants and contributions	25,142	165,034	164,966	164,296	259,700
Capital grants and contributions	1,386,698	1,913,148	1,139,320	1,881,146	3,721,835
<b>Total governmental activities</b>	<b>11,492,159</b>	<b>12,341,816</b>	<b>12,056,328</b>	<b>12,666,298</b>	<b>12,064,382</b>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water services	3,198,827	3,141,346	3,698,790	4,436,026	4,343,041
Wastewater services	1,514,281	1,640,635	1,798,535	2,021,085	1,985,144
Rail spur services	318,785	27,250	188,840	120,915	24,720
Fiber optic and communication tower	120,617	132,028	134,078	148,802	159,531
Modified community corrections facility	13,735,074	13,855,918	14,205,083	14,105,693	13,359,775
Modified community corrections facility COP	-	-	-	-	-
Refuse collection services	1,166,075	1,163,476	1,061,137	1,047,175	1,041,957
Transit services	53,801	56,807	58,829	57,568	40,029
Operating grants and contributions	151,627	287,396	190,141	267,172	424,344
Capital grants and contributions	388,979	91,846	118,749	125,611	-
<b>Total business-type activities program revenues</b>	<b>20,648,066</b>	<b>20,396,702</b>	<b>21,454,182</b>	<b>22,330,047</b>	<b>21,378,541</b>
<b>Total primary government program revenues</b>	<b>\$ 32,140,225</b>	<b>\$ 32,738,518</b>	<b>\$ 33,510,510</b>	<b>\$ 34,996,345</b>	<b>\$ 33,442,923</b>

(Continued)

**City of Shafter**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Expenses:</b>					
<b>Governmental Activities:</b>					
General government	\$ 18,593,802	\$ 14,162,171	\$ 23,644,884	\$ 9,592,447	\$ 12,757,653
Public safety	8,477,288	3,831,549	12,423,683	10,013,521	12,548,862
Fire	-	-	-	-	-
Public works	6,677,328	5,138,132	10,366,240	10,349,042	8,381,690
Culture & recreation	659,182	(1,099,921)	2,101,829	841,661	870,381
Interest on long-term debt	-	-	329	-	21,727
<b>Total governmental activities expenses</b>	<b>34,407,600</b>	<b>22,031,931</b>	<b>48,536,965</b>	<b>30,796,671</b>	<b>34,580,313</b>
<b>Business-type activities:</b>					
Water	4,482,734	4,276,541	6,522,566	6,951,784	7,313,136
Wastewater	2,620,461	2,016,122	2,933,128	3,156,877	3,408,601
Rail spur services	453,041	381,854	364,887	358,057	317,143
Fiber optic & communication tower	265,723	351,850	332,492	439,286	349,826
Modified community correctional facility operations	5,486,922	459,861	-	-	-
Modified community correctional facility COP	-	-	-	-	-
Refuse collection services	1,366,704	941,354	2,119,740	1,991,900	2,106,348
Transit services	455,275	247,316	577,264	688,387	821,675
<b>Total business-type activities expenses</b>	<b>15,130,860</b>	<b>8,674,898</b>	<b>12,850,077</b>	<b>13,586,291</b>	<b>14,316,729</b>
<b>Total primary government expenses</b>	<b>49,538,460</b>	<b>30,706,829</b>	<b>61,387,042</b>	<b>44,382,962</b>	<b>48,897,042</b>
<b>Program Revenues:</b>					
<b>Governmental Activities:</b>					
<b>Charges for services</b>					
General government	\$ 9,745,034	\$ 7,016,970	\$ 9,308,197	\$ 8,306,233	\$ 13,225,141
Public safety	134,619	122,308	1,058,668	873,519	145,519
Public works	1,148,514	2,711,537	683,710	101,535	862,390
Culture & recreation	-	-	-	-	-
Operating grants and contributions	1,261,559	197,041	6,475,555	3,395,561	2,342,657
Capital grants and contributions	4,512,359	2,980,928	7,294,313	3,692,457	6,885,554
<b>Total governmental activities</b>	<b>16,802,085</b>	<b>13,028,784</b>	<b>24,820,443</b>	<b>16,369,305</b>	<b>23,461,261</b>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water	4,918,463	5,037,773	5,544,092	5,303,938	5,553,568
Wastewater	2,366,344	2,415,468	2,463,592	2,598,268	2,728,402
Rail spur Services	900	-	-	-	-
Fiber Optic & communication tower Services	174,565	292,451	394,239	343,823	227,490
Modified community corrections facility	3,998,498	-	-	-	-
Modified community corrections facility COP	-	-	-	-	-
Refuse collection services	1,228,478	1,410,767	1,619,575	1,948,635	2,195,827
Transit services	21,591	39,924	44,459	403,064	261,960
Operating grants and contributions	5,366	67,220	322,899	670,514	546,112
Capital grants and contributions	387,384	525,694	33,847	5,000	-
<b>Total business-type activities program revenues</b>	<b>13,101,589</b>	<b>9,789,297</b>	<b>10,422,703</b>	<b>11,273,242</b>	<b>11,513,359</b>
<b>Total primary government program revenues</b>	<b>\$ 29,903,674</b>	<b>\$ 22,818,081</b>	<b>\$ 35,243,146</b>	<b>\$ 27,642,547</b>	<b>\$ 34,974,620</b>

(Continued)

**City of Shafter**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Net Revenues (Expense):</b>					
Governmental activities	\$ (11,933,723)	\$ (11,772,498)	\$ (13,312,596)	\$ (13,660,823)	\$ (19,527,673)
Business-type activities	(3,756,653)	(4,410,262)	(4,146,924)	(1,088,893)	(3,931,978)
Total primary government net expense	<u>(15,690,376)</u>	<u>(16,182,760)</u>	<u>(17,459,520)</u>	<u>(14,749,716)</u>	<u>(23,459,651)</u>
<b>General Revenues and Other Changes in Net Position:</b>					
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	1,296,584	1,499,108	1,670,464	1,788,640	1,943,805
Sales taxes	14,978,921	14,300,406	15,869,586	18,692,355	22,417,415
Gas tax	368,069	325,586	451,407	769,842	-
Franchise tax	-	-	-	-	785,221
Other taxes	84,569	189,815	142,920	(88,866)	92,230
Motor vehicle in lieu, unrestricted	1,855,958	2,099,610	2,047,646	2,222,405	2,449,731
Investment earnings	1,142,751	855,702	665,212	3,098,836	2,410,215
Other general revenues	642,270	66,363	413,675	72,157	30,977
Extraordinary gain/(loss)	-	-	-	-	-
Special Items gain/(loss)	-	-	-	-	-
Transfers	<u>(1,121,280)</u>	<u>(978,556)</u>	<u>(12,637,878)</u>	<u>(2,649,351)</u>	<u>(5,313,794)</u>
Total government activities	<u>19,247,842</u>	<u>18,358,034</u>	<u>8,623,032</u>	<u>23,906,018</u>	<u>24,815,800</u>
<b>Business-type activities:</b>					
Investment earnings	47,663	18,395	18,923	122,599	155,272
Other general revenues	82,925	85,303	82,559	93,933	294,762
Extraordinary Gain/(Loss)	-	-	-	-	-
Transfers	<u>1,121,280</u>	<u>978,556</u>	<u>12,637,878</u>	<u>2,649,351</u>	<u>5,313,794</u>
Total business-type activities	<u>1,251,868</u>	<u>1,082,254</u>	<u>12,739,360</u>	<u>2,865,883</u>	<u>5,763,828</u>
Total primary government	<u>20,499,710</u>	<u>19,440,288</u>	<u>21,362,392</u>	<u>26,771,901</u>	<u>30,579,628</u>
<b>Changes in net position</b>					
Governmental activities	7,314,119	6,585,536	(4,689,564)	10,245,195	5,288,127
Business-type activities	<u>(2,504,785)</u>	<u>(3,328,008)</u>	<u>8,592,436</u>	<u>1,776,990</u>	<u>1,831,850</u>
Total primary government	<u>\$ 4,809,334</u>	<u>\$ 3,257,528</u>	<u>\$ 3,902,872</u>	<u>\$ 12,022,185</u>	<u>\$ 7,119,977</u>

(Continued)

**City of Shafter**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Net Revenues (Expense):</b>					
Governmental activities	\$ (17,605,515)	\$ (9,003,147)	\$ (23,716,522)	\$ (15,071,468)	\$ (11,119,052)
Business-type activities	(2,029,271)	1,114,399	(2,427,374)	(2,837,395)	(2,803,370)
Total primary government net expense	<u>(19,634,786)</u>	<u>(7,888,748)</u>	<u>(26,143,896)</u>	<u>(17,908,863)</u>	<u>(13,922,422)</u>
<b>General Revenues and Other Changes in Net Position:</b>					
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	2,336,157	2,545,919	2,901,610	3,330,397	3,811,932
Sales taxes	22,014,895	23,647,976	25,136,604	18,852,252	16,439,791
Gas tax	-	-	-	-	-
Franchise tax	903,471	1,105,290	1,281,802	2,008,528	1,750,482
Other taxes	94,632	108,562	111,561	95,844	211,044
Motor vehicle in lieu, unrestricted	2,835,678	3,069,166	3,954,781	4,427,286	4,859,115
Investment earnings	561,277	(119,850)	1,492,550	4,543,138	7,127,999
Other general revenues	4,975	74,662	9,243	50,516	4,777
Extraordinary gain/(loss)	-	3,688,708	-	-	-
Special Items gain/(loss)	788,700	-	-	1,170	-
Transfers	(21,604)	(1,724,170)	(47,323)	(689,785)	(2,498,143)
Total government activities	<u>29,518,181</u>	<u>32,396,263</u>	<u>34,840,828</u>	<u>32,619,346</u>	<u>31,706,997</u>
<b>Business-type activities:</b>					
Investment earnings	75,978	(163,334)	(55,444)	75,481	176,347
Other general revenues	418,290	41,908	94,275	157,569	314,598
Extraordinary Gain/(Loss)	-	(3,743,612)	(23,288)	-	-
Transfers	21,604	1,724,170	47,323	689,785	2,498,143
Total business-type activities	<u>515,872</u>	<u>(2,140,868)</u>	<u>62,866</u>	<u>922,835</u>	<u>2,989,088</u>
Total primary government	<u>30,034,053</u>	<u>30,255,395</u>	<u>34,903,694</u>	<u>33,542,181</u>	<u>34,696,085</u>
<b>Changes in net position</b>					
Governmental activities	11,912,666	23,393,116	11,124,306	17,547,878	20,587,945
Business-type activities	(1,513,399)	(1,026,469)	(2,364,508)	(1,914,560)	185,718
Total primary government	<u>\$ 10,399,267</u>	<u>\$ 22,366,647</u>	<u>\$ 8,759,798</u>	<u>\$ 15,633,318</u>	<u>\$ 20,773,663</u>

(Concluded)

**City of Shafter**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales and Use Tax</b>	<b>Gas Tax</b>	<b>Other Taxes &amp; Franchise Fees</b>	<b>Unrestricted Motor Vehicle License Taxes</b>	<b>Total</b>
2015-16	\$ 1,296,584	\$ 14,978,921	\$ 368,069	\$ 403,059	\$ 1,855,958	\$ 18,902,591
2016-17	1,499,108	14,300,406	325,586	462,268	2,099,610	18,686,978
2017-18	1,670,464	15,869,586	451,407	537,499	2,047,646	20,576,602
2018-19	1,788,640	18,692,355	769,842	62,034	2,222,405	23,535,276
2019-20	1,943,805	22,417,415	-	877,451	2,449,731	27,688,402
2020-21	2,309,754	22,014,895	-	1,039,499	2,820,686	28,184,834
2021-22	2,514,862	23,647,976	-	1,244,908	3,069,166	30,476,912
2022-23	2,823,561	25,136,604	-	1,492,411	3,933,782	33,386,358
2023-24	3,259,876	18,852,252	-	2,201,225	4,400,954	28,714,307
2024-25	3,811,932	16,439,791	-	1,961,526	4,859,115	27,072,364

Source: City of Shafter

**City of Shafter**  
**Governmental Activities Sales Tax Revenues by Business Category**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Business to Business</b>	<b>Transportation</b>	<b>General Retail</b>	<b>Food Products</b>	<b>Construction</b>	<b>County Pool</b>	<b>Total</b>	<b>Year over Year Change</b>
2015-16	\$2,058,564	\$ 617,571	\$ 5,321,565	\$ 317,892	\$ 4,898,703	\$ 1,772,878	\$ 14,987,173	0.58%
2016-17	1,448,082	574,277	5,537,588	316,351	4,715,817	1,896,780	14,488,894	-3.32%
2017-18	2,353,676	626,303	6,047,193	286,617	5,523,905	1,994,392	16,832,085	16.17%
2018-19	2,497,396	642,122	6,894,623	286,077	5,945,805	2,495,792	18,761,814	11.46%
2019-20	1,960,291	618,098	7,746,187	268,191	5,544,568	2,761,516	18,898,851	0.73%
2020-21	1,004,530	673,654	10,014,844	411,927	5,956,186	3,715,397	21,776,539	15.23%
2021-22	1,228,430	924,807	11,082,819	310,951	6,031,670	4,089,912	23,668,590	8.69%
2022-23	1,794,689	998,237	12,522,093	329,650	5,390,038	4,101,897	25,136,604	6.20%
2023-24	1,509,022	989,841	15,133,729	358,016	4,161,216	3,938,924	26,090,748	3.80%
2024-25	1,334,509	964,310	14,337,674	384,258	3,655,126	3,976,702	24,652,578	-5.51%

Sales tax is based on the gross 1% local Bradly Burns Sales and Use Tax.

Direct allocations only and do not include state-wide and county-wide pools.

Source: City of Shafter, MuniServices, LLC.

**City of Shafter**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	\$ 335,734	\$ 1,437,038	\$ 1,370,550	\$ 1,356,170	\$ 1,343,814
Assigned	37,501,707	42,138,208	40,681,889	32,265,562	34,542,535
Unassigned	22,850,298	21,722,000	13,111,861	17,809,130	20,105,952
Total general fund	<u>\$ 60,687,739</u>	<u>\$ 65,297,246</u>	<u>\$ 55,164,300</u>	<u>\$ 51,430,862</u>	<u>\$ 55,992,301</u>
All other governmental funds:					
Nonspendable	\$ 1,555,460	\$ 1,555,460	\$ -	\$ -	\$ -
Restricted	6,878,911	7,993,314	10,736,419	12,846,282	9,708,578
Assigned	7,784,159	8,922,341	8,671,160	11,064,055	12,702,113
Unassigned (deficit)	(313,514)	-	-	-	(16,540)
Total all other governmental funds	<u>\$ 15,905,016</u>	<u>\$ 18,471,115</u>	<u>\$ 19,407,579</u>	<u>\$ 23,910,337</u>	<u>\$ 22,394,151</u>

**City of Shafter**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund:					
Nonspendable	\$ 1,286,270	\$ 1,272,409	\$ 1,132,650	\$ 1,058,229	\$ 745,013
Assigned	36,986,070	38,076,932	41,103,724	46,120,818	50,675,982
Unassigned	21,746,015	19,915,650	25,157,220	30,793,501	36,351,863
Total general fund	<u>\$ 60,018,355</u>	<u>\$ 59,264,991</u>	<u>\$ 67,393,594</u>	<u>\$ 77,972,548</u>	<u>\$ 87,772,858</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ 3,235	\$ 837	\$ -
Restricted	12,674,126	16,868,739	27,932,770	30,091,125	35,398,781
Assigned	15,821,374	14,097,850	17,454,676	20,633,302	24,798,316
Unassigned (deficit)	(8,951)	(36,433)	(530,064)	(1,742,360)	(371,166)
Total all other governmental funds	<u>\$ 28,486,549</u>	<u>\$ 30,930,156</u>	<u>\$ 44,860,617</u>	<u>\$ 48,982,904</u>	<u>\$ 59,825,931</u>

**City of Shafter**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Revenues:</b>					
Property taxes	\$ 1,530,566	\$ 1,985,530	\$ 2,120,395	\$ 2,264,943	\$ 2,503,442
Property tax in lieu of VLF	1,855,958	2,099,610	2,047,646	2,222,405	2,449,731
Other taxes	16,047,199	16,239,813	17,186,233	20,424,376	24,968,801
Licenses, permits and fees	3,102,903	3,190,405	3,812,988	5,969,293	4,797,163
Fines, forfeitures and penalties	33,019	57,879	41,750	30,195	53,365
Investment earnings	1,457,881	1,142,416	1,012,254	3,462,138	2,448,254
Lease revenue	-	-	-	-	322,631
Intergovernmental	491,873	645,350	565,438	979,428	1,808,311
Charges for services	6,402,917	6,251,040	6,116,859	3,796,732	2,715,151
Other	642,270	66,363	413,675	72,157	127,127
Total revenues	<u>\$ 31,564,586</u>	<u>\$ 31,678,406</u>	<u>\$ 33,317,238</u>	<u>\$ 39,221,667</u>	<u>\$ 42,193,976</u>
<b>Expenditures:</b>					
Current:					
General government	\$ 12,801,949	\$ 11,662,684	\$ 16,969,395	\$ 13,811,448	\$ 17,567,544
Public safety	5,114,334	6,041,656	5,622,796	5,885,692	6,464,485
Public works	2,786,169	2,988,119	3,059,487	3,374,188	3,463,367
Culture & recreation	795,307	953,518	881,622	915,189	896,334
Capital outlay	3,591,448	1,878,267	3,171,661	11,816,479	6,265,216
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>\$ 25,089,207</u>	<u>\$ 23,524,244</u>	<u>\$ 29,704,961</u>	<u>\$ 35,802,996</u>	<u>\$ 34,656,946</u>
(under) expenditures	<u>\$ 6,475,379</u>	<u>\$ 8,154,162</u>	<u>\$ 3,612,277</u>	<u>\$ 3,418,671</u>	<u>\$ 7,537,030</u>
<b>Other financing sources (uses):</b>					
Transfers in	\$ 780,544	\$ 256,388	\$ 396,286	\$ 343,915	\$ 568,195
Transfers out	(1,691,699)	(1,234,944)	(13,205,044)	(2,993,266)	(5,881,988)
Extraordinary gain/(loss)	-	-	-	-	-
Special items gain/(loss)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>(911,155)</u>	<u>(978,556)</u>	<u>(12,808,758)</u>	<u>(2,649,351)</u>	<u>(5,313,793)</u>
Net change in fund balances	<u>\$ 5,564,224</u>	<u>\$ 7,175,606</u>	<u>\$ (9,196,481)</u>	<u>\$ 769,320</u>	<u>\$ 2,223,237</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

(Continued)

**City of Shafter**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Revenues:</b>					
Property taxes	\$ 3,042,383	\$ 3,537,685	\$ 2,901,610	\$ 3,330,397	\$ 4,992,850
Property tax in lieu of VLF	2,820,686	2,820,686	3,933,782	4,400,954	4,859,115
Other taxes	23,824,480	25,737,938	27,488,102	22,068,257	19,534,732
Licenses, permits and fees	8,885,156	5,729,984	8,367,730	6,300,084	13,333,471
Fines, forfeitures and penalties	151,151	94,564	94,490	70,913	75,698
Investment earnings	581,939	(84,256)	1,531,848	6,257,432	7,424,338
Lease revenue	302,332	302,332	500,237	-	-
Intergovernmental	3,033,340	3,069,353	10,380,089	8,626,657	3,950,689
Charges for services	1,444,044	1,222,654	2,018,985	2,266,563	2,144,869
Other	229,797	100,173	981,592	1,072,023	39,210
Total revenues	<u>\$ 44,315,308</u>	<u>\$ 42,531,113</u>	<u>\$ 58,198,465</u>	<u>\$ 54,393,280</u>	<u>\$ 56,354,972</u>
<b>Expenditures:</b>					
Current:					
General government	\$ 18,200,283	\$ 20,485,110	\$ 18,467,971	\$ 9,097,268	\$ 9,829,033
Public safety	7,461,897	7,654,419	7,882,558	9,776,986	11,907,093
Public works	4,390,489	4,860,155	5,395,752	6,534,245	6,822,957
Culture & recreation	257,135	274,058	264,395	259,616	187,477
Capital outlay	3,777,660	3,139,363	4,629,601	10,024,345	9,101,717
Debt Service:					
Principal	-	-	-	-	134,616
Interest	-	-	-	-	12,771
Total expenditures	<u>\$ 34,087,464</u>	<u>\$ 36,413,105</u>	<u>\$ 36,792,439</u>	<u>\$ 35,846,382</u>	<u>\$ 37,995,664</u>
(under) expenditures	<u>\$ 10,227,844</u>	<u>\$ 6,118,008</u>	<u>\$ 21,406,026</u>	<u>\$ 18,546,898</u>	<u>\$ 18,359,308</u>
<b>Other financing sources (uses):</b>					
Transfers in	\$ 199,246	\$ 3,677,637	\$ 933,872	\$ 1,817,242	\$ 350,697
Transfers out	(220,850)	(5,438,121)	(981,470)	(2,619,929)	(2,848,840)
Extraordinary gain/(loss)	-	(2,667,281)	-	-	-
Special items gain/(loss)	-	-	709,636	44,142	-
Proceeds from sale of capital assets	788,700	-	-	1,170	1,685,191
Total other financing sources (uses)	<u>767,096</u>	<u>(4,427,765)</u>	<u>662,038</u>	<u>(757,375)</u>	<u>(812,952)</u>
Net change in fund balances	<u>\$ 10,994,940</u>	<u>\$ 1,690,243</u>	<u>\$ 22,068,064</u>	<u>\$ 17,789,523</u>	<u>\$ 17,546,356</u>
Debt services as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.51%

(Concluded)

**City of Shafter**  
**General Governmental Revenues By Source**  
**All Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses Permits and Fees</b>	<b>Fines Forfeitures and Penalties</b>	<b>Use of Money and Property</b>	<b>Inter-governmental Revenue</b>	<b>Charges for Services</b>	<b>Other Revenues</b>	<b>Total Governmental Revenues</b>
2015-16	\$ 19,433,723	\$ 3,102,903	\$ 33,019	\$ 1,457,881	\$ 491,873	\$ 6,402,917	\$ 642,270	\$ 31,564,586
2016-17	20,324,953	3,190,405	57,879	1,142,416	645,350	6,251,040	66,363	31,678,406
2017-18	21,354,274	3,812,988	41,750	1,012,254	565,438	6,116,859	413,675	33,317,238
2018-19	24,911,724	5,969,293	30,195	3,462,138	979,428	3,796,732	72,157	39,221,667
2019-20	29,921,974	4,797,163	53,365	2,448,254	1,808,311	2,715,151	449,758	42,193,976
2020-21	29,687,549	8,885,156	151,151	884,271	3,033,340	1,444,044	229,797	44,315,308
2021-22	32,096,309	5,729,984	94,564	218,076	3,069,353	1,222,654	100,173	42,531,113
2022-23	35,266,008	8,367,730	94,490	2,032,085	10,380,089	2,018,985	39,078	58,198,465
2023-24	30,731,205	6,688,371	70,913	4,015,741	8,646,362	3,722,035	42,884	53,917,511
2024-25	29,386,697	13,333,471	75,698	7,424,338	3,950,689	2,144,869	39,210	56,354,972

Source: City of Shafter

**City of Shafter**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal Year Ended June 30	City			Redevelopment Agency			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Utility		
2015-16	\$ 898,906	\$ 99,515	\$ 998,421	\$ 284,331	\$ 56,002	\$ 1,281	\$ 341,614	3.420%
2016-17	1,065,208	75,586	1,140,794	315,372	75,772	1,382	392,526	3.290%
2017-18	1,204,353	56,071	1,260,424	321,755	66,586	1,382	389,723	3.100%
2018-19	1,283,375	70,134	1,353,509	332,611	62,976	1,382	396,969	3.590%
2019-20	1,421,154	79,946	1,501,100	354,961	69,806	1,382	426,150	2.502%
2020-21	1,663,286	76,955	1,740,241	363,184	71,016	1,264	435,464	2.510%
2021-22	1,838,516	74,720	1,913,236	383,633	70,294	1,264	455,191	1.171%
2022-23	2,257,331	307,168	2,564,499	399,243	72,981	1,264	473,488	1.155%
2023-24	2,543,968	340,491	2,884,459	435,700	75,068	1,264	512,032	1.155%
2024-25	2,859,209	349,421	3,208,630	452,365	88,647	2,066	543,078	1.165%

MuniServices, LLC / Neumo  
Source: Kern County Assessor Data

**City of Shafter**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Overlapping Tax &amp; Assessment</b>					
Debt: Shafter Allocation Factor					
Kern County High School	1.696	1.167	2.417	2.425	2.443
Kern County Community College COP	1.094	1.848	-	-	-
Richland School District	53.494	52.914	54.167	52.135	53.543
Rio Bravo-Greeley School District	1.103	1.419	3.520	6.566	9.352
Rosedale Union School District	3.834	4.420	4.895	-	-
Norris School District	1.689	1.111	1.091	1.086	1.059
City of Shafter - 1915 Act Bonds	100.000	100.000	100.000	100.000	100.000
Kern Community College Assessment District	1.186	1.264	1.464	1.442	1.469
Kern Community College Assessment District No. 1	-	-	-	-	-
Total Assessment Rate	<u>1.830</u>	<u>1.700</u>	<u>1.680</u>	<u>1.630</u>	<u>1.520</u>
<b>Direct and Overlapping General Fund</b>					
Debt: Shafter Allocation Factor					
Kern County COP	0.975	1.018	1.282	1.291	1.308
Kern County Pension Obligations	0.975	1.018	1.282	1.291	1.308
Kern County Board of Education COP	0.975	1.018	1.282	1.291	1.308
Kern County Community College COP	0.968	1.035	1.315	1.304	1.332
Kern County Community College Benefit Obligations	0.968	1.035	1.315	1.304	1.332
Kern High School COP	1.696	1.848	2.417	2.425	2.443
Rio Bravo-Greedley Union School District Obligations	1.103	1.410	3.502	6.566	9.352
Kern County Public Cemetary District COP	-	-	-	-	-
City of Shafter	-	-	-	-	-
Total Direct & Overlapping Rate	<u>3.660</u>	<u>3.390</u>	<u>4.000</u>	<u>3.830</u>	<u>3.500</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000	100.000	100.000	100.000	100.000

(Continued)

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Example Unified School District bonds.

Source: MuniServices, LLC. / Neumo

**City of Shafter**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Overlapping Tax &amp; Assessment</b>					
Debt: Shafter Allocation Factor					
Kern County High School	3.573	3.787	4.407	4.547	4.856
Kern County Community College COP	-	-	-	-	-
Richland School District	64.266	65.505	65.619	66.784	67.507
Rio Bravo-Greeley School District	23.576	24.725	33.930	33.746	35.245
Rosedale Union School District	-	-	-	-	-
Norris School District	6.708	8.059	10.124	12.077	14.023
City of Shafter - 1915 Act Bonds	100.000	100.000	100.000	100.000	100.000
Kern Community College Assessment District	2.286	2.427	2.837	2.956	3.150
Kern Community College Assessment District No. 1	2.272	2.412	2.82	2.938	3.131
Total Assessment Rate	<u>1.630</u>	<u>1.570</u>	<u>1.490</u>	<u>1.480</u>	<u>1.360</u>
<b>Direct and Overlapping General Fund</b>					
Debt: Shafter Allocation Factor					
Kern County COP	2.223	2.397	2.754	2.877	3.111
Kern County Pension Obligations	2.223	2.397	2.754	2.877	3.111
Kern County Board of Education COP	2.223	2.397	2.754	2.877	3.111
Kern County Community College COP	2.050	2.173	2.542	2.648	2.817
Kern County Community College Benefit Obligations	2.050	2.173	2.542	2.648	2.817
Kern High School COP	-	-	-	-	-
Rio Bravo-Greedley Union School District Obligations	23.576	24.725	33.930	33.746	35.245
Kern County Public Cemetary District COP	-	-	-	-	-
City of Shafter	100.000	100.000	100.000	100.000	100.000
Total Direct & Overlapping Rate	<u>2.510</u>	<u>2.370</u>	<u>2.100</u>	<u>2.000</u>	<u>1.820</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000	100.000	100.000	100.000	100.000

(Concluded)

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Example Unified School District bonds.

Source: MuniServices, LLC. / Neumo

**City of Shafter**  
**Principal Property Tax Payers**  
**Last Fiscal Year and Nine Years Ago**

Taxpayer	2025		2016	
	Taxable Value	City Taxable	Taxable Value	Total City
Ross Dress For Less Inc.	\$ 299,861,046	7.99%	\$ 72,584,571	5.42%
Amazon.Com Services LLC	250,968,128	6.69%		
Walmart Stores East Lp	228,308,800	6.09%		
4500 Express Ave Prop LLC	215,693,175	5.75%		
Wonderful Real Estate Dev LLC	177,453,059	4.73%		
4000 Fanucchi Way Prop LLC	159,172,077	4.24%		
Target Corporation	136,302,316	3.63%	123,508,842	9.22%
Rexco Shafter LLC	68,560,755	1.83%		
Lennar Homes Of California Inc.	66,317,451	1.77%	29,924,111	2.23%
Paramount Logistics Park 141 LLC	59,494,044	1.59%	27,917,756	2.08%
Bidart Bros Inc.	58,450,991	1.56%	43,021,679	3.21%
Elk Corporation of Texas	42,373,878	1.13%	38,057,285	2.84%
Garlic Company	39,791,609	1.06%	22,153,799	1.65%
Grimmway Enterprises Inc.	39,593,524	1.06%	18,994,871	1.42%
Kenneth O'Lester Co Inc.	30,631,256	0.82%	8,534,823	0.64%
Farmland Reserve Inc.	28,566,540	0.76%		
Mariner Ave Prop LLC	26,356,870	0.70%		
Pacific Parks Lofts Lp	25,489,800	0.68%		
Golden West BF Lp	22,645,033	0.60%		
Seventh Standard Lp	21,743,844	0.58%		
Grapery Inc.	21,388,396	0.57%	7,041,750	0.53%
Building Materials Manufacturing Corp	18,849,417	0.50%	19,126,834	1.43%
Baker Hughes Oilfield Operations Inc.	13,826,264	0.37%	56,580,128	4.22%
Edwards Tad William & Kimberley Joy	12,483,996	0.33%		
GMC Roofing & Bldg Paper Products Inc.	10,534,719	0.28%	6,039,970	0.45%
Vintage Production Cal LLC			65,118,230	4.86%
Roll Real Est Dev LLC			48,881,164	3.65%
BJ Serv Co USA			44,790,509	3.34%
Paramount Land Company LLC			25,586,050	1.91%
Weatherford Artificial Lift Systems			12,905,919	0.96%
Sill Properties			8,976,202	0.67%
Calif Paper Products LLC			7,395,679	0.55%
Tryad Service Corp			6,825,086	0.51%
Scannell Prop 183 LLC			6,432,000	0.48%
Agreserve Inc.			5,236,802	0.39%
A L Good Living Trust UAD			5,178,372	0.39%
37 Shafter RiteAid LLC			5,101,898	0.38%
<b>Total Top 25 Taxpayers</b>	<b>\$ 2,074,856,988</b>	<b>55.31%</b>	<b>\$ 715,914,330</b>	<b>53.43%</b>
<b>Total Taxable Value</b>	<b>\$ 3,751,039,279</b>	<b>100.00%</b>	<b>\$ 1,340,035,141</b>	<b>100.00%</b>

MuniServices, LLC / Neumo  
Source: Kern County Assessor Data;

**City of Shafter**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments	Amount		Percent of Levy	Amount		Percent of Levy	
2016	\$ 1,158,634	\$ 13,788	\$ 1,172,421	\$ 1,155,301	98.54%	10,250	\$ 1,165,551	99.41%
2017	1,290,938	59,919	1,350,857	1,343,064	99.42%	7,494	1,350,558	99.98%
2018	1,528,966	28,699	1,557,665	1,537,674	98.72%	13,298	1,550,972	99.57%
2019	1,635,697	9,711	1,645,408	1,622,400	98.60%	-	1,622,400	98.60%
2020	1,629,581	(50,508)	1,579,073	1,552,960	98.35%	-	1,552,960	98.35%
2021	1,990,346	75,000	2,065,346	2,061,912	99.83%	-	2,061,912	99.83%
2022	2,152,359	35,620	2,187,979	2,183,949	99.82%	-	2,183,949	99.82%
2023	2,760,614	(225,257)	2,535,357	2,501,026	98.65%	35,837	2,536,863	100.06%
2024	3,106,397	(132,634)	2,973,763	2,976,481	100.09%	25,598	3,002,079	100.95%
2025	3,418,487	41,809	3,460,296	3,422,726	98.91%	37,733	3,460,459	100.00%

**NOTE:**

The amounts presented include City property taxes.

Allocation of "Collections in Subsequent Years" are based on actual prior levy collections allocated between levy years based on an estimate.

Source: Kern County Auditor Controller's Office

**City of Shafter**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities		Business-type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Total		Sales and Loan Agreements	Wastewater Revenue		Total Business-type Activities			
	SBITAs	Governmental Activities		Bonds	SBITAs				
2016	\$ -	\$ -	\$ 1,524,142	\$ 458,689	\$ -	\$ 1,982,831	\$ 1,982,831	0.22%	110
2017	-	-	1,220,494	398,694	-	1,619,188	1,619,188	0.16%	86
2018	-	-	908,208	337,848	-	1,246,056	1,246,056	0.12%	65
2019	-	-	587,029	275,300	-	862,329	862,329	0.07%	41
2020	-	-	256,727	210,624	-	467,351	467,351	0.04%	23
2021	-	-	196,304	142,970	-	339,274	339,274	0.02%	17
2022	-	-	133,442	72,760	-	206,202	206,202	0.01%	10
2023	783,991	783,991	68,038	-	96,718	164,756	948,747	0.05%	45
2024	631,109	631,109	-	-	68,561	68,561	699,670	0.03%	31
2025	441,839	441,839	-	-	49,081	49,081	490,920	0.02%	21

Notes: Details regarding the City's outstanding debt can be found in Note 6 of the financial statements.

**City of Shafter**  
**Historical and Overlapping Debt**  
**Last Ten Fiscal Years**

**Overlapping Tax and Assessment Debt**

	Kern County High School District		Rio Bravo-Greeley Union School District		Rosedale Union School District		Kern Community College Assess. District	
	% Applicable	Debt	% Applicable	Debt	% Applicable	Debt	% Applicable	Debt
2016	2.636%	\$ 5,180,167	14.205%	\$ 1,517,846	0.000%	\$ -	0.000%	\$ -
2017	2.932%	7,978,740	20.431%	2,125,084	0.000%	-	0.000%	-
2018	3.050%	9,849,249	19.547%	1,942,482	0.000%	-	0.000%	-
2019	3.122%	9,308,281	19.208%	1,849,497	0.000%	-	0.000%	-
2020	3.283%	8,967,554	22.503%	2,103,589	0.000%	-	2.091%	1,577,241
2021	3.573%	13,435,774	23.576%	2,113,038	0.000%	-	2.286%	2,440,558
2022	3.787%	13,207,966	24.725%	2,118,262	0.000%	-	2.412%	3,645,815
2023	4.407%	14,229,155	33.930%	2,769,577	0.000%	-	2.820%	9,301,860
2024	4.547%	16,897,389	33.746%	2,537,251	0.000%	-	2.938%	11,101,821
2025	4.856%	16,904,038	35.245%	2,649,956	0.000%	-	3.131%	11,186,906

	Norris School District		Richland School District		Kern County Community College Dist Repair & Improve		City of Shafter 1915 Act Bonds	
	% Applicable	Debt	% Applicable	Debt	% Applicable	Debt	% Applicable	Debt
2016	1.156%	\$ 312,322	56.415%	\$ 11,217,733	1.655%	\$ 2,384,956	100.000%	\$ 110,600
2017	1.767%	472,620	56.867%	10,774,966	1.886%	2,579,597	100.000%	103,400
2018	3.197%	849,904	60.943%	10,916,662	1.961%	2,528,829	100.000%	99,500
2019	4.363%	1,151,205	61.317%	10,231,555	1.992%	2,400,581	100.000%	95,500
2020	5.694%	2,103,589	61.840%	9,683,719	2.091%	1,577,241	100.000%	91,300
2021	6.708%	2,106,078	64.266%	9,409,314	2.272%	2,484,504	100.000%	86,900
2022	8.059%	2,938,428	65.505%	8,759,742	2.427%	2,298,638	100.000%	82,300
2023	10.124%	3,338,319	65.619%	7,911,779	2.837%	2,516,378	100.000%	77,500
2024	12.077%	3,951,652	66.784%	7,124,251	2.956%	2,449,218	100.000%	72,500
2025	14.023%	4,571,498	67.507%	6,311,208	3.150%	2,431,012	100.000%	67,300

## City of Shafter Direct and Overlapping Debt

2024-25 Assessed Valuation:

\$ 3,764,402,243

	<b>Total Debt 06/30/2025</b>	<b>% Applicable</b>	<b>(1) City's Share of Debt 06/30/25</b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Kern Community College District Safety, Repair &	\$ 77,174,970	3.150%	\$ 2,431,012
Kern Community College District School Facilities	357,295,000	3.131%	11,186,906
Kern High School District	348,106,209	4.856%	16,904,038
Richland School District	9,348,968	67.507%	6,311,208
Norris School District	32,600,000	14.023%	4,571,498
Rio Bravo-Greeley Union School District	7,518,673	35.245%	2,649,956
RNR School Financing Authority Community Facilities District No. 92-1	106,990,000	6.656%	7,121,254
City of Shafter 1915 Act Bonds	67,300	100.000%	67,300
<b>Total Overlapping Tax and Assessment Debt</b>			<b>51,243,172</b>
<b>DIRECT AND OVERLAPPING DEBT:</b>			
Kern County General Fund Obligations	\$ 90,626,026	3.111%	\$ 2,819,376
Kern County Pension Obligations	66,299,737	3.111%	2,062,585
Kern County Board of Education Certificates of Participation	28,575,000	3.111%	888,968
Kern County Community College District Certificates of	19,431,000	2.817%	547,371
Kern County Community College District Benefit Obligations	70,460,000	2.817%	1,984,858
Rio Bravo-Greedley Union School District General Fund			-
Rosedale Union School District General Fund Obligations	9,300,000	4.690%	436,170
City of Shafter		100.000%	441,839
<b>Total Direct and Overlapping General Fund Obligation Debt</b>			<b>9,181,167</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</b>	<b>8,465,000</b>	<b>100.000%</b>	<b>8,465,000</b>
<b>Combined Total Debt</b>			<b>\$ 68,889,339 (2)</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

**Ratios to 2024-2025 Assessed Valuation:**

Total Direct and Overlapping Tax and Assessment Debt	1.36%
Total Direct Debt	0.00%
Combined Total Debt	1.82%

**Ratios to Redevelopment Incremental Valuation (\$466,920,372):**

Total Overlapping Tax Increment Debt	1.81%
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Source: Avenu Insights, LLC / Neumo

**City of Shafter**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City Population (1)</b>	<b>City Unemployment Rate (2)</b>	<b>County (1)</b>	<b>County Unemployment Rate (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Personal Income (3)</b>	<b>Median Age (3)</b>	<b>Public School Enrollment (4)</b>
2015-16	18,048	8.7%	886,507	10.6%	\$ 50,322	\$ 908,213,983	26.6	\$ 41,866
2016-17	18,868	8.8%	895,112	9.4%	52,744	995,172,471	26.3	42,463
2017-18	19,271	10.7%	905,801	7.3%	56,100	1,081,096,548	26.5	43,279
2018-19	20,886	8.4%	916,464	6.0%	59,173	1,235,887,278	27.1	44,101
2019-20	20,441	24.6%	917,553	18.3%	61,544	1,258,012,319	26.7	45,232
2020-21	20,448	11.5%	914,193	12.5%	66,430	1,358,363,094	27.2	46,047
2021-22	20,486	5.9%	907,324	6.0%	76,303	1,563,144,282	27.4	46,555
2022-23	21,318	7.0%	907,476	8.6%	89,000	1,897,302,000	27.4	46,690
2023-24	22,226	6.7%	910,300	8.3%	99,571	2,213,055,044	27.5	46,734
2024-25	23,455	6.8%	923,961	8.7%	107,356	2,518,025,598	28	46,014

MuniServices, LLC *an Avenu Insights and Analytics Company*

- (1) State of California Department of Finance.
- (2) State of California Employment Development Department.
- (3) U.S. Census Bureau.
- (4) Includes Richland School District (SD), Kern High SD, and Maple Elementary SD.

**City of Shafter  
Principal Employers  
Last Fiscal Year and Nine Years Ago**

Employer	2025		2016	
	Employees	Employment	Employees	Employment
Amazon Fulfillment Center	2,496	26.55%		
Ross Distribution Center	2,144	22.81%	589	8.07%
Target Distribution Center	1,210	12.87%	670	9.18%
Grimmway Enterprises	728	7.74%	670	9.18%
Walmart Distribution Center	470	5.00%		0.00%
Richland School District	445	4.73%	435	5.96%
GAF Materials Corp	238	2.53%		0.00%
Wonderful Orchards*	224	2.38%		0.00%
Shafter Nursing Care	186	1.98%		0.00%
Shafter High School (Kern HS District)	160	1.70%		0.00%
Fed Ex Ground			230	3.15%
City of Shafter			196	2.68%
Baker Hughes			180	2.47%
Williams-Sonoma			180	2.47%
American Tire Distribution			175	2.40%
JD Rush (Also Tryad Serv. Corp.)			161	2.21%
<b>Total Top Employers</b>	<b>8,301</b>	<b>88.31%</b>	<b>3,486</b>	<b>47.75%</b>
<b>Total Labor Force (1)</b>	<b>9,400</b>		<b>7,300</b>	

MuniServices, LLC / Neumo

Source: 2016, City of Shafter *Comprehensive Annual Financial Report For the Year Ended June 30th, 2016*

(1) State of California Employment Development Department.

Notes:

Results based on direct correspondence with City's local businesses.

\*Wonderful Orchards has not responded to Neumo's headcount inquires, previous year count was applied.

**City of Shafter**  
**Full-time and Part-time City Employees**  
**Funded by Function**  
**Last Ten Fiscal Years**

Function	Full-Time Employees as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	21	21	22	22	22	19	17	17	21	24
<i>General government - PT</i>								1	3	3
Public safety (1)	39	42	42	42	42	42	40	47	50	60
Public works	18	21	21	22	22	16	20	24	26	30
<i>Public Works - PT</i>						1	1	1	1	1
Education Partnership	-	-	-	-	-	2	2	2	2	2
<i>Education Partnership - PT</i>	-	-	-	-	-	11	12	22	17	20
Community Development	8	8	10	10	10	11	11	12	13	15
Water	6	6	6	6	6	6	6	6	5	5
Wastewater	3	3	2	2	2	3	3	3	3	3
Refuse collection (3)	5	4	4	4	4	3	1	1	-	-
Transit service	8	8	8	9	9	1	1	1	2	4
<i>Transit service - PT</i>						3	3	3	2	-
Rail Operations	1	0	0	0	0	-	-	-	-	-
MCCF Facility (2)	90	89	90	90	90	1	-	-	-	-
Sub-Total - FT	198	201	205	207	207	104	101	113	122	143
Sub-Total - PT	-	-	-	-	-	15	16	27	23	24
Total	198	201	205	207	207	119	117	140	145	167

<sup>1</sup> Public safety consists of police services and animal control. Fire services are outsourced to the County of Kern thru a fee for service contract.

<sup>2</sup> MCCF Facility is a Modified Community Correctional Facility housing State of California inmates thru a contract with the State.

<sup>3</sup> Refuse was outsourced to American Refuse and Varner Bros.

Source: City of Shafter

**City of Shafter**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Police:</b>					
Calls for service	18,596	21,406	18,604	17,714	21,389
Total Crime UCR	709	646	656	752	589
Arrests & citations	1,003	1,148	1,027	1,027	1,611
Felony arrests	249	214	191	173	221
Misdemeanor arrests	754	934	836	854	1,390
Property loss	1,152,412	1,139,318	1,127,895	1,178,881	121,041
Property recovery	696,746	610,893	437,310	581,736	507,193
Traffic citations	468	1,158	747	762	1,438
Traffic accidents	200	238	244	229	251
Parking citations	111	300	137	247	255
<b>Animal Control:</b>					
Citations	10	14	5	8	5
Violations	1,779	2,347	1,691	1,141	1,597
Adoptions	342	349	936	912	704
<b>Public works:</b>					
Street resurfacing (miles)	1	1	0	1	0
<b>Water:</b>					
New connections (SFE)	38	66	71	148	28
Average daily production (thousands of gallons)	3,764	4,119	4,443	4,349	4,482
<b>Sewer:</b>					
New connections (SFE)	105	225	231	277	151
Average daily sewage treatment (thousands of gallons)	1,330	1,430	1,430	1,400	1,360

(Continued)

Source: City of Shafter

**City of Shafter**  
**Operating Indicators by Function (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Police:</b>					
Calls for service	22,319	16,690	11,537	12,723	13,597
Total Crime UCR	627	669	610	1,576	1,708
Arrests & citations	3,867	2,295	2,386	2,133	3,198
Felony arrests	363	259	311	251	319
Misdemeanor arrests	1,705	1,167	1,386	932	1,211
Property loss	2,775,459	1,677,592	1,297,698	1,333,591	799,434
Property recovery	917,578	699,345	116,225	32,962	11,546
Traffic citations	1,801	868	587	950	1,668
Traffic accidents	221	166	195	200	187
Parking citations	83	75	67	201	310
<b>Animal Control:</b>					
Citations	4	19	5	10	28
Violations	1,478	1,057	616	413	1,431
Adoptions	660	420	505	777	839
<b>Public works:</b>					
Street resurfacing (miles)	1	1	1	1	1
<b>Water:</b>					
New connections (SFE)	36	12	27	37	173
Average daily production (thousands of gallons)	4,483	4,363	4,069	4,372	4,315
<b>Sewer:</b>					
New connections (SFE)	11	6	23	35	167
Average daily sewage treatment (thousands of gallons)	1,330	1,370	1,390	1,420	1,490

(Concluded)

Source: City of Shafter

**City of Shafter**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Fiscal Year	2016	2017	2018	2019	2020	2022	2023	2024	2025
<b>Police:</b>									
Stations	1	1	1	1	1	1	1	1	1
<b>Fire:</b>									
Fire stations (County)	1	1	1	1	1	1	1	1	1
<b>Public works:</b>									
Streets (miles)	84.00	98.00	117.00	123.00	124.00	140.00	140.00	146.00	148.00
Streetlights	860	860	990	994	1,074	1,489	1,557	1,560	1,747
Traffic signals	7	8	8	8	8	9	9	9	9
<b>Parks and recreation:</b>									
Parks	5	5	6	6	8	9	10	10	12
<b>Water:</b>									
Water mains (miles)	88.28	90.00	108.00	109.00	111.00	119.00	121.00	122.00	134.00
Maximum daily capacity (thousands of gallons)	10,500	10,500	10,500	10,000	8,600	9,300	9,300	9,300	10,000
<b>Wastewater:</b>									
Sanitary sewers (miles)	45.64	45.64	50.00	57.00	86.00	95.00	101.00	104.00	108.00
Storm sewers (miles)	5.41	6.00	8.00	8.00	10.00	11.00	12.00	13.00	15.00
Maximum daily treatment capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500

Source: City of Shafter



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Carol Chavolla, HR Director

**SUBJECT:** FIRST AMENDMENT OF THE CITY MANAGER EMPLOYMENT AGREEMENT APPROVAL

### **RECOMMENDATION**

Council find action is not defined as a “project” per Section 15378(b)(5) of the CEQA Guidelines; approve the First Amendment to the City Manager Employment Agreement with Lance Lippincott.

### **BACKGROUND**

On August 27, 2024, the City Council appointed Lance Lippincott as the City Manager and approved an employment agreement setting forth the terms of that engagement. The employment agreement requires the City Council to conduct annual performance evaluations. Following completion of the most recent evaluation, the City Council determined that the City Manager’s performance frequently exceeds performance expectations. Based on the City Manager’s performance and to address salary compaction between the City Manager and executive-level staff, the City Council directed that the City Manager’s Employment Agreement be amended to update the salary provisions as follows:

“City agrees to pay City Manager, and City Manager agrees to accept from City, as compensation for services rendered by City Manager pursuant to this Agreement, an annual base salary, commencing on the Effective Date, in the amount of Two Hundred Thirty-Five Thousand Dollars and Zero Cents (\$235,000.00) (hereinafter “Annual Base Salary”), payable in installment payments in the same manner and at the same times as salaries of other executive managers of the City are paid.”

All other terms of the current employment agreement remain unchanged.

Effective January 1, 2017, California Government Code Section 54953 (c)(3) requires the City Council to orally report in open session a summary of the salary, salary schedules, and compensation in the form of fringe benefits for local agency executives, before the City Council may take final action on such compensation. This report and the oral presentation that is provided will satisfy those requirements.

### **FISCAL IMPACT**

## **FIRST AMENDMENT OF THE CITY MANAGER EMPLOYMENT AGREEMENT APPROVAL**

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The base salary fiscal impact is \$25,000 annually. The total compensation fiscal impact, inclusive of applicable benefits, is approximately \$30,185 annually. The fiscal impact can be absorbed within the approved Fiscal Year 2025/2026 Annual Operating Budget. A budget amendment is not required.

### **CEQA ANALYSIS**

The action is not defined as a “project” per Section 15378(b)(5) of the CEQA Guidelines because the action is approval of the first amendment to the City Manager employment agreement and therefore, it is organizational and administrative activity that will not result in direct or indirect physical changes to the environment and not subject to CEQA.

### **APPROVED BY THE CITY ATTORNEY**

Yes

### **ATTACHMENTS**

1. First Amendment to the City Manager Employment Agreement - Lippincott, Lance

**FIRST AMENDMENT TO  
CITY MANAGER EMPLOYMENT AGREEMENT**

This First Amendment to the City Manager Employment Agreement (the "First Amendment") between the City of Shafter (the "City"), a California municipal corporation, and Lance Lippincott, an individual ("Lippincott"), is entered into this 3<sup>rd</sup> day of February, 2026. The above parties may be individually referred to as "Party" and collectively referred to as the "Parties."

**RECITALS**

- A. The Parties entered into a City Manager Employment Agreement ("Agreement") services on August 27, 2024; and
- B. The Parties now wish to amend the terms of the Agreement to update the salary provisions of the Agreement.

**AGREEMENT**

In consideration of the mutual obligations in this First Amendment and the Agreement, the Parties agree as follows:

**SECTION 1.** Section 3(A) of the Agreement is hereby amended to read as follows:

"A. City agrees to pay City Manager, and City Manager agrees to accept from City, as compensation for services rendered by City Manager pursuant to this Agreement, an annual base salary, commencing on the Effective Date, in the amount of Two Hundred Thirty-Five Thousand Dollars and Zero Cents (\$235,000.00) (hereinafter "Annual Base Salary"), payable in installment payments in the same manner and at the same times as salaries of other executive managers of the City are paid."

**SECTION 2.** Except as expressly modified by this First Amendment, all provisions of the Agreement remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the date first herein written above.

CITY OF SHAFTER

By: \_\_\_\_\_  
Chad Givens, Mayor

CITY MANAGER

By: \_\_\_\_\_  
Lance Lippincott, City Manager

ATTEST:

\_\_\_\_\_  
Yazmina Pallares, City Clerk

Approved as to form:

\_\_\_\_\_  
Marco A. Martinez, City Attorney



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Michael James, Assistant City Manager

**SUBJECT:** SALES TAX INITIATIVE PUBLIC OUTREACH AND  
ENGAGEMENT PROFESSIONAL SERVICES AGREEMENT

### **RECOMMENDATION**

Council find the action exempt from the California Environmental Quality Act; authorize the City Manager to execute a professional services agreement with CiviSocial for communications training and engagement services in an amount not to exceed \$20,000; and authorize the City Manager to execute a separate professional services agreement with Polco for digital engagement platform services in an amount not to exceed \$10,000.

### **BACKGROUND**

In support of the City Council's ongoing priority to enhance public transparency, civic engagement, and community trust, the City of Shafter seeks to strengthen its communications and public engagement capacity in advance of a potential local sales tax measure that could be considered for the November 2026 ballot. Like many growing communities, Shafter faces increasing demands related to public safety, infrastructure, and community services, while traditional revenue sources have become more constrained. These conditions have prompted the City to explore improved methods of communicating fiscal realities and engaging residents in informed dialogue regarding future funding options.

To support this effort, Staff recommends entering into separate professional services agreements with CiviSocial and Polco, two firms with complementary areas of expertise. Together, these firms would implement a coordinated public outreach and engagement program designed to build internal communications capacity while establishing a structured, accessible platform for ongoing resident input. A formal request for proposals was not conducted, as professional services agreements of this scope do not trigger the City's competitive procurement requirements.

CiviSocial specializes in hands-on communications strategy, social media storytelling, and staff training for public-sector organizations. Their proposed scope includes preparatory work followed by five days of on-site engagement in Shafter, during which they would work directly with City staff, stakeholders, and community members. The engagement is intended to develop a unified communications voice, improve digital storytelling practices, and train internal staff to serve as content creators who can

**SALES TAX INITIATIVE PUBLIC OUTREACH AND ENGAGEMENT PROFESSIONAL SERVICES AGREEMENT**

---

maintain consistent, authentic public messaging related to City services, budget realities, and community priorities.

Polco provides a digital engagement platform that allows local governments to gather structured, data-driven community feedback through surveys, polls, and interactive tools. The platform supports ongoing engagement with verified resident panels, real-time sentiment tracking, and transparent sharing of engagement results. Polco’s services would provide the City with a reliable mechanism to test messaging, measure community priorities, and maintain continuous two-way communication with residents.

This item was previously scheduled for City Council consideration in December 2025 but was pulled from the agenda prior to discussion to allow the City Council and staff to step back and conduct a broader, policy-level discussion regarding a potential local sales tax and the City’s long-term revenue needs before proceeding with community engagement. Following that action, the City Council held a public workshop at a special meeting on January 20, 2026, to initiate a transparent, conceptual discussion regarding a potential local sales tax measure and related revenue considerations. No formal action was taken at that meeting.

Following the Council’s policy-level discussion at the January 20, 2026 public workshop, Staff is returning to the City Council for consideration of the proposed professional services agreements as an initial step toward building internal communications capacity and establishing a framework for future community engagement, should the Council choose to move forward.

Upon execution of the proposed agreements, services would commence promptly to ensure sufficient time for staff training and preparation in advance of any future Council consideration of a revenue measure.

**FISCAL IMPACT**

The total cost of the proposed professional services agreements is not to exceed \$30,000. This includes \$20,000 for communications training and engagement services provided by CiviSocial and \$10,000 for digital engagement platform services provided by Polco. Sufficient funds are available within existing operational budgets to cover these costs, and no additional Council budget action is required.

**CEQA ANALYSIS**

The action is statutorily exempt from the California Environmental Quality Act pursuant to Section 15262 of the CEQA Guidelines, as it involves only feasibility and planning studies for possible future actions that have not been approved, adopted, or funded.

**APPROVED BY THE CITY ATTORNEY**

Not Applicable

**ATTACHMENTS**

1. Proposal Submitted by CiviSocial



## **Procurement Proposal for Shafter California**

### **Community Communications and Engagement Optimization Program**

**Prepared by:**

CiviSocial  
2408 NE 26<sup>th</sup> Terrace, Fort Lauderdale, FL 33305  
Sam Toles, Founder and CEO  
(323) 401 2587 (direct) – sam@civisocial.com

**Prepared for:**

Lance Lippincott  
City of Shafter  
336 Pacific Avenue  
Shafter, CA 93263

**January 12, 2026**

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#### **1. Executive Summary**

This proposal combines the complementary strengths of two companies: CiviSocial’s on-site communications and storytelling strategy with Polco’s Engage platform to help Shafter build/deepen modern communications, clarity, and community engagement and alignment.

CiviSocial will lead a 5-day in-person engagement focused on elevating Shafter’s community relations through modern, authentic social media storytelling. This includes defining the City’s voice, strengthening its digital presence, and equipping staff with a repeatable workflow that captures the stories, services, and successes that matter most to residents. Through stakeholder collaboration, hands-on training, and real-world content development, Shafter will leave with a stronger, more confident communications strategy built on transparency, human connection, and consistent outreach.

To reinforce and extend this work, Shafter will also receive one year of access to Polco's Engage platform, providing a structured, data-driven foundation for ongoing public participation. Through Engagement Pages, Quick Polls, the Prioritize Tool, and several benchmarking datasets, the City can gather feedback, test messaging, measure sentiment, and keep residents continuously informed.

Together, this combined approach ensures that communications are not only compelling but also grounded in real community input and informed by clear, measurable signals.

## **2. Scope of Services**

### **A) Polco Offering:**

One-Year Access to the Engage Platform Includes:

1. Engage Module: A suite of digital tools designed to extend public participation beyond a single survey and support ongoing, meaningful engagement.
2. Engagement Pages: Public-facing project hubs that centralize updates, background materials, survey results, and future engagement opportunities in one location.
3. Quick Polls: Lightweight, real-time polling tools to capture feedback on emerging issues or follow-up questions as the conversation evolves.
4. Prioritize Tool: Interactive ranking tool that asks residents to weigh values, priorities, or scenarios (such as balancing preservation with development) providing structured input on complex trade-offs.
5. Resident Subscriber Base / Panel: A growing, verified list of residents who opt in to receive updates and participate in future activities, forming an always-available digital focus group.

### **B) CiviSocial Program**

1. The CiviSocial engagement will include +/- 2-weeks of preparatory pre-engagement work including deep data evaluation (both Polco generated and pre-existing work); an all-staff survey to identify ideal social media training candidates; a kick-off meeting with the City Manager and Communications team; and other fact-finding activities surrounding the City's current communications strengths, weaknesses, and overall strategy on social media.

2. This will be followed by 5-days of in-person, hands-on engagement in Shafter which includes:

- Meetings with stakeholders, staff, and residents to gather insights and perspectives.
- Development of an overall voice and story map for the City's social media.
- Providing tools and tactics to enhance social media effectiveness.
- Training sessions on best practices and innovative content strategies.
- Identifying potential content creators within the community and City staff.
- Training on creating effective and compelling social media content.
  - Within the community (business owners, engaged residents, etc)
  - With City staff
  - With economic development team members and, if desired, local businesses (or the Chamber of Commerce) to help accelerate growth and opportunity for Shafter.

### **3. CiviSocial Deliverables:**

At the conclusion of the in-person engagement, we will deliver a presentation with the following elements:

#### **1. The “Voice” of Your New Communications Strategy:**

- Development of a unified and distinctive voice that reflects the City's identity.

#### **2. Identity and Story Plan for Formerly Hidden Creators:**

- Crafting stories that highlight previously unrecognized contributors and creators.
- Crafting stories that highlight the value of services and potential need for further support.

#### **3. Process Outline:**

- Recommended staffing assignments and estimated time commitments
- Plan on Calendar, Cadence, and Clearance (and risk mitigation)
  - A template schedule outlining content creation, approval processes, and recommended posting and platform cadence.

#### **4. Overall Content Strategy and Recommendations on Implementation:**

- Detailed content strategy including types of content, frequency, and themes.
- Practical recommendations for implementing the strategy effectively.

5. Platform-Specific Recommendations and Strategies:

- Tailored strategies for each social media platform used by The City of Shafter.
- Best practices for maximizing engagement on each platform.

6. Recommended Engagement and Community Management Tactics:

- Strategies to foster community interaction and engagement.
- Recommendations for fostering a positive online community.

7. Adaptability Guidelines Coupled with Risk Mitigation Tactics:

- Test-and-Learn strategy of rapid adaptation in response to feedback and analytics
- Risk mitigation plan; guardrails for newly empowered creators

8. Tools recommendations for effective and efficient creation and distribution of content:

- List of available and recommended tools to optimize social media content creation
- List of available and recommended tools to optimize social media content distribution
- User training on select tools through video links (coupled with prior hands-on training)

**4. Project Timeline**

Phase	Duration	Key Activities
Polco Set-Up	+/- 2-weeks	Survey and onboarding
Data Collection	4-8 weeks	Client engages community
Data Review + Virtual Meetings	+/- 1 week	CiviSocial and Shafter review data and identify focus areas
CiviSocial Preparation	+/- 2-weeks	Staff Survey and Preparation
Engagement	5 working Days	Consulting and Training
Deliverables	+/- 2 working days	Creation of final deliverables

**5. Fee Structures**

The total fee for Polco’s proposed services is \$10,000 which is broken down as follows:

Service	Fee
One-Year Access to Engage Platform	\$7,500
Onboarding and platform / data guidance	\$2,500

The total fee for CiviSocial’s proposed services is \$20,000 which is broken down as follows:

<b>Service</b>	<b>Fee</b>
Pre-engagement	Included
Engagement and Deliverables	\$20,000
Travel reimbursement	Included

**6. Payment Schedule\***

<b>Milestone</b>	<b>Payment due</b>
<b>Polco:</b> 30-days from Engage Activation	\$10,000
<b>CiviSocial:</b> Upon receipt of deliverables	\$20,000 (net 30 upon completion)

**\*Please note that each company will issue separate contracts and payment requests for their respective services.**

**7. Conclusion**

CiviSocial and Polco are committed to partnering with Shafter to strengthen community connection through clearer communication and more meaningful resident engagement. By combining CiviSocial’s on-site strategy, training, and storytelling framework with Polco’s ongoing engagement tools and data-driven insights, this joint approach will equip the City with a sustainable system for listening, communicating, and building trust. We look forward to collaborating with Shafter and supporting a more dynamic, responsive, and community-centered digital presence.

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**For any questions or further discussion, please contact:**

**CiviSocial:**

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**Polco:**

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Thank you for considering our proposal.

Sincerely,



Sam Toles  
Founder, CiviSocial



## CITY OF SHAFTER CITY COUNCIL REPORT

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**MEETING DATE:** February 3, 2026

**DEPARTMENT:** Michael James, Assistant City Manager

**SUBJECT:** APPROVAL OF REMODEL OF FORMER MODIFIED COMMUNITY CORRECTIONAL FACILITY (MCCF) ADMINISTRATIVE OFFICE FOR USE BY THE INFORMATION TECHNOLOGY DEPARTMENT

### **RECOMMENDATION**

Council find that the project is exempt from the California Environmental Quality Act; approve the creation of a new capital improvement program budget in the amount of \$200,000 to fund a temporary remodel of the administrative office space at the former Modified Community Correctional Facility for use by the City's Information Technology Department staff; and authorize the City Manager to award purchases and construction contracts for individual work items within the approved budget in accordance with the City's bidding and procurement policies, using informal bid procedures as applicable.

### **BACKGROUND**

The City Council has previously authorized the release of a Request for Qualifications and Proposals (RFQP) to evaluate and plan for the long-term repurposing of the former Modified Community Correctional Facility (MCCF) as a modern municipal facility. The primary long-term goal is to relocate the Shafter Police Department to the MCCF site, while also accommodating permanent space for the Information Technology (IT) Department and other civic functions.

In the interim, the City has identified a need to temporarily relocate IT Department staff, who are currently working out of the Public Works Corporation Yard. The administrative office portion of the MCCF offers an opportunity to meet this short-term need. A proposed capital improvement project would fund a temporary remodel of this space to allow for its use by the IT Department. This work is independent of, but complementary to, the long-term planning effort underway through the RFQP process. The temporary remodel is intended to be limited in scope, focused on essential improvements to allow safe and functional occupancy, without foreclosing future options being studied under the design-build planning effort. In addition to supporting the IT Department, the remodeled space may also accommodate other City staff from City Hall, if needed.

### **FISCAL IMPACT**

**APPROVAL OF REMODEL OF FORMER MODIFIED COMMUNITY CORRECTIONAL FACILITY (MCCF) ADMINISTRATIVE OFFICE FOR USE BY THE INFORMATION TECHNOLOGY DEPARTMENT**

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To support the temporary remodel of the administrative office space at the former Modified Community Correctional Facility, a new capital improvement program budget in the amount of \$200,000 is proposed. Preliminary quotes have been obtained for the major work components, which total approximately \$159,500, including:

- HVAC updates and repairs – \$22,500
- Interior painting – \$15,000
- Flooring – \$12,000
- Interior lighting updates – \$10,000
- Office furniture – \$25,000
- Roof repairs – \$75,000

The remaining balance of approximately \$40,500 is intended to serve as contingency to address unanticipated conditions, procurement variability, or minor scope adjustments. Individual work items will be procured in accordance with the City's bidding and procurement policies, using informal bid procedures as applicable.

**CEQA ANALYSIS**

The project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301 (Class 1 – Existing Facilities) of the CEQA Guidelines because it is the repair and minor alteration of the former Modified Community Correctional Facility that includes HVAC updates and repairs, interior painting, new flooring, interior lighting updates, new office furniture, and roof repairs that involve no expansion of the existing or former use.

**APPROVED BY THE CITY ATTORNEY**

Not Applicable

**ATTACHMENTS**

None