



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Regular Meeting

OCTOBER 21, 2014
CLOSED SESSION 5:00 P.M.
OPEN SESSION 6:00 P.M.
AGENDA

"Oroville - California's best opportunity for a safe and diverse quality of life"

CLOSED SESSION (5:00 P.M.)

ROLL CALL

Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 6)

RECONVENE TO OPEN SESSION

OPEN SESSION (6:00 P.M.)

PLEDGE OF ALLEGIANCE

PROCLAMATION / PRESENTATION

A *New Business Acknowledgement* and *Welcome to Oroville* for *Miner's Alley Brewing Company*.

A *New Business Acknowledgement* and *Welcome to Oroville* for *Reclaimed Dreams*.

A *New Business Acknowledgement* and *Welcome to Oroville* for *T & C Roadside Service*.

Certificates of Appreciation for *Roger Barrett* and *Erik Barrett* relating to the *Restoration of the City's 1922 Buick Touring Car*.

A *Proclamation* recognizing the *Month of October 2014* as *National Bullying Prevention Month*.

A **Presentation** by the **Oroville Kiwanis Club** relating to the **Donation of Bicycle Helmets for Community Children**.

A **Presentation** by **Greg Romsdal, Graphic Packaging International and Mike Phulps, Metal Works**, relating to **Celebrating Manufacturing & Education**.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

CONSENT CALENDAR

1. **APPROVAL OF THE MINUTES OF THE OCTOBER 7, 2014 REGULAR MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached
2. **PROFESSIONAL SERVICES AGREEMENT WITH THE OROVILLE AREA CHAMBER OF COMMERCE** – staff report

The Council may consider a Professional Services Agreement with the Oroville Area Chamber of Commerce, in the amount of \$10,000, to provide assistance to the City for marketing and tourism related activities. **(Randy Murphy, City Administrator)**

Council Action Requested: **Adopt Resolution No. 8279– A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH THE OROVILLE AREA CHAMBER OF COMMERCE TO PROVIDE ASSISTANCE TO THE CITY FOR TOURISM RELATED ACTIVITES, IN THE AMOUNT OF \$10,000 – (Agreement No. 1412-13).**

3. **INSTALLATION OF BACK-UP GENERATOR AND PROPANE TANK FOR THE BUTTE WOODS LIFT STATION** – staff report

The Council may consider the use of approximately \$5,500 in Sewer Funds for the purchase and installation of a back-up generator and propane tank for the Butte Woods Lift Station. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Authorize the use of approximately \$5,500 in Sewer Funds for the installation and purchase of a back-up generator and propane tank for the Butte Woods Lift Station.**

4. **MUNICIPAL AUDITORIUM FEE WAIVER REQUEST FROM THE COMMUNITY ACTION AGENCY OF BUTTE COUNTY, INC.** – staff report

The Council may consider a fee waiver request from the Community Action Agency of Butte County, Inc. for use of the Municipal Auditorium on December 24, 2014 for the Annual Christmas Dinner. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested: **Approve a 50% fee waiver in the amount of \$312.50 and collect the \$500.00**

refundable security deposit per Section 26-10.200 of the City Municipal Code.

PUBLIC HEARINGS

5. **INITIATION OF PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE (AREAS A & B)** – staff report

The Council may conduct a public hearing and consider the initiation of proceedings for the annexation of South Oroville, identified as Areas A & B in the *“South Oroville Areas A & B Annexation Study”*, completed by Ralph Anderson & Associates on June 27, 2014 on behalf of the City of Oroville and Butte County. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested:

1. **Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE “AREA – A”; and**
 2. **Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE “AREA – B”.**
- or*
3. **Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE “AREAS - A & B”.**

REGULAR BUSINESS

6. **SELECTION OF CHAVAN AND ASSOCIATES AS INDEPENDENT AUDITOR FOR THE CITY OF OROVILLE** – staff report

The Council may consider the selection of Chavan and Associates as the Independent Auditor for the City of Oroville. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Council Action Requested:

1. **Adopt Resolution No. 8280 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE SELECTION OF CHAVAN AND ASSOCIATES AS THE INDEPENDENT AUDITOR FOR THE CITY OF OROVILLE/OROVILLE PUBLIC FINANCING AUTHORITY/OROVILLE SUCCESSOR AGENCY AND AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CHAVAN AND ASSOCIATES FOR INDEPENDENT AUDITOR SERVICES IN THE AMOUNT OF 21,900 – (Agreement No. 3090).**
 2. **Approve Supplemental Appropriation No. 2013/14-1014-XX as indicated in the October 21, 2014 staff report.**
7. **CONSTRUCTION CONTRACT WITH MIDSTATE BARRIER, INC.** – staff report

The Council may consider a Construction Contract with Midstate Barrier, Inc. in the amount of \$25,250 for the repair of damaged guardrail sections at four locations within City limits. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Adopt Resolution No. 8281 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A CONSTRUCTION CONTRACT WITH MIDSTATE BARRIER INC., IN THE AMOUNT OF \$25,250, AND A 10% CONTINGENCY IN THE AMOUNT OF \$2,525, FOR THE REPAIR OF METAL BEAM GUARDRAIL AT FOUR LOCATIONS WITHIN CITY LIMITS – (Agreement No. 3091).**

8. RESOLUTIONS IN SUPPORT OF LEAGUE OF CALIFORNIA CITIES POSITION FOR FOUR PROPOSITIONS ON NOVEMBER 4, 2014 BALLOT – staff report

The Council may consider adopting a position in alliance with the League of California Cities (League) on Propositions 1, 2, 46 and 47 on the November 4, 2014 ballot. **(Randy Murphy, City Administrator)**

Council Action Requested:

1. **Adopt Resolution No. 8282 – A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 1 – WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014, ON THE NOVEMBER 4, 2014 BALLOT.**
2. **Adopt Resolution No. 8283 – A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 2 – RAINY DAY BUDGET STABILIZATION FUND ACT, ON THE NOVEMBER 4, 2014 BALLOT.**
3. **Adopt Resolution No. 8284 – A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 46: TROY AND ALANA PACK PATIENT SAFETY ACT OF 2014, ON THE NOVEMBER 4, 2014 BALLOT.**
4. **Adopt Resolution No. 8285 – A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 47: SAFE NEIGHBORHOODS AND SCHOOLS ACT, ON THE NOVEMBER 4, 2014 BALLOT.**

9. PURCHASE OF ARCGIS SERVER, CITY WORKS SERVER AND TRAK-IT ARCGIS SERVER STANDARD VIEWER LICENSE – staff report

The Council may consider the purchase of ArcGIS Server, City Works Server and a TRAK-iT ArcGIS Server Standard Viewer License, in the amount of \$27,905. **(Donald Rust, Director of Community Development and Tyson Pardee, IT Manager)**

Council Action Requested:

1. **Approve the purchase of ArcGIS Server, City Works Server and a TRAK-IT ArcGIS Server Standard Viewer License, in the amount of \$27,905.**
2. **Approve Supplemental Appropriation No. 2014/15-1021-XX as indicated in the October 21, 2014 staff report.**

10. ESTABLISHMENT OF A NEIGHBORHOOD ADVISORY COMMITTEE – staff report

The Council may consider the establishment of seven (7) neighborhood advisory committees that would

meet on a regular basis to discuss community/neighborhood concerns and issues with a Council member and City staff. **(Donald Rust, Director of Community Development)**

Council Action Requested: **Provide direction as necessary.**

11. AGREEMENT WITH TRACY & ASSOCIATES, INC. FOR THE SALE OF OROVILLE INN – staff report

The Council may consider the sale of Assessor's Parcel Number 012-035-005-000, commonly referred to as 2060, 2066, 2066A, 2066B, 2070, 2076, and 2090 Bird Street, Oroville to Tracy & Associates, Inc. **(Randy Murphy, City Administrator and Scott Huber, City Attorney)**

Council Action Requested: **Adopt Resolution No. 8086 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SALE OF ASSESSOR'S PARCEL NO. 012-035-005-000, COMMONLY REFERRED TO AS 2060, 2066, 2066A, 2066B, 2060, 2070, 2076, and 2090 BIRD STREET, OROVILLE ("OROVILLE INN") TO TRACY & ASSOCIATES, INC. – (Agreement No. 3092).**

12. MONTHLY SUMMARY OF INVESTMENTS AND MONTHLY FINANCIAL REPORTS FOR SEPTEMBER 2014 – reports attached

The Council will receive a copy of the Monthly Summary of Investments and the Monthly Financial Reports for September 2014. **(Randy Murphy, City Administrator)**

Council Action Requested: **Acknowledge receipt of the September 2014 Monthly Summary of Investments and Monthly Financial Reports.**

SUCCESSOR AGENCY

13. SELECTION OF CHAVAN AND ASSOCIATES AS INDEPENDENT AUDITOR FOR THE CITY OF OROVILLE – staff report

The Commission may consider the selection of Chavan and Associates as the Independent Auditor for the City of Oroville. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Commission Action Requested: **Approve the selection of Chavan and Associates as the Independent Auditor for the Oroville Successor Agency.**

14. APPROVAL OF BUDGET POLICY NO. 16 – CITY OF OROVILLE BUDGET AND PURCHASING POLICY – staff report

The Commission may consider approving Budget Policy No.16 – City of Oroville Budget and Purchasing Policy for the Oroville Public Financing Authority/Oroville Successor Agency. **(Glenn Lazof, Interim Director of Finance)**

Commission Action Requested: **Approve Budget Policy No.16 – City of Oroville Budget and Purchasing Policy.**

MAYOR/ COUNCIL REPORTS

COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS (A verbal report may be given regarding any

committee meetings attended.)

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Public Safety Department – activity report

CORRESPONDENCE

- Butte County Mosquito & Vector Control District Quarterly Report, received October 13, 2014
- State Department of Housing & Community Development Division of Financial Assistance, received October 13, 2014
- South Feather Water and Power Agency, received October 15, 2014
- Department of Alcoholic Beverage Control, received October 15, 2014

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

CLOSED SESSION

The Council will hold a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville City Employees' Association, Oroville Police Officers' Association, and Oroville Fire Fighters' Association.
2. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Director of Finance.
3. Pursuant to Government Code Section 54956.8, the Council will meet with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.
4. Pursuant to Government Code section 54956.9(a), the Council will meet with the City Administrator, Director of Community Development, and City Attorney relating to existing litigation: Americanwest Bank v. Oroville Economic and Community Development Corp., et al., Butte County Superior Court, Case No. 161808.
5. Pursuant to Government Code section 54956.9(b), the Council will meet with the City Administrator and the City Attorney regarding potential litigation – two cases.

ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, November 4,

2014 at 5:00 p.m.

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

**CITY COUNCIL MEETING MINUTES
OCTOBER 7, 2014 – 5:00 P.M.**

*This meeting was broadcast remotely via audio and/or video conference at the following address:
San Luis Inn & Suites, 404 Santa Rosa Street, San Luis Obispo, CA 93405*

The agenda for the October 7, 2014 regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at www.cityoforoville.org on Friday, October 3, 2014, at 3:38 p.m.

The October 7, 2014 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:06 p.m.

ROLL CALL

Present: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox,
Mayor Dahlmeier

Absent: None

Staff Present:

Randy Murphy, City Administrator
Bill LaGrone, Director of Public Safety
Donald Rust, Director of Community Development
Glenn Lazof, Interim Director of Finance
Gary Layman, Chief Building Official
Rick Walls, Interim City Engineer

Scott Huber, City Attorney
Karolyn Fairbanks, City Treasurer
Jamie Hayes, Assistant City Clerk
Luis Topete, Associate Planner
Allen Byers, Asst. Police Chief
David Hilson, Battalion Chief

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Dahlmeier.

PROCLAMATION / PRESENTATION

Bill LaGrone, Director of Public Safety, and Mayor Dahlmeier, presented a new badge and conducted the Oath of Office for Police Officer Perry Walters.

Mayor Dahlmeier presented Beau Hawthorne with a New Business Acknowledgement and Welcome to Oroville for Blueberry Twist.

Mayor Dahlmeier presented Tracy Reynolds, KIXE-TV Vice President and Jim Prouty, KIXE-TV Treasurer, with a Proclamation in recognition of KIXE-TV for 50 Years of Broadcasting.

Mayor Dahlmeier presented Cindy Hawthorne, Amanda Harris and Meagan Maloney with a Proclamation recognizing October 2014 as Domestic Violence Awareness Month.

Mayor Dahlmeier read a Proclamation in recognition of the Oroville Rescue Mission for 50 Years of serving the community of Oroville.

Aaron Andrus, President of A & M Vapes, gave a Presentation relating to Vaporizing/E-Cigarettes.

Mayor Dahlmeier called special attention to the month of October serving as Breast Cancer Awareness Month and Bully Prevention Month.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

Joe Wilson – Item No. 13
Stephanie Tousley – Item No. 14
David Goodson – Item No. 14
Allen Young – Item No. 14

Jared Cooley – Item No. 14
Celia Hirschman – Item No. 14
Bill Bynum – Item No. 14

CONSENT CALENDAR

A motion was made by Council Member Pittman, seconded by Council Member Berry, to approve the following Consent Calendar, with the exception of Item No. 13:

1. **APPROVAL OF THE MINUTES OF THE SEPTEMBER 16, 2014 REGULAR MEETING AND SEPTEMBER 23, 2014 SPECIAL MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached

2. **LEASE OF BUTTE COLLEGE INSTRUCTIONAL FIREARMS RANGE** – staff report

The Council considered a Letter of Agreement with Butte College relating to the use of the Butte College Instructional Firearms Range, for \$150 annually, by the Oroville Police Department for personnel training. **(Bill La Grone, Director of Public Safety)**

Council Action Requested: **Adopt Resolution No. 8263 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SAFETY TO EXECUTE A LETTER OF AGREEMENT FOR USE OF THE BUTTE COLLEGE INSTRUCTIONAL FIREARMS RANGE – (Agreement No. 1841-5).**

3. **MEMORANDUM OF UNDERSTANDING BETWEEN THE OROVILLE POLICE DEPARTMENT AND RIDEOUT HEALTH GROUP** – staff report

The Council considered a Memorandum of Understanding with Rideout Health Group to provide sexual assault examinations. **(Bill La Grone, Director of Public Safety)**

Council Action Requested: **Adopt Resolution No. 8264 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SAFETY TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE OROVILLE POLICE DEPARTMENT AND RIDEOUT HEALTH GROUP FOR SEXUAL ASSAULT EXAMINATIONS AND THE ASSOCIATED COST FOR THE EXAMINATIONS, FOR ONE YEAR (OCTOBER 2014 – NOVEMBER 2015) - (Agreement No. 3029-1).**

4. **STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION MATCHING GRANT FOR FAA AIRPORT IMPROVEMENT PROGRAM APPLICATION** – staff report

The Council considered a State of California Department of Transportation Matching Grant for FAA Airport Improvement Program Application for the Safety Area Grading and Drainage

Improvements Design Project at the Oroville Municipal Airport. (Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)

Council Action Requested: **Adopt Resolution No. 8265 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE STATE OF CALIFORNIA MATCHING GRANT FOR FAA AIRPORT IMPROVEMENT PROGRAM APPLICATION FOR THE SAFETY AREA GRADING AND DRAINAGE IMPROVEMENTS DESIGN PROJECT AT THE OROVILLE MUNICIPAL AIRPORT – (Agreement No. 3085).**

5. **AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD BRANDLEY FOR SAFETY AREA GRADING AND DRAINAGE IMPROVEMENTS DESIGN AT OROVILLE MUNICIPAL AIRPORT – staff report**

The Council considered an amendment to the Professional Services Agreement with Reinard Brandley, Consulting Airport Engineer for safety area grading and drainage improvements design at the Oroville Municipal Airport. (Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)

Council Action Requested: **Adopt Resolution No. 8266 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD W. BRANDLEY, IN THE AMOUNT OF \$47,000, FOR THE PREPARATION OF PLANS AND SPECIFICATIONS FOR THE SAFETY AREA GRADING AND DRAINAGE IMPROVEMENT PROJECT – (Agreement No. 2006-9).**

6. **REIMBURSEMENT AGREEMENT WITH PACIFIC GAS AND ELECTRIC FOR STORM DRAIN PIPE REPAIR AT THE MUNICIPAL AUDITORIUM PARKING LOT – staff report**

The Council considered a Reimbursement Agreement with Pacific Gas and Electric (PG&E) for the repair of a storm drain pipe at the Municipal Auditorium parking lot. (Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)

Council Action Requested: **Adopt Resolution No. 8267 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY FOR REIMBURSEMENT TO THE CITY OF ACTUAL COSTS FOR THE REPAIR OF A BLOCKED STORM DRAIN LOCATED BENEATH THE MUNICIPAL AUDITORIUM PARKING LOT – (Agreement No. 3086).**

7. **GROUNDWATER MONITORING WELL DESTRUCTIONS AND ACCESS AGREEMENTS FOR FORMER INDUSTRIAL WASTEWATER PONDS – staff report**

The Council considered a Construction Contract with Cascade Drilling, L.P., in the amount of \$35,800, for the destruction of groundwater monitoring wells. The Council also considered access agreements necessary for the well destructions located on property not owned by the City. (Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)

Council Action Requested:

1. **Adopt Resolution No. 8268 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A CONSTRUCTION CONTRACT WITH CASCADE DRILLING, L.P., IN AN AMOUNT NOT TO EXCEED \$35,800, FOR THE DESTRUCTION OF 14 GROUNDWATER MONITORING WELLS – (Agreement No. 3087).**
2. **Adopt Resolution No. 8269 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE FOUR ACCESS AGREEMENTS FOR THE MONITORING WELLS DESTRUCTION PROJECT – (Agreement No. 3088).**
8. **TERMINATION OF LEASE AGREEMENT AND TRANSFER OF OWNERSHIP OF A METAL BUILDING BY THE KIWANIS CLUB OF OROVILLE FOR PROPERTY LOCATED AT 2363 S. 5TH AVENUE – staff report**

The Council received an update on the termination of an existing Lease Agreement and the transfer of a metal building between the City of Oroville and the Kiwanis Club of Oroville for the property located at 2363 South 5th Avenue (APN: 035-400-022). (Donald Rust, Director of Community Development and Luis Topete, Associate Planner)

Council Action Requested: **None.**

9. **EXTENSION OF EXISTING LEASE AGREEMENT REQUEST BY THE KIWANIS CLUB OF OROVILLE – staff report**

The Council considered a request from the Kiwanis Club of Oroville for a two-year extension of an existing Lease Agreement for the storage of items in the Municipal Auditorium basement located at 1200 Myers Street (APN: 012-032-033-000). (Donald Rust, Director of Community Development and Luis Topete, Associate Planner)

Council Action Requested: **Adopt Resolution No. 8270 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXTEND AN EXISTING LEASE AGREEMENT WITH THE KIWANIS CLUB OF OROVILLE TO UTILIZE A SMALL ENCLOSED SECTION OF THE MUNICIPAL AUDITORIUM BASEMENT LOCATED AT 1200 MYERS STREET (APN: 012-032-033-000) FOR AN ADDITIONAL TWO YEARS - (Agreement No. 1603-2).**

10. **SELECTION OF BANK OF THE WEST AS THE PRIMARY BANK FOR THE CITY OF OROVILLE – staff report**

The Council considered the selection of Bank of the West as the primary bank for the City of Oroville, as recommended by the City Treasurer and staff. (Karolyn Fairbanks, City Treasurer and Glenn Lazof, Interim Director of Finance)

Council Action Requested: **Adopt Resolution No. 8271 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE SELECTION OF BANK OF THE WEST AS THE PRIMARY BANK FOR THE CITY OF OROVILLE.**

11. TIME EXTENSION OF INTERIM NEGOTIATION PERIOD OF THE MASTER LEASE AGREEMENT FOR THE OPERATION, MAINTENANCE AND MANAGEMENT OF THE OROVILLE STATE THEATRE – staff report

The Council received a report and provided direction to City staff regarding the need for a time to complete negotiations with the State Theatre Arts Guild, Inc. (STAGE) to take over the operation, maintenance and management of the Oroville State Theatre. **(Donald Rust, Director of Community Services)**

Council Action Requested: **Direct staff to continue to negotiate the final Master Lease Agreement with STAGE for the operation, maintenance and management of the Oroville State Theatre.**

12. AGREEMENT WITH MUNISERVICES, LLC FOR TAX AUDIT AND RELATED SERVICES – staff report

The Council considered an Agreement with MuniServices, LLC for sales, use and tax audit services. **(Randy Murphy, City Administrator)**

Council Action Requested: **Adopt Resolution No. 8272 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH MUNISERVICES FOR THE EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS – (Agreement No. 3089).**

13. THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)

The motion to approve the above Consent Calendar was passed by the following vote, with exception to Item No. 13:

Ayes:	Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

ITEMS REMOVED FROM THE CONSENT CALENDAR

13. REIMBURSEMENT PROGRAM WITH PACIFIC GAS AND ELECTRIC COMPANY RELATING TO VEGETATION REMOVAL AND NATURAL GAS PIPELINE SAFETY – staff report

The Council considered a Reimbursement Program with Pacific Gas and Electric Company for the removal of trees that are within City-owned/franchise property directly above or impacting natural gas pipelines within the City of Oroville. **(Donald Rust, Director of Community Development)**

This item was removed from the Consent Calendar at the request of Council Member Andoe, for questions.

PG&E Representative, Joe Wilson, answered questions relating to the removal of trees within the City limits.

Following discussion, a motion was made by Council Member Andoe, seconded by Council Member Bunker, to:

Approve the City's participation in the Reimbursement Program with Pacific Gas and Electric Company for the removal of trees that are within city-owned/franchise property directly above or impacting natural gas pipelines within the City of Oroville.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

PUBLIC HEARINGS – None

REGULAR BUSINESS

14. **DIRECTION REQUEST FOR THE INITIATION OF PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE AND OTHER UNINCORPORATED AREAS** – staff report

The Council considered formally resolving the City's intention to pursue the annexation of South Oroville and other unincorporated County properties by directing staff to bring back resolutions for the initiation of application by the City of Oroville for the annexation proposals outlined in the October 7, 2014 staff report. **(Donald Rust, Director of Community Services)**

Jared Cooley expressed concerns over public safety issues.

Stephanie Tousley, Celia Hirschman, David Goodson, Bill Bynum and Allen Young spoke in support of the City annexing South Oroville and other unincorporated County properties.

Following further discussion, a motion was made by Vice Mayor Wilcox, seconded by Council Member Bunker, to:

1. **Adopt Resolution No. 8273 – A RESOLUTION OF INTENT OF THE OROVILLE CITY COUNCIL DIRECTING STAFF TO BRING BACK A RESOLUTION OF AUTHORIZATION FOR THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE “AREA – A”.**
2. **Adopt Resolution No. 8274 – A RESOLUTION OF INTENT OF THE OROVILLE CITY COUNCIL DIRECTING STAFF TO BRING BACK A RESOLUTION OF AUTHORIZATION FOR THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE “AREA – B”.**

3. **Adopt Resolution No. 8275 – A RESOLUTION OF INTENT OF THE OROVILLE CITY COUNCIL DIRECTING STAFF TO BRING BACK A RESOLUTION OF AUTHORIZATION FOR THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF THE PACIFIC HEIGHTS AREA.**
4. **Adopt Resolution No. 8276 – A RESOLUTION OF INTENT OF THE OROVILLE CITY COUNCIL DIRECTING STAFF TO BRING BACK A RESOLUTION OF AUTHORIZATION FOR THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF THE GARDEN DRIVE AREA.**
5. **Adopt Resolution No. 8277 – A RESOLUTION OF INTENT OF THE OROVILLE CITY COUNCIL DIRECTING STAFF TO BRING BACK A RESOLUTION OF AUTHORIZATION FOR THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF EL MEDIO FIRE PROTECTION DISTRICT AREA.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Bunker, Pittman, Vice Mayor Wilcox, Mayor Dahlmeier
 Noes: Council Members Andoe, Simpson
 Abstain: None
 Absent: None

15. REVISIONS TO BUDGET POLICY NO. 16 - CITY OF OROVILLE BUDGET AND PURCHASING POLICY – staff report

The Council may consider revisions to Budget Policy No.16 - City of Oroville Budget and Purchasing Policy. **(Glenn Lazof, Interim Director of Finance)**

Following discussion, a motion was made by Council Member Pittman, seconded by Council Member Bunker, to:

Approve the revisions to Budget Policy No.16 - City of Oroville Budget and Purchasing Policy, as indicated in the October 7, 2014 staff report.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
 Noes: None
 Abstain: None
 Absent: None

16. REQUEST FOR PROPOSALS – NEW ACCOUNTING SOFTWARE – staff report

The Council provided direction to staff regarding a Request for Proposals for the purchase of new accounting software. **(Glenn Lazof, Interim Director of Finance)**

The Council directed staff to begin preparations to issue a Request for Proposals seeking a new accounting system to meet the needs of the City.

17. PURCHASE OF COMPUTER WORKSTATIONS AND OFFICE 365 – staff report

The Council considered the purchase of new workstations along with monitors. The Council also considered subscription service to Microsoft Office 365 for hosted email, email retention, email legal hold, and Microsoft Office licensing. **(Randy Murphy, City Administrator and Tyson Pardee, IT Manager)**

A motion was made by Council Member Bunker, seconded by Council Member Berry, to:

- 1. Authorize the purchase of new workstation and monitors from Dell, utilizing the Western States Contracting Alliance bid, in an amount not to exceed \$23,000; and**
- 2. Authorize the purchase of Microsoft Office 365 services; and**
- 3. Approve Supplemental Appropriation 2014/15-1007-01.**

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

18. REVISIONS TO THE FIRE DEPARTMENT POLICY MANUAL – staff report

The Council considered revisions to the Oroville Fire Department Policy Manual. **(Bill La Grone, Director of Public Safety)**

Following discussion, a motion was made by Council Member Bunker, seconded by Council Member Berry, to:

Adopt Resolution No. 8278 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE REVISIONS TO THE PROPOSED FIRE DEPARTMENT POLICY MANUAL AND ADOPTING THE POLICY MANUAL AS THE OFFICIAL OROVILLE FIRE DEPARTMENT POLICY MANUAL.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

MAYOR/ COUNCIL REPORTS

Council Member Berry commended the City Police and Public Works staff for remedying an open electrical box located at Bedrock Park.

Council Member Pittman reported his attendance to the State Parks and Recreation promotional event held at the Oroville clay pits located off of Larkin Road.

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Finance Department – activity report

Bill La Grone, Director of Public Safety, reported that the Police Department was currently hiring for multiple positions.

Don Rust, Director of Community Development, commended Park Maintenance Technician Amanda Wilkey, for her outstanding work efforts relating to the Breast Cancer Walk held at Bedrock Park.

CORRESPONDENCE

- Department of Alcoholic Beverage Control, received September 17, 2014
- Artists of River Town, received September 19, 2014
- Oroville Area Chamber of Commerce, received September 24, 2014
- League of California Cities, received September 22, 2014
- Oroville Downtown Business Association, received October 2, 2014

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON NON-AGENDA ITEMS - None

CLOSED SESSION

The Council held a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville City Employees' Association, Oroville Police Officers' Association, and Oroville Fire Fighters' Association.
2. Pursuant to Government Code Section 54957(b), the Council met with Labor Negotiators and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Director of Finance.
3. Pursuant to Government Code Section 54956.8, the Council met with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.
4. Pursuant to Government Code section 54956.9(a), the Council met with the City Administrator and City Attorney relating to existing litigation: Americanwest Bank v. Oroville

Economic and Community Development Corp., et al., Butte County Superior Court, Case No. 161808.

5. Pursuant to Government Code section 54956.9(a), the Council met with the City Administrator, City Attorney and Counsel relating to existing litigation: WGS Dental, et al., v. City of Oroville, et al., Butte County Superior Court, Case No. 152036, Third District Court of Appeals, Case No. C 077181.
6. Pursuant to Government Code section 54956.9(b), the Council met with the City Administrator and the City Attorney regarding potential litigation – two cases.

Mayor Dahlmeier announced that no actions had been taken in Closed Session and direction had been given to staff.

ADJOURNMENT

The meeting was adjourned at 8:45 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, October 21, 2014, at 5:00 p.m.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: RANDY MURPHY, CITY ADMINISTRATOR

**RE: PROFESSIONAL SERVICES AGREEMENT WITH THE OROVILLE
AREA CHAMBER OF COMMERCE**

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider a Professional Services Agreement with the Oroville Area Chamber of Commerce, in the amount of \$10,000, to provide assistance to the City for marketing and tourism related activities.

DISCUSSION

The Oroville Area Chamber of Commerce is an active member of the City of Oroville Tourism Committee providing the first place of contact for tourists and area residents seeking tourism, recreational and relocation information about Oroville. The Chamber provides periodic reports to the Council regarding the usage of the provided funds and the various activities that are benefited.

FISCAL IMPACT

Funds are available in the 2014/15 adopted budget in Fund 100 – Community Promotions for \$10,000.

RECOMMENDATIONS

Adopt Resolution No. 8279– A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH THE OROVILLE AREA CHAMBER OF COMMERCE TO PROVIDE ASSISTANCE TO THE CITY FOR TOURISM RELATED ACTIVITES, IN THE AMOUNT OF \$10,000 – (Agreement No. 1412-13).

ATTACHMENTS

Resolution No. 8279
Agreement No. 1412-13
Letter from Claudia Knaus, President & CEO, Oroville Area Chamber of Commerce

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8279**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH THE OROVILLE AREA CHAMBER OF COMMERCE TO PROVIDE ASSISTANCE TO THE CITY FOR TOURISM RELATED ACTIVITES, IN THE AMOUNT OF \$10,000

(Agreement No. 1412-13)

BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute a Professional Services Agreement with the Oroville Area Chamber of Commerce to provide assistance to the City for tourism related activities. The Agreement is attached hereto as Exhibit "A".
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered on October 21, 2014 by and between the **City of Oroville** ("City") and the **Oroville Area Chamber of Commerce** ("Consultant").

RECITALS

- A. Consultant is specially trained, experienced and competent to promote and market the Oroville community for the City of Oroville as required by this Agreement; and
- B. Consultant possesses the skill, experience, ability, background, license, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
- C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner: Consultant shall perform the services described on Exhibit A, which is attached hereto and incorporated herein by reference. Consultant shall promote and market the Oroville community for the City of Oroville in the manner specified in Exhibit A, subject to the direction of the City or its Administrator.
2. Time of Performance. The services of Consultant are to commence upon execution of this **Agreement and shall continue until June 30, 2015.**

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule of Charges set forth in Exhibit B, which is attached hereto and incorporated herein by reference. **In no event shall Consultant's compensation exceed the amount of \$10,000 without additional written authorization from the City.** Payment by City under this Agreement shall not be deemed a waiver of defects in Consultant's services, even if such defects were known to the City at the time of payment.
4. Method of Payment. Consultant shall submit quarterly billings to City describing the work performed during the preceding three months. Consultant's bills shall include a brief description of the services performed, the date the services were performed, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the quarterly invoice by City staff.
5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of Consultant's services, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without prior written authorization from City.
6. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services properly performed up to the effective date of termination.

7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City within three (3) days after written request.
8. Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in documents or works of authorship fixed in any tangible medium of expression, including but not limited to, data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (Documents and Data). Consultant shall require all subcontractors to agree in writing that City is granted a nonexclusive and perpetual license for any Documents and Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents and Data. Consultant makes no such representation and warranty in regard to Documents and Data which may be provided to Consultant by City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this

Agreement shall be at City's sole risk.

9. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

10. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant to this Agreement.

- b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.
 - c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Administrator, City Attorney, City Finance Director, or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when its practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.
 - d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above named officers, require that custody of the records be given to the City and that the records and documents be maintained by City Hall.
11. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it

may have to any such rights.

12. Interest of Consultant. Consultant (including principals, associates, and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the City or any City official, other than normal agreement monitoring; and
- b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

13. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent

professionals in Consultant's field of expertise.

14. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.
15. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are required by the City for its business.
16. Indemnity. Consultant agrees to defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising from its performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such claim arising from the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers.
17. Insurance Requirements.
Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the Agreement, the insurance coverage and policies as set forth in Exhibit C attached hereto.
18. Notices. Any notice required to be given under this Agreement shall be in writing

and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: **City Administrator
City of Oroville
1735 Montgomery Street
Oroville, CA 95965-4897**

If to Consultant: **Claudia Knaus, President and CEO
Oroville Area Chamber of Commerce
1789 Montgomery Street
Oroville, CA 95965**

19. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations are superseded in total by this Agreement.
20. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.
21. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express prior written consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the City. If City consents to such

subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

22. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
23. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
24. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Butte.
25. Litigation Expenses and Attorney's Fees. If either party to this Agreement commences any legal action against the other part arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.
26. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator,

the dispute shall be submitted to American Arbitration Association (AAA) or its successor in interest. AAA shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by AAA and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

27. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

28. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

29. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or

violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

30. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF OROVILLE

**OROVILLE AREA CHAMBER OF
COMMERCE**

By: _____
Linda L. Dahlmeier, Mayor

By: _____
Claudia Knaus, President & CEO

By: _____
Scott E. Huber, City Attorney

By: _____
Randy Murphy, City Clerk

Attachments: Exhibit A: Scope of Services
Exhibit B: Schedule of Charges
Exhibit C: Insurance Requirements

EXHIBIT A: SCOPE OF SERVICES

Oroville Visitor's Center

- Recognize the City of Oroville as sponsor on all contract-funded materials and events
- Hours open to the public Monday-Friday 10:00 AM - 2:00 PM providing an accessible area for brochure and information displays, the Chamber website www.oroillechamber.net is available 24/7, provide an accessible kiosk area attached to the building with relevant tourism information
- Distribute free visitor and relocation packets
- Distribute all applicable tourism and relocation materials to visitors and groups, and conventions
- Create and deliver to the City for mailing all visitor and relocation packets
- Manage www.oroillechamber.net as a visitor-oriented web site
- Provide a cross-link to the City's website www.cityoforoville.org and other area tourism-recreation websites
- Distribute area maps
- Manage free online community calendar of events
- Promote and distribute materials regarding community events
- Serve as liaison with community events coordinator
- Partner with other agencies in promoting the area: including, but not limited to the Oroville Tourism Committee, Paradise, Gridley, Chico, Yuba-Sutter Chambers of Commerce, Sierra-Oro Farm Trail, City of Oroville, FRRPD, Butte College, CSU Chico, DWR, California State Parks, California Fish & Game, Upstate Community Enhancement Foundation, OEDCO, GOCO

EXHIBIT B: SCHEDULE OF CHARGES

City will pay consultant in installments of \$2,500. Payment schedule will be as follows:

- September 30, 2014
- December 30, 2014
- March 30, 2015
- June 30, 2015

**EXHIBIT C:
INSURANCE REQUIREMENTS**

INSURANCE REQUIREMENTS FOR CONSULTANT

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 8 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- | | |
|---|---|
| 1. General Liability:

(Including operations products and completed operations, as applicable.) | \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and property damage. |
| 3. Employer's Liability: | \$1,000,000 per accident for bodily injury or disease. |

Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Oroville. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim

administration and defense expenses.

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Should any of the policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail 30 days written notice to the City of Oroville, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII unless otherwise acceptable to the City.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.



Mayor Linda Dahlmeier and City Council
City of Oroville
1785 Montgomery Street
Oroville, California

May 12, 2014

Dear Mayor Dahlmeier and City Council,

The Oroville Area Chamber of Commerce (Chamber) requests the renewal of the Agreement for Professional Services, 1214-12, between the City of Oroville (City) and the Chamber. The Chamber requests \$10,000. to serve as a Visitor Center for the Oroville area for the fiscal year July 2014 – June 2015.

Tourism revenues support government agencies, such as the City of Oroville, by increasing dollars spent on gasoline, groceries, lodging and retail items above and beyond what the local population spends on these items. The business community of Oroville also depends on a strong tourism market for economic health and growth.

The Oroville Area Chamber of Commerce continues to provide services to strengthen and increase tourism to the Oroville area. Chamber staff responds to over ten thousand inquiries each year. Hours of staff time are spent in meetings, planning, coordinating and executing arrangements and creating, designing and producing informational items such as brochures, posters, and flyers.

The City-Chamber partnership facilitates many things in this community allowing greater flexibility for the city in matters of production. This long term partnership has enhanced, and will continue to strengthen Oroville.

Thank you for your time and for your support of strengthening Oroville's economy through the pursuit of tourism dollars.

Sincerely,

Claudia Knaus
President and CEO
Oroville Area Chamber of Commerce

Cc: Randy Murphy, City Administrator
Jamie Hayes, Deputy City Clerk

The Chamber and Tourism

The Oroville Area Chamber of Commerce, which serves as the Visitor and Tourism Center for Oroville, currently operates with a staff equivalent of one full time person and two half time staffers. The chamber staff dedicates approximately 200 hours a month on tourism related activities including visitor center coordination and management, inquiry outbound marketing, web site maintenance and updates and dissemination of visitor propaganda.

The Office Manager, who is first in line for answering phone calls and greeting visitors, spends approximately 60% of her time working on tourism related tasks. These tasks include inventory control (brochures, etc.) writing (announcements, website updates), research and answering inquiries via phone, email or in person.

The Member Services Coordinator spends about 25% of his time on tourism related activities which include meetings, media (articles, interviews) planning and execution of projects, and answering phone, email and walk-in queries.

The President/CEO dedicates approximately 35% of her time to tourism related activities, which include meetings, research, planning and executing projects, reviewing documents and answering phone, email and walk-in inquiries..

Chamber Funding

The Chamber and the work it does for tourism is funded from a variety of sources.

Membership Dues	66%
Chamber Events	2%
Chamber Programs	5%
DWR Admin	20%
City Tourism Contract	7%
Total	100%

The Oroville business community supports 73% of the Chamber's work via membership, events and programs. Each source of income is an important factor in enabling the Chamber to effectively serve the community and encourage economic growth.

Oroville Visitor Center
Funding request \$10,000.
Scope of Service

Revised Oroville Visitor Center

- **Visitor Center is open to the public 10:00am – 2:00pm**
- **Distribute applicable tourism materials to visitors and groups, i.e. tournament anglers, boat races, car shows, RV groups, family and class reunions.**

- **Create and deliver to city for mailing Visitor and Relocation packets:**
Approximately 100 packets per year to potential visitors and residents

- **Distribute area maps**

- **Provide lobby display area dedicated to tourism**

- **Feature tourism on the chamber's website, orovillechamber.net**
286,681 website visits in 2012.

- **Cross link the City of Oroville and Chamber websites**
23,890 chamber site visits per month in 2012

- **Recognize the City of Oroville on all contract-funded materials: positive recognition and association for the City.**

- **Promote community events:** *in the chamber's digital & print newsletters and social media accounts*

- **Manage community calendar of events** *There were 182,187 visits to the community calendar in 2012.*

- **Serve as liaison with community events coordinator**

- **Partner with other agencies in promoting the area:** *Paradise, Gridley, Chico, Yuba-Sutter Chambers of Commerce, Sierra-Oro Farm Trails, City of Oroville, FRRPD, Butte College, DWR, Upstate Community Enhancement Foundation, OEDCO.*

- **Maintain representation on SBF steering committee:** *The chamber sits on the SBF committee as a non-voting member*

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR
RICK WALLS, INTERIM CITY ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: INSTALLATION OF BACK-UP GENERATOR AND PROPANE TANK
FOR THE BUTTE WOODS LIFT STATION**

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider the use of approximately \$5,500 in Sewer Funds for the purchase and installation of a back-up generator and propane tank for the Butte Woods Lift Station (BWLS).

BACKGROUND

The City owns and maintains a sewer lift station at the Butte Woods subdivision that is not equipped with a back-up generator for electrical power. Based on the pump on and off settings within the station's wet well, there exists about 500 gallons of storage capacity for the station. In the event of a power failure, City sewer crews would be required to continuously pump sewage out of the wet well to an upstream manhole until power is restored. This type of manpower response is time consuming and labor intensive for an extended power outage. Staff is proposing to purchase and install a 16KW back-up generator that would operate using propane. As stated above, the total project cost would be about \$5,000. The most expensive component for this project is the generator. Three quotes were obtained for a 16KW generator, with the costs summarized below (including sales tax):

Dan's Electrical Supply, Oroville:	\$3,816
Consolidated Electrical Distributors, Chico:	\$4,223
Jeff's Truck Service, Chico:	\$5,035

Staff is proposing to purchase a 250 gallon propane tank from Oroville K-Gas. The City would own the tank and would not be paying annual rent on the tank. K-Gas would be used to fill the tank as needed. The cost of the tank is \$965 including sales tax. The cost to fill the tank will be approximately \$632 including sales tax. The remainder of the project cost would include minor plumbing materials and electrical supplies. With the completion of this project, in the event of a power outage, the lift station would automatically convert to back-up power and operate normally. The back-up generator system would provide about 5 days of continuous run time before the propane tank would require refilling.

FISCAL IMPACT

Sewer Fund 101 has \$750,000 for Capital Assets in Adopted Budget and is slated for \$1,000,000 at November 4, 2014 revision.

Funds are available in the Sewer Fund for this project.

RECOMMENDATIONS

Authorize the use of approximately \$5,500 in Sewer Funds for the installation and purchase of a back-up generator and propane tank for the Butte Woods Lift Station.

ATTACHMENTS

Generator Quotes
K-Gas Tank Purchase Rate Sheet

Dan's Electrical Supply

385 East Parkave Chico, Ca
 95928
 Tel 530-891-4641
 Fax 530-891-4657

Quote

Name / Address
CITY OF OROVILLE 2055 LINCOLN STREET OROVILLE, CA 95966

Date	Quote #
10/14/2014	4846

P.O. No.	Rep
	KR

Qty	Item	Description	U/M	Cost	Total
1	LOT GENERATOR-OROVILLE	16KW GENERATOR 100 AMP AUTO DISCONNECT <i>(COPPERAC)</i>	ea	3,549.79	3,549.79T

We appreciate the opportunity to quote your material!	Subtotal	\$3,549.79
	Sales Tax (7.5%)	\$266.23
	Total	\$3,816.02

CED - CHICO
 1210 W. 7TH ST.
 CHICO CA 95928 USA
 TEL: (530)895-8611 FAX: (530)895-8624
 CONTACT: EHARDESTY

QUOTE FOR: CITY OF OROVILLE
 ACCT: KD-17620 CITY OF OROVILLE

FINANCE DEPARTMENT
 1735 MONTGOMERY ST.
 OROVILLE, CA 95965
 TEL: (530)538-2401

QUOTATION			PAGE 1
QUOTE # 1024078	DATE 10/13/2014	REV # 1	REV DATE 10/13/2014
QUOTE EXPIRES 11/12/2014		PREPARED BY EH	
SLS 0190		INSL 1227	
FOB SHIPPING POINT		FREIGHT PREPAID	

CUST PO #
JOB NAME

LN	QTY	PRODUCT CODE	DESCRIPTION	PRICE	PER	EXT AMT
01	1	GEN 6721	16KW (GENERAC)	0.00	E	0.00
02	1	GEN RTSR100A3	100A 3R ATS	0.00	E	0.00
03	1	GEN FRT	FRT INCLUDED IN COST	0.00	E	0.00
04	1	GEN LOT PRICE	FOR 16KW	3938.10	E	3938.10

TAX 295.36

TOTAL 4233.46

JEFF'S TRUCK SERVICE

13514 HWY 99 NORTH

CHICO, CA 95973

Bus # (530) 895-8070

WE ARE GOING GREEN! TO RECEIVE INVOICES BY FAX OR EMAIL, CALL US.

Phone

E-Mail jtsf250@yahoo.com

Fax # 530 898-8711

ESTIMATE # 501224

Monday-Saturday 8a.m.-6p.m.

Date 13 JAN 2014

Lic. BAR No. ARD 212556

EPA EPA-CAL 000294775

CITY OF OROVILLE

1735 MONTGOMERY

OROVILLE

Home # (530) 538-2491

Work # (53) 053-0916

E-Mail/Pager/Remarks/PO:

CA 95966

Cell. #

Fax:

Make GENERATOR

Model

Year 0

Miles 0.0

Vin

License 10501224

Engine

Unit

Color:

Prod.

By: 13 JAN 2014 13:21

Description of Labor / Service provided

5 year warranty

100 AMP TRANSFER SWITCH 100 TWO POLE ENTRANCE RATED RDC2

FREIGHT TO JEFF'S TRUCK SERVICE

Hrs.

Amount

0.00

150.00

Parts / Material

All parts new except as noted

Qty

Price

Amount

GENERATOR

KOHLER 14RSA

1.00

3845.00

3845.00

RXT100SE

TRANSFER SWITCH

1.00

699.00

699.00

Recommended Repairs / Notes

Original Estimate:

\$ 5,035 X:

X:

I acknowledge notice and give oral approval of an increase in the original estimate

Revision #1

\$ 0

Revision #2

\$ 0

Revision #3

\$ 0

Increase 0.00

Increase 0.00

Increase 0.00

Estimated Labor \$ 150.00

Estimated Parts (disc.) \$ 4,544.00

Estimated Envir: \$ 0.00

Shop Supplies \$ 0.00

Est. Shop/Epa SubTotal \$ 0.00

Est. SubLet (disc.) \$ 0.00

Est. Sales Tax \$ 340.80

Total Estimate \$ 5,034.80

Sales Person: 113

Account # 147

Payment 1

Payment 2

Thanks again from:

JEFF'S TRUCK SERVICE

0.00

0.00

K-GAS, INC.

2770 Feather River Blvd. • Oroville, CA 95965
www.kgaspropane.com

PROPANE TANK PURCHASE & LEASE PRICES (Sales Tax Not Included):

<u>Tank Size</u>	<u>Net Gallons</u>	<u>Purchase Price</u>	<u>Annual Lease</u>
120 gallon	100	\$ 600.00	\$ 60.00
250 gallon	225	\$ 900.00	\$ 80.00
320 gallon	275	\$1050.00	\$ 85.00
500 gallon	435	\$1300.00	\$150.00

TANK SPECIFICATIONS:

<u>Tank Size</u>	<u>Length</u>	<u>Height</u>	<u>Leg Spacing</u>	<u>Weight Empty</u>
120 gallon	30"	50"	36"	320 lbs.
250 gallon	86" (7'-2")	39"	40"	480 lbs
320 gallon	108"	39"	48"	600 lbs.
500 gallon	188"	42"	60"	910 lbs.

REGULATOR & PIGTAIL PRICES: Twin Stage (piggy back) Regulator \$90.00; Pigtail \$15.00; Regulator & Pigtail Combo \$100.00. Two Stage Regulator (over 50' run) 10 lb. Regulator and Low Pressure; Combo Regulator & Pigtail \$160.00.

TANK PLACEMENT SPECIFICATIONS: Tank must be a minimum of 10' from any structure or property line. Tank slabs should measure 3' - 4' wide by 8' - 10' long, depending on tank size. The riser should be 2' above the ground midway on the side of the slab.

PURCHASE PAYMENT TERMS: Upon purchase of tank, we request half down and offer 90 days no interest on the balance including the first fill. After 90 days there will be a charge of 1.5% interest on the remaining balance.

SALES TAX: California Sales Tax will be applied to the above tank purchases, leases and fittings.

TAX EXEMPTIONS: Pursuant to the State of California, propane usage for primary homes or for agricultural harvesting is exempt from California State Sales Tax. Secondary homes and businesses are required to pay California State Sales Tax.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: MUNICIPAL AUDITORIUM FEE WAIVER REQUEST FROM THE COMMUNITY
ACTION AGENCY OF BUTTE COUNTY, INC.**

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider a fee waiver request from the Community Action Agency of Butte County, Inc. for use of the Municipal Auditorium on December 24, 2014 for the Annual Christmas Dinner.

BACKGROUND

On September 23, 2014, the City of Oroville Community Development Department received a fee waiver request from the Community Action Agency of Butte County, Inc. for use of the Municipal Auditorium on December 24, 2014 for their annual Christmas dinner. Each year on Christmas Eve, Community Action Agency of Butte County, Inc., partnered with the Oroville Rescue Mission, provides a Christmas dinner for approximately 1,300 individuals. Gifts for children, coats and clothing are also distributed at this event, which are offered at no cost to participants. All of the food, gifts and clothing are donated. This will be the 20th year this event has been offered.

DISCUSSION

Fees for the Municipal Auditorium are \$625.00 for the first 8 hours and \$35.00 for each additional hour. Additionally, a \$500.00 refundable security deposit is required. The use of the facility will be as follows:

Activity	Times	Hours
Setup	8:00am – 11:00am	3
Event	11:00am – 3:00pm	4
Cleanup	3:00pm – 4:00pm	1

The total fees for use of the Municipal Auditorium per the hours requested are \$625.00 with

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the addition of a \$500.00 refundable security deposit.

Per the City fee waiver policy (Ordinance No. 1793) adopted on February 19, 2013, non-profit groups may qualify for up to a 50% fee waiver when the following conditions are met:

1. Non-profit organizations, as defined by the Internal Revenue Service (IRS), having IRS approved tax exempt status, formed for civic or educational purposes; and
2. The event, program, activity or improvement is of public benefit to the City of Oroville and/or surrounding community, or a significant portion of its residents; and
3. The event, program, activity, or improvement is open to the public; and
4. The event, program activity, or improvement does not significantly impact City Departments, services, operations or activities.

Additionally, all fee waiver requests must be received by the City at least 90 days prior to the actual date of the event. Any fee waivers that may be granted do not relieve the applicant from providing required insurance/indemnification, from obtaining other permits as required for the event, and from providing required security/damage deposit.

Per the existing fee waiver policy, the applicant qualifies for a 50% fee waiver. However, applicant is requesting a full waiver of all fees.

FISCAL IMPACT

Total fees that would be collected for the rental of the Municipal Auditorium if no fee waiver is granted would be \$625.00. Fiscal impact varies according to Council action taken.

The staff recommended \$312.50 fee waiver would bring cumulative fee waivers for fiscal year-to-date to \$10,840, representing 83% of the fee waiver reserve granted with 65% of the fiscal year remaining.

RECOMMENDATION

Approve a 50% fee waiver in the amount of \$312.50 and collect the \$500.00 refundable security deposit per Section 26-10.200 of the City Municipal Code.

ATTACHMENTS

- A – Facility Use Fee Waiver Application
- B – Application for Use of Facility

COPY



DISCOVER GOLD . . . DISCOVER OROVILLE

CITY OF OROVILLE
Parks and Trees Department

RECEIVED

1735 MONTGOMERY STREET – OROVILLE, CALIFORNIA 95965
Phone: 530-538-2415 Fax 530-538-2417

SEP 23 2014

FACILITY USE FEE WAIVER APPLICATION

CITY OF OROVILLE
PLANNING DEPT.

For Office Use Only

FY _____ APPL# _____ AMTS _____ APPROVED _____ DENIED _____

Important: Please complete the entire form, including budget and narrative requirements. Incomplete forms will be returned. Your completed application with supplemental materials must be submitted to the address listed above a minimum of sixty (60) days prior to the event date.

Section A – Applicant Information

Community Action Agency of Butte County, Inc.
Applicant Legal Organization Name DBA (including doing business as...Organization Name)

181 E. Shasta Ave. Chico, CA 95973
Organization Local Address

P.O. Box 6369 Chico, CA 95927
Organization Mailing Address City/State Zip Code

Jaclyn Mattson, Executive Assistant Thomas P. Tenorio, Chief Executive Officer
Contact Person Title

530-712-2881 530-895-1848
Daytime Phone Evening Phone Fax

jmattson@buttecaa.com ttenorio@buttecaa.com
Email address

Type of Organization: 501 (c) (Please specify type of 501 status): 501(c) (3) Tax Exempt
 Government Entity Other (Explain)

Requesting Waiver For (name of event/program) Oroville Rescue Mission

Is this activity an annual event or a one time only event? Annual

City Facility Requested Oroville Municipal Auditorium

Total Facility Fee Charged \$ 625.00

Total Fee Waiver Requested \$ 625.00

Section B – Budget Information Applicant Name Community Action Agency of Butte County, Inc.

The following information is required in order for the City to consider waiving the Facility Use Fee. Only direct event or program fee may be listed.

EVENT OR PROGRAM EXPENSES

EVENT OR PROGRAM INCOME

<p>A. Salaries / Fees</p> <p>1. Artists/Performers/Speakers/Contracted Staff \$ <u>0</u></p> <p>2. Administrative \$ <u>0</u></p> <p>3. Program Staff \$ <u>0</u></p> <p>4. Other (Specify) \$ <u>0</u></p> <p>A. Total Salaries / Fees \$ <u>0</u></p> <p>B. Space Rental (non - City) \$ <u>0</u></p> <p>C. Remaining Costs (Itemized)</p> <p>1. Equipment rental \$ <u>0</u></p> <p>2. Printing \$ <u>0</u></p> <p>3. Supplies \$ <u>0</u></p> <p>4. Food \$ <u>0</u></p> <p>5. Trophies \$ <u>0</u></p> <p>6. Travel \$ <u>0</u></p> <p>7. Insurance \$ <u>0</u></p> <p>8. Other (explain) \$ _____</p> <p>C. Total Remaining Costs \$ <u>0</u></p> <p>D. City Facility Use Fees \$ <u>0</u></p> <p>Attach additional pages as needed to illustrate details of expenses listed above.</p> <p>TOTAL Event/Program Operating Expenses (A+B+C+D) \$ _____</p>		<p>A. Registration Income \$ <u>-0-</u> _____ participants x \$ _____ registration fee</p> <p>B. Donations or Sponsorships</p> <p>1. Corporate / Business \$ _____</p> <p>2. Foundations \$ _____</p> <p>3. Clubs / Organizations \$ _____</p> <p>4. Other (specify) \$ _____</p> <p>B. Total Donations/Sponsorship Total \$ _____</p> <p>C. Other Income \$ _____</p> <p>Explain Other Income Source: _____</p> <p>TOTAL Event/Program OPERATING INCOME (A+B+C) \$ <u>0</u></p>
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SECTION C

Authorized Signatures: The signature below is that of a person authorized to testify as to the accuracy of this application.

Signature Thomas P. Tenorio Title Chief Executive Officer Date 9/23/14

Reviewed by Committee/staff member: _____ Date: _____ Signature: _____

Fee Waiver approved _____

Fee Waiver Denied _____

Program Narratives (attach additional pages if necessary)

1. Explain the event/program:

Each year on Christmas Eve, Community Action Agency of Butte County, Inc., partnered with the Oroville Rescue Mission, provides a Christmas dinner for approximately 1300 individuals. Gifts for children, coats and clothing, are also distributed at this event, which is offered at no cost to participants.

All of the food, gifts, clothing are donated.

2. Is this the first year for this event/program or has it been offered previously? If it has been offered previously, please list number of years it has been offered.

This will be the 20th year this event has been offered.

3. What age groups are targeted? All

4. What are the event/program dates? December 24, 2014

5. Is there an admission/access charge? Yes No Is it open to the public? Yes No

6. What City Facility is needed for this event/program? Oroville Municipal Auditorium

7. Have you paid City Facility Use Fees for the event/program before? No

a. If yes, list amount paid _____

b. If no, who authorized previous fee waiver? _____

8. Describe the public value and benefit to the Oroville community: _____

This is a community-based event, open to the whole public. Many volunteers serve and engage with members of the community, providing a holiday meal and event for many who otherwise might not have anywhere else to go for a Christmas meal.

9. Explain why paying City Facility Use Fee causes a significant financial burden for this event/program.

As this event charges no admission, it is also operated solely through food, gifts, and clothing donations, as well as many hours of volunteer service. This is a non-profit organization working to demonstrate and provide a quality of life event for many in the community.

COPY

Print Form

Submit by Email



RECEIVED

SEP 23 2014

CITY OF OROVILLE
PLANNING DEPT.

CITY OF OROVILLE

PARKS-AND-TREES-DEPARTMENT-(530)-538-2415; FAX: (530)-538-2417

Email: info@cityoforoville.org

APPLICATION FOR USE OF FACILITY

SECTION I - To be completed by requestor.

Oroville Municipal Auditorium:

Organization/Group Community Action Agency of Butte County, Inc. Date September 23, 2014

Contact Name Thomas P. Tenorio

Title Chief Executive Officer Address P.O. Box 6369

City Chico State CA Zip 95927

Telephone 530-712-2881 (Jaclyn) Cell Phone 530-712-2881 Fax 530-895-1848

Email Address: jmattson@buttecaa.com (Executive Assistant) ttenorio@buttecaa.com

AREA TO BE USED:: Main Hall Meeting Room Kitchen Grounds Parking Lot

DAY/DATE REQUESTED:

Setup: Date Dec. 24, 2014 From 8:00 a.m. To 11:00 a.m.

Event: Date Dec. 24, 2014 From 11:00 a.m. To 3:00 p.m.

Date _____ From _____ To _____

Cleanup: Date Dec. 24, 2014 From 3:00 p.m. To 4:00 p.m.

TYPE OF ACTIVITY: Wedding Reception Dinner/Luncheon/Breakfast
 Dance/Concert Family Reunion Anniversary Bazaar/Market, etc.
 Class Reunion Meeting Community Event Non-profit Organization
 Other (describe): _____

Anticipated Number Attending Event 1300

Is Event Open to the Public? Yes No
Serving Food and/or Beverages? Yes No
Charging Admission? Yes No
Serving Alcoholic Beverages? Yes No
Accepting Donations? Yes No
Selling Alcoholic Beverages? Yes No
Selling Goods to the Public? Yes No
Using Candles for Decoration? Yes No

FACILITY REQUIREMENTS:

HOURS – BUILDING: Sunday – Thursday: Function must end by 11:00 pm with clean-up completed by 12:00 pm;
Friday & Saturday: Function must end by 1:00 am with clean-up completed by 2:00 am
GROUNDS: Daily: Outside activities are limited to the hours between 6:00 am and 10:00 pm

SMOKING – ABSOLUTELY NO SMOKING ALLOWED INSIDE CITY FACILITIES, NOR WITHIN 20 FEET OF A MAIN EXIT, ENTRANCE OR OPERABLE WINDOW. (AB 846)

INSURANCE – CERTIFICATE OF INSURANCE naming the City of Oroville and their officers, agents, and employees added as additionally insured for the date(s) that the Oroville Municipal Auditorium is being used in the amount of \$1,000,000.

ALCOHOLIC BEVERAGES –

1. SECURITY GUARDS may be REQUIRED if selling or serving alcoholic beverages.
2. If required Renter shall provide a copy of the paid SECURITY AGREEMENT prior to event.
3. If required Security guards are required ½-hour prior to event and must remain until the end of the event.
4. All alcoholic beverages served or sold MUST REMAIN ON PREMISES.
5. Alcoholic beverages shall not be served, sold or consumed by anyone UNDER THE AGE OF 21 on the premises.
6. Use of alcoholic beverages on the premises must be IN COMPLIANCE WITH THE REGULATIONS OF THE STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL.

APPLICANT GUARANTEES THAT ALL INFORMATION PROVIDED HEREIN IS A TRUE AND CORRECT REPRESENTATION OF THE INTENDED EVENT. FALSIFICATION OF ANY DISCLOSURE FOR THE PURPOSE OF AVOIDING THE HIRING OF SECURITY PERSONNEL, MANIPULATING THE COSTS OF RENTAL FEES OR DEPOSITS OR CIRCUMVENTING ANY OF THE OTHER REQUIREMENTS OF THE RENTAL AGREEMENT SHALL RENDER THIS APPLICATION AND ANY SUBSEQUENT RENTAL AGREEMENT VOID WITH FORFEITURE OF ANY PORTION OF THE SECURITY DEPOSIT AS DEEMED NECESSARY. IN THE EVENT THAT THE SECURITY DEPOSIT IS NOT RECEIVED FROM APPLICANT WITHIN SEVENTY-TWO (72) HOURS OF NOTIFICATION OF APPROVAL TO RENT, APPROVAL MAY BE RESCINDED AND THE PREMISES MAY BE RENTED TO ANOTHER PARTY.

Requested By: _____

(Must be 21 years of age or older)

DATE: _____

9/23/14

You may fax your application to 530-538- 2417 or e-mail it to info@cityoforoville.org (by clicking on the e-mail button on page 1). The City of Oroville may require an original signature on an application at any point during the process.

OROVILLE MUNICIPAL AUDITORIUM FEE SCHEDULE

Initial here: _____ \$625.00 for the first eight (8) hours includes one staff member

Initial here: _____ \$35.00 per hour for each hour over eight (8) hours

Initial here: _____ \$35.00 per hour for each City staff required over eight (8) hours (minimum of one staff member is required for all events)

Initial here: _____ \$500.00 refundable security deposit required

Upon completion submit this application by e-mail, mail, fax, or hand deliver to:

City of Oroville
Parks and Trees Department
1735 Montgomery Street
Oroville, CA 95965

Fax (530) 538-2417

Email: info@cityoforoville.org

SECTION II – to be completed by City of Oroville

The request for use of the Oroville Municipal Auditorium is: approved _____ denied _____

Special conditions for approval:

Reason(s) for denial:

Signature: _____ Date: _____

Applicant notified on: _____ by telephone: _____ email: _____ letter: _____

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR DAHLMEIER, COUNCIL MEMBERS AND
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: INITIATION OF PROCEEDINGS FOR THE ANNEXATION OF SOUTH
OROVILLE (AREAS A & B)**

DATE: OCTOBER 21, 2014

SUMMARY

The Council may conduct a public hearing and consider the initiation of proceedings for the annexation of South Oroville identified as Areas A & B in the "*South Oroville Areas A & B Annexation Study*", completed by Ralph Andersen & Associates on June 27, 2014 on behalf of the City of Oroville and Butte County.

BACKGROUND

In 2011 the City of Oroville developed an annexation strategy which includes three phases: (1) annexation of all existing unincorporated islands that are "substantially" surrounded by the City of Oroville; (2) update the City's SOI; and (3) commence the appropriate steps for the prudent annexation of South Oroville.

DISCUSSION

PHASE 1: At their April 5, 2011 meeting, the City Council directed staff to initiate the island annexations in coordination with the Butte Local Agency Formation Commission (LAFCo). At their November 15, 2011 meeting, the City Council adopted Resolution No. 7809 authorizing the initiation of application by the City of Oroville requesting the Butte LAFCo take proceedings for the annexation of the specified island areas (7 total). In August of 2012, six of the seven island annexations were approved and phase one of the City's annexation strategy was substantially completed.

PHASE 2: At their April 17, 2012 meeting, the City Council adopted Resolution No. 7917 authorizing the initiation of application by the City of Oroville requesting the Butte LAFCo initiate proceedings for the update to the City's SOI. On June 29, 2012, Butte LAFCo accepted an application and a \$20,000 deposit to process the City of Oroville's update of the SOI which is still currently underway as part of phase two of the City's annexation strategy. On October 13, 2014 the City received the Administrative Draft of

CC-5

the SOI update from Butte LAFCo which is currently under review.

PHASE 3: At their October 7, 2014 meeting, the City Council adopted Resolution No. 8273 and 8274, directing staff to bring back a resolution of authorization for the initiation of application by the City of Oroville requesting the Butte LAFCo to take proceedings for annexation of South Oroville Areas A & B. As a result, this proposal to initiate proceedings for the annexation of South Oroville Areas A & B is being presented to the Council.

ENVIRONMENTAL REVIEW

The existing pre-zoning designations have been previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse #: 2008022024) which was certified by the Oroville City Council on June 2, 2009 along with the adoption of the Oroville 2030 General Plan. There is no change in the pre-zoning designations analyzed by the EIR. Any new development project in the proposed annexation areas will require the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA).

The initiation of proceedings for the annexation of South Oroville "Area - A" has been determined to be exempt from CEQA review pursuant to the California Code of Regulations, Title 14, Section 15319, "Annexations of Existing Facilities and Lots for Exempt Facilities." Class 19 consists of annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facility. Thus, this project is exempt from CEQA.

The initiation of proceedings for the annexation of South Oroville "Area - B" has been determined to be exempt from CEQA review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3), commonly known as the "general rule." A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It has been determined that there is no possibility that the annexation will have a significant effect on the environment that was not previously analyzed under the EIR specified above. Thus, this project is exempt from CEQA.

FISCAL IMPACT

In the spirit of cooperation, it is the intention of the City to request that Butte County pay for the Butte LAFCo processing fees (the full cost payment of Butte LAFCo staff time and materials to fully process the annexation request) associated with the City of Oroville's application for the annexation of South Oroville referred to as "Area - A". City

will be responsible for all applicable fees associated with the applications for the annexation of South Oroville referred to as "Area – B".

Funds budgeted in Annexation Fund 710 should be adequate to cover City costs for Area B.

RECOMMENDATION

1. Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREA – A"; *and*
2. Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREA – B".

or

3. Adopt Resolution No. TBD – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREAS - A & B".

ATTACHMENTS

- A – Resolution No. TBD
- B – Resolution No. TBD
- C – Resolution No. TBD
- D – Draft Application for Annexation "Area – A"
- E – Draft Application for Annexation "Area – B"

EXHIBIT - A

CITY OF OROVILLE RESOLUTION NO. TBD

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREA - A"

WHEREAS, Government Code Section 56375(a) requires the approval of the Local Agency Formation Commission (LAFCo) for the annexation of properties within the County's jurisdiction into the City's boundaries; and

WHEREAS, the City of Oroville desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with §56000 of the California Government Code, for the annexation of the properties identified as South Oroville "Area -A" (**Exhibit - A**); and

WHEREAS, all of the parcels in South Oroville "Area-A" are within County Service Area (CSA) 17 (**Exhibit - B**), which has two zones of benefit: Zone 1 provides funds for street light maintenance and operations and Zone 2 provides funds for alley maintenance; and

WHEREAS, the annexation of South Oroville "Area -A" to the City, as proposed, is consistent in all respects with the Sphere of Influence adopted by Butte LAFCo for the City of Oroville pursuant to California Government Code Section 56425; and

WHEREAS, the City of Oroville has pre-zoned the areas to be annexed and the pre-zoning designations are generally consistent with Butte County's zoning designation for the properties; and

WHEREAS, the annexation and allowable uses of the subject properties are consistent with the City's General Plan; and

WHEREAS, a plan for providing municipal services to the subject properties following their annexation to the City has been prepared in the manner required by California Government Code Section 56653; and

WHEREAS, the existing pre-zoning designations have been previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse #: 2008022024) which was certified by the Oroville City Council on June 2, 2009 along with the adoption of the Oroville 2030 General Plan. There is no change in the pre-zoning designations analyzed by the EIR. Any new development project in the proposed annexation areas will require the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA); and

WHEREAS, the City of Oroville, acting as the lead agency for the project pursuant

to the requirements of CEQA, has reviewed the proposed project and finds that the project meets the requirements of a Categorical Exemption pursuant to the California Code of Regulations, Title 14, Section 15319, "Annexation of Existing Facilities and Lots for Exempt Facilities," exempting this action from CEQA; and

WHEREAS, this Council certifies that an Agreement regarding the negotiated exchange of property tax revenues relating to jurisdictional changes, pursuant to Section 99 (b) of the Tax and Revenue Code, was executed by the City and the County on February 4, 1980, and remains in full force and effect; and

WHEREAS, notice of intent to adopt this resolution was published in a newspaper of general circulation in the affected area.

NOW, THEREFORE, BE IT RESOLVED BY THE OROVILLE CITY COUNCIL AS FOLLOWS:

1. This Resolution of Application is hereby adopted and approved by the Oroville City Council requesting the Butte LAFCo to take proceedings for the annexation of the territory as depicted in **Exhibit - A** in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.
2. Waive the application of the Streets and Highway Code Section 22613, and find that the exclusion of any parcel in this area from CSA 17 would deprive this area of needed services to ensure the health and safety of the residents of the area, and find that a waiver would not affect the ability of the City of Oroville to provide any services.
3. That the Mayor is hereby authorized to execute a letter agreement with Butte County to provide a portion of the funds collected through CSA 17 to the City of Oroville in exchange for providing the services of CSA 17 to the parcels within the City limits.
4. Butte LAFCo is requested to make this change of organization without terms and conditions.
5. The Mayor is hereby authorized and directed to execute all documents related to the proposed annexation.
6. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held on October 21, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

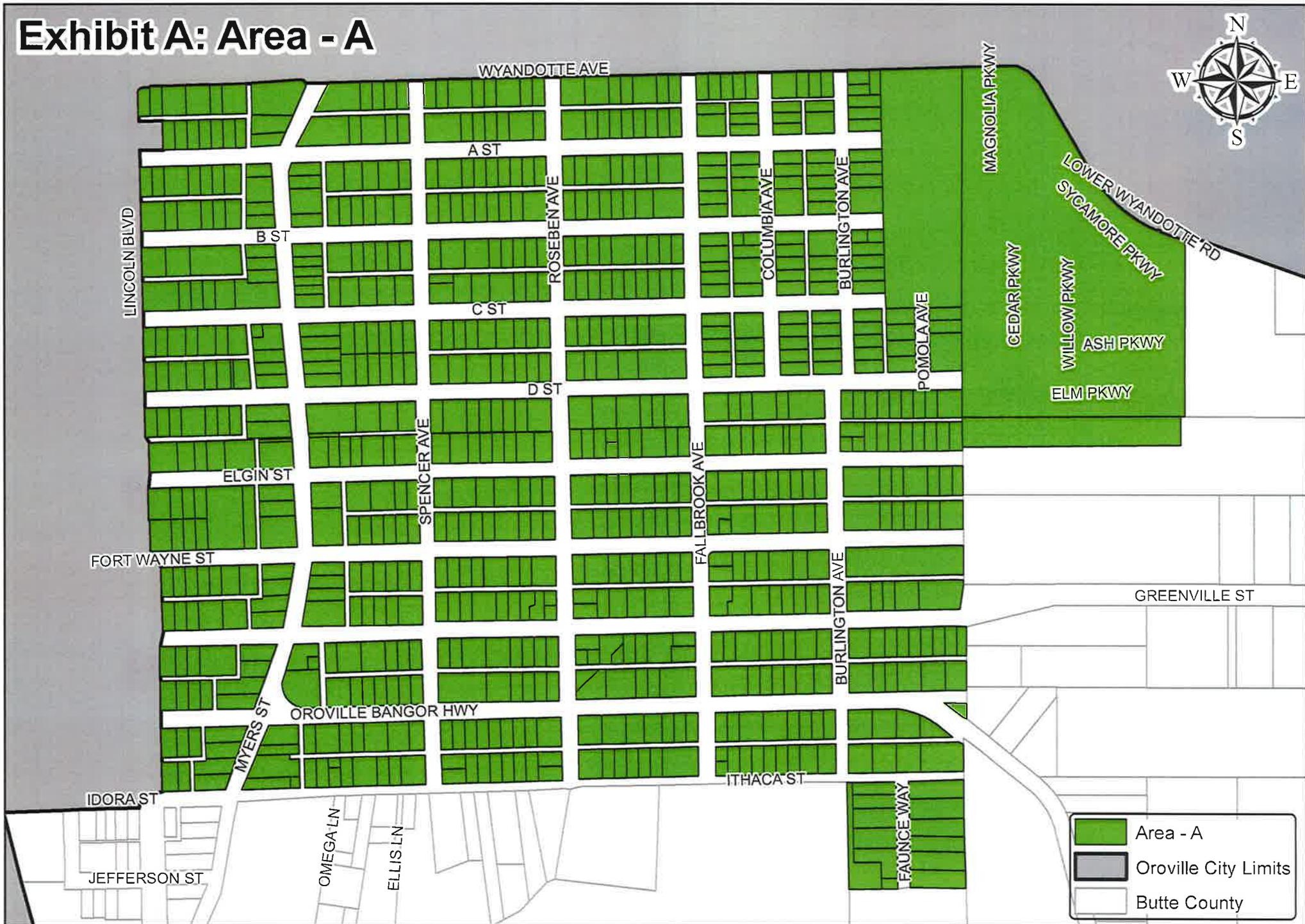
Scott E. Huber, City Attorney

Randy Murphy, City Clerk

Exhibit

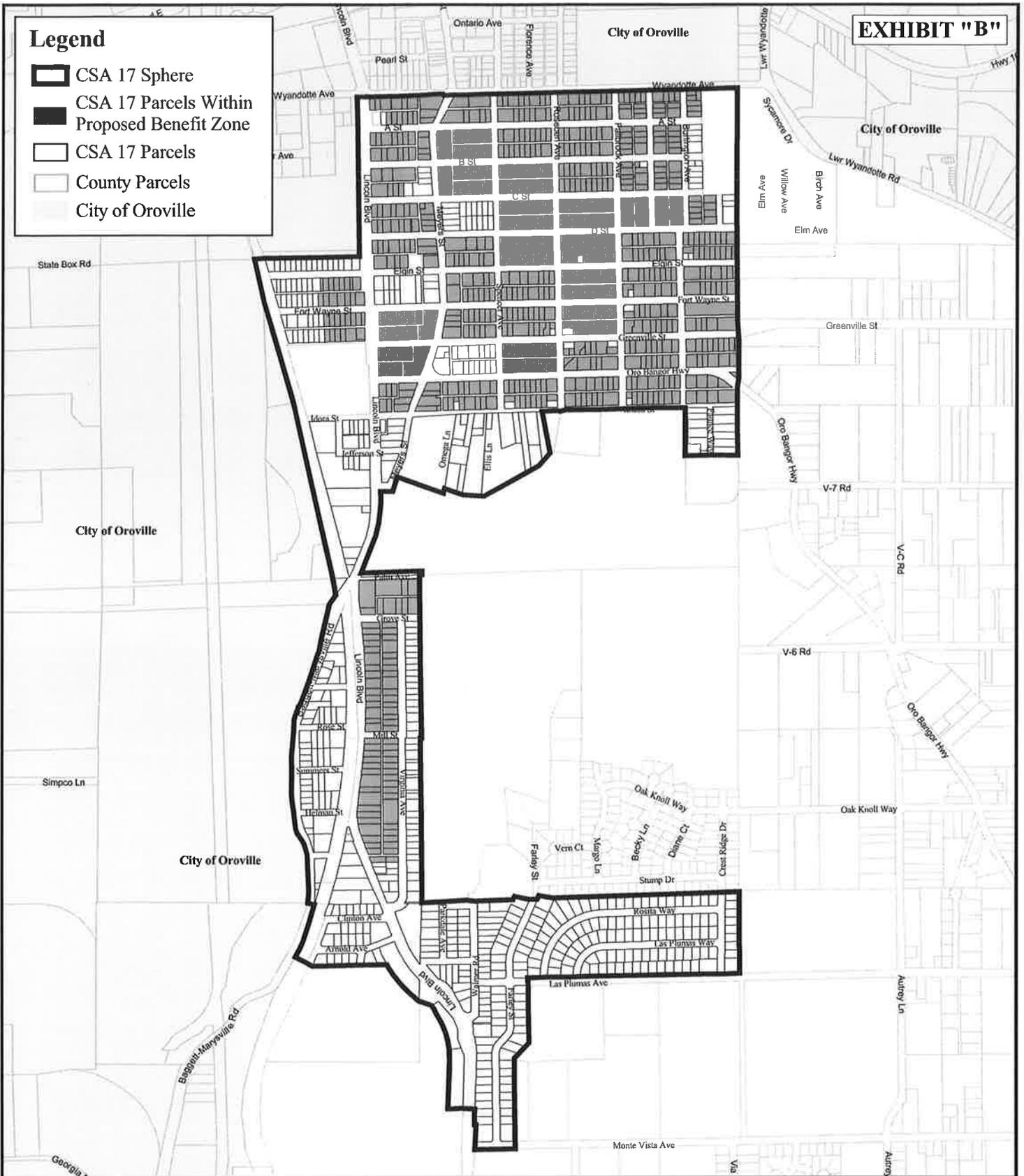
- A – Map of South Oroville “Area – A”
- B – County Service Area 17

Exhibit A: Area - A



Legend

-  CSA 17 Sphere
-  CSA 17 Parcels Within Proposed Benefit Zone
-  CSA 17 Parcels
-  County Parcels
-  City of Oroville



BUTTE LOCAL AGENCY FORMATION COMMISSION

Butte County - CSA 17 Benefit Zone (Alley Maintenance)



200 0 200 400 600 Feet

Applicant: Butte County

Hearing Date: June 1, 2006 @ 9:00 a.m.

File: 06-20

Data Source: Butte County & LAFCO

EXHIBIT - B

CITY OF OROVILLE RESOLUTION NO. TBD

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREA - B"

WHEREAS, Government Code Section 56375(a) requires the approval of the Local Agency Formation Commission (LAFCo) for the annexation of properties within the County's jurisdiction into the City's boundaries; and

WHEREAS, the City of Oroville desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with §56000 of the California Government Code, for the annexation of the properties identified as South Oroville "Area -B" (**Exhibit - A**); and

WHEREAS, the parcels in South Oroville "Area -B" are within County Service Area (CSA) 33 (**Exhibit - B**); and

WHEREAS, the annexation of South Oroville "Area -B" to the City, as proposed, is consistent in all respects with the Sphere of Influence adopted by Butte LAFCo for the City of Oroville pursuant to California Government Code Section 56425; and

WHEREAS, the City of Oroville has pre-zoned the areas to be annexed and the pre-zoning designations are generally consistent with Butte County's zoning designation for the properties; and

WHEREAS, the annexation and allowable uses of the subject properties are consistent with the City's General Plan; and

WHEREAS, a plan for providing municipal services to the subject properties following their annexation to the City has been prepared in the manner required by California Government Code Section 56653; and

WHEREAS, the existing pre-zoning designations have been previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse #: 2008022024) which was certified by the Oroville City Council on June 2, 2009 along with the adoption of the Oroville 2030 General Plan. There is no change in the pre-zoning designations analyzed by the EIR. Any new development project in the proposed annexation areas will require the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA); and

WHEREAS, the City of Oroville, acting as the lead agency for the project pursuant to the requirements of CEQA, has reviewed the proposed project and finds that the project meets the requirements of a General Rule Exemption pursuant to the California Code of

Regulations, Title 14, Section 15061(b)(3), exempting this action from CEQA; and

WHEREAS, this Council certifies that an Agreement regarding the negotiated exchange of property tax revenues relating to jurisdictional changes, pursuant to Section 99 (b) of the Tax and Revenue Code, was executed by the City and the County on February 4, 1980, and remains in full force and effect; and

WHEREAS, notice of intent to adopt this resolution was published in a newspaper of general circulation in the affected area.

NOW, THEREFORE, BE IT RESOLVED BY THE OROVILLE CITY COUNCIL AS FOLLOWS:

1. This Resolution of Application is hereby adopted and approved by the Oroville City Council requesting Butte LAFCo to take proceedings for the annexation of the territory as depicted in **Exhibit - A** in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.
2. Waive the application of the Streets and Highway Code Section 22613, and find that the exclusion of any parcel in this area from CSA 33 would deprive this area of needed services to ensure the health and safety of the residents of the area, and find that a waiver would not affect the ability of the City of Oroville to provide any services.
3. That the Mayor is hereby authorized to execute a letter agreement with Butte County to provide a portion of the funds collected through CSA 33 to the City of Oroville in exchange for providing the services of CSA 33 to the parcels within the City limits.
4. Butte LAFCo is requested to make this change of organization without terms and conditions.
5. The Mayor is hereby authorized and directed to execute all documents related to the proposed annexation.
6. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held on October 21, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

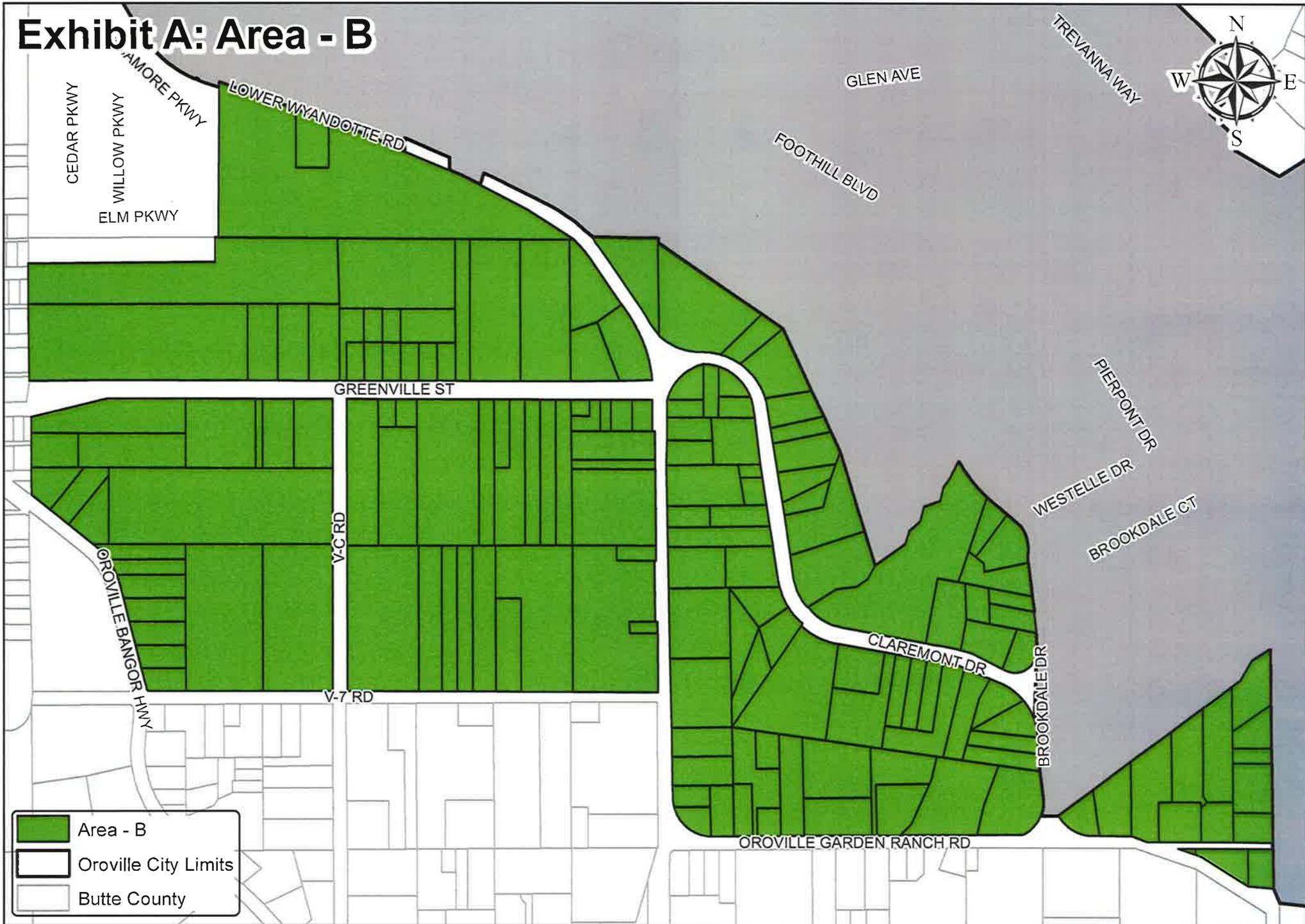
Randy Murphy, City Clerk

Exhibit

A – Map of South Oroville “Area – B”

B – County Service Area 33

Exhibit A: Area - B



0 0.1 0.2 0.4 0.6 Miles



Produced By: City of Oroville
October 1, 2014

EXHIBIT - C

CITY OF OROVILLE RESOLUTION NO. TBD

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE INITIATION OF APPLICATION BY THE CITY OF OROVILLE REQUESTING THE BUTTE COUNTY LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE ANNEXATION OF SOUTH OROVILLE "AREAS - A & B"

WHEREAS, Government Code Section 56375(a) requires the approval of the Local Agency Formation Commission (LAFCo) for the annexation of properties within the County's jurisdiction into the City's boundaries; and

WHEREAS, the City of Oroville desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with §56000 of the California Government Code, for the annexation of the properties identified as South Oroville "Areas – A & B" (**Exhibit - A**); and

WHEREAS, all of the parcels in South Oroville "Area-A" are within County Service Area (CSA) 17 (**Exhibit – B**), which has two zones of benefit: Zone 1 provides funds for street light maintenance and operations and Zone 2 provides funds for alley maintenance; and

WHEREAS, the parcels in South Oroville "Area –B" are within County Service Area (CSA) 33 (**Exhibit – C**); and

WHEREAS, the annexation of South Oroville "Areas – A & B" to the City, as proposed, is consistent in all respects with the Sphere of Influence adopted by Butte LAFCo for the City of Oroville pursuant to California Government Code Section 56425; and

WHEREAS, the City of Oroville has pre-zoned the areas to be annexed and the pre-zoning designations are generally consistent with Butte County's zoning designation for the properties; and

WHEREAS, the annexation and allowable uses of the subject properties are consistent with the City's General Plan; and

WHEREAS, a plan for providing municipal services to the subject properties following their annexation to the City has been prepared in the manner required by California Government Code Section 56653; and

WHEREAS, the existing pre-zoning designations have been previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse #: 2008022024) which was certified by the Oroville City Council on June 2, 2009 along with the adoption of the Oroville 2030 General Plan. There is no change in the pre-zoning designations analyzed by the EIR. Any new development project in the proposed annexation areas will require the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA); and

WHEREAS, the City of Oroville, acting as the lead agency for the project pursuant to the requirements of CEQA, has reviewed the proposed project and finds that "Area – A" meets the requirements of a Categorical Exemption pursuant to the California Code of Regulations, Title 14, Section 15319, "Annexation of Existing Facilities and Lots for Exempt Facilities," exempting this action from CEQA; and

WHEREAS, the City of Oroville, acting as the lead agency for the project pursuant to the requirements of CEQA, has reviewed the proposed project and finds that "Area – B" meets the requirements of a General Rule Exemption pursuant to the California Code of Regulations, Title 14, Section 15061(b)(3), exempting this action from CEQA; and

WHEREAS, this Council certifies that an Agreement regarding the negotiated exchange of property tax revenues relating to jurisdictional changes, pursuant to Section 99 (b) of the Tax and Revenue Code, was executed by the City and the County on February 4, 1980, and remains in full force and effect; and

WHEREAS, notice of intent to adopt this resolution was published in a newspaper of general circulation in the affected area.

NOW, THEREFORE, BE IT RESOLVED BY THE OROVILLE CITY COUNCIL AS FOLLOWS:

1. This Resolution of Application is hereby adopted and approved by the Oroville City Council requesting the Butte LAFCo to take proceedings for the annexation of the territory as depicted in **Exhibit - A** in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.
2. Waive the application of the Streets and Highway Code Section 22613, and find that the exclusion of any parcel in this area from CSA 17 and 33 would deprive this area of needed services to ensure the health and safety of the residents of the area, and find that a waiver would not affect the ability of the City of Oroville to provide any services.
3. That the Mayor is hereby authorized to execute a letter agreement with Butte County to provide a portion of the funds collected through CSA 17 and 33 to the City of Oroville in exchange for providing the services of CSA 17 and 33 to the parcels within the City limits.
4. Butte LAFCo is requested to make this change of organization without terms and conditions.
5. The Mayor is hereby authorized and directed to execute all documents related to the proposed annexation.
6. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held on October 21, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

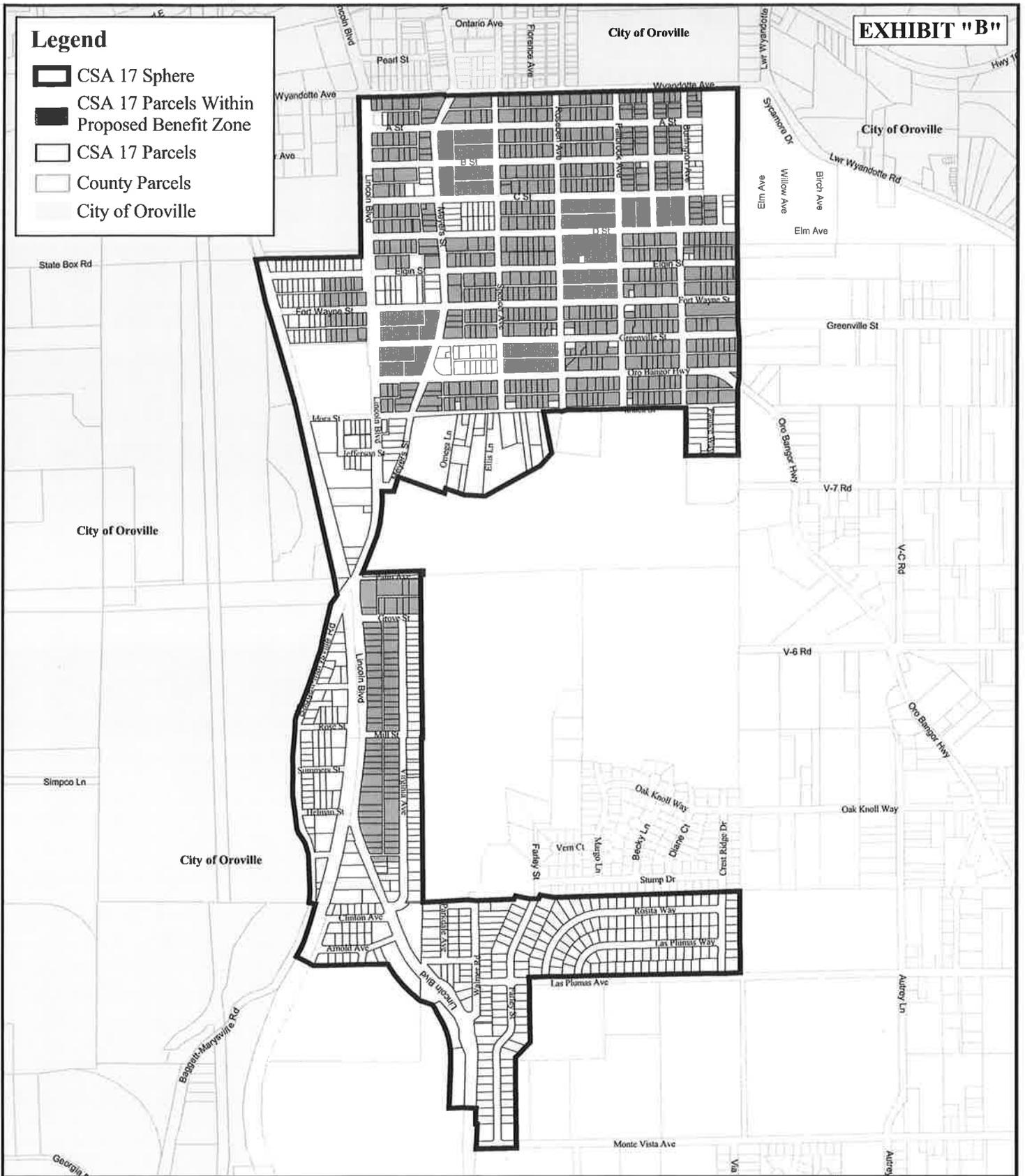
Randy Murphy, City Clerk

Exhibit

- A – Map of South Oroville “Areas – A & B”
- B – County Service Area 17
- C – County Service Area 33

Legend

-  CSA 17 Sphere
-  CSA 17 Parcels Within Proposed Benefit Zone
-  CSA 17 Parcels
-  County Parcels
-  City of Oroville



BUTTE LOCAL AGENCY FORMATION COMMISSION

Butte County - CSA 17 Benefit Zone (Alley Maintenance)



200 0 200 400 600 Feet

Data Source: Butte County & LAFCO

Applicant: Butte County

Hearing Date: June 1, 2006 @ 9:00 a.m.

File: 06-20

To Come Under Separate Cover

Attachment D – Draft Application for Annexation “Area – A”

To Come Under Separate Cover

Attachment E – Draft Application for Annexation “Area – B”

**OROVILLE CITY COUNCIL/OROVILLE PUBLIC FINANCING
AUTHORITY/OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS/CHAIRPERSON AND
COMMISSIONERS**

**FROM: GLENN LAZOF, INTERIM FINANCE DIRECTOR
RANDY MURPHY, CITY ADMINISTRATOR**

**RE: SELECTION OF CHAVAN AND ASSOCIATES AS INDEPENDENT
AUDITOR FOR THE CITY OF OROVILLE**

DATE: OCTOBER 21, 2014

SUMMARY

The Council/Commission may consider the selection of Chavan and Associates as the Independent Auditor for the City of Oroville.

DISCUSSION

The Council approved an Auditor Rotation Policy on May 6, 2014, which requires that a new Audit Firm or Auditor Manager be sought every 3-5 years. Prior to that time the City had the same auditor for at least 23 years. Subsequently, the City was informed by our previous auditor, Davis Hammon and Company, that they had informed the previous Finance Director that they would not perform these services following the 2012 - 2013 Audit, and therefore would not be submitting a proposal under the new policy.

The City issued a Request for Proposals (RFP) May 30, 2014. We received only one proposal and reissued the RFP on July 1, 2014, receiving two additional responses. The proposals were reviewed by a committee consisting of the Interim Finance Director, City Administrator, and an Accounting Technician. The committee was unanimous in their decision to recommend Chavan and Associates to the Council.

Mr. Chavan will be attending the meeting to introduce himself, his firm, and to answer any questions.

FISCAL IMPACT

The Fiscal Year 2013 - 2014 Audit and Preparation of Comprehensive Annual Financial Report will cost \$21,900 with no cost increase requests for up to five years. The initial contract is for three years, with the option to extend for two additional years.

Approve Supplemental Appropriation 2013/14-1014-XX as follows:

Decrease	001-7000-1500	\$15,849
Increase	001-7605-1500	\$21,900

RECOMMENDATIONS

Council:

1. Adopt Resolution No. 8280 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE SELECTION OF CHAVAN AND ASSOCIATES AS THE INDEPENDENT AUDITOR FOR THE CITY OF OROVILLE AND AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CHAVAN AND ASSOCIATES FOR INDEPENDENT AUDITOR SERVICES IN THE AMOUNT OF 21,900 – (Agreement No. 3090).
2. Approve Supplemental Appropriation No. 2013/14-1014-XX as indicated in the fiscal impact of this staff report, dated October 21, 2014.

Oroville Public Financing Authority:

Approve the selection of Chavan and Associates as the Independent Auditor for the Oroville Public Financing Authority.

Oroville Successor Agency:

Approve the selection of Chavan and Associates as the Independent Auditor for the Oroville Successor Agency

ATTACHMENTS

Resolution No. 8280
Agreement No. 3090
Proposal and Dollar Cost Proposal

**CITY OF OROVILLE
RESOLUTION NO. 8280**

A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE SELECTION OF CHAVAN AND ASSOCIATES AS THE INDEPENDENT AUDITOR FOR THE CITY OF OROVILLE AND AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CHAVAN AND ASSOCIATES FOR INDEPENDENT AUDITOR SERVICES IN THE AMOUNT OF 21,900

(Agreement No. 3090)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Council hereby approves the selection of Chavan and Associates as the Independent Auditor for the City of Oroville/ Oroville Public Financing Authority/Oroville Successor Agency.
2. The Mayor is hereby authorized and directed to execute a Professional Services Agreement with Chavan and Associates for independent auditor services in the amount of \$21,900 per year through fiscal year 2017. A copy of the Agreement is attached to this Resolution.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of October 21, 2014 by and between the **City of Oroville** ("City") and **Chavan and Associates, LLP** ("Independent Auditor").

RECITALS

- A. The Auditor is specially trained, experienced and competent to provide services as the Independent Auditor to the City of Oroville as required by this Agreement; and
- B. The Auditor possesses the skill, experience, ability, background, license, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
- C. City desires to retain Auditor to render professional services as set forth in this Agreement.

AGREEMENT

- 1. Scope of Services. The Auditor shall furnish the following services in a professional manner. Auditor shall perform the services described on Exhibit "A" which is attached hereto and incorporated herein by reference.
- 2. Time of Performance. The services of Auditor shall commence upon execution of this Agreement and shall continue until the Project is completed to the satisfaction of the City.
- 3. Compensation. Compensation to be paid to Auditor shall be in accordance with the Cost Proposal/Fee Schedule set forth in Exhibit "A,"

which is attached hereto and incorporated herein by reference. **In no event shall Auditor's compensation exceed the amounts of \$21,900 for each year of the agreement without additional written authorization from the City.** Payment by City under this Agreement shall not be deemed a waiver of defects in Auditor's services, even if such defects were known to the City at the time of payment.

4. Method of Payment. Auditor shall submit monthly billings to City describing the work performed during the preceding month. Auditor's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Auditor no later than 30 days after approval of the monthly invoice by City staff.
5. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Auditor shall be entitled to compensation for services properly performed up to the effective date of termination.
6. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Auditor, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Auditor for such work, and the City shall have the sole right to use such materials in its discretion without further

compensation to Auditor or to any other party. Auditor shall, at Auditor's expense, provide such reports, plans, studies, documents, and other writings to City within three (3) days after written request.

7. Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in documents or works of authorship fixed in any tangible medium of expression, including but not limited to, data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Auditor under this Agreement ("Documents and Data"). Auditor shall require all subcontractors to agree in writing that City is granted a nonexclusive and perpetual license for any Documents and Data the subcontractor prepares under this Agreement. Auditor represents and warrants that Auditor has the legal right to license any and all Documents and Data. Auditor makes no such representation and warranty in regard to Documents and Data which may be provided to Auditor by City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.
8. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Auditor in connection with the performance of this Agreement shall be

held confidential by Auditor. Such materials shall not, without the prior written consent of City, be used by Auditor for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Auditor which is otherwise known to Auditor or is generally known, or has become known, to the related industry shall be deemed confidential. Auditor shall not use City's name or insignia, photographs relating to project for which Auditor's services are rendered, or any publicity pertaining to the Auditor's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

9. Auditor's Books and Records.

- a. Auditor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Auditor to this Agreement.
- b. Auditor shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

- c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Administrator, City Attorney, City Finance Director, or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Auditor's address indicated for receipt of notices in this Agreement.
 - d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Auditor's business, City may, by written request by any of the above named officers, require that custody of the records be given to the City and that the records and documents be maintained by City Hall.
10. Independent Contractor. It is understood that Auditor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Auditor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Auditor hereby expressly waives any claim it may have to any such rights.
11. Interest of Auditor. Auditor (including principals, associates, and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in

the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Auditor's services hereunder. Auditor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement. Auditor is not a designated employee within the meaning of the Political Reform Act because Auditor:

- a. will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the City or any City official, other than normal agreement monitoring; and
- b. Possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel.
(FPPC Reg. 18700(a)(2).)

12. Professional Ability of Auditor. City has relied upon the professional training and ability of Auditor to perform the services hereunder as a material inducement to enter into this Agreement. All work performed by Auditor under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Auditor's field of expertise.
13. Compliance with Laws. Auditor shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.
14. Licenses. Auditor represents and warrants to City that it has all licenses,

permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Auditor to practice its profession. Auditor represents and warrants to City that Auditor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are required by the City for its business.

15. Indemnity. Auditor agrees to defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising from its performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such claim arising from the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers.
16. Insurance Requirements. Auditor, at Auditor's own cost and expense, shall procure and maintain, for the duration of the Agreement, the insurance coverage and policies as set forth in Exhibit "B" attached hereto.
17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: **City Administrator**
 City of Oroville

**1735 Montgomery Street
Oroville, CA 95965-4897**

If to Auditor:

**Chavan & Associates, LLP (C&A)
1475 Saratoga Ave, Suite 180,
San Jose, CA 95129**

18. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Auditor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations are superseded in total by this Agreement.
19. Amendments. This Agreement may be modified or amended only by a written document executed by both Auditor and City and approved as to form by the City Attorney.
20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Auditor. Assignments of any or all rights, duties or obligations of the Auditor under this Agreement will be permitted only with the express prior written consent of the City. Auditor shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the City. If City consents to such subcontract, Auditor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the

payment of any monies due to any such subcontractor other than as otherwise required by law.

21. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
22. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
23. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in Butte County Superior Court or the United States District Court, Eastern District of California.
24. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other part arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.
25. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall

not be necessary to produce or account for more than one such counterpart.

26. Authority to Enter Agreement. Auditor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.
27. Prohibited Interests. Auditor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Auditor, to solicit or secure this Agreement. Further, Auditor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Auditor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
28. Equal Opportunity Employment. Auditor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-

discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF OROVILLE

By: _____
Linda L. Dahlmeier, Mayor

By: _____
Sheldon Chavan, Principal

APPROVED AS TO FORM:

ATTEST:

By: _____
Scott E. Huber, City Attorney

By: _____
Randy Murphy, City Clerk

Attachments: Exhibit A - Scope of Services and Cost Proposal/Fee Schedule
Exhibit B - Insurance Requirements

Exhibit A Scope of Services

Service to be performed are Annual Independent Audit Services including Preparation of the Comprehensive Annual Financial Report (CAFR) as described below and in attached Proposal for Audit Services and Dollar Cost Proposal.

A. Scope of Work to be Performed

The City desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

B. Auditing Standards to be Followed

To meet requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in Governmental Auditing Standards (1994) issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations.

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, and Comprehensive Annual Financial Report, the auditor shall issue:

1. A report on the fair presentation of the financial statements of the City of Oroville, Successor Agency, and Oroville Public Financing Authority (OPFA) in conformity with generally accepted accounting principles;
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk;
3. A report on compliance with applicable laws and regulations;
4. An "in-relation-to" report on the schedule of federal financial assistance, if applicable;
5. A report on the internal control structure used in administering federal financial assistance programs, if applicable;
6. A report on compliance with general and specific requirements related to major and non major federal financial assistance programs, if applicable; and

7. Required Single Audit and Other Compliances including schedule of Expenditures of Federal Awards

8. Draft financial statements for each fiscal year will be presented to City Staff by the end of the following September. Draft Audit Reports are to be received by Director of Finance, with management responses, by the beginning of the second week of December. The Final Report to the City Council and Management shall be received by the end of the first week of November. Due to the timing of this RFP, this schedule may be extended for the first fiscal year of the contract, with the approval of the Director of Finance.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The reports on compliance shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to City Officials. The contact information will be provided following the award of the contract.

The auditor shall print and bind 15 copies of the financial statements including supplementary information. In addition, they shall provide one unbound copy of the financial statements including supplementary information and one electronic copy of same.

EXHIBIT B

INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employee's Liability Insurance.
4. Errors and Omissions Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee

satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as additional insured's as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

**PROPOSAL FOR CONDUCTING
THE ANNUAL INDEPENDENT AUDIT
OF THE
CITY OF OROVILLE**

Submitted August 26, 2014



Chavan & Associates, LLP
Certified Public Accountants
1475 Saratoga Ave., Suite 180
San Jose, CA 95129
Phone: (408) 217-8749
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

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Attachments:

- Attachment A – Peer Review Report
- Attachment B – Practice Continuation Agreement Firm and Staff Resumes
- Attachment C – Sample Reports



Chavan & Associates, LLP
Certified Public Accountants

August 26, 2014

City of Oroville
Finance Department
Sharen Lindberg, Accounting Technician
1735 Montgomery Street
Oroville, CA 95965-4897

We are pleased to have this opportunity to submit our proposal to provide auditing services for the City of Oroville (the "City"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the governmental activities, business-type activities, component units, each major fund, and aggregate remaining fund information of the City for the fiscal years ending June 30, 2014, 2015 and 2016, with options to renew for each of the two subsequent fiscal years.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the Federal Single Audit Act, the United States Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments*, and relevant GASB statements. We will also apply the necessary limited procedures to the management's discussion and analysis and required supplementary information as outlined in the RFP.

As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements of the City and other entities and grants as listed in the RFP in accordance with GAAP. We will also issue a report on the City's internal controls over financial reporting, the City's compliance with applicable laws and regulations, the City's internal control structure used in administering federal financial assistance programs and the City's compliance with general and specific requirements related to major and non-major federal financial assistance programs in accordance with *Government Auditing Standards* and OMB A-133.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend City meetings to discuss the audit and management comments. It is our commitment to the City that we will complete the work within the agreed time frame.

We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and non-profit organizations.
- Sheldon Chavan, managing partner, will supervise and run the audit in the field and has been auditing local governments and non-profit organizations for 16 years.
- Our managing partner has performed similar audits for the Town of Los Gatos, the City of Berkeley, the City of Sunnyvale and the City of Saratoga.



Chavan & Associates, LLP
Certified Public Accountants

- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.
- We are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.

We are secure in our belief that our firm is the best qualified to meet your needs. Once you have examined our proposal and contacted our references, we feel you will agree.

Sheldon Chavan (1475 Saratoga Ave, Suite 180, San Jose, CA 95129, 650-346-1329, Sheldon@cnallp.com) is the partner authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract with the City. This proposal is a firm and irrevocable offer for 90 days.

We look forward to being of service to you.

Very truly yours,

C & A LLP

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

SECTION A

FIRM QUALIFICATIONS AND EXPERIENCE

Section A - Firm Qualifications and Experience

City of Oroville Proposal for Auditing Services

Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)
Address: 1475 Saratoga Ave, Suite 180, San Jose, CA 95129
Office: 408-217-8749
Fax: 408-872-4159
E-mail: Sheldon@cnallp.com
CA File Number: 202009218003
FEIN: 27-0630496
Authorized to Sign: Sheldon Chavan, CPA, Partner

Our managing and engagement partner, **Sheldon Chavan**, has performed audits under the State Controller's Office Minimum Audit Requirements, Government Auditing Standards and **Single Audit Act** requirements since **1998**. In August of 2009, Sheldon established C&A as a limited liability partnership specializing in local government auditing and consulting. Sheldon has audited and prepared Comprehensive Annual Financial Reports (**CAFR's**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for over 100 cities, fire districts, water district's, sanitation district's, JPA's and other types of special districts. He has also been a reviewer of CAFR's for the **GFOA**. Most recently, C&A prepared or reviewed the CAFR's of the Town of Lost Gatos, the City of Saratoga, the Los Altos School District and the Central Marin Sanitation Agency for the year ending June 30, 2013. Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly in the field. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.

We currently have **61 government**, nonprofit and grant audit clients, 31 of which were required to have a single audit (OMB A-133) in 2012-13. Our firm's experience includes numerous audits under state and federal compliance audit guides, including the Minimum Audit Requirements and Reporting Guidelines for special districts as required by the State Controller's Office. **What makes us unique from other audit firms** is that we strive to eliminate "on-the-job" training through intensive in-house training, audit planning, and by having partners in the field throughout the entire engagement (not just "spot-checking"). The daily interaction with our engagement partner has been invaluable to our clients as it provides the opportunity for immediate feedback and the chance to ask questions related accounting, account coding, grant requirements, CAFR requirements, budgeting, and much more. Auditing is the main focus of our practice and we are available to start as early as February 1, however our calendar is flexible. Having an early start date has great returns for our clients in that control deficiencies can be corrected before reports have been submitted and the year has been closed.

Firm Size, Staff Size, Location and Staffing

We also have **six** professional staff in addition to our partners and one administrative person that will be available to assist as needed throughout the engagement. As the managing partner, Sheldon will perform the work directly with assistance from Michael Djurovic, Manager, and other professional staff as needed. Our central office is located in San Jose, CA.



Section A - Firm Qualifications and Experience

City of Oroville Proposal for Auditing Services

Staffing for the City's audit will include the following professionals (audit experience):

Sheldon Chavan, Engagement Partner (16 yrs)
Paul Pham, Senior Staff (6 yrs)
Greg Metz, Professional Staff (3 yrs)

Michael Djurovic, Manager (9 yrs)
Bryan Kwon, Professional Staff (1 yr)

One of the professional staff could change from year to year. The City will be notified of any staff changes prior to field work. The engagement partner will be the same during each year of the engagement. See our work plan by segment on **page 8** for detailed staff responsibilities.

Range of Services

In addition to standard auditing, we also provide the following services:

- Special grant audits
- Review and drafting policies and procedures
- Proposition 39 bond performance audits
- MD&A preparation, templates and assistance (templates and assistance included with the audit)
- Contractor prequalification services for public bids
- Special construction contractor audits for time, billing and materials
- Measure A & B audits (sales tax)
- Transient occupancy tax audits
- Revenue audits including water, sewer, airports, golf courses, etc.
- Preparation of annual financial transactions reports (SCO)
- Non-profit tax return services

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits.

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Independence

C&A is independent of the City and all of its component units as defined by generally accepted auditing standards and the U.S. GAO's *Government Auditing Standards*. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*



Section A - Firm Qualifications and Experience

City of Oroville Proposal for Auditing Services

Prior Engagements

C&A has not had any professional relationships involving the City of Oroville, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

Business Licenses

C&A will obtain and maintain a valid business license with the City throughout the duration of the contract.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy.

Insurance

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is \$4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is \$2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is \$3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is \$1,000,000.

Quality Control Review

We are enrolled in the AICPA quality control **peer review** program. Our most recent peer review was performed and submitted by Chaing, Hammon and Co. on June 30, 2014 and included the audits completed for the June 30, 2013 fiscal year and December 31, 2013 calendar year. We passed our peer review without exception. **See Attachment A for a copy of our most recently available peer review report dated June 10, 2014.**

C&A has an exceptional record of quality control. Our audits substantially complied with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audits of Governmental Agencies, Programs, Activities, and Functions; issued by the U.S. General Accounting Office; the provisions of the Single Audit Act Amendments of 1996; and the provisions of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.



Section A - Firm Qualifications and Experience

City of Oroville Proposal for Auditing Services

Discussion of Relevant Accounting Issues

The Governmental Accounting Standards Board (GASB) continues to issue new statements in an effort to make financial information accounted for, and reported by, local governments more reliable. Often, the statements issued by GASB are confusing and difficult to apply. Therefore, it is our goal to keep our clients informed about upcoming standards and how they may affect their future. Our technical expertise and guidance in the implementation and interpretation of GASB statements will be available throughout the year. We offer inclusive consultation throughout the term of our contract. We also offer in-house training via internally developed seminars. For example, we have given presentations and training on compliance requirements for specific grants and the key controls needed to meet those requirements. Generally these sessions provide about 8-24 hours of training and are included in the audit. **Any training related to single audit compliance reporting requirements is included in our all-inclusive maximum price.**



SECTION B

SPECIFIC AUDIT APPROACH

Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's three phase audit approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined as follows:

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance.

At the conclusion of this phase, we intend to provide the City with a list detailing the information that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items on the list are available prior to the beginning of Phase II will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase and **discuss the impact of new GASB's, such as GASB 67, 68 and 71**, with management. GASB 67 and 68 require a local government to report its share of the unfunded pension liability for retirement plans such as PERS and are required to be implemented as of June 30, 2014. During our entrance conference, we plan to discuss the plans offered by the City and identify the reporting requirements, information available, and the remaining steps required for the City to implement these pronouncements.

We plan the audit and obtain our understanding of the internal control structure, control environment, and accounting system through:

- Inquiries of appropriate management and staff personnel.
- Inspection of the City's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the City's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the City's financial and other management information system controls and procedures. Our staff has gained invaluable experience with systems such as HTE, MOM, Springbrook, Pentamation, QuickBooks, SunGuard, Escape, FUND\$, CECC, SACS, Financial 2000, SASi, Quicken, Edusoft, Minisoft, Infinite Campus, Power School, Genesis, as well as many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 40% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.



Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the City. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your City's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical sample size will be 25 to 60 items and be randomly selected. Our sampling methods vary depending on the type of tests we perform. We use ProSystem fx Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use ProSystems fx Engagement paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the City, and with state and federal compliance requirements. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources.

Phase II will take approximately 40% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline on page 10, unless otherwise agreed. We will also ensure that new GASB's identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports.

Our reporting process is automated through our audit software. Once we obtain the City's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can also auto link tables, charts and other documents the City would like to generate. All of this information can be shared through our online secure lockbox/fileshare website at www.cnallp.com. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of City staff and creates more opportunity for review of information systems, internal



Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 20% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the City will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the City at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the City, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations.

It is our policy to discuss discrepancies and recommendations with City staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with the City Manager and Finance Director before it is presented to the City Council.

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the City Administrator, City Attorney and the Finance Director.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the City.



Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

As we obtain knowledge about the City, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint as our main online reference material. As our client, the City will have access to all our resources.

Monthly Progress Reports

Monthly progress reports will be submitted to the Director of Finance and Finance Manager.

Work Plan by Segment

Phase I (Planning, Risk Assessment and Internal Controls) October, November					
Key Component	Engagement Partner	Manager	Senior Staff	Prof. Staff	Admin. Staff
Entrance Conference	1				
List of Items Required for the Interim Audit	1	2			
Planning, Risk Assessment and Preliminary Analytics	3				
Materiality and Major Fund Determination	1	2			
Initial SAS 114 Letter	0.5	1			
Internal Control Documentation & Testing	2	8	12	15	
Status of Prior Year Findings	1	2			
Update Initial List of Confirmations	0.5	1		1	
Summary of Potential Findings	2	2	2	1	
Phase I Review, Clean-up and C&A Team Meetings	1	2	2	1	8
Exit Conference	1	1			
Subtotal	14	21	16	18	8

Roles of C&A Staff (Partial List):

The Engagement Partner will be responsible the overall planning, scheduling, review and coordination of Phase I.

The Manager will review workpapers, letters and reports and help maintain quality control.

The Senior Professional Staff will focus on the more complex areas of controls and support the Engagement Partner.

The Professional Staff will focus on detail of tests of controls over financial, federal compliance and other areas as needed.

Roles of City Staff:

During this phase, City staff will be expected to provide a preliminary balance sheet and revenues and expenditures by fund, policies and procedures for key controls, a preliminary summary of federal grants, the original budget, contact information for departments and confirmations, and generally provide the information included in the lists of items for interim. We also plan to interview various staff to document and test controls. Testing controls will include sampling for significant areas. Our documentation of internal controls will be done in person and via interviews, unless otherwise requested.

Note:

The above hours were estimated and allocated based on information in the City's most recent basic financial statements, budget, the City's website and other information obtained during the RFP process.

Section B - Specific Audit Approach
City of Oroville Proposal for Auditing Services

Phase II (Substantive Testing and Final Compliance) October, November					
Key Component	Engagement Partner	Manager	Senior Staff	Prof. Staff	Admin. Staff
List of Items Required for Substantive Testing	0.5	1			
General Audit Procedures and Set-up	2				
Finalize Major Fund Determination	0.5	1			
Prepare Audit Programs	2	3			
Confirmations	1	1		4	
Entrance Conference	1				
Trial Balance and Leads	1	2			
Substantive Tests of Accounts	2	4	12	20	
Summary of Potential Findings and Audit Adjustments	1	1	2	2	
Phase II Review, Clean-up and C&A Team Meetings	2	1	2	2	4
Exit Conference	1	1			
Subtotal	14	15	16	28	4

Roles of C&A Staff (Partial List):

The Engagement Partner's focus will include finalizing the audit programs, substantive analytics, and overseeing the audit
 The Manager will review workpapers, letters and reports and help maintain quality control
 The Senior Professional Staff will focus on substantive tests for significant accounts
 The Professional Staff will focus on substantive tests for significant accounts, federal compliance, and other required audits

Roles of City Staff:

During this Phase, City staff will be expected to provide the final balance sheet and revenue expenditures by fund and account. We will prepare leadsheets in our audit software, but the City should have adequate support for significant accounts. We will perform a review of journal entries at this time and again before the final reports are issued, thus we will need access to the City's journal entries. We will request reports for major grant programs, certain City programs, and business type activities. We will also perform a number of analytical procedures which will require staff responses, and this will be done in person in most cases.

Note:

The above hours were estimated and allocated based on information in the City's most recent basic financial statements, budget, the City's website and other information obtained during the RFP process.

Section B - Specific Audit Approach
City of Oroville Proposal for Auditing Services

Phase III (Reporting) November, December					
Key Component	Engagement Partner	Manager	Senior Staff	Prof. Staff	Admin. Staff
Review/Finalize GASB 34 Conversion Entries	1	2			
Finalize Audit Adjustments	1	2			
Management Letter	1	2			1
City Financial Statements Preparation	6	4	4	1	1
Final WP Review and Clean-up	1	1	4	1	
Final SAS 114 Report to the Board	1	1			1
Board Presentation, Exit Conferences	1				1
Subtotal	12	12	8	2	4

Roles of C&A Staff (Partial List):

The Engagement Partner's focus will be on overall reporting, guidance and working with City staff to complete the reporting phase. The Manager will review workpapers, letters and reports, and help maintain quality control. The Senior Professional Staff will focus on report preparation and assisting the engagement partner and guiding our staff. The Professional Staff will act in a support role during this phase.

Roles of City Staff:

We expect the City staff to review, respond and take responsibility for all reports required to complete the audit. Management will be required to sign a representation letter which will be provided by us. Management will be required to provide responses to any and all recommendations and findings included in the management letter. Report preparation will be completed as outlined in the RFP, unless otherwise agreed prior to Phase III of the audit.

Note:

The above hours were estimated and allocated based on information in the City's most recent basic financial statements, budget, the City's website and other information obtained during the RFP process.

Summary of Staff Hours by Phase

Level of Staff	Phases			Total Hours
	I	II	III	
Engagement Partner	14	14	12	40
Manager	21	15	12	48
Senior Staff	16	16	8	40
Professional Staff	18	28	2	48
Administrative Staff	8	4	4	16
Totals	77	77	38	192

Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

Summary Timeline

Segment	Estimated Date ⁽¹⁾	Phase
Entrance Conference	October 1, 2014	I
Audit Planning (C&A's Office)	October 2, 2014	I
List of Items Required by Client	October 3, 2014	I & II
Field Work	October 29, 2014	I & II
Exit Conference	October 31, 2014	I & II
Final List of Findings and Recommendations	November 5, 2014	I & II
Audit Adjustments	November 12, 2014	I & II
Draft Reports, Financials and Management Letters	November 19, 2014	III
Final Reports, Financials and Management Letters	November 26, 2014	III
Council & Committee Presentations	As Needed	III

⁽¹⁾ The estimated dates are flexible based on the City's needs and City staff availability

Audit Scope

We understand the scope of our services to be as follows:

- A. We will perform an audit of all City funds and component units and prepare the City's basic financial statements. In addition, the City has the option to have C&A prepare its Comprehensive Annual Financial Report (CAFR) for submission to GFOA. The audit will be conducted in accordance with auditing standards generally accepted in the United States and Government Auditing Standards, issued by the Comptroller of the United States. The basic financial statements or CAFR will be in full compliance with GASB. We will render our report on the basic financial statements, which will include both government-wide financial statements and fund financial statements. We will assist the City with its plans to submit the CAFR to GFOA for review in their Certificate of Achievement for Excellence in Financial Reporting Program.
- B. If the City spends \$500,000 or more in federal awards, it will be required to undergo a Single Audit. In our proposal, we have included an option to perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133. Should the City be required to have a single audit performed, we would issue a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards. We would also issue a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the OMB A-133. Finally, we would issue an "in-relation-to" report on the Schedule of Expenditures of Federal Awards.
- C. We shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware of to the City Administrator, City Attorney, and the Finance Director.
- D. We shall submit a management letter, addressed to the City Administrator, relating our findings and/or recommendations on those matters noted and observed during the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to, (a) improvement in systems of internal control; (b) improvement in accounting system; (c) apparent noncompliance with laws, rules and regulations, and (d) any other material matter coming to our attention during the conduct of the examination.



Section B - Specific Audit Approach

City of Oroville Proposal for Auditing Services

- E. As required by SAS 114, we shall ensure that the City Council, Finance Committee and Management are informed of each of the following:
- a. Our responsibility under generally accepted auditing standards
 - b. Significant accounting policies
 - c. Management judgments and accounting estimates
 - d. Significant audit adjustments
 - e. Other information in documents containing audited financial statements
 - f. Disagreements with management
 - g. Management consultation with other accountants
 - h. Major issues discussed with management prior to retention
 - i. Difficulties encountered in performing the audit
- F. Before commencement of field work, we will schedule an entrance conference for the purpose of discussing any perceived audit issues or problems, asking and answering questions, clarifying responsibilities and developing an audit strategy. During the course of the engagement, we will meet with and provide status reports to the Finance Director on a regular basis. Upon completion of field work, and before issuing any report or management letter, we will schedule an exit conference with the City Administrator, Finance Director, and other City staff as deemed appropriate to discuss observations, findings and recommendations and to discuss matters to be included in the Management Letter.
- G. We shall retain all working papers and reports at the auditor's expense for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The working papers are subject to review by federal and state agencies and other individuals designated by the City. Additionally, we shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers.
- H. We will assist the City in the transition to adhere to any new GASB pronouncements. To the extent possible, this assistance may include reviewing reports, transactions, Management Discussion and Analysis, GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions, GASB 67, 68 & 71 implementation, and other relevant pronouncements.



SECTION C

ADDITIONAL DATA/PROPOSAL EXCEPTIONS

Section C - Additional Data/Proposal Exceptions

City of Oroville Proposal for Auditing Services

Current Client List

Client	Type of Entity	Level of Service	Level of Report
Town of Los Gatos	City	Single Audit/GAGAS	CAFR (GFOA)
City of Saratoga	City	Single Audit/GAGAS	CAFR (GFOA)
City of Point Arena	City	GAGAS	GASB Financial
City of Tracy	City	GAGAS	Limited Scope
Bay Area Water Supply Conservation Agency	Special District	GAGAS/SCO Report	GASB Financial
Central Marin Sanitation Agency	Special District/JPA	GAGAS	CAFR (GFOA)
East Bay Dischargers Authority	Special District/JPA	GAGAS	GASB Financial
Fairfield-Suisan Sewer District	Special District	GAGAS/SCO Report	GASB Financial
Midpeninsula Regional Open Space District	Special District	GAGAS/SCO Report	GASB Financial
Santa Clara County Regional Open Space Auth	Special District	GAGAS/SCO Report	GASB Financial
Sausalito-Marín City Sanitation District	Special District	GAGAS/SCO Report	GASB Financial
Silicon Valley Clean Water	Special District/JPA	GAGAS	GASB Financial
Tahoe Transportation District	Special District	Consulting/SCO Report	SCO Reports
The Cities' Group	Special District/JPA	GAGAS	GASB Financial
Valley of the Moon Fire District	Special District	GAGAS/SCO Report	GASB Financial
West Bay Sanitary District	Special District	GAGAS/SCO Report	GASB Financial
Westborough Water District	Special District	Monthly Compilation	GASB Financial
Cotati-Rohnert Park Unified School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Windsor Unified School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Mountain View Whisman School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Sequoia Union High School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Sonoma Valley Unified School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Cabrillo Unified School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Los Altos School District	Local Education Agency	Single Audit/GAGAS/SCO	CAFR (GFOA, CASBO)
Pacifica School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Union School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Lassen View Union Elementary School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Antelope School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Mineral School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Manton Joint Union School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Plum Valley School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Red Bluff Union Elementary School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Portola Valley School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Pacifica School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Las Lomas School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Millbrae School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Orchard School District & Prop 39	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Scotts Valley Unified School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
Woodside Elementary School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
San Bruno Park School District	Local Education Agency	Single Audit/GAGAS/SCO	GASB Financial
West County Transportation Agency	LEA/JPA	GAGAS/SCO	GASB Financial
Crede High School	Charter School/Nonprofit	GAGAS/SCO/Tax	FASB Financial
Morgan Hill Charter School	Charter School/Nonprofit	GAGAS/SCO/Tax	FASB Financial
Mission Preparatory School	Charter School/Nonprofit	GAGAS/SCO/Tax	FASB Financial
Orange County Conservation Corps	Charter School/Nonprofit	GAGAS/SCO/Tax	FASB Financial
San Jose Conserv Corps Charter School	Charter School/Nonprofit	GAGAS/SCO	GASB Financial
Diagnostics for the Real World	Private Corporation	OMB A-133/Single Audit	FASB Financial
Halcyon Molecular	Private Corporation	OMB A-133/Single Audit	FASB Financial
Pathway to Choices	Private Corporation	OMB A-133/Single Audit	FASB Financial
Sociometrics	Private Corporation	OMB A-133/Single Audit	FASB Financial
Tahoe Regional Planning Agency	Planning Agency	Consulting/SCO Report	SCO Reports
Boys and Girls Clubs of Central Sonoma County	Nonprofit	Single Audit/Tax	FASB Financial
Black Adoption Placement and Research Center	Nonprofit	GAGAS Audit /Tax	FASB Financial
Pyramid Alternatives	Nonprofit	GAGAS Audit /Tax	FASB Financial
Center for Empowering Refugees & Immigrants	Nonprofit	GAGAS Audit	FASB Financial
Children of Grace	Nonprofit	Review/Tax	FASB Financial
Collective Roots	Nonprofit	GAS Audit	FASB Financial
Foothill Community Health Center	Nonprofit	Single Audit/Tax	FASB Financial
Redwood City Education Foundation	Nonprofit	GAGAS Audit /Tax	FASB Financial
San Jose Conservation Corps	Nonprofit	Single Audit/Tax	FASB Financial
Singularity University	Nonprofit	GAS Audit/Tax	FASB Financial



Section C - Additional Data/Proposal Exceptions

City of Oroville Proposal for Auditing Services

Technology in the Audit

C&A is a paperless firm and we use a secure cloud server for file sharing. We have Lenovo laptops and Fujitsu and Plustek scanners that we use in the field. Our laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online lockbox provides for a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

While we have an office, we pride ourselves on our mobility. Our office has become a meeting place and printing center. We have invested in high-end HP black/white and color printers and have established a printing and binding shop for report processing.

Our audit software is ProSystems fx Engagement which we compliment with ProSystem fx Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month.

Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the City, such as having the financial statements completed by the December deadline each year. It also reduces the time and effort required by City staff to provide information and almost entirely eliminates redundancy from year to year in the audit.

Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the City's RFP conditions or requirements.



SECTION D

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner and Manager will be directly involved in the audit during each year of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2013 audit and are available 12 months a year for questions, comments and implementation support. We understand that the engagement partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the City. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience.

Note that **Sheldon Chavan** will be your key contact throughout the audit and Michael will be his back-up. They will help implement new accounting standards and facilitate ongoing support and maintenance.

In order ensure that the audit is completed successfully during each year of the engagement, we have a **Practice Continuation Agreement (PCA)** with **Robert R. Redwitz & Co.** to support us during times of emergency. The purpose of this PCA agreement is to provide as much continuity as possible under difficult circumstances to keep the level of confidence as high as possible. The PCA is needed only when there is a death or disability to the engagement partner of C&A. For example, if the engagement partner is physically unable to perform the services required to complete the audit, one of the partner's and/or managers noted in **Attachment B** would intercede either in a supporting or leading role to ensure the audit is completed timely. (Note: this is not a joint venture arrangement)

Sheldon Chavan, CPA

Engagement Partner

Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in 1998 and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing CAFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared CAFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the CAFR of the Los Altos School District, City of Saratoga and the Town of Los Gatos for the fiscal year ended June 30, 2013.



Sheldon has been managing audits his entire 16 year career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance and much more. He is responsible for providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Government and Nonprofit Organizations*. Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also



Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under OMB A-133 and the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, IDEA Local Assistance, ARRA, and many more. He also completed the REAC filings of the City of Berkeley's housing authority for the fiscal years ended June 30, 2001 to 2005.

Sheldon's recent continuing professional education:

Description of Program/Training
Fraud in Exempt Organizations: GAGAS, Preventing Fraud, and Audit Committees
Fraud in Exempt Organizations: Government & NPO Environment' plus 'Fraudulent Financial Reporting
Ethics: Pointer Electronics, Inc. - You Are the Audit Partner
Ethics: BAN&K Advisory Services LLC - You Are the Audit Partner
Frequent Government and NPO Frauds: Misuse of Assets
2013 Governmental and Nonprofit Annual Update: Federal Government Activities
2011 Qrtly Update-Gov/NFP-#1 (Winter): SAS No. 117 and GASB Nos. 57 & 58
2011 Qrtly Update-Gov/NFP-#2 (Spring): OMB A-133 Developments and SASs 118, 119, & 120
2013 Governmental and Nonprofit Annual Update: Federal Government Activities
2013 Qrtly Update-Gov/NFP-#1 (Winter): SAS No. 117 and GASB Nos. 67 & 68
OMB A-133: 'Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
How to conduct a peer review
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Fraud in Exempt Organizations: Applying AU Sec. 316 in Governmental and Not-for-Profit Environments
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
Ethics: Precious Mining Inc.- You Are the Audit Committee Chair
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference Webcast - 5121445C
Comprehending OMB A-133: Overview plus 'Federal Awards'
Comprehending OMB A-133: 'Pass-Through Awards and Subrecipients' plus 'Meet the SEFA'
Comprehending OMB A-133: 'Major Program Determination' plus 'Types of Compliance Requirements'
Comprehending OMB A-133: Compliance Supplement, Cost Circulars, and Testing Internal Control
Comprehending OMB A-133: 'Testing Compliance' plus 'Reporting Requirements'
Comprehending OMB A-133: The Current OMB A-133 Environment
Basic Governmental Accounting: 'Reporting Entity' plus 'Government-Wide Statements'



Section D - Partner, Supervisory and Staff Qualifications and Experience
City of Oroville Proposal for Auditing Services

The following is a partial list of Sheldon’s clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Berkeley	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Campbell	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Marina	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Millbrae	Fairfield-Suisan Sanitation District	Cabrillo Unified	Black Adoption Placement
City of Novato	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Pittsburg	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Point Arena	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Redwood City	Los Trancos Water District	Hillsborough City	Collective Roots
City of Salinas	Mckinney Water District	La Honda Pescadero	Credo High School
City of San Carlos	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of San Rafael	Midpen Regional Open Space Auth	Las Lomitas Elementary	Livebooks
City of Saratoga	Pleasant Hill Parks and Rec	Lassen View Elementary	Mashery
City of Scotts Valley	Point Montara Fire Protection District	Los Altos Elementary	Mission Charter
City of Sonoma	Santa Clara Regional Open Space Auth	Luther Burbank	Morgan Hill Charter Foundation
City of South San Francisco	Saratoga Cemetery District	Manton Joint Union	Morgan Hill Charter School
City of Sunnyvale	Silicon Valley Clean Water	Menlo Park City	Nob Hill Home Owners Assoc.
City of Tracy	South San Francisco Conf. Ctr.	Millbrae Elementary	O'Conner Water
Town of Los Gatos	Suasalito-Marin City Sanitation District	Mineral	One Million Lights
Town of Windsor	Tahoe Regional Planning Agency	Mountain View Whisman	Orange County Charter School
	The Cities Group	Orchard	Pathway to Choices
	Valley of the Moon Fire	Pacifica	Pyramid Alternatives
	West Bay Sanitary District	Plum Valley	Redwood City Education Foundation
	West County Wastewater District	Portola Valley Elementary	San Jose Conservation Charter
	Westborough Water District	Red Bluff	San Jose Conservation Corps
	Woodside Fire Protection District	San Bruno Park	Singularity University
		San Carlos Elementary	Sociometrics
		San Mateo County Office	South Tahoe Area Transit Authority
		San Mateo Union High	Woodside Atherton Authority
		Scotts Valley Unfiled	
		Sequoia Union High	
		Sonoma Valley Unified	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

Michael Djurovic

Manager

Michael graduated from the University of California, Santa Cruz, with a B.S. in Information Systems Management. He has been working in public accounting since 2005, performing audits for local governments, nonprofit organizations, non-public companies and publicly held companies. In addition to Michael's experience performing audits under GAGAS, OMB A-133, and the Single Audit Act, he has performed audits on PCAOB, which requires separate internal control audits. We have found that this combination of experience has made Michael very proficient in identifying control deficiencies and offering solutions to areas of controls that need improvement. Michael has performed audits and prepared reports under OMB A-133/Single Audit Act and California's RDA audit guide for most of the entities listed below. He has audited Federal grants from various agencies, including Highway Planning and Construction, HUD, and more. Most recently, Michael assisted in the preparation of the CAFR of the Los Altos School District and the Town of Los Gatos for the fiscal year ended June 30, 2013.

Mike's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Michael's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary	Bay Area Water Users Association
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified	Cadence
City of Point Arena	East Bay Dischargers Authority	Cotati Rohnert Park	Children of Grace
City of Saratoga	Half Moon Bay Fire Protection	La Honda Pescadero	Credo Charter
City of Sonoma	Los Trancos Water District	Lassen View Elementary	Mission Charter
Town of Los Gatos	Menlo Park Fire Protection	Las Lomitas Elementary	Morgan Hill Charter School
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary	O'Conner Water
	Point Montara Fire Protection District	Luther Burbank	Orange County Charter School
	Santa Clara Regional Open Space Auth	Manton Joint Union	Pathway to Choices
	Saratoga Cemetery District	Mineral	San Jose Conservation Charter
	Silicon Valley Clean Water	Menlo Park City	San Jose Conservation Corps
	South San Francisco Conf. Ctr.	Millbrae Elementary	Sociometrics
	Tahoe Regional Planning Agency	Mountain View Whisman	South Tahoe Area Transit Authority
	The Cities Group	Orchard School District	Woodside Atherton Authority
	West Bay Sanitary District	Pacifica	
	West County Wastewater District	Plum Valley	
	Westborough Water District	Portola Valley Elementary	
	Woodside Fire Protection District	Red Bluff	
		San Bruno Park	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Union Elementary	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	



Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

Paul Pham

Senior Staff

Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. He is currently preparing to sit for the CPA exam and plans to complete his CPA certification by the end of the year. Paul has been working in public and private accounting since 2007 and has completed six governmental audit seasons. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB A-133 and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education, ARRA grants and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Internal Fraud: Analytical Techniques
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Yellow Book: General, Field Work and Reporting Standards
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary	2006 Washington St CIA
City of Point Arena	Central Marin Sanitation Agency	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Saratoga	East Bay Dischargers Authority	Cotati Rhonert Park	Collective Roots
City of Sonoma	Half Moon Bay Fire Protection	La Honda Pescadero	Credo Charter
Town of Los Gatos	Los Trancos Water District	Lassen View Elementary	Mission Charter
	Menlo Park Fire Protection	Las Lomitas Elementary	Morgan Hill Charter
	Pleasant Hill Parks and Rec	Los Altos Elementary	Nob Hill Home Owners Association
	Point Montara Fire Protection District	Luther Burbank	Pathway to Choices
	Silicon Valley Clean Water	Manton Joint Union	San Jose Conservation Charter
	South San Francisco Conf. Ctr.	Mineral	San Jose Conservation Corps
	Tahoe Regional Planning Agency	Millbrae Elementary	Sociometrics
	The Cities Group	Mountain View Whisman	
	West Bay Sanitary District	Orchard School District	
	West County Wastewater District	Pacifica	
	Westborough Water District	Plum Valley	
	Woodside Fire Protection District	Portola Valley Elementary	
		Red Bluff	
		San Bruno Park	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Union Elementary	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	



Section D - Partner, Supervisory and Staff Qualifications and Experience
City of Oroville Proposal for Auditing Services

Greg Metz
 Professional Staff

Greg graduated from California State University, Chico with a Bachelor of Science in Business Administration. New to public accounting in 2011, he has completed **three** seasons of governmental auditing. Greg has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various local governments during his past two years. Besides the standard control documentation and substantive testing required for GAAS audits, Greg has performed audits and prepared reports under OMB A-133 and the Single Audit Act. He has audited Federal grants from various agencies, including ARRA Special Education, ARRA grants, Department of Education and others.

Greg's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	GAGAS - General Standards
GAGAS - General Field Work And Reporting Standards	GAGAS - Reporting Standards For Financial Audits
GASB Basic Financial Statements for State and Local	GAGAS - Use and Application of GAGAS

The following is a list of Greg's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Point Arena	Bay Area Water Supply Conserv. Agency	Antelope Elementary	Bay Area Special Education JPA
City of Saratoga	Central Marin Sanitation Agency	Cabrillo Unified	Black Adoption Placement
City of Tracy	East Bay Dischargers Authority	Cotati Rhonert Park	Boys and Girls Clubs of Sonoma
Town of Los Gatos	Fairfield-Suisan Sanitation District	Las Lomas Elementary	Center for Empowering Refugees
	Midpen Regional Open Space Auth	Lassen View Elementary	Children of Grace
	Santa Clara Regional Open Space Auth	Los Altos Elementary	Collective Roots
	Saratoga Cemetery District	Manton Joint Union	Credo High School
	Silicon Valley Clean Water	Millbrae Elementary	Orange County Charter School
	Suasalito-Marin City Sanitation District	Mineral	San Jose Conservation Charter
	Valley of the Moon Fire	Mountain View Whisman	San Jose Conservation Corps
	West Bay Sanitary District	Orchard School District	
	West County Wastewater District	Pacifica	
	Westborough Water District	Plum Valley	
		Portola Valley Elementary	
		Red Bluff	
		San Bruno Park	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Union Elementary	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

Bryan Kwon

Professional Staff, CPA Candidate

Bryan graduated from University of California, Santa Cruz, with a Bachelor of Science in Business Management Economics. He has passed all four parts of the CPA exam and is pending certification. New to public accounting in 2013, he has completed one season of governmental auditing. Bryan has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various local governments during his past year. Besides the standard control documentation and substantive testing required for GAAS audits, Bryan has performed audits and prepared reports under OMB A-133 and the Single Audit Act. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education, ARRA grants and much more.

Bryan's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	GAGAS - General Standards
GAGAS - General Field Work And Reporting Standards	GAGAS - Reporting Standards For Financial Audits
GASB Basic Financial Statements for State and Local	GAGAS - Use and Application of GAGAS

The following is a list of Bryan's clients over the year:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Point Arena	Bay Area Water Supply Conserv. Agency	Antelope Elementary	Bay Area Special Education JPA
City of Saratoga	Central Marin Sanitation Agency	Cabrillo Unified	Black Adoption Placement
City of Tracy	East Bay Dischargers Authority	Cotati Rhonert Park	Boys and Girls Clubs of Sonoma
Town of Los Gatos	Fairfield-Suisan Sanitation District	Las Lomitas Elementary	Center for Empowering Refugees
	Midpen Regional Open Space Auth	Lassen View Elementary	Children of Grace
	Santa Clara Regional Open Space Auth	Los Altos Elementary	Collective Roots
	Saratoga Cemetery District	Manton Joint Union	Credo High School
	Silicon Valley Clean Water	Millbrae Elementary	Orange County Charter School
	Suasalito-Marin City Sanitation District	Mineral	San Jose Conservation Charter
	Valley of the Moon Fire	Mountain View Whisman	San Jose Conservation Corps
	West Bay Sanitary District	Orchard School District	
	West County Wastewater District	Pacifica	
	Westborough Water District	Plum Valley	
		Portola Valley Elementary	
		Red Bluff	
		San Bruno Park	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Union Elementary	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Qualifications and Experience
City of Oroville Proposal for Auditing Services

Nick Underwood
 Professional Staff

Nick graduated from the San Jose State University, with a B.S. in Accounting. He has been working in public accounting since 2010 and was an accounting associate at Armanino McKenna before joining C&A in 2012. Nick has performed audits for local governments, nonprofit organizations and non-public companies. Some of his responsibilities included testing of controls over financial reporting and compliance, year-end substantive testing and drafting financial statements and note disclosures. Nick is accustomed to meeting deadlines and has worked closely with clients to do so. We believe that his experience brings us another staff member capable of identifying and improving the design and implementation of internal controls. Nick has audited Federal grants from various agencies, including ARRA Special Education, ARRA grants, Highway Planning and Construction, HUD, the Department of Education and others.

Nick's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	GAGAS - General Standards
GAGAS - General Field Work And Reporting Standards	GAGAS - Reporting Standards For Financial Audits
GASB Basic Financial Statements for State and Local Governments	GAGAS - Use and Application of GAGAS

The following is a list of Nick's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Point Arena	Bay Area Water Supply Conserv. Agency	Antelope Elementary	Boys and Girls Clubs of Sonoma
	West County Wastewater District	Lassen View Elementary	Collective Roots
	Westborough Water District	Las Lomas Elementary	Morgan Hill Charter
		Manton Joint Union	Pathway to choices
		Mineral	Sociometrics
		Millbrae Elementary	
		Mountain View Whisman	
		Orchard School District	
		Union Elementary	

Section D - Partner, Supervisory and Staff Qualifications and Experience

City of Oroville Proposal for Auditing Services

Michael Copher, CPA

Professional Staff

Mike holds a Masters in Accountancy, a B.S. in Accountancy, a B.S. in Finance (Investment Banking) and a minor in Computer Science. He has three years of auditing experience and two years of accounting consulting experience since graduating from Illinois in 2005. He has two years of auditing experience at KPMG in Silicon Valley/San Francisco and one year at Armanino McKenna in San Jose. Mike contributed to KPMG annual audit engagements, quarterly reviews and SOX404 testwork with large cap client such as Apple, Infineon and SVB Financial Group. In addition, Mike contributed to the audit engagement at the State Compensation Insurance Fund in San Francisco, gaining experience with Yellow Book government compliance. Mike also has experience from Armanino McKenna with ETR Associates, a non-for-profit client in Scotts Valley.

Mike is proficient with the IDEA auditing software tool, Microsoft Excel and Access as well as HTML and C++ programming. His skill of data analysis combined with reengineering audit procedures earned him the Exceptional Performer Award in 2007 at KPMG placing him in the top 5% of his class.

Mike's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	GAGAS - General Standards
GAGAS - General Field Work And Reporting Standards	GAGAS - Reporting Standards For Financial Audits
GASB Basic Financial Statements for State and Local Governments	GAGAS - Use and Application of GAGAS

The following is a list of Michael's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Point Arena	Bay Area Water Supply Conserv. Agency	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Saratoga	Central Marin Sanitation Agency	Cotati Rhonert Park	Credo Charter
Town of Los Gatos	South Bayside Systems Authority	Las Lomas Elementary	Mission Charter
	The Cities Group	Los Altos Elementary	Morgan Hill Charter
	West Bay Sanitary District	Millbrae Elementary	Pathway to Choices
		Mountain View Whisman	San Jose Conservation Charter
		San Mateo County Office	San Jose Conservation Corps
		Sequoia Union High	
		Sonoma Valley Unified	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes 80 hours of governmental auditing and accounting training. We use a combination of in-house seminars, self-study and outside seminars sponsored by the AICPA, the GFOA, the California Education Foundation and other recognized groups.

SECTION E

REFERENCES AND SIMILAR ENGAGEMENTS

Section E - Client References and Similar Engagements

City of Oroville Proposal for Auditing Services

Client References and Similar Engagements

The following projects were completed by C&A for the fiscal year ended June 30, 2013;

Entity Name	City of Saratoga	Town of Los Gatos	City of Tracy
Contact Person	Mary Fury	Steve Conway	Jenny Haruyama
Title	Finance and Admin Svcs Director	Finance Director	Administrative Services Director
Address	13777 Fruitvale Ave, Saratoga, CA 95070	110 E. Main St, Los Gatos, CA 95030	333 Civic Center Plaza, Tracy, CA 95316
Phone	408-868-1221	408-354-6828	209-831-6160
E-mail	mfurey@saratoga.ca.us	sconway@losgatosca.gov	Jenny.Haruyama@ci.tracy.ca.us
Period Completed	6/30/2013	6/30/2013	7/1/2008-1/31/2014
Hours	460	440	200
Fiscal Years Audited	1	2	1
Engagement Partner	Sheldon Chavan	Sheldon Chavan	Sheldon Chavan
GFOA Award	Yes	Yes	N/A
Entity Type	City	City	City
Scope of Work	CAFR Prep & Review GAGAS Audit Single Audit SAS 114 Report Management Letter TDA Audit GANN Limit AUP Year Round Consultation	CAFR Prep GAGAS Audit Single Audit SAS 114 Report Management Letter GANN Limit AUP TDA Audit Successor Agency Audit Year Round Consultation	Credit Card Policy Review, Evaluation and Recommendations Agreed-upon Procedures Report Credit Card Fraud Audit
Entity Name	City of Point Arena	City of Sonoma Valley of the Moon Fire Protection District	
Contact Person	David Tyson	Carol Giovanatto	
Title	Interim City Manager	City Manager	
Address	451 School St., Point Arena, CA 95468	No.1 The Plaza, Sonoma, CA 95476	
Phone	707-882-2122	707-933-2213	
E-mail	pa-citymgr@mcn.org	carolg@sonomacity.org	
Period Completed	6/30/2013	6/30/2013	
Hours	190	140	
Fiscal Years Audited	2	1	
Engagement Partner	Sheldon Chavan	Sheldon Chavan	
GFOA Award	No	No	
Entity Type	City	Special District	
Scope of Work	Report Prep GAGAS Audit SAS 114 Report Management Letter GANN Limit AUP Year Round Consultation	Report Prep GAGAS Audit SCO Min Audit Req Review SCO Report SAS 114 Report Management Letter Year Round Consultation	



ATTACHMENTS

Attachment A

CHIANG, HAMMON & COMPANY
Certified Public Accountants
2007 W. Hedding Street, Suite 209 San Jose, CA 95128
(408) 244-2002 (408) 244-2333 Fax

System Review Report

June 10, 2014

To the Members of Chavan & Associates LLP
and the Peer Review Committee of the CalCPA

We have reviewed the system of quality control for the accounting and auditing practice of Chavan & Associates LLP in effect for the year ended December 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Chavan & Associates LLP, in effect for the year ended December 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of conforming with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Chavan & Associates LLP has received a peer review rating of *pass*.



Chiang, Hammon & Company

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

In order ensure that the audit is completed successfully during each year of the engagement, **C&ALLP** has a **Practice Continuation Agreement (PCA)** with **Robert R. Redwitz & Co.** The purpose of this PCA agreement is to provide as much continuity as possible under difficult circumstances. The PCA is needed **only** when there is a death or disability to the engagement partner of C&A. For example, if C&A's engagement partner is physically unable to perform the services required to complete the audit, one of the partner's and/or managers noted in **Attachment D** would intercede either in a supporting or leading role to ensure the audit is completed timely. (Note: this is not a joint venture arrangement)

SUMMARY OF ROBERT R. REDWITZ & CO.

Contact Information:

Jennifer Riva-Kirk, CPA

Regional Managing Principal – San Jose

jennifer@redwitz.com

Office: (800) 576-1514

<http://www.redwitz.com>

Robert R. Redwitz & Co., An Accounting and Consulting Corporation, was founded in 1975 in Orange County, California. The company currently services clients world-wide and has offices throughout the state of California. Its services include financial planning, advisory services, tax services, financial statement services and fraud detection. Robert R. Redwitz & Co. is built upon a skilled team of professionals, including a group of experienced Certified Public Accountants (CPAs), a certified fraud examiner and a Certified Financial Planner (CFP®).

Robert R. Redwitz & Co provides audit services to small and medium-sized private businesses, non-profit organizations, employee benefit plans and **governmental agencies**. At Robert R. Redwitz & Co., we believe that the assurance process should be timely and should have a minimal impact on your daily operations. Led by people knowledgeable of your industry, our team prepares reports that offer valuable insights into improving your operations through operations-related observations, industry benchmarking data, and helpful management tips.

You can have complete confidence in our independence. We regularly obtain unqualified opinions related to independent compliance peer reviews of our quality control policies and procedures.

We have three locations in California as follows:

San Francisco Bay Area

1 Almaden Blvd. Suite 950

San Jose, CA 95113

408-377-3441 • 877-726-3441

Orange County

5520 Trabuco Road

Irvine, CA 92620

949-753-1514 • 800-576-1514

San Diego County

9404 Genesee Ave., Suite 220

La Jolla, CA 92037

858-455-9000 • 800-576-1514

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

PARTNER AND STAFF RESUMES

Our principals are dedicated to providing the best possible service to our clients and a great working environment for our team members. They possess an extensive background in business and finance, which is the foundation of our company.

Robert R. (Randy) Redwitz, CPA

Senior Managing Principal

In 1973, Randy received his license to practice as a Certified Public Accountant. From 1970 to 1975, Randy held multiple positions within two CPA firms in the Southern California area. In 1975, Randy formed Robert R. Redwitz & Co., An Accounting and Consulting Corporation in Irvine, California with a heavy emphasis in audit, business taxation, and outsourced CFO services for a variety of industries.



Fulfilling a desire to provide a broad set of business solutions to his CPA firm business clients and other non-CPA firm business clients, Randy and two additional individuals formed in 1997 The GDR Group, Inc. to specialize in information technology system installations, hardware, software and managed support. In 2000 Randy and one additional individual formed The Diamond Group to specialize in business to government relations consulting. Further, in 2003 Randy formed Redwitz Wealth Management Group, Inc. specializing in personal financial planning and financial asset management. Finally in 2006 Randy and one other individual formed Learning Communications, LLC specializing in human resource training and training support educational products. Collectively the five companies are known as Redwitz Business Solutions. The Orange County Business Journal has ranked Redwitz Business Solutions number 8 among the top 40 CPA firms in Orange County.

Experience

Randy has extensive experience in real estate development, real estate transactional analysis, real estate sales and escrow industry, general and subcontractor construction, management and consulting industry and non-profit entities with special emphasis in school environments.

Education

In 1964, Randy attended St. John's Seminary College in Camarillo graduating in 1968 with a Bachelor of Arts degree with a major in Philosophy and a minor in English. In 1973 Randy received a Bachelor of Science degree from the University of Southern California with a major in Accounting.

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

Professional & Community Involvement

Randy is a member of the American Institute of Certified Public Accountants and the California Society of CPAs.

Randy is the current Vice Chairman of the International Board of Directors of AGN International, which is a formal association of over 200 CPA firms located throughout North America and throughout every major city in the world.

In 2007 Randy became a Founder and the first Chairman of the Board of Directors of Partners Bank of California. Partners Bank of California is a community based business bank located in Mission Viejo.

Randy is the Chief Executive Office and a Board member since 2003 of the Caritas Corporation. The Caritas Corporation owns and maintains 14 mobile home parks throughout California dedicated to providing affordable housing to low and very low income qualifying individuals and families in an attractive and safe community. The Caritas Corporation currently has over 2,600 mobile home spaces and serves a combined community of over 7,000 individuals.

Within his companies and individually Randy has worked very closely with the Diocese of Orange over the last 20 plus years. From 1989 to 2010 Randy served as the Business Manager for Santa Margarita Catholic High School and overseer of the development of the Master Plan for SMCHS. Randy still serves as a financial consultant to SMCHS to this day.

Personal

Married to his wife Claudia for 42 years, Randy and Claudia have lived in San Juan Capistrano for the past 31 years where they raised their 5 children -- all graduates of St. Edward the Confessor elementary school and a combination of Cornelia Connelly High School and Santa Margarita Catholic High School. Randy and Claudia are both active members in their St. Edward the Confessor parish community and the surrounding civic communities. Randy and Claudia are both members of the Orange Coast Chapter of Legatus. Randy is a vested knight in the Order of Malta and Claudia is a vested dame in the Order of Malta. Randy serves as the chief financial officer of the Orange County location of the Order of Malta.

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

Doug Clevenger, CPA, CFP, CCIFP

Regional Managing Principal, La Jolla office

Doug is a native San Diegan, a graduate of historic Herbert Hoover High School. He has over 31 years of experience as a Certified Public Accountant, and was admitted as a principal of Robert R. Redwitz & Co. in October 2006.



Experience

Doug began his career as an auditor with Peat, Marwick, Mitchell & Co. (now KPMG), in San Diego and Dallas, serving large publicly held commercial enterprises, banks, savings & loans, and non-profit organizations. Through specialized training and experience, Doug became one of the first Computer Audit Specialists in his firm and in the accounting industry, writing programs to perform computer-assisted audit procedures. Doug also received training and experience in SEC reporting, and in LIFO inventories. Later, Doug developed his tax skills working with local CPA firms, offering accounting and tax consultation, planning, and compliance services to non-public businesses, their owners, and non-profit organizations.

As a Certified Construction Industry Financial Professional (CCIFP), Doug services the accounting and tax needs of construction contractors. Doug serves as the Chairman of the AGN International Tax Committee, coordinating the efforts of an association of accounting firms around the world to provide relevant cross-border tax expertise for both outbound and inbound investors, including entity optimization, set up of Controlled Foreign Corporations, transfer-pricing issues, claiming tax treaty benefits, and U.S. compliance for foreign investors.

Doug is also a Certified Financial Planner® practitioner, offering tax sensitive financial planning to individuals and business. In 2002, Doug obtained his Series 7 and 66 Securities licenses. From, 2002-2005, Doug established and maintained his own independent Registered Investment Advisor entity in order to expand his offering of comprehensive financial planning services to businesses and individuals.

Education

Doug received his Bachelor of Science degree in business with an emphasis in accounting from San Diego State University in 1978, graduating with Highest Honors and Distinction.

Professional & Community Involvement

Doug is a member of the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, Construction Financial Management Association, Associated Builders and Contractors, and the Financial Planning Association.

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

Doug is a member of the Board of Directors of the Associated Builders and Contractors in San Diego, having served as Treasurer for the past two years. In 2012 Doug participated as a member of the National Board of the organization. Doug was a founding member of the Santee Church of Christ, and served as a Trustee for many years. He is also a Lifetime Member of the San Diego State University Alumni Association ("Aztec for Life"), and achieved "Aztec Champion" status in 2012. Doug is also a member and strong supporter of the San Diego Hall of Champions and San Diego Sports Commission.

Personal

Doug and his son enjoy living in San Diego, and taking in the great weather, beaches, and parks. Doug is a season ticket holder and enjoys cheering for the San Diego State Aztecs basketball team. Go Aztecs!

Jennifer Riva-Kirk, CPA

Regional Managing Principal, San Jose office

Jennifer is responsible for audit and accounting services in the Bay Area. She is also the firm's Quality Control Director, assuring the highest level of accounting services and managing our Peer Review engagement.

Experience

Jennifer has extensive experience in general and subcontractor construction entities; non-profit entities with a special emphasis in affordable housing compliance and tax-exempt bond financing; mergers and acquisitions transactions; and audits of employee benefit plans.



From 1994 to 1996 Jennifer was the controller at a construction company. In 1996, Jennifer started her public accounting career as a staff accountant at Robert R. Redwitz & Co. and was admitted as a partner of the firm in 1999. In 2001, she relocated to the firm's San Jose, California office.

In 2003, Jennifer received her Series 7 and Series 66 licenses in order to practice as a general securities representative.

Education

Jennifer received her Bachelor of Arts Degree in Business Administration with a concentration in accounting from California State University, Fullerton in 1995.

Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

Professional and Community Involvement

Jennifer is a member of the American Institute of Certified Public Accountants and the California Society of CPAs.

Since 2003, Jennifer has served as the Chief Financial Officer of The Caritas Corporation. The Caritas Corporation owns and maintains 17 mobile home parks through California dedicated to providing affordable housing to low and very low income qualifying individuals and families in an attractive and safe community. The Caritas Corporation currently has over 3,000 mobile home spaces.

Jennifer is a member of the Rotary Club of San Jose California and is active in various Silicon Valley community projects.

Personal

Married to her husband Butch for 10 years, Jennifer and Butch reside in San Jose, California raising their four year old twin boys. Outside of her career, Jennifer enjoys traveling with her family; exploring the world through her children's eyes; and in her spare time focusing on her own health by doing Bikram yoga.

Julie L. Incorvina, CFE, CPA

Regional Managing Principal, Irvine Office

Jennifer is responsible for audit and accounting services provided to clients served through our Irvine office.

With eight years of experience in the banking industry and more than twenty-five years in public accounting, Julie has enjoyed a well-rounded career. Her passion for excellence brings assurance that she will provide personalized, top-notch services to her clients.

Experience

Julie has extensive experience with clients in the non-profit sector as well as various for-profit industries. As an audit partner, her primary responsibilities are to closely manage client relationships and oversee financial statement engagements including audits, reviews and compilations and consult with clients on a variety of financial issues.

As a certified fraud examiner, she also oversees fraud related services such as fraud prevention and detection services and fraud investigations.

Julie has been with Robert R. Redwitz & Co. since 1994. In 1996, she received her license to practice as an Enrolled Agent and in 1998, she received her license to practice as a Certified



Attachment B

Practice Continuation Agreement



... Set Apart from the Competition

Public Accountant. In 2004, she received her license to practice as a Certified Fraud Examiner. Julie was admitted as a principal in the firm in January 1999.

Professional & Community Involvement

Julie is a member of the American Institute of Certified Public Accountants, the California Society of CPAs, and the Association of Certified Fraud Examiners.

Julie also serves on the board of directors of two local non-profit organizations, The Mardan School which is a school for children with learning disabilities and Stage Door Repertory Theatre, which provides theatrical presentations that nurture local artistic expression. Julie has also actively served on the not-for-profit core team of AGN International since 2004 and in this role she assists in planning educational forums for professionals who specialize in the non-profit arena.

Personal

Julie is a California native and currently resides in Rancho Santa Margarita with her family.

STAFF RESUME

LORI STANSFIELD, CPA, Audit Manager

Lori Stansfield is an Audit Manager, with Robert R. Redwitz & Co. She graduated with honors from the University of Colorado Denver in 1988, where she received a Bachelor of Science Degree in Accounting. She obtained her CPA license in 1990. In 1994 she earned a Masters of Science in Marketing. Lori has over 15 years of experience in both public and private audit and consulting services and 9 years in private industry. She began her career with Spicer & Oppenheim in 1988 and then became a Controller in private industry. Lori returned to public accounting with Spicer Jeffries LLP in Denver Colorado where she worked for over 13 years before relocating to California in 2008. Lori has consulted with a diverse financial services clientele which includes brokers and dealers in securities, domestic and offshore hedge funds and commodity pools. She has an extensive background that includes audits of manufacturing, construction, wireless internet providers, leasing companies, fast food franchises, mortgage brokers, 401K/profit sharing plans and non-profit organizations



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the Sample City
Sample City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sample City (the "City"), as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sample City, as of June 30, 20XX, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and required supplementary information, as listed in the table of contents, be presented to

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR
RICK WALLS, INTERIM CITY ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: CONSTRUCTION CONTRACT WITH MIDSTATE BARRIER, INC.

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider a Construction Contract with Midstate Barrier, Inc. (MBI) in the amount of \$25,250 for the repair of damaged guardrail sections at four locations within City limits.

BACKGROUND

Staff has identified damaged metal beam guardrail (MBG) at three locations within City limits. A fourth location on Ophir Road requires only replacement of the MBG support posts. These sections have been damaged over time by various traffic accidents. The locations and number of feet of damaged MBG are as follows:

Oro Dam Boulevard East: 175' and 33 posts
Table Mountain Boulevard: 65' and 11 posts
Ophir Road: 9 posts only
Lower Wyandotte: 35' and 10 posts

Staff prepared an informal Request for Bids for the MBG repair project. Bids were due by October 13, 2014 and four bids were received. A bid summary is presented below.

Bidder	Bid Total
Midstate Barrier, Inc., Stockton, CA	\$25,250
Frank Medina, Oroville, CA	\$37,750
Apex Fence, Anderson, CA	\$41,250
Pisor Fence, Chico, CA	\$64,113

The low bidder for this project is MBI. Given the scope of work, staff believes that the bid from MBI is reasonable and not unusually low.

Staff is requesting the approval of a 10% contingency of \$2,525 for this project due to unforeseen conditions that may arise during the completion of this work.

Staff expects to be reimbursed up to \$5,000 for the repair on Table Mountain Boulevard through the insurance company of the driver that caused the damage.

FISCAL IMPACT

Funds are available in Department 3100 for these repairs.

RECOMMENDATIONS

Adopt Resolution No. 8281 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A CONSTRUCTION CONTRACT WITH MIDSTATE BARRIER INC., IN THE AMOUNT OF \$25,250, AND A 10% CONTINGENCY IN THE AMOUNT OF \$2,525, FOR THE REPAIR OF METAL BEAM GUARDRAILS AT FOUR LOCATIONS WITHIN CITY LIMITS – (Agreement No. 3091).

ATTACHMENTS

Resolution No. 8281
Agreement No. 3091

**CITY OF OROVILLE
RESOLUTION NO. 8281**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A CONSTRUCTION CONTRACT WITH MIDSTATE BARRIER INC., IN THE AMOUNT OF \$25,250, AND A 10% CONTINGENCY IN THE AMOUNT OF \$2,525, FOR THE REPAIR OF METAL BEAM GUARDRAILS AT FOUR LOCATIONS WITHIN CITY LIMITS

(Agreement No. 3091)

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute a Construction Contract with Midstate Barrier, Inc. for the repair of metal beam guardrails at four City locations. A copy of the Construction Contract is attached to this Resolution.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

CONSTRUCTION CONTRACT

This contract ("Contract") is made and entered into the 21st day of October, 2014, by and between City of Oroville ("City"), 1735 Montgomery Street, Oroville, California and Midstate Barrier, Inc. ("Contractor"), P.O. Box 30550, Stockton, California, 95213, Contractor's License No. 529261.

1.00. General Provisions

1.01. Purpose of Contract. To complete metal beam guardrail (MBG) repairs at four City locations in accordance with the MBG Repair Request for Bids and State specifications.

1.02. Contract Price. Contractor shall be paid the amount of Twenty Five Thousand Two Hundred and Fifty Dollars (\$25,250.00) ("Contract Price") for the performance of the work required by the Contract. The Contract Price is based on a bid received from the Contractor on October 10, 2014. Contractor's Bid is attached to this Contract as Exhibit "A".

1.03. Statement of Work. Contractor shall furnish all labor, material, supplies, equipment, and services and shall perform and complete in a satisfactory and workmanlike manner the MBG repairs as described in the MBG Repairs RFB.

1.04. Time of Commencement and Completion.

- (a) Contractor shall commence the work within 10 working days after receipt of a Notice to Proceed by the City.
- (b) All work shall be satisfactorily completed within 45 calendar days after receipt of the Notice to Proceed. Contractor has taken into consideration and made allowance for ordinary delays and hindrances incidental to such work, whether growing out of delays of common carriers, delays in securing materials or workers, changes omissions, alterations, or otherwise.
- (c) Excusable delays shall consist of: strikes, lockouts, embargoes, fire, unavoidable casualties, unusual delays in transportation, national emergency, extraordinary weather conditions, labor and material shortages which are beyond the reasonable control of Contractor, or by any other cause beyond the reasonable control of Contractor; provided that Contractor shall notify the City in writing no later than one (1) day after the initial occurrence of any excusable cause of delay.
- (d) If the Contractor is unable to complete any portion of the work due to excusable delay, the completion date shall be extended by the number of days of the excusable delay.
- (e) If completion of the work is delayed beyond the completion date and no extension of time is approved by the City, Contractor agrees that the City would suffer damages, but that such damages would be extremely difficult to ascertain. Therefore, it is agreed that a reasonable estimate of the damages to be suffered by City, in the event that final completion is not achieved by the date recited, and no extension of time has been approved by the City fine is zero (\$0) dollars per

day for each day of delay.

(f) Time is of the essence of this Contract.

1.05. Contract Documents. This Contract shall consist of the general terms, conditions and references contained herein and the following documents, which are incorporated by reference:

The complete contract is comprised of and may include, if applicable: Invitation for Bids; Information for Bidders; Bid Schedule; Proposal Form; Bidder's Bond; Contract; General Conditions; Special Provisions; Technical Provisions; Payment Bond; Performance Bond; Notice of Award; Notice to Proceed; Change Orders; Supplemental Drawings Issued; Drawings; Specifications and Contract Documents; All addenda or bulletins issued during the time of bidding or forming a part of the documents loaned to the bidder for preparation of the bid; The complete plans and provisions, regulations, ordinances, codes, and laws incorporated therein or herein by reference or otherwise applicable to the Project.

1.06. Method of Payment.

Upon application for payment submitted by the Contractor, and approved by the City inspectors, and based on job progress, the City shall make, or cause to be made, a final payment to the Contractor.

1.07. Changes: No changes, additions, or deletions to the specifications for the work to be completed under this Contract shall be made without the prior written consent of the City. The Contract Price may be increased by no more than 10 percent under the following conditions: a) additional repairs are needed which the City determines Contractor reasonably could not have anticipated; and 2) which result in a change of the scope of work necessitating a change in the plans and specifications; and 3) Contractor demonstrates, to the satisfaction of the City that the additional funds are necessary to ensure that the Property will meet rehabilitation standards upon completion of the work.

1.08. Indemnification. Contractor expressly agrees to defend, indemnify and hold harmless City from any and all claims, suits, damages and actions of any kind or description resulting from any act or omission of Contractor or any of its subcontractor (or any agent, employee, or servant thereof) in performance of this Contract, except where caused by the active negligence, sole negligence or willful misconduct of the City. Contractor waives any and all right to any type of express or implied indemnity against the City and its officers and employees.

1.09. Conflict of Interest. Contractor states that no present or former member or officer of the City staff, and no employee of the City who formulates policy or influences decisions with respect to the City Housing Rehabilitation program, had or will have any direct or indirect interest, during his or her tenure or for one year thereafter, in this Contract or in any proceeds or benefits arising from this Contract.

1.10. Termination.

(a) City may, because of breach of the Contract by Contractor, terminate this Contract at any time by a notice in writing to Contractor. Such termination shall be effective in the manner and upon the date specified in said notice and shall be

with out prejudice to any claims. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities, and supplies in connection with the performance of this contract and shall promptly proceed to cancel all existing orders and terminate all subcontracts in so far as such orders and/or subcontracts are chargeable to this Contract.

- (b) Upon termination of this Contract for its breach by Contractor, the Contract Price shall be reduced by the amount of any and all claims which City may have against the Contractor for damages incurred by the City as a result of the breach, including the cost to City to have the work remaining under the Contract completed by another Contractor. Such damage shall also include any reasonable attorney's fees and other costs incurred by City in effecting the termination of the work. Any Contract funds remaining, including amount retained from progress payments, or other amount otherwise earned by the Contractor but not yet paid by the City on the date of the termination, may be applied by City to the damages which were incurred as a result of the Contractor's breach, the balance remaining, if any, payable to the Contractor. If Contract funds as indicated above are insufficient, the Contractor shall be liable for any unpaid balance.

1.11. Written Notice. Written notice shall be deemed to have been duly served if delivered in person or sent by registered or certified mail to:

- (a) Contractor at the following address:

**Midstate Barrier, Inc.
P.O. Box 30550
Stockton, California, 95213
Attn: Stephen Gifford, Vice President**

- (b) The City at the following address:

**City of Oroville
Community Development Department
1735 Montgomery Street
Oroville, CA 95965
Attn: Rick Walls**

2.00. CONTRACTOR'S GENERAL OBLIGATIONS.

Contractor shall provide the following:

- 2.01. Insurance: Prior to commencing any construction, furnish certificates of insurance to City evidencing insurance coverage as shown in Exhibit "B".
- 2.02. Bond: None.
- 2.03. Permits and Taxes: Obtain all permits and licenses and pay all fees, taxes and other charges (with the exception of permit fees that will be paid for by the City) necessary for the completion and execution of the work to be performed.

- 2.04. Government Requirements: Perform all work in conformity with applicable state, federal, and local laws and regulation and local building codes whether or not covered by the Contract Documents.
- 2.05. Maintenance of the Property:
- (a) At all times keep the Property free from accumulation of waste material or rubbish caused by Contractor's operation. At the completion of the work, remove all construction activity related waste materials, rubbish, tools, construction equipment, and machinery and leave Property in a neat and clean condition.
 - (b) Protect City's property, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of the Contract.
 - (c) Replace glass damaged or broken by Contractor's operation. Upon replacement, remove all labels and wash and polish glass on both sides.
- 2.06. Warranties: All materials and labor, including those of any subcontractor, for the work, shall be warranted for a period of one year from the date of the final Contractor payment provided for under Section 1.06 and Contractor shall provide City with all manufactures' and suppliers' written guarantees and warranties covering materials and equipment furnished under the Contract, prior to the release of the final Contractor payment provided for under Section 1.06.
- 2.07. Inspection:
- (a) Permit City or its designees to examine and inspect the work under this Contract before and after completion.
 - (b) Cooperate with the City in completing progress inspections and final inspection of the work.
- 2.08. Payment and Lien Releases: Promptly pay all persons furnishing materials, labor, or services and deliver to the City a complete release of liens for all labor, materials, and services for which a lien or stop notice could be filed under this Contract.
- 3.00. ACCEPTANCE/PROJECT CLOSEOUT
- 3.01. Joint Inspection: Upon receipt of a written notice from Contractor that the work is ready for final inspection and acceptance, Contractor and representatives of the City shall meet for a final project inspection. If deficiencies are noted, Contractor shall be responsible for correcting the items identified prior receiving final payment.
- 3.02. Notice of Completion: When the work has been completed in conformity with the Contract Documents and any Change Orders, and deficiencies have been corrected to the satisfaction of the City, the City shall accept the work by signing a Notice of Completion.
- 3.03. Final Payment:

After the City has inspection all of the required work and accepted all of the final work,

the Contractor shall submit a request for final payment. In addition, Contractor shall at the same time submit from all subcontractors and person supplying labor or materials to Contractor, a "Conditional Waiver and Release Upon Final Payment" in the form prescribed by Section 3262 of the City Code.

3.04. Release of Retention: Payment of all sums retained, if applicable, except those retained for cause shall be made to the Contractor no sooner than thirty-five (35) days after recordation of the Notice of Completion.

4.00. DISPUTE RESOLUTION

Should any dispute arise respecting the true value of any work done or any work omitted, or of any extra work which the Contractor may be required to do, or respecting the size of any payment to the Contractor during the performance of this Contract, the dispute shall be informally mediated between the parties. Following such mediation, either party may file an action exclusively in the Butte County Superior Court or in the United States District Court, Eastern District of California. Under no condition shall there be a cessation of work by the Contractor during any such dispute. This article does not exclude recovery of damages by either party for delays.

5.00. MISCELLANEOUS PROVISIONS

5.01. Entire Agreement: The Contract Documents contain the entire agreement between the parties. No variation, modifications, or changes hereto shall be binding upon any party hereto unless set forth in a written document duly executed by or on behalf of such party.

5.02. Waiver: No consent or waiver, express or implied, by either party to or of any breach or default by the other shall be deemed default. Failure on the part of either party to complain of any act of the other party or to declare the other party in default shall not constitute a waiver by such party of its rights hereunder.

5.03. Successors and Assigns: The provisions of this Contract bind both parties and their successors and assigns. Contractor shall not assign this Contract without written consent of the City.

5.04. Governing Law: This Contract and obligations of the parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of California.

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IN WITNESS WHEREOF, the City and Contractor have executed this Contract.

MIDWEST GUARDRAIL, INC.

By: _____
Stephen Gifford, Vice President

Date: _____.

CITY OF OROVILLE

By: _____
Linda L. Dahlmeier, Mayor

Date: _____.

**CITY OF OROVILLE
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: RANDY MURPHY, CITY ADMINISTRATOR
**RE: RESOLUTIONS IN SUPPORT OF LEAGUE OF CALIFORNIA CITIES
POSITION FOR FOUR PROPOSITIONS ON NOVEMBER 4, 2014
BALLOT**
DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider adopting a position in alliance with the League of California Cities (League) on Propositions 1, 2, 46 and 47 on the November 4, 2014 ballot.

DISCUSSION

The League has taken a position on four of the six Propositions included on the November 4 ballot and has asked its members to adopt Resolutions in alliance with its position on the four measures. A summary of each is as follows:

Proposition 1: Water Quality, Supply, and Infrastructure Improvement Act of 2014

Upon approval of voters, Prop. 1 would provide a total of \$7.545 billion in bond funding for water related projects such as water conservation, groundwater recharge, stormwater capture and reuse/Clean Water Act Compliance, watershed restoration, water storage and conveyance and water recycling and reuse. The \$7.545 billion in funding would come from the issuance of \$7.12 billion in new general obligation (GO) bonds and the reallocation of \$425 million in existing bond funds previously approved by voters.

Funding for water projects would be subject to the following breakdown:

Clean, Safe, and Reliable Drinking Water: \$520 million

- \$260 million deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund for grants for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards.
- \$260 million for grants and loans for public water system infrastructure improvements to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged

communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards.

Protecting River, Lakes, Streams, Coastal Waters, and Watersheds: \$1.495 billion

- *\$327.5 million for Conservancies to fund projects that restore, enhance, and protect watersheds.
- *\$100 million to protect and enhance urban creeks.
- *\$20 million shall be made available for a competitive program to fund multi-benefit watershed and urban rivers enhancement projects in urban watersheds that increase regional and local water self-sufficiency and that meet at least two of the following objectives:
 - Promote groundwater recharge and water reuse.
 - Reduce energy consumption.
 - Use soils, plants, and natural processes to treat runoff.
 - Create or restore native habitat.
 - Increase regional and local resiliency and adaptability to climate change.
 - At least 25 percent of the funds available pursuant to this section shall be allocated for projects that benefit disadvantaged communities. Up to 10 percent of the funds available pursuant to this section may be allocated for project planning.
- \$87 million to the Department of Fish and Wildlife for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta.

Regional Water Security, Climate, and Drought Preparedness: \$810 million

- *\$510 million for hydrologic regions identified in the Water Action Plan for regional self-reliance security; grants and loans for projects included in an IRWM plan.
- *\$100 million for grants and loans for water conservation and efficiency plans, projects, and programs.
- *\$200 million for grants for multi-benefit stormwater management projects.

Statewide Water System Operational Improvement and Drought Preparedness: \$2.7 billion

- *\$2.7 billion for surface and subsurface water storage.
- *Funds are continuously appropriated.

Water Recycling: \$725 million

- *\$725 million for grants and loans for water recycling and advanced treatment projects.

Groundwater Sustainability: \$900 million

- *\$720 million for competitive grants, and loans for, projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. Funds may also be used for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves or has served as a major source of drinking water for a community.

- *\$80 million for grants for treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water.
- *\$100 million of grants for projects that develop and implement groundwater plans.

Flood Management: \$395 million

- \$295 million to reduce the risk of levee failure and flood in the Delta.

* Indicates consistency with League water bond priorities.

League Position: Support

Many of the funding provisions outlined in Prop. 1 are consistent with water bond priorities developed by the League’s Water Bond Task Force. The League supports this bipartisan proposal because it would provide financial support to help local communities provide reliable and clean drinking water.

Proposition 2: Rainy Day Budget Stabilization Fund Act

The measure establishes new state budget reserve fund requirements and policies and was approved by the Legislature on May 15, 2014, with strong bipartisan support. In conjunction with this action, the Legislature removed ACA 4 of 2009 from the November ballot, a previously adopted state reserve fund proposal that had not yet been submitted to the voters.

Specifically, the measure:

- Requires 1.5 percent of general fund (GF) revenues to be placed annually into a reserve fund called the Budget Stabilization Account (BSA). Caps the reserve at no more than 10 percent of GF revenues, and requires any additional contributions to be spent on infrastructure.
- Directs 50 percent of funds, that would have otherwise been deposited into the BSA to pay down any of the following through FY 2029-2030:
 - Previous Prop. 98 school obligations;
 - Previous budgetary loans;
 - Local mandates owed pre FY 2004-05; or
 - Supplemental payments to reduce pension and benefit liabilities.
- Allows for budget reserve withdrawals or deposit suspensions following a gubernatorial finding of a “budget emergency.”
- Creates a Prop. 98 reserve where capital gains revenues exceeding 8 percent of GF revenues (that are allocated to the Prop. 98 guarantee) can be placed into a reserve fund. Increases in funding related to capital gains would be retained for future years of decline. Deposits would be made after required increases in enrollment growth and cost-of-living and once the current maintenance factor was paid.

League Position: Support

The League believes Prop. 44 will bring more stability to the state’s finances and

supports the measure's key principles of fiscal discipline, debt repayment and saving in preparation for the next economic downturn.

Proposition 46: Troy and Alana Pack Patient Safety Act of 2014

In response to ever-increasing medical liability costs, the Governor signed the Medical Injury Compensation Reform Act (MICRA) in 1975 to cap medical malpractice damages. Under MICRA, noneconomic damages (pain and suffering, emotional distress) are capped at \$250,000, while economic damages (medical costs, lost wages, and lifetime earning potential) are unlimited. Prop. 46 seeks to repeal the cap and increase the state's medical malpractice damage limits. The nonpartisan Legislative Analyst Office (LAO) predicts that state and local government health care costs would increase "likely ranging from the tens of millions of dollars to several hundred million dollars annually" if the cap were to increase as proposed.

Specifically, the measure:

- Adjusts the current \$250,000 cap on noneconomic damages for inflation, which, according to LAO, would bring the new cap to \$1.1 million;
- Requires reporting of suspected physician drug or alcohol impairment or failure to follow appropriate standard of care;
- Requires hospitals to conduct alcohol and drug testing on physicians; and
- Requires health care practitioners and pharmacists to consult the Controlled Substance Utilization and Review Evaluation System (CURES). CURES are an electronic monitoring system for the prescribing and dispensing of specific controlled substances. It is monitored by the California State Department of Justice and is intended to curb prescription drug abuse.

League Position: Oppose

While the measure contains other provisions of undeniable merit, the League opposes the significant cost increases local governments may incur due to increased medical liability costs resulting from repealing the MICRA cap.

Proposition 47: Safe Neighborhoods and Schools Act

This measure seeks to enact the significant changes in sentencing policy and direct any resulting state savings to support mental health and substance abuse treatment (65 percent), truancy and drop-out prevention (25 percent), and victim services (10 percent). Specifically, the measure would:

- Reduce sentencing penalties for specified non-serious and non-violent drug and property crimes. Specifically, it would direct that the following offenses be treated as misdemeanors, in most instances irrespective of the circumstances:
 - Commercial Burglary
Entering a commercial establishment during business hours with intent to commit larceny of property not exceeding \$950 will no longer be deemed commercial burglary. Instead, it will be defined as shoplifting, which is a misdemeanor.

- Forgery
Under current law, forgery can be charged as a felony or misdemeanor (known as a “wobbler”) but Prop. 47 will re-define it to be a misdemeanor if the defendant is forging a financial instrument that does not exceed \$950.00 in value. As drafted, Prop. 47 would provide that even if the person has forged multiple documents whose total value exceeded \$950.00, that individual could only be charged with a misdemeanor, so long as no individual financial instrument exceeded the threshold.
- Passing Bad Checks
Current law provides that the current threshold for felony prosecution for this offense is \$450.00, but Prop. 47 would increase this threshold to \$950.00. Current law provides that one prior conviction of this offense would trigger a felony charge on the second offense; but Prop. 47 requires three prior convictions for similar offenses.
- Grand Theft
The provisions pertaining to grand theft will reduce the theft of all personal property, including all but the most exotic handguns, to a misdemeanor, ushering in a major change in current criminal justice policy. Prop. 47 states that all theft of property less than \$950.00 in value shall be a misdemeanor offense.
- Receipt of Stolen Property
Under current law, receipt of stolen property is a felony/misdemeanor wobbler, with district attorneys granted discretion on how to charge the offense if the value of the property did not exceed \$950.00 — however Prop. 47 defines all such cases under \$950.00 to be misdemeanors.
- Petty Theft with a Prior Offense
Under current law, a defendant with more than three prior offenses for theft could be charged with a felony if charged with the offense a fourth time. Under Prop. 47, felony penalties only apply if the person had been previously convicted of a serious or violent felony and had a theft-related related prior.
- Drug Possession
Under Prop. 47, all drug possession cases will be reduced to misdemeanors. District attorneys would be stripped of discretion about whether to charge such offenses as felonies. This provision does not distinguish between “simple possession” and “possession for sale” — despite the fact that there can be a quantum difference in the amounts of a controlled substance involved between those two offenses. Prop. 47 makes no distinction based on the nature of the controlled substance, so it would impose misdemeanor penalties even for possession of significant quantities of substances such as methamphetamine, or for possession of ketamine or GHB, both known to be date-rape drugs.
- Allow certain offenders previously convicted of the above crimes to apply for reduced sentences. This is expected to result in the release of an estimated 10,000 inmates. Newly sentenced offenders in the affected categories would be sentenced to county jails, many of which are already at capacity or overcrowded due to the implementation of 2011’s AB 109, Public Safety Realignment.

League Position: Oppose

By reclassifying a series of what are felony or felony/misdemeanor offenses as outright misdemeanors, this measure will trigger significant public safety policy changes with respect to crimes such as theft of firearms and drug possession, including the possession of date-rape drugs. As drafted, it appears to be quite broad and treats nearly all instances of specified offenses with the same general rule, in a fashion that may not promote public safety. In addition, it will likely lead to changes in the prison inmate population, the county jail population, and what is known as the population of AB 109 offenders who are in and out of county jails.

FISCAL IMPACT

None

RECOMMENDATIONS

1. Adopt Resolution No. 8282 – A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 1 - WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014, ON THE NOVEMBER 4, 2014 BALLOT.
2. Adopt Resolution No. 8283 – A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 2 - RAINY DAY BUDGET STABILIZATION FUND ACT, ON THE NOVEMBER 4, 2014 BALLOT.
3. Adopt Resolution No. 8284 – A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 46: TROY AND ALANA PACK PATIENT SAFETY ACT OF 2014, ON THE NOVEMBER 4, 2014 BALLOT.
4. Adopt Resolution No. 8285 – A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 47: SAFE NEIGHBORHOODS AND SCHOOLS ACT, ON THE NOVEMBER 4, 2014 BALLOT.

ATTACHMENTS

League of California Cities E-mail, dated September 23, 2014
Resolution No. 8282
Resolution No. 8283
Resolution No. 8284
Resolution No. 8285

Randy Murphy

From: Charles Anderson [canderson@cacities.org]

Sent: Tuesday, September 23, 2014 8:48 AM

Subject: ICYMI: League positions on Nov Ballot Measures

Attachments: League Takes Official Positions on Four Upcoming November Ballot Measures.docx

League Takes Official Positions on Four Upcoming November Ballot Measures

Sample Resolutions For Cities Attached

September 22, 2014

The League has taken positions on four of the [six ballot measures](#) on the 2014 November general election ballot.

In order for the League to take a position on a proposition, it must first [qualify](#) for a general election ballot, followed by the League board of directors approving the proposed position by a two-thirds vote.

The following list contains brief description of the four ballot measures the League has taken positions on. In addition, sample position resolutions are provided below for cities to use should they choose to take a formal position on a specific measure.

[Proposition 1: Water Quality, Supply, and Infrastructure Improvement Act of 2014](#)

Upon approval of voters, Prop. 1 would provide a total of \$7.545 billion in bond funding for water related projects such as water conservation, groundwater recharge, stormwater capture and reuse/Clean Water Act Compliance, watershed restoration, water storage and conveyance and water recycling and reuse. The \$7.545 billion in funding would come from the issuance of \$7.12 billion in new general obligation (GO) bonds and the reallocation of \$425 million in existing bond funds previously approved by voters.

Funding for water projects would be subject to the following breakdown:

Clean, Safe, and Reliable Drinking Water: \$520 million

- \$260 million deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund for grants for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards.
- \$260 million for grants and loans for public water system infrastructure improvements to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards.

Protecting River, Lakes, Streams, Coastal Waters, and Watersheds: \$1.495 billion

- *\$327.5 million for Conservancies to fund projects that restore, enhance, and protect watersheds.
- *\$100 million to protect and enhance urban creeks.
- *\$20 million shall be made available for a competitive program to fund multi-benefit watershed and urban rivers enhancement projects in urban watersheds that increase regional and local water self-sufficiency and that meet at least two of the following objectives:

9/26/2014

- Promote groundwater recharge and water reuse.
- Reduce energy consumption.
- Use soils, plants, and natural processes to treat runoff.
- Create or restore native habitat.
- Increase regional and local resiliency and adaptability to climate change.
- At least 25 percent of the funds available pursuant to this section shall be allocated for projects that benefit disadvantaged communities. Up to 10 percent of the funds available pursuant to this section may be allocated for project planning.

- \$87 million to the Department of Fish and Wildlife for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta.

Regional Water Security, Climate, and Drought Preparedness: \$810 million

- *\$510 million for hydrologic regions identified in the Water Action Plan for regional self-reliance security; grants and loans for projects included in an IRWM plan.
- *\$100 million for grants and loans for water conservation and efficiency plans, projects, and programs.
- *\$200 million for grants for multi-benefit stormwater management projects.

Statewide Water System Operational Improvement and Drought Preparedness: \$2.7 billion

- *\$2.7 billion for surface and subsurface water storage.
- *Funds are continuously appropriated.

Water Recycling: \$725 million

- *\$725 million for grants and loans for water recycling and advanced treatment projects.

Groundwater Sustainability: \$900 million

- *\$720 million for competitive grants, and loans for, projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. Funds may also be used for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves or has served as a major source of drinking water for a community.
- *\$80 million for grants for treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water.
- *\$100 million of grants for projects that develop and implement groundwater plans.

Flood Management: \$395 million

- \$295 million to reduce the risk of levee failure and flood in the Delta.

* Indicates consistency with League water bond priorities.

League Position: Support

Many of the funding provisions outlined in Prop. 1 are consistent with water bond priorities developed by the League's Water Bond Task Force. The League supports this bipartisan proposal because it would provide financial support to help local communities provide reliable and clean drinking water.

- [Sample City Resolution](#)

[Proposition 2: Rainy Day Budget Stabilization Fund Act](#)

The measure establishes new state budget reserve fund requirements and policies and was approved by the Legislature on May 15, 2014, with strong bipartisan support. In conjunction with this action, the Legislature removed ACA 4 of 2009 from the November ballot, a previously adopted state reserve fund proposal that had not yet been submitted to the voters.

Specifically, the measure:

- Requires 1.5 percent of general fund (GF) revenues to be placed annually into a reserve fund called the [Budget Stabilization Account \(BSA\)](#). Caps the reserve at no more than 10 percent of GF revenues, and requires any additional contributions to be spent on infrastructure.
- Directs 50 percent of funds, that would have otherwise been deposited into the BSA to pay down any of the following through FY 2029-2030:
 - Previous [Prop. 98](#) school obligations;
 - Previous budgetary loans;
 - Local mandates owed pre FY 2004-05; or
 - Supplemental payments to reduce pension and benefit liabilities.
- Allows for budget reserve withdrawals or deposit suspensions following a gubernatorial finding of a “budget emergency.”
- Creates a Prop. 98 reserve where capital gains revenues exceeding 8 percent of GF revenues (that are allocated to the Prop. 98 guarantee) can be placed into a reserve fund. Increases in funding related to capital gains would be retained for future years of decline. Deposits would be made after required increases in enrollment growth and cost-of-living and once the current maintenance factor was paid.

League Position: Support

The League believes Prop. 44 will bring more stability to the state’s finances and supports the measure’s key principles of fiscal discipline, debt repayment and saving in preparation for the next economic downturn.

- [Sample City Resolution](#)

[Proposition 46: Troy and Alana Pack Patient Safety Act of 2014](#)

In response to ever-increasing medical liability costs, the Governor signed the Medical Injury Compensation Reform Act (MICRA) in 1975 to cap medical malpractice damages. Under MICRA, noneconomic damages (pain and suffering, emotional distress) are capped at \$250,000, while economic damages (medical costs, lost wages, and lifetime earning potential) are unlimited. Prop. 46 seeks to repeal the cap and increase the state’s medical malpractice damage limits. The nonpartisan [Legislative Analyst Office \(LAO\)](#) predicts that state and local government health care costs would increase “likely ranging from the tens of millions of dollars to several hundred million dollars annually” if the cap were to increase as proposed.

Specifically, the measure:

- Adjusts the current \$250,000 cap on noneconomic damages for inflation, which, according to LAO, would bring the new cap to \$1.1 million;
- Requires reporting of suspected physician drug or alcohol impairment or failure to follow appropriate standard of care;
- Requires hospitals to conduct alcohol and drug testing on physicians; and
- Requires health care practitioners and pharmacists to consult the [Controlled Substance Utilization and Review Evaluation System](#) (CURES). CURES are an electronic monitoring system for the prescribing and dispensing of specific controlled substances. It is monitored by the [California State Department of Justice](#) and is intended to curb prescription drug abuse.

League Position: Oppose

While the measure contains other provisions of undeniable merit, the League opposes the significant cost increases local governments may incur due to increased medical liability costs resulting from repealing the MICRA cap.

- [Sample City Resolution](#)

Proposition 47: Safe Neighborhoods and Schools Act

This measure seeks to enact the significant changes in sentencing policy and direct any resulting state savings to support mental health and substance abuse treatment (65 percent), truancy and drop-out prevention (25 percent), and victim services (10 percent). Specifically, the measure would:

- Reduce sentencing penalties for specified non-serious and non-violent drug and property crimes. Specifically, it would direct that the following offenses be treated as misdemeanors, in most instances irrespective of the circumstances:
 - Commercial Burglary
 - Entering a commercial establishment during business hours with intent to commit larceny of property not exceeding \$950 will no longer be deemed commercial burglary. Instead, it will be defined as shoplifting, which is a misdemeanor.
 - Forgery
 - Under current law, forgery can be charged as a felony or misdemeanor (known as a “wobbler”) but Prop. 47 will re-define it to be a misdemeanor if the defendant is forging a financial instrument that does not exceed \$950.00 in value. As drafted, Prop. 47 would provide that even if the person has forged multiple documents whose total value exceeded \$950.00, that individual could only be charged with a misdemeanor, so long as no individual financial instrument exceeded the threshold.
 - Passing Bad Checks
 - Current law provides that the current threshold for felony prosecution for this offense is \$450.00, but Prop. 47 would increase this threshold to \$950.00. Current law provides that one prior conviction of this offense would trigger a felony charge on the second offense; but Prop. 47 requires three prior convictions for similar offenses.
 - Grand Theft
 - The provisions pertaining to grand theft will reduce the theft of all personal property, including all but the most exotic handguns, to a misdemeanor, ushering in a major change in current criminal justice policy. Prop. 47 states that all theft of property less than \$950.00 in value shall be a misdemeanor offense.
 - Receipt of Stolen Property
 - Under current law, receipt of stolen property is a felony/misdemeanor wobbler, with district attorneys granted discretion on how to charge the offense if the value of the property did not exceed \$950.00 — however Prop. 47 defines all such cases under \$950.00 to be misdemeanors.
 - Petty Theft with a Prior Offense
 - Under current law, a defendant with more than three prior offenses for theft could be charged with a felony if charged with the offense a fourth time. Under Prop. 47, felony penalties only apply if the person had been previously convicted of a serious or violent felony and had a theft-related related prior.
 - Drug Possession
 - Under Prop. 47, all drug possession cases will be reduced to misdemeanors. District attorneys would be stripped of discretion about whether to charge such offenses as felonies. This provision does not distinguish between “simple possession” and “possession for sale” — despite the fact that there can be a quantum difference in the amounts of a controlled substance involved between those two offenses. Prop. 47 makes no distinction based on the nature of the controlled substance, so it would impose misdemeanor penalties even for possession of significant quantities of substances such as methamphetamine, or for possession of ketamine or GHB, both known to be date-rape drugs.
- Allow certain offenders previously convicted of the above crimes to apply for reduced sentences. This is expected to result in the release of an estimated 10,000 inmates. Newly sentenced offenders in the affected categories would be sentenced to county jails, many of which are already

at capacity or overcrowded due to the implementation of 2011's AB 109, Public Safety Realignment.

League Position: Oppose

By reclassifying a series of what are felony or felony/misdemeanor offenses as outright misdemeanors, this measure will trigger significant public safety policy changes with respect to crimes such as theft of firearms and drug possession, including the possession of date-rape drugs. As drafted, it appears to be quite broad and treats nearly all instances of specified offenses with the same general rule, in a fashion that may not promote public safety. In addition, it will likely lead to changes in the prison inmate population, the county jail population, and what is known as the population of AB 109 offenders who are in and out of county jails.

Sample City Resolution

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8282**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 1 -
WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014,
ON THE NOVEMBER 4, 2014 BALLOT**

WHEREAS, the State of California is facing a severe multiyear drought due to a variety of factors not limited to record dry conditions and below average rainfall; and,

WHEREAS, on January 17, 2014 California Governor Jerry Brown declared a drought state of emergency; and,

WHEREAS, the drought has, and will continue to have significant impacts on local agency ability to provide reliable and clean drinking water to the communities they serve; and,

WHEREAS, the Legislature approved and Governor Brown signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot; and,

WHEREAS, Proposition 1 will provide a total of \$7.545 billion in bond funding (\$7.12 billion in new general obligation (GO) bonds and the reallocation of \$425 million in existing bond funds previously approved by voters) for water related projects that will benefit local communities such as water conservation, groundwater recharge, stormwater capture and reuse, watershed restoration, water storage and conveyance and water recycling and reuse; and,

WHEREAS, Proposition 1 contains several provisions providing significant funding opportunities to disadvantaged communities and economically distressed areas that have been hardest hit by the drought; and,

WHEREAS, the intent of Proposition 1 aligns with the City of Oroville and statewide priorities to provide a comprehensive water management plan for decades to come.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council:

The City Council of the City of Oroville, by the adoption of this resolution, supports Proposition 1 on the November 4, 2014 ballot.

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PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8283**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL SUPPORTING PROPOSITION 2 -
RAINY DAY BUDGET STABILIZATION FUND ACT, ON THE NOVEMBER 4, 2014
BALLOT**

WHEREAS, the State of California has proven susceptible to chronic budget deficits in previous years and should prepare better for future economic recessions; and,

WHEREAS, the State of California lacks an adequate state reserve fund to serve as a reliable buffer during economic downturns; and,

WHEREAS, California voters approved Proposition 58 in 2004 and established the Budget Stabilization Account (BSA); and,

WHEREAS, Proposition 58 has proven ineffective in generating sufficient reserves due to the ability to suspend contributions and years of extremely difficult state budget conditions since its enactment; and,

WHEREAS, when the state government is unprepared for financial downturns it can have a destabilizing effect on the economy and result in state budget solutions that have harmful impacts on local services, revenues and budgets; and,

WHEREAS, the Legislature approved and Governor Brown signed the Rainy Day Budget Stabilization Fund Act, which will appear as Proposition 2 on the November 4 ballot; and,

WHEREAS, Proposition 2 will: require the State Controller deposit 1.5 percent of general fund (GF) revenues and tax revenues derived from capital gains (to the extent that these revenues are in excess of 8.0 percent of GF revenues) into the BSA and lead to a reserve of up to 10 percent of GF revenues; and,

WHEREAS, any additional contributions above a 10 percent reserve will assist the state's economic competitiveness by being required to be spent on infrastructure; and,

WHEREAS, the measure would only allow budget reserve withdrawals or deposit suspensions following a gubernatorial finding of a defined "budget emergency;" and,

WHEREAS, Proposition 2 provides for the dedication of additional funds to pay for previously accrued state debts, payments owed on local mandates, and supplemental payments toward the state's pension liabilities will contribute to the improvement of the state's overall financial footing; and,

WHEREAS, the longer-term effect of Proposition 2 will contribute to a more stabilized California state budget process.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council:

The City Council of the City of Oroville, by the adoption of this resolution, supports Proposition 2 on the November 4, 2014 ballot.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8284**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 46:
TROY AND ALANA PACK PATIENT SAFETY ACT OF 2014, ON THE NOVEMBER 4,
2014 BALLOT**

WHEREAS, Proposition 46 placed on the November 4, 2014, California general election ballot would quadruple the existing cap on non-economic damages under the Medical Injury Compensation Reform Act, or MICRA; and,

WHEREAS, under MICRA, patients are currently entitled to unlimited compensation for all economic damages including compensation for lost wages and compensation for all past and future medical costs; and,

WHEREAS, independent experts predict that quadrupling the cap on non-economic damages in health care lawsuits will significantly increase health care costs, including the cost of providing medical care and the cost of providing health benefits for special district and all local government employees; and,

WHEREAS, according to the independent, non-partisan Legislative Analyst's Office, "state and local governments spend tens of billions of dollars annually on health care services"; and,

WHEREAS, the Legislative Analyst estimates that Proposition 46 would increase costs for state and local governments by "several hundred million dollars annually"; and,

WHEREAS, Proposition 46 is opposed by hundreds of organizations representing local governments, community health clinics, hospitals, doctors, nurses, labor unions, business and taxpayer groups, public safety groups, and community groups.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council:

The City Council of the City of Oroville, by the adoption of this resolution, opposes Proposition 46 on the November 4, 2014 ballot.

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PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL
RESOLUTION NO. 8285**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL OPPOSING PROPOSITION 47:
SAFE NEIGHBORHOODS AND SCHOOLS ACT, ON THE NOVEMBER 4, 2014
BALLOT**

WHEREAS, Proposition 47 has qualified for the November 4, 2014 Statewide General Election; and,

WHEREAS, the proponents of this measure concede that Proposition 47 will make up to 10,000 felons eligible for early release; and,

WHEREAS, with the implementation of Public Safety Realignment in 2011, which altered sentencing policy by shifting all newly convicted non-violent, non-serious, non-sex offenders to county supervision, there is currently a significantly diminished non-violent offenders in California's prisons, and there is a legitimate question as to how many of the 10,000 inmates eligible for early release could be classified as high-risk for committing subsequent violent offenses; and,

WHEREAS, Proposition 47 contains provisions re-classifying a host of felony offenses or felony/misdemeanor offenses as simple misdemeanors, representing sweeping sentencing reform that would be better accomplished through the state legislative process; and,

WHEREAS, Proposition 47 would redefine grand theft in such a way that theft of a firearm would be considered a misdemeanor unless the value of the gun was greater than \$950, and the overwhelming majority of new handguns sold in California retail for significantly less than that amount; and,

WHEREAS, Proposition 47 would reduce the penalty for possession of illicit drugs, including drugs used to facilitate date-rape, to a simple misdemeanor; and

WHEREAS, Proposition 47 may further burden our local criminal justice systems by shifting responsibility for additional categories of offenders to already overcrowded county jails.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council:

The City Council of the City of Oroville, by the adoption of this resolution, opposes Proposition 47 on the November 4, 2014 ballot.

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PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, INTERIM CITY ADMINISTRATOR**

**FROM: TYSON PARDEE, MANAGER
INFORMATION TECHNOLOGY DIVISION
DONALD RUST, DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: PURCHASE OF ArcGIS SERVER, CITY WORKS SERVER, & TRAK-iT
ArcGIS SERVER STANDARD VIEWER LICENSE.**

DATE: OCTOBER 21, 2014

SUMMARY

The Council will consider the purchase of ArcGIS Server, City Works Server & TRAK-iT ArcGIS Server Standard Viewer License.

ArcGIS SERVER – Main software program for all city geospatial data. This software holds all geospatial data for the city including land (address and parcel), sewer, electrical, street information, and other city assets. This data is utilized not only by employees directly but also by other programs such as TRAK-iT and City Works.

ArcGIS Server allows for the centralization of our geospatial data as well as greater flexibility in editing and accessing the data. Specifically, the data would be integrated with TRAK-iT, City Works the future accounting software. This a continuation of an existing project that was purchased via sole source in 2007.

CITY WORKS SERVER – Work order system for public works built on top of the GIS and ArcGIS Server environment, and the important integration with the new accounting software package. . This a continuation of an existing project that was purchased via sole source in 2008.

TRAK-iT ArcGIS SERVER STANDARD VIEWER LICENSE – Software license that will allow IT staff to serve GIS data to all City Staff via the TRAK-iT map interface. This a continuation of an existing project that was purchased via sole source in 1997.

BACKGROUND

Geographic Information Systems (GIS) is a database driven mapping software. Over the past 7 years the City has been building numerous GIS data sets such as Parcels, Addresses, and Infrastructure. Those datasets have become the backbone of various

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software programs such as Track-it and City Works. ArcGIS Server will allow staff to further the integration of GIS with Track-it and City Works in a more streamlined efficient manner.

Without the proposed equipment and software upgrades, the performance of the databases, system functionality, and access to data will continued to be bottlenecked (or slowed performance with lost man-hours) in accessing GIS data which attribute to loss of productivity. By not moving forward with this project will mean the continuance of limited functionality in the GIS department.

FISCAL IMPACT

The cost for servers, software, and increased charges for annual maintenance will be \$39,385. Annual maintenance is an additional \$9,681 per year.

Supplemental Appropriation No 2014/15-1021-XX:

Increase	001-7000-3000	\$7,681
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RECOMMENDATION

1. Approve the purchase of ArcGIS Server, City Works Server, and TRAK-iT ArcGIS Server Standard Viewer License for an amount of \$27,905.
2. Approve Supplemental Appropriation No. 2014/15-1021-XX as indicated in the fiscal impact of this staff report, dated October 21, 2014.

ATTACHMENTS

ESRI Quote #204582163
City Works Quote #Q8468
CRW Quote



Quotation # 20458216

Date: October 9, 2014

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853 Fax: (909) 307-3025
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 105029 Contract #

City of Oroville
Public Works Dept
1735 Montgomery St
Oroville, CA 95965

ATTENTION: Jesse Smith
PHONE: (530) 538-2423
FAX:

*To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 10/09/2014 To: 01/07/2015*

Material	Qty	Description	Unit Price	Total
109897	1	ArcGIS for Server Workgroup Standard Up to Two Cores License	5,000.00	5,000.00
			Item Total:	5,000.00
			Subtotal:	5,000.00
			Sales Tax:	375.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$5,375.00

*Registration and payment commitment are required for the quoted class. This per seat instructor led training price reflects the cost of training and does not guarantee a seat in a class. Please review the attached Training Terms & Conditions. In order to reserve a seat, please register for a scheduled class at esri.com/training. Reference this quotation number with your payment information on the registration.

The following items are optional items listed for your convenience.
These items are not included in the totals of this quotation.

Material	Qty	Description	Unit Price	Total
109044	2	ArcGIS for Server Workgroup Standard One Core Additional License	2,500.00	5,000.00
120474	1	Building Geodatabases at Esri Site 3 Days per Seat Instructor Led Training*	1,605.00	1,605.00
115937	1	Creating and Publishing Maps with ArcGIS at Esri Site 3 Days per Seat Instructor Led Training*	1,605.00	1,605.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jesse Gonzalez **Email:** jesse_gonzalez@esri.com **Phone:** (909) 793-2853 x1106

The items on this quotation are subject to the terms set forth herein and the terms of your signed agreement with Esri, if any, or, where applicable, Esri's standard terms and conditions at www.esri.com/legal, which are incorporated by reference. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's products and services.

If sending remittance, please address to: Esri, File No. 54630, Los Angeles, Ca 90074-4630

- Can see related record details (permits, cases, projects, etc.) of the parcel
- Clear Selection allows user to clear the selected list
- Show Data displays all attributes at the selected parcel
- Print reports, labels, or letters for the selected parcel group
- Radius Notification allows a buffer distance to be selected for multiple parcels
- View a "pop-up" window with details about current selected parcel
- Look at streets with Google® Maps Street View (requires Google key)
- View pictometry with Microsoft® Bing Maps
- Create a query and save custom queries for visually displaying details
- Quickly run a saved query from the Advanced Search
- Associate different user-specific Bookmarks based on different views
- Administrators can change map preferences and import different GIS data
- View attribute data for any layer
- Route daily Inspections (requires Network Analyst)
- Search for properties based on user defined criteria without leaving the map
- Export the map into a JPEG
- Add external map services
- Advanced Table of contents with layer visibility toggle and legend
- Integrates with Geocode services
- Incorporate push-pins to the map (associate custom push-pins)
- [.NET Only] Supports Gen3 MrSid imagery files
- [.NET Only] Supports JPEG2000 and TIFF imagery files
- [.NET Only] Create charts showing types, status and dates from TRAKiT data

Pricing Summary

Licensing/Implementation Cost

TRAKiT GIS (Standard level)	\$ 10,000.00
Configuration of services (Standard)	\$ 2,500.00
User Training (remote 2-hour session)	\$ 500.00
Total	\$ 13,000.00

Annual Maintenance Cost (Standard GIS License)

Year 1 Maintenance	\$ 2,000.00
Year 2 Maintenance	\$ 2,000.00
Year 3 Maintenance	\$ 2,100.00
Year 4 Maintenance	\$ 2,100.00
Year 5 Maintenance	\$ 2,205.00

Payment Schedule

At Signing	\$ 10,000.00
Completion of Installation & Training	\$ 3,000.00
Annual Maintenance	\$ ***

*** The initial maintenance amount will be a prorated portion of the full Year 1 Annual Maintenance obligation. The prorated maintenance amount is based upon the time period beginning with the date upon which installation is completed, and ending with the agency's current annual maintenance period.

Terms

- This quote supersedes all previous quotes and offers and is valid through 12/01/14.
- State and local use and/or excise taxes that apply to the work proposed herein shall be the responsibility of the Client, and will be added to the fees and prices shown above if required by state and local law.
- The City indicates that no GeoTRAK Update import routine is required for this acquisition. Any required changes to the import routine by CRW will be a separate charge to Customer.
- All support will be provided remotely with no CRW on-site work included.
- Any map service changes after deployment will require additional fees for incorporation into TRAKIT GIS.
- No software customizations have been included.
- No hardware or wireless service is included.

Authorization

Offer Authorized by:
Scott Talbert
Vice President of Client Services
CRW Systems, Inc.

Accepted by:

Name: _____ Title: _____

Signature: _____ Date: _____

(On behalf of the City of Oroville)



For: Jesse Smith
 Organization: City of Oroville, CA
 Purpose: Implementation of Azteca Systems' Cityworks Server AMS

Quote#: Q8468
 By: Mastakas
 Date: 7/22/2013

Item	Description	Qty	Unit Price	Cost
	Azteca Systems Inc will provide the City of Oroville with the services to install, configure, and rollout Cityworks Server AMS in the areas Cityworks Desktop is currently being utilized. This effort will contain the following:			
1	Evaluation: The organization's geodatabase and Cityworks AMS database will be delivered to Azteca. Azteca will evaluate/verify the configuration in Server AMS and identify any changes needed to the configuration. Changes will be performed by the organization under the direction of Azteca.	1.00	2,000.00	2,000.00
2	Onsite Installation and Admin Training (2 days): Azteca will perform an onsite installation of Cityworks Server AMS. Immediately following the installation administrative training will be provided. The training will cover topics pertaining to the Server AMS' architecture, its configuration and deployment, its tie to ESRI/ArcGIS Server, and other administrative functions related to Server AMS. Training classes to be no more than 6 students.	2.00	1,975.00	3,950.00
3	Onsite "Train the Trainer" Training (2 days): Azteca will provide onsite perform onsite "train the trainer" training. The training will cover topics pertaining to Server AMS' processing of Service Requests, Work Orders, and Custom Inspections. Coming into the training, students should have some familiarity with these same functions in Cityworks Desktop. Users should also possess basic pc skills. Training classes to be no more than 8 students plus the instructor. Additional students/users will not be permitted. The organization is responsible for providing and configuring the training facility.	2.00	1,975.00	3,950.00
4	Onsite Rollout Assistance (2 days): Azteca will provide onsite rollout assistance and respond to questions that might arise as a result of the user's day-to-day operations.	2.00	1,975.00	3,950.00
5	Up to 10 ad-hoc remote hours: Provided during the implementation or after the rollout, as needed to address any questions or to supply support on technical implementation matters. (1/2 hour minimum billing, every 15 minutes thereafter)	10.00	185.00	1,850.00
TOTAL:		n/a	n/a	7,800.00

Notes:

1. This firm-fixed price-quote is valid for 60 days.
2. Price-quote includes travel expenses where applicable.
3. The Client shall provide all 3rd party software required for this implementation.
4. The Client shall provide all hardware needed to support this implementation.
5. Installation, configuration, deployment and management of all 3rd party software and hardware associated with this effort is the responsibility of the Client.
6. Tasks are invoiced upon completion. Payment of invoices is expected in full no later than 30 days past the date of the invoice.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: ESTABLISHMENT OF NEIGHBORHOOD ADVISORY COMMITTEES

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider the establishment of seven (7) neighborhood advisory committees that would meet on a regular basis to discuss community / neighborhood concerns and issues with a Council member and City staff.

DISCUSSION

The purpose of the neighborhood advisory committee is to provide a community forum and opportunity to comment and make recommendations on any discretionary projects, which are being considered for action by the Oroville City Council, Oroville Planning Commission, Community Development Department or any other city function on future land use within the community / neighborhood area.

The makeup of the each neighborhood advisory committee should be five, seven or nine member group total, appointed by the Oroville City Council. Applicants must live in the neighborhood advisory committee area in order to serve on the committee. The committee will meet on a regular basis, generally the meeting should be once every two (2) months to start and can be adjusted as needed.

Individuals interested in serving on this advisory body would submit an application to the Oroville City Council.

FISCAL IMPACT

Minimal impact to the General Fund. City staff time would be a fiscal impact and additional costs are unknown at this time.

RECOMMENDATION

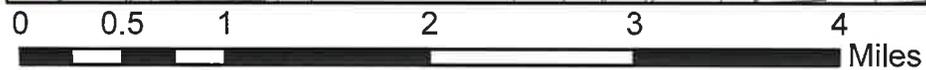
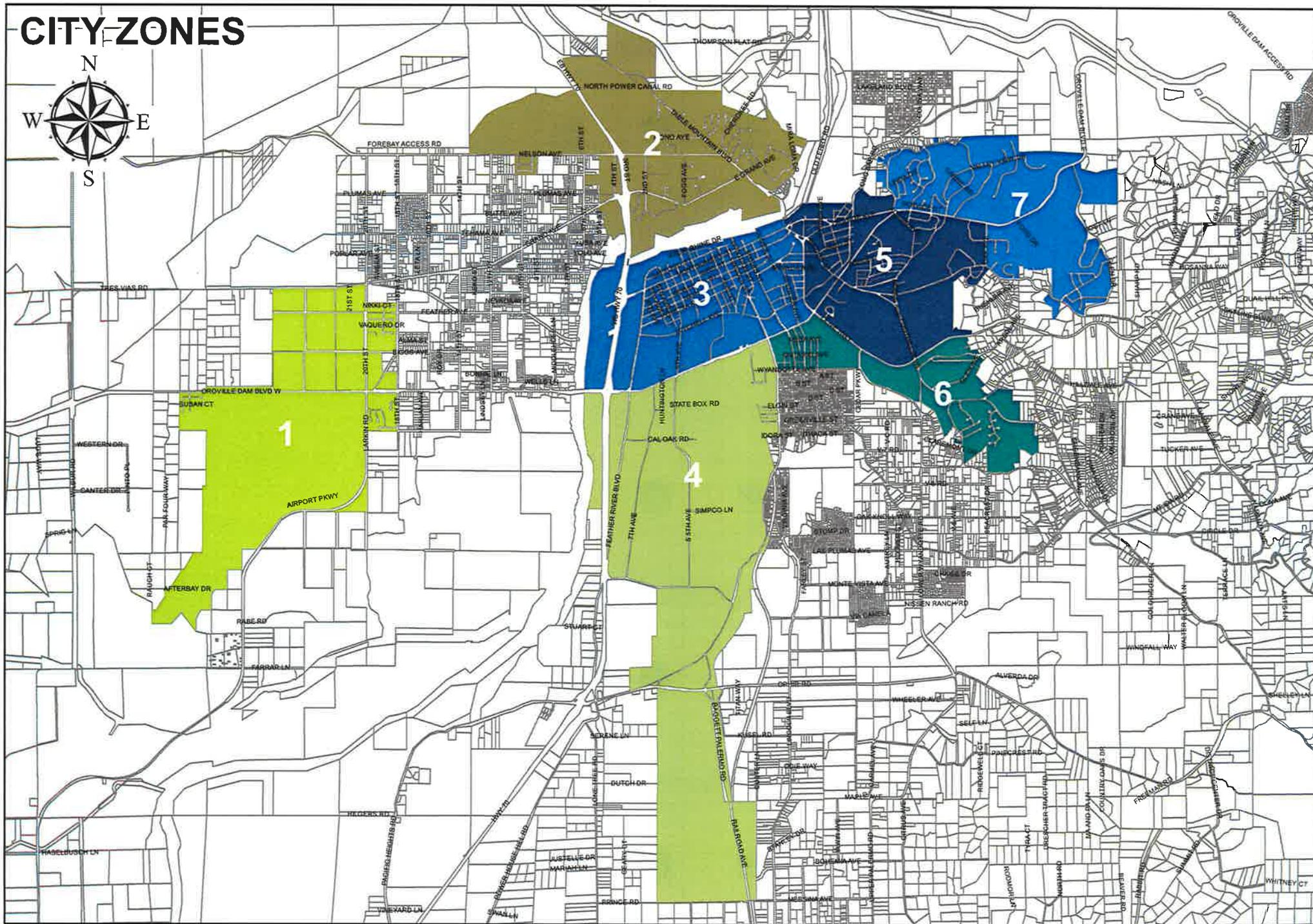
Provide direction as necessary

ATTACHMENTS

A – Proposed community / neighborhood area map

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CITY ZONES



**CITY OF OROVILLE
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

**FROM: RANDY MURPHY, CITY ADMINISTRATOR
SCOTT E. HUBER, CITY ATTORNEY**

**RE: AGREEMENT WITH TRACY & ASSOCIATES, INC. FOR THE
SALE OF OROVILLE INN**

DATE: OCTOBER 21, 2014

SUMMARY

The Council may consider the sale of Assessor's Parcel Number 012-035-005-000, commonly referred to as 2060, 2066, 2066A, 2066B, 2070, 2076, and 2090 Bird Street, Oroville ("Oroville Inn") to Tracy & Associates, Inc. ("Buyer").

DISCUSSION

In June of 2012, the City of Oroville purchased the Oroville Inn through a property tax sale held by Butte County Tax Collector. The Oroville Inn has a rich history in the community and is listed on the National Historic Registry. Strategically, the Oroville Inn has been featured prominently in almost every downtown redevelopment study and initiative the City has undertaken in the past twenty years.

The Council has expressed a clear and sincere desire to have the Oroville Inn rehabilitated in an effort to revitalize the downtown area. On March 4, 2014, the City entered into an Exclusive Negotiating Agreement with Tracy & Associates, Inc., to negotiate the terms of purchase of the Oroville Inn. This proposed Agreement is the culmination of those efforts.

The salient terms of the Agreement are as follows. The purchase price of the Oroville Inn will be \$400,000, with the purchase price to go toward the public purpose of protecting the Oroville Inn from deterioration by making necessary roof repairs, dry rot removal, and other exterior remediation to the buildings. This will ensure that the Oroville Inn is protected from the elements while the Buyer finalizes plans for reconstruction of the interior of the buildings. The Buyer will commence with the exterior renovations within 24 months of purchasing the Oroville Inn, and commence with the interior renovations within 36 months of purchase. There are deed restrictions such that the \$400,000 must be spent within a certain timeframe and which will also require that the building not be used for certain purposes. This will ensure that the Oroville Inn is rehabilitated in as expeditious a manner as possible, while making sure that property will be a catalyst for renovation of the downtown area.

CC-11

FISCAL IMPACT

The City will receive property tax each year based on a valuation of \$400,000. The City will also receive monthly updates on the status of the Construction Account.

RECOMMENDATION

Adopt Resolution No. 8286 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SALE OF ASSESSOR'S PARCEL NO. 012-035-005-000, COMMONLY REFERRED TO AS 2060, 2066, 2066A, 2066B, 2060, 2070, 2076, and 2090 BIRD STREET, OROVILLE ("OROVILLE INN") TO TRACY & ASSOCIATES, INC. – (Agreement No. 3092).

ATTACHMENTS

Resolution No. 8286
Agreement No. 3092

**CITY OF OROVILLE
RESOLUTION NO. 8286**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SALE OF ASSESSOR'S PARCEL NO. 012-035-005-000, COMMONLY REFERRED TO AS 2060, 2066, 2066A, 2066B, 2060, 2070, 2076, and 2090 BIRD STREET, OROVILLE ("OROVILLE INN") TO TRACY & ASSOCIATES, INC.

(Agreement No. 3092)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Council hereby authorizes and directs the Mayor to execute an Agreement for the sale of Assessor's Parcel No. 012-035-005-000, commonly referred to as 2060, 2066, 2066A, 2066B, 2060, 2070, 2076, and 2090 Bird Street, Oroville, to Tracy & Associates, Inc. A copy of the Agreement has been attached "A".
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on October 21, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk



**COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 4/13)

Date: October 7, 2014

1. OFFER:

A. THIS IS AN OFFER FROM TRACY & ASSOCIATES, INC. ("Buyer").

Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other _____.

B. THE REAL PROPERTY TO BE ACQUIRED is described as Historic Oroville Inn, 2066 Bird St
Oroville CA, Assessor's Parcel No. 012-035-005, situated in _____, County of Butte, California, ("Property").

C. THE PURCHASE PRICE offered is Four Hundred Thousand (Dollars \$ 400,000.00).

D. CLOSE OF ESCROW shall occur on see Addendum (date) (or _____ Days After Acceptance).

2. AGENCY:

A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent None (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller.

Selling Agent Tracy Realty Company (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 1.00

(1) Buyer shall deliver deposit directly to Escrow Holder by personal check, electronic funds transfer, Other _____ within 3 business days after acceptance (or Other _____);

OR (2) (If checked) Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to Mid Valley Title Company. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or into Broker's trust account) within 3 business days after Acceptance (or Other _____).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of . . . \$ n/a within _____ Days After Acceptance, or _____.

C. LOAN(S):

(1) **FIRST LOAN** in the amount of \$ n/a

This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

(2) **SECOND LOAN** in the amount of \$ n/a

This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

D. ADDITIONAL FINANCING TERMS: See Addendum

E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT in the amount of \$ 399,999.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 400,000.00

G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1) shall, within 7 (or 21) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, verification attached.)

H. LOAN TERMS:

(1) **LOAN APPLICATIONS:** Within 7 (or n/a) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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Reviewed by _____ Date _____

CPA REVISED 4/13 (PAGE 1 OF 10)



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 10)

Agent: Orville Tracy Phone: 530.893.1909 Fax: 530 534-1570 Prepared using zipForm® software
Broker: Tracy & Associates, PO Box 3069 Chico, CA 95927

Property Address: _____

and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or n/a) Days After Acceptance, Buyer shall, as specified in Paragraph 17, in writing remove the loan contingency or cancel this Agreement;

OR (ii) (If checked) the loan contingency shall remain in effect until the designated loans are funded.

(4) NO LOAN CONTINGENCY (If checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, if checked, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or n/a) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or n/a) Days After Acceptance.

J. ALL CASH OFFER (If checked): Buyer shall, within 7 (or 30) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. ALLOCATION OF COSTS (if checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine in the report who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

- (1) Buyer Seller shall pay for sewer connection, if required by Law prior to Close Of Escrow n/a
(2) Buyer Seller shall pay to have septic or private sewage disposal system inspected n/a
(3) Buyer Seller shall pay to have domestic wells tested for water potability and productivity n/a
(4) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by Buyer waives NHD report
(5) Buyer Seller shall pay for the following inspection or report any reports or studies required
(6) Buyer Seller shall pay for the following inspection or report _____

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
(2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law.
(3) Buyer Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow Seller shall provide Buyer a written statement of compliance, if required by Law.

C. ESCROW AND TITLE:

- (1) Buyer Seller shall pay escrow fee shared equally
Escrow Holder shall be Mid Valley Title & Escrow
(2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 16E shared equally
Owner's title policy to be issued by Mid Valley Title - First American
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or transfer fee
(2) Buyer Seller shall pay City transfer tax or transfer fee n/a
(3) Buyer Seller shall pay Owners' Association (OA) transfer fee n/a
(4) Buyer Seller shall pay OA document preparation fees n/a
(5) Buyer Seller shall pay for all inspections and feasibility studies
(6) Buyer Seller shall pay for _____

5. CLOSING AND POSSESSION:

A. Seller-Occupied or Vacant Units: Possession shall be delivered to Buyer at 5pm or _____ AM PM, on the date of Close Of Escrow; on n/a ; or no later than n/a Days After Close Of Escrow. If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.

B. Tenant Occupied Units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.

C. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale and (ii) seller shall deliver to buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.

D. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the Property is a unit in a condominium or located in a common-interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.

6. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

7. SELLER DISCLOSURES:

- A. **ENERGY DISCLOSURE:** Seller shall provide Buyer, at least 24 hours prior to execution of this Agreement, the Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and the Facility Summary for the building as required by Public Resources Code Section 25402.10 and California Code of Regulations, Title 20, Sections 1680 through 1685. This requirement is effective for a building with total gross floor area square footage as follows: more than 50,000 square feet, July 1, 2013; more than 10,000 square feet and up to 50,000 square feet, January 1, 2014; and at least 5,000 square feet up to 10,000 square feet, July 1, 2014. For more information, see <http://www.energy.ca.gov/ab1103/index.html>
- B. **NATURAL AND ENVIRONMENTAL DISCLOSURES:** Seller shall, within the time specified in paragraph 17, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **ADDITIONAL DISCLOSURES:** Within the time specified in paragraph 17, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:
 - (1) **RENTAL SERVICE AGREEMENTS:** (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
 - (2) **INCOME AND EXPENSE STATEMENTS:** The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
 - (3) **TENANT ESTOPPEL CERTIFICATES:** (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
 - (4) **SURVEYS, PLANS AND ENGINEERING DOCUMENTS:** Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.
 - (5) **PERMITS:** If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
 - (6) **STRUCTURAL MODIFICATIONS:** Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
 - (7) **GOVERNMENTAL COMPLIANCE:** Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (8) **VIOLATION NOTICES:** Any notice of violations of any Law filed or issued against the Property and actually known to Seller.
 - (9) **MISCELLANEOUS ITEMS:** Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 17A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).
- 8. **ENVIRONMENTAL SURVEY** (If checked): Within n/a Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 17, remove this contingency or cancel this Agreement.
- 9. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**
- 10. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 17: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or 30) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.
- 11. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
 - A. **SELLER HAS:** 7 (or n/a) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or located in a planned unit development or other common interest subdivision.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

B. If Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or n/a) Days After Acceptance to request from the OA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OA's governing the Property. (Collectively, "CI Disclosures.") Seller shall itemize and deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 17.

12. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 12B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property.
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms.
- (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 17.
- (4) Seller represents that all items included in the purchase price are, unless otherwise specified, owned by Seller. Within the time specified in paragraph 17, Seller shall give Buyer a list of fixtures not owned by Seller.
- (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
- (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

C. ITEMS EXCLUDED FROM SALE: None. All personal property shall be included, including but not limited to kitchen equipment, piano, cleaning equipment, plans, and artifacts.

13. CONDITION OF PROPERTY: Unless otherwise agreed: (i) Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) The Property including pool, spa, landscaping and grounds, is to be maintained in substantially, the same condition as of the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.

A. Seller warrants that the Property is legally approved as TBD units.

B. Seller shall, within the time specified in paragraph 17, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE ANY AND ALL OTHER DISCLOSURES REQUIRED BY LAW.

C. Buyer has the right to inspect the Property and, as specified in paragraph 17, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that seller make Repairs or take other action.

14. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 17B. Within the time specified in paragraph 17B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 17B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. Buyer indemnity and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

15. SELLER DISCLOSURES: ADDENDA; ADVISORIES; OTHER TERMS:

A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 17A, complete and provide Buyer with a:

Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)

B. Addenda (if checked): Addendum # ONE (C.A.R. Form ADM)

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



- Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
 - Purchase Agreement Addendum (C.A.R. Form PAA)
 - Short Sale Addendum (C.A.R. Form SSA)
 - Buyer Intent to Exchange Supplement (C.A.R. Form BES)
 - Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 - Other
 - Seller Intent to Exchange Supplement (C.A.R. Form SES)
- C. Advisories (If checked):**
- Probate Advisory (C.A.R. Form PAK)
 - Trust Advisory (C.A.R. Form TA)
 - Buyer's Inspection Advisory (C.A.R. Form BIA)
 - Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - REO Advisory (C.A.R. Form REO)

D. Other Terms: Seller agrees to furnish any hazmat reports in their possession, specifically including asbestos and lead paint.

16. TITLE AND VESTING:

- A.** Within the time specified in paragraph 17, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 17B.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C.** Within the time specified in paragraph 17, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D.** At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E.** Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, survey requirements, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

17. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or _____) Days** After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 7A, B and C, 11A, 12B(3) and (4), 13B, 15A and B and 16. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or 30) Days** After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and (ii) approve all other matters affecting the Property (including information specified in paragraph 7 and insurability of Buyer and the Property).
 - (2) Within the time specified in 17B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
 - (3) Within the time specified in 17B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 17A, then Buyer has 5 (or _____) Days After Delivery of any such items, or the time specified in 17B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in 17B(1) and before Seller cancels this Agreement, if at all, pursuant to 17C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 17C(1).

C. SELLER RIGHT TO CANCEL:

- (1) **Seller right to Cancel; Buyer Contingencies:** If, within the time specified in this Agreement, Buyer does not, in writing, Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 3H; (iv) if Buyer fails to provide verification as required by 3G or 3J; or (v) if Seller reasonably disapproves of the verification provided by 3G or 3J. In such event, Seller shall authorize return of Buyer's deposit.
- (3) **Notice To Buyer To Perform:** The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or _____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 17C(2).

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections, or for inability to obtain financing.
- E. CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).
- F. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**
- 18. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
- 19. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 20. AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
- 21. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 13; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 22. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are a current lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.
- 23. SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 25. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 26. ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 34A.
- 27. DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance"** means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

- B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
- C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
- D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 10;
- OR (ii) if checked, per the attached addendum (C.A.R. Form RDN).
- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 28. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
- 29. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
- 30. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
- 31. **BROKERS:**
 - A. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
 - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultation and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
 - C. **SCOPE OF BROKER DUTY:** Buyer and Seller acknowledge and agree that: Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Brokers(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 32. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER**
 - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6, 7C, 15B and D, 16, 17F, 22, 27, 31A, 32, 37, 40 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 31A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
 - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____). Escrow holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs the Agreement.

- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraph 31A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 31A, respectively, and irrevocably instructs Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
 - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.
- 33. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.**

Buyer's Initials _____ / _____	Seller's Initials _____ / _____
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34. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. **Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 34C.**

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 34C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____	Seller's Initials _____ / _____
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C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.
- (2) **BROKERS:** Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____	Date _____
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Property Address: _____ Date: October 7, 2014

- 35. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
- 36. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all parties or if incorporated by mutual agreement in a counter offer on addendum. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 37. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 38. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
- 39. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by upon Council Approval, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (OR, if checked by _____ (date), at _____ AM PM).

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Buyer TRACY & ASSOCIATES, INC.
 By _____ Date _____
 Print name Orville E. Tracy, Jr.
 Address P.O. Box 3069 City Chico State CA Zip _____
 Telephone (530)534-1911 Fax (non)e- E-mail budtracy@gmail.com

Buyer _____ Date _____
 By _____ Date _____
 Print name _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Notice Address, If Different _____

Additional Signature Addendum attached (C.A.R. Form ASA).

- 40. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(If checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** _____

Seller City of Oroville
 By _____ Date _____
 Print name _____
 Address 1735 Montgomery Street City Oroville State CA Zip 95965
 Telephone _____ Fax _____ E-mail _____

Seller _____ Date _____
 By _____ Date _____
 Print name _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Notice Address, If Different _____

Additional Signature Addendum attached (C.A.R. Form ASA).

(_____ / _____) **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ AM PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



Property Address: _____

Date: October 7, 2014

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2 above.

C. If specified in paragraph 3A(2), Agent who submitted offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (**Selling Firm**) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: **(i)** the amount specified in the MLS or PDS, provided Cooperating Broker is a Participant of the MLS or PDS in which the property is offered for sale or a reciprocal MLS or PDS; or **(ii)** (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Tracy Realty Company BRE Lic. # 01305179

By Orville E. Tracy, Jr. BRE Lic. # 00407200 Date _____

Address 1453 Downer Street City Oroville State CA Zip 95965

Telephone (530) 534-1911 Fax (non)e- E-mail bud@tracyrealtyco.com

Real Estate Broker (Listing Firm) None BRE Lic. # _____

By _____ BRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer(s) numbered _____ and Other _____

_____, and agrees to act as Escrow Holder subject to paragraph 32 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions, if any.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).

Broker or Designee Initials

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____

Seller's Initials _____ (date).

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The following terms and conditions are hereby incorporated in and made a part of the: Residential Purchase Agreement, Manufactured Home Purchase Agreement, Business Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Vacant Land Purchase Agreement, Residential Income Property Purchase Agreement, Commercial Property Purchase Agreement, Other _____

dated October 7, 2014, on property known as Historic Oroville Inn, 2066 Bird St

in which TRACY & ASSOCIATES, INC. is referred to as ("Buyer/Tenant")
and City of Oroville is referred to as ("Seller/Landlord").

1. THIS OFFER CONTINGENT UPON Buyer obtaining commitment of funding within 21 days of acceptance for a LLC to be formed of which TRACY & ASSOCIATES, INC. shall be the Managing Member.
2. THIS OFFER CONTINGENT UPON Seller obtaining commitment by First American Title to insure fee title with no exceptions for any cloud on title.
3. Seller will transfer title to Buyer with a deed restriction to run with the land in perpetuity such that the property may never be used, in whole or in part, as subsidized housing, a homeless shelter, or for utilization as a treatment program for drug, alcohol, or criminal behavior rehabilitation.
4. THIS OFFER CONTINGENT UPON Buyers approval of reviews by Buyer's architectural, structural, and construction consultants within 14 days of acceptance hereof.
5. THIS OFFER CONTINGENT UPON approval by Buyer of review of property status with Office of Historic Preservation (State and Federal) and/or related jurisdictions, specifically regarding availability of Investment Tax Credits in the redevelopment of the facility.
6. The Buyer/LLC being formed is represented by Tracy Realty Company, which will be paid a fee outside escrow by the Buyer. Seller shall not be responsible for any brokerage fees. Seller is hereby made aware that Tracy & Associates, Inc. is a licensed real estate broker acting on and for its own account.
7. Seller shall deposit all funds utilized to purchase the property in the amount of \$400,000, into a construction account to be used by Buyer, for the public purpose of securing the Oroville Inn, which is listed on the National Historic Registry, from further deterioration resulting from rain, wind, and other intrusive elements of nature. Buyer commits to use said funds to secure the Oroville Inn from further deterioration through roof and other repairs to eliminate moisture, removal of dry rot and damaged materials, demolition of two portions of the structure that are not original, preparation of plans for City permits, City permits, sealing of all access point for vandals, engineering and architectural plans, treatment for termites and other organisms, cleanup of past vandalism, painting of exterior including removal of flaking lead paint, upgrading of security system to include video surveillance, (continued on Addendum ONE-B)

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____ Date _____

Buyer/Tenant TRACY & ASSOCIATES, INC. Seller/Landlord City of Oroville

Buyer/Tenant _____ Seller/Landlord _____

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525 South Virgil Avenue, Los Angeles, California 90020

ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: **Orville Tracy** Phone: **530.893.1909** Fax: **530 534-1570** Prepared using zipForm® software
Broker: **Tracy & Associates, PO Box 3069 Chico, CA 95927**



The following terms and conditions are hereby incorporated in and made a part of the: Residential Purchase Agreement, Manufactured Home Purchase Agreement, Business Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Vacant Land Purchase Agreement, Residential Income Property Purchase Agreement, Commercial Property Purchase Agreement, Other _____

dated October 7, 2014, on property known as Historic Oroville Inn, 2066 Bird St,

in which TRACY & ASSOCIATES, INC. is referred to as ("Buyer/Tenant")
and City of Oroville is referred to as ("Seller/Landlord").

(continued from Addendum ONE-A) possible initial replacement of elevator, improve one unit to allow on-site security presence, begin restoration of corner building for occupancy, and any other costs to be determined solely by Buyer. No funds from the \$400,000 shall be used for any brokerage fees, costs of LLC development, or marketing.

8. Buyer agrees to accept title using a deed which transfers title to Buyer, and which shall contain a reversionary clause wherein Buyer shall spend the \$400,000 on repairs within 24 months. All areas of expense agreed to in paragraph 7, Addendum ONE shall allow Buyer to outline the scope of work, select the contractor, and make payment without approval of City, except as to the issuance of building permits. Proof of monies expended shall be furnished to City monthly as the funds are spent.

9. It is understood that Buyer is relying upon the City transferring their rights to SC-OR credits for sufficient hookups to allow for the development of the property as previously used. Buyer agrees to pay sewer charges for use after transfer of title.

10. Buyer herein reserves the right to transfer all right, title and interest in this Purchase Agreement to either (a) the Tracy Family Trust of 2004, or (b) the Historic Oroville Inn, LLC.

11. Buyer shall commence construction and rehabilitation of the interior portion of the main building within 36 months from close of escrow.

12. The obligations contained in Paragraphs 7, 8, 9, 10 and 11 of this Addendum are intended to and shall survive termination of this Agreement and the Close of Escrow.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____ Date _____

Buyer/Tenant TRACY & ASSOCIATES, INC. Seller/Landlord City of Oroville

Buyer/Tenant _____ Seller/Landlord _____

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Orville Tracy Phone: 530.893.1909 Fax: 530 534-1570 Prepared using zipForm® software
Broker: Tracy & Associates, PO Box 3069 Chico, CA 95927



CITY OF OROVILLE
FINANCE OFFICE
1735 MONTGOMERY STREET
OROVILLE, CA 95965-4897

530-538-2410

OROVILLE CITY COUNCIL
STAFF REPORT

TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR

FROM: GLENN LAZOF, INTERIM FINANCE DIRECTOR

RE: Finance Department Report

DATE: October 21, 2014

SALES TAX - The City's sales tax receipts increased 4.7% for quarter ending June 2014, compared to June 2013. By comparison Northern California as a whole was up 5.9%. City Department Stores, Auto Sales, Auto Parts, Wholesale Building Materials, Drug Stores, and Miscellaneous Retail all reported their best quarter by economic category in two years. Service Stations, our top segment, had their lowest quarter in two years.

HOUSING ADJUSTMENTS – Attached to this are supplemental adjustments approved by staff. These reflect previously approved Grant Funds, reflecting Housing Grant Carryovers. Only one of these was impacted by the revisions approved by Council October 7, the rest were permitted under the previously existing language.

INVESTMENT REPORT – The LAIF totals in this report have always reconciled with the City LAIF Statements, Successor Agency LAIF Statement, and the bond trustee reports. Finance recently discovered that the amount in the Successor Agency LAIF account does not account for 100% of Successor Agency Funds. We are continuing the process of validating the information historically shown in the LAIF section. Note that this does not impact reporting of the total amount in LAIF, just the distribution between the two LAIF accounts.

We will be asking for an audited reconciliation as part of the City's FY 2014 Audit. We have included a proposed sample report format for October, in addition the standard report for September. The proposed report should allow greater transparency by indicating pending transfers to/ from the Successor Agency LAIF account.

WESTERN PACIFIC SIGNAL – The Council awarded the contract to furnish Traffic Signal Equipment to Western Pacific Signal on May 20, 2014 also approving a supplemental adjustment to last year’s budget for the project. The purchase order fell between fiscal years which resulted in the appropriation missing from the purchase order carryover’s reported at the last meeting. The related grant revenue and expense will be reflected in the Final Budget to be submitted November 4.

PURCHASING TRAINING – We conducted training in City Purchasing procedures on October 14. All city staff with purchasing authority were invited. Special thanks to Irene Shaw presenting as our accounts payable subject matter expert, and Rick Walls made himself available as our formal bid procedure subject matter expert.

**REPORT OF
INVESTMENTS**

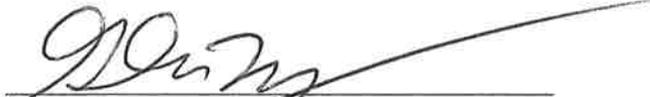
SEPTEMBER 2014

CC-17

**CITY OF OROVILLE/OROVILLE SUCCESSOR AGENCY
OROVILLE PUBLIC FINANCING AUTHORITY
MONTHLY SUMMARY OF INVESTMENTS
September 2014**

CERTIFICATION:

I certify that the information provided above is correct to the best of my knowledge and that (1) all investments are made in accordance with the investment policy and the laws of the State of California and (2) that sufficient funds are available to meet the anticipated expenditures for the next six months.



Glenn Lazof, Interim Director of Finance

10/14/2014

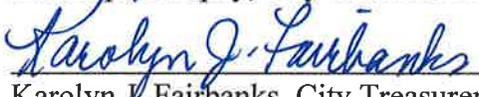
Date



Randolph Murphy, City Administrator

10/14/14

Date



Karolyn J. Fairbanks, City Treasurer

10/15/14

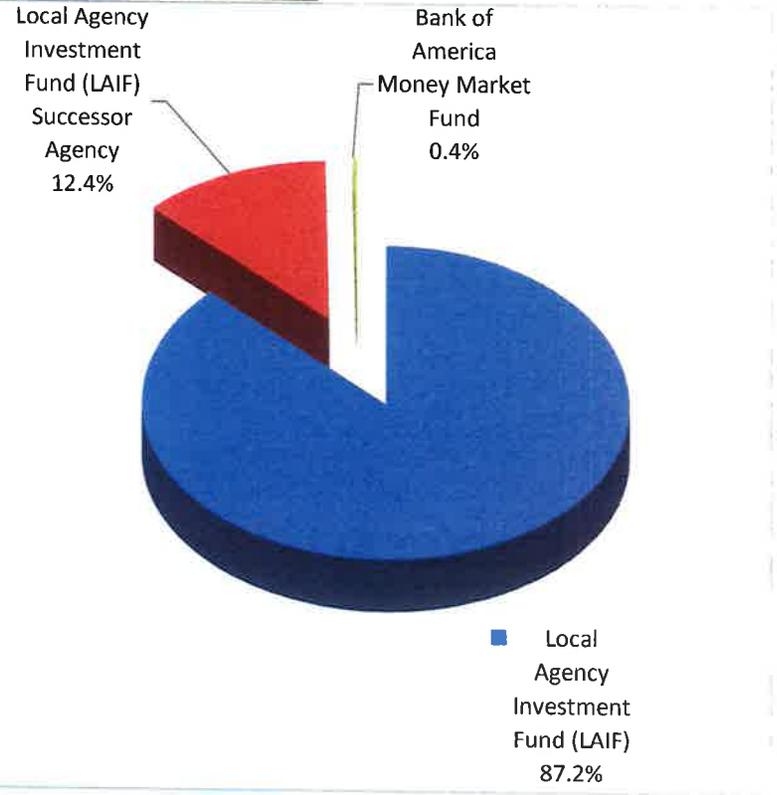
Date

City of Oroville
Investment Portfolio Report
 9/30/2014

Summary of Investments				
	Yield	Aug-14	Yield	Sep-14
Local Agency Investment Fund (LAIF)	0.246%	18,368,343	0.260%	18,368,343
Local Agency Investment Fund (LAIF) Successor Agency	0.246%	2,614,843	0.260%	2,614,843
Bank of America Money Market Fund	0.03%	79,368	0.03%	79,370
Total Pooled Investments		21,062,554		21,062,556

City Investment Portfolio - Investments held in Trust		
	Yield to Maturity	Market Value
2002 Tax Allocation Revenue Bonds		
Blackrock Provident Institutional Funds	0.01%	1,438,512
Union Bank		
2004 Series A Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	425,406
Blackrock Provident T Fund	0.01%	9,255
2004 Series B Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	75,973
Blackrock Provident T Fund	0.01%	1,653
Total		1,950,799

Distribution of Pooled Investments		
	% Split	Fair Value
Local Agency Investment Fund (LAIF)	87.2%	18,368,343
Local Agency Investment Fund (LAIF) Successor Agency	12.4%	2,614,843
Bank of America Money Market Fund	0.4%	79,370
Total Pooled Investments	100%	21,062,556



**MONTHLY FINANCIAL
REPORT**

SEPTEMBER 2014

**REPORT OF
BUDGETED APPROPRIATIONS
V.S.
ACTUAL EXPENDITURES

SEPTEMBER 2014**



CITY OF OROVILLE, CALIFORNIA
FINANCIAL SUMMARY
FOR THE PERIOD ENDED
September 30, 2014

	REVENUES					EXPENDITURES				
	Actual Current Month September 2014	Actual July 2014 through June 2015	Budget Total Year 2014-2015	Remaining Budget	% of year Remaining 75%	Actual Current Month September 2014	Actual July 2014 through June 2015	Budget Total Year 2014-2015	Remaining Budget	% of year Remaining 75%
CITY DEPARTMENTS										
GENERAL FUND										
City Council	-	-	-	-		7,169	22,811	87,100	64,289	74%
Mayor	-	-	-	-		2,127	7,480	32,600	25,120	77%
City Attorney	-	-	-	-		20,406	30,248	384,725	354,477	92%
City Clerk	-	-	50	50	100%	11,631	37,537	194,800	157,263	81%
Human Resources	-	-	550	550	100%	8,991	41,633	156,200	114,567	73%
City Admin.	-	-	-	-		15,088	44,100	245,600	201,500	82%
Economic Develop./Comm. Enh.	-	(27)	25,067	25,094	100%	3,137	9,273	40,067	30,794	77%
Information Technology	-	-	10,900	10,900	100%	16,904	71,844	274,300	179,456	65%
Finance	1,966	5,211	105,532	100,321	95%	37,574	157,295	685,099	527,804	77%
Post Employment Costs	379	1,758	117,300	115,542	99%	3,502	10,178	117,300	107,122	91%
City Treasurer	-	-	-	-		2,240	6,861	24,600	17,739	72%
Planning	2,592	8,556	46,200	37,644	81%	21,720	63,169	317,230	254,061	80%
City Hall	1,405	7,091	-	(7,091)		5,840	20,246	96,501	76,255	79%
Arlene Rhyne	181	415	160	160	100%	172	1,487	7,400	5,913	80%
Fire Department	2,930	6,228	232,620	225,562	97%	130,111	427,086	2,411,100	1,984,014	82%
Police Department	11,717	57,775	1,367,031	1,309,256	96%	393,359	1,337,576	5,197,679	3,860,103	74%
Building/Code Enforcement	33,469	84,199	228,000	143,801	63%	28,588	83,578	302,069	218,491	72%
Public Works Admin.	5,253	7,445	63,800	56,355	88%	6,768	29,032	238,675	209,643	88%
Streets/Storm	76,987	80,970	478,042	397,072	83%	27,757	179,997	729,000	549,003	75%
Parks & Trees	2,930	7,426	64,350	56,924	88%	43,456	142,598	670,600	528,002	79%
Pioneer Museum	80	317	1,700	1,384	81%	44	645	4,500	3,855	86%
Bolt's Museum	617	1,332	3,000	1,668	56%	994	3,843	10,600	6,757	64%
Chinese Temple	715	2,044	-	(2,044)		875	1,524	-	(1,524)	
Lott Home	28	1,958	-	(1,958)		1,475	2,521	-	(2,521)	
State Theater	870	870	-	(870)		565	565	-	(565)	
Liability/Property Insurance	-	-	-	-		-	254,666	304,937	50,271	16%
Non Departmental*	523,989	744,889	9,809,710	9,064,821	92%	3,598	47,756	81,510	33,754	41%
Totals	666,106	1,018,455	12,554,012	11,535,142	92%	794,092	3,035,550	12,614,192	9,555,642	76%

* Revenues include Property Tax, Utility Users, Transient Occupancy, Motor Vehicle, and Proceeds of Property Sales. Expenditures include fees for credit card services and charges for Butte County Services.

CITY OF OROVILLE

EXPENSE REPORT ALL BUDGETED FUNDS SEPTEMBER 2014

FUND Description	Actual Current Month	Year To Period Actual	Budget Total Year	Remaining Budget	Rem%
001 General Fund	794,092	3,035,550	12,614,192	9,555,642	76%
100 Comm. Promotion	0	0	17,000	17,000	100%
101 Sewer Fund	51,876	523,745	3,040,203	2,516,458	83%
104 SWRCON/FEE FUND	324	-1,659	5,680	7,339	129%
105 Drainage Fees	324	-169	5,680	5,849	103%
106 Park Dev Fees	22,959	22,466	11,543	-10,923	-95%
107 NOTTIF	324	-169	7,580	7,749	102%
108 Traffic Impact	324	-169	39,015	39,184	100%
109 DRAINAGE/CTYWDE	324	-169	11,180	11,349	102%
112 GAXTX RSTP FUND	13,121	382,103	464,000	81,897	18%
113 CANINE FUND	0	639	8,500	7,861	92%
116 TECH FEE FUND	0	6,719	40,700	33,981	83%
118 SB1186 C/FUND	0	0	0	0	
119 RECYCLING FUND	1,587	3,951	29,880	25,929	87%
120 GTx 2107/2107.5	0	0	113,300	113,300	100%
125 GTx 2106 Fund	0	0	76,173	76,173	100%
127 Gas Tax 2105	0	0	242,330	242,330	100%
130 Spec. Aviation	41,651	61,897	492,253	430,356	87%
140 Housing Admin	30,017	134,263	372,000	237,737	64%
141 HSG PRG FUND	7,586	59,320	129,242	69,922	54%
149 HOME FUND	32,389	148,955	119,938	-29,017	-24%
150 CDBG Fund	61,765	258,128	535,428	277,300	52%
151 EDBG FUND	0	0	284,840	284,840	100%
156 Pub Sfty Aug	0	0	135,000	135,000	100%
157 SUPPLAWENFORCMT	0	0	90,531	90,531	100%
158 L.L.E.BLOCK GRT	0	651	257,550	256,899	
159 LAW ENF.IMP.FEE	324	-169	5,580	5,749	103%
160 MISC FUND	1,089	-39,088	178,656	217,744	122%
161 O/MISC GRANTS	0	150	0	-150	
163 FIRE SUP IMPFEE	324	-169	5,580	5,749	103%
166 GRANT-FIRE FUND	30,313	85,141	711,802	626,661	88%
169 GEN GOVT DEVIMP	324	-169	5,580	5,749	103%
180 OPFA	0	0	1,400,475	1,400,475	100%
184 LLMD ALL ZONES	3,215	10,396	33,916	23,520	69%
185 BAD ALL ZONES	132	1,361	2,789	1,428	51%
186 WESTSIDE PUB/S/F	132	82	1,550	1,468	95%
187 PUB/SAFETY SERV	132	82	1,490	1,408	95%
190 SUPPBENEFITFUND	3,545	36,592	262,450	225,858	86%
198 RDA General	1,384,401	1,386,804	2,213,366	826,562	37%
230 CITY DEBT SERV	0	709,144	723,833	14,689	2%
276 OAD93-1 Dbt Ser	0	0	4,532	4,532	100%
280 OPFA 92 Redmptn	0	0	1,914,574	1,914,574	100%
305 Equip Replcmnt	132	82	333,361	333,279	100%
306 New Capital Eqp	0	0	28,641	28,641	100%
307 CAPITAL PROJ	15,400	15,400	351,581	336,181	
397 RDA 95 BOND	0	0	177,451	177,451	
410 Local Transit	853	148,820	548,713	399,893	73%
440 BUSINESS DEVCTR	1,960	11,351	33,907	22,556	67%
450 CTY/HOUSG EDRLF	541	86,688	179,375	92,687	52%
451 CDBG EcoDev RLF	0	0	15,500	15,500	100%
453 MICRO-ENP RLF	37,652	393,633	34,179	-359,454	-1052%
454 CAL-HOME RLF	0	33,863	0	-33,863	
460 City RLF	0	0	13,120	13,120	100%
520 Stores Revolv.	248	744	45,300	44,556	98%
540 Veh Maint Fund	48,074	87,315	476,333	389,018	82%
550 Wrkrs Comp.	152,324	296,126	601,947	305,821	51%
552 UNEMP-SELF INS	1,076	3,876	78,457	74,581	95%
555 SELF INS VISION	768	4,455	57,650	53,195	92%
705 PLAN RET FUND	0	3	10	7	68%
710 ANNEXATION FUND	0	0	37,000	37,000	100%
Total of all FUNDS	2,741,616	7,908,568	29,622,436	21,690,869	73%

**REPORT OF
CASH RECEIPTS
AND
REVENUES**

SEPTEMBER 2014

CITY OF OROVILLE

REVENUE REPORT ALL BUDGETED FUNDS SEPTEMBER 2014

FUND Description	Actual Current Month	Year To Period Actual	Budget Total Year	Remaining Budget	Rem%
001 General Fund	666,106	1,018,870	12,554,012	11,535,142	92%
100 Comm. Promotion	0	0	6,200	6,200	100%
101 Sewer Fund	0	330,389	2,489,577	2,159,188	87%
104 SWRCON/FEE FUND	0	46,843	40,500	-6,343	-16%
105 Drainage Fees	1,134	1,134	2,470	1,336	54%
106 Park Dev Fees	2,583	37,267	16,620	-20,647	-124%
107 NOTTIF	0	0	200	200	100%
108 Traffic Impact	4,737	6,316	108,610	102,294	94%
109 DRAINAGE/CTYWDE	0	61,934	29,440	-32,494	-110%
111 LOCAL TRANSP	0	0	50	50	100%
112 GAXTX RSTP FUND	0	0	125,618	125,618	100%
113 CANINE FUND	0	60	8,800	8,740	99%
116 TECH FEE FUND	3,156	6,907	35,030	28,123	80%
118 SB1186 C/FUND	27	75	0	-75	
119 RECYCLING FUND	0	5,000	17,400	12,400	71%
120 GTx 2107/2107.5	18,348	18,348	96,100	77,752	81%
125 GTx 2106 Fund	10,756	10,756	64,210	53,454	83%
127 Gas Tax 2105	41,152	41,152	242,330	201,178	83%
130 Spec. Aviation	37,163	125,091	439,200	314,109	72%
140 Housing Admin	29,158	120,785	363,070	242,285	67%
141 HSG PRG FUND	1,105	5,946	68,790	62,844	91%
149 HOME FUND	0	141,688	76,938	-64,750	-84%
150 CDBG Fund	0	250,000	115,334	-134,666	-117%
151 EDBG FUND	0	0	279,922	279,922	100%
155 Asset Seizure	-508	0	40	40	100%
156 Pub Sfty Aug	0	0	92,000	92,000	100%
157 SUPPLAWENFORCMT	0	6,089	80,330	74,241	92%
158 L.L.E.BLOCK GRT	0	0	32,050	32,050	100%
159 LAW ENF.IMP.FEE	114	3,593	2,830	-763	-27%
160 MISC FUND	6,600	112,425	0	-112,425	
166 GRANT-FIRE FUND	0	0	711,802	711,802	100%
169 GEN GOVT DEVIMP	233	4,289	2,789	-1,500	-54%
180 OPFA	0	0	1,400,475	1,400,475	100%
184 LLMD ALL ZONES	0	0	33,146	33,146	100%
185 BAD ALL ZONES	0	0	1,120	1,120	100%
186 WESTSIDEPUB/S/F	0	0	34,940	34,940	100%
187 PUB/SAFETY SERV	0	0	35,200	35,200	100%
190 SUPPBENEFITFUND	3,820	24,465	200,150	175,685	88%
198 RDA General	0	0	2,181,328	2,181,328	100%
210 '74 Swr Bonds	0	0	331	331	100%
230 CITY DEBT SERV	51,428	153,216	743,833	590,617	79%
280 OPFA 92 Redmptn	0	0	1,914,574	1,914,574	100%
395 2004 CONST.BOND	0	0	11,024	11,024	100%
396 BOND FUND 2001	0	0	1,140	1,140	100%
410 Local Transit	75,062	105,034	508,888	403,854	79%
440 BUSINESS DEVCTR	864	1,080	72,500	71,420	99%
450 CTY/HOUSG EDRLF	0	0	153,420	153,420	100%
451 CDBG EcoDev RLF	0	0	15,500	15,500	100%
453 MICRO-ENP RLF	0	0	365,500	365,500	100%
454 CAL-HOME RLF	0	0	416	416	100%
455 HOME Hsg RLF	0	0	6,663	6,663	100%
460 City RLF	0	1,783	170	-1,613	-949%
498 RDA RLF	0	0	9,101	9,101	100%
520 Stores Revolv.	2,242	7,235	38,000	30,765	81%
540 Veh Maint Fund	34,565	111,039	551,900	440,861	80%
550 Wrks Comp.	24,867	74,465	330,000	255,535	77%
552 UNEMP-SELF INS	2,613	7,613	31,340	23,728	76%
555 SELF INS VISION	3,281	9,870	44,000	34,130	78%
705 PLAN RET FUND	375	1,361	1,881	520	28%
710 ANNEXATION FUND	0	0	40	40	100%
Total of all FUNDS	1,021,128	2,854,051	26,789,742	23,935,691	89%

FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
						Carryover
141	Housing Program Fund	6000	8910	\$ 50	\$1,450	\$1,500
	Operating Expense	6000-7000	8910	\$ 104,192	\$210,808	\$315,000
141	Housing Program Fund	8050	8910	\$ -	\$100,000	\$100,000
	Transfers			\$ 25,000	\$205,000	\$230,000
Total				\$ 129,242	\$ 517,258	\$ 646,500
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
Revenues						Carryover
149	4490 8564 Federal Grants 11-HOME-7673ACT			\$ -	\$ 379,188	\$ 631,980
Expenditures						
149	11-HOME-7673	7960	8572		\$640,845	\$640,845
	Operating Expense	6000-7000		\$0	\$779,830	\$779,830
	Capital Assets	8999		\$ -	\$6,000	\$6,000
	Transfers	9010		\$ 119,938	\$105,400	\$225,338
Total				\$ 119,938	\$ 891,230	\$ 1,011,168
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
Revenues						Carryover
160	Enterprise Vouch Fee	4467	9150	\$0	\$7,000	\$7,000
Expenditures						44,517
160	Operating Expense	6000-7000	9150		\$12,160	\$12,160
	Transfers	9010	9150	\$ -	\$39,357	\$39,357
Total				\$ -	\$ 51,517	\$ 51,517
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
						Carryover
450	City/HSG ED RLF	6000-7000	8450	\$ 29,375	\$121,925	\$151,300
		9010	8450	\$ 150,000	(\$133,500)	\$16,500
Total				\$ 179,375	(\$11,575)	\$ 167,800
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
Revenue						
453	Interfund Transfers	4959	8453		\$500,000	\$500,000
						Budget is based on expend thru August reduced to hit \$500k in revenue.
453	Salaries and Benefits	5999	8453		\$72,200	\$72,200
	Operating Expense	7999			\$1,289,707	\$1,289,707
453	CDBG Program Income	9010	8453		\$0	\$0
	Transfers				\$216,000	\$216,000
Total					\$ 1,577,907	\$ 1,577,907
						1,077,907
						Add'l Rev needed
						(0)
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
						Carryover
454	Operating Expense			\$ -	\$114,000	\$114,000
	Call Home RLF	9010	8454		\$8,325	\$8,325
Total				\$ -	\$ 122,325	\$ 122,325
						122,325
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
Revenue						
458	Interfund Transfers	4959		\$ -	\$51,412	\$51,412
						Funds need to be transferred from incorrect account
458	RBEF RLF	Operating		\$ -	\$45,658	\$45,658
		9010	8458	\$ -	\$5,754	\$5,754
Total					\$ 51,412	\$ 51,412
						Carryover
FUND	Description	Dept	Current Adopted	Adj	Revised Amt	Note
						Carryover
460	Operating Supplies				\$124,543	\$124,543
	City RLF	9010	8460		\$10,000	\$10,000
Total						\$ 134,543

Total				\$	\$	134,543	\$	134,543
FUND	Description	Dept		Current Adopted	Adj	Revised Amt	Note	
150	Cal Home 2010-12	8558		\$ -	\$2,250,000	\$2,250,000	10, 11, 12 CAL Home 250,000;1,000,000;	
	CDBG	8567		\$ -	\$500,000	\$500,000	1,000,000	
	Transfers	4959		\$ 75,000	(\$75,000)	\$0	\$735,000 less amt to fund 151 \$235K	
	Rev Contingency	4999		\$ 40,334	(\$40,334)	\$0	From Adopted	
	Revenue totals			\$ 115,334	\$2,634,666	\$2,750,000	From Adopted	
	Operating			\$ 212,034	\$3,369,616	\$3,581,650	Carryover	
	Capital Accounts			\$ -	\$141,660	\$141,660	\$	
	Transfers	9010		\$323,394	\$627,958	\$ 951,352	Revenue Needed 2,122,505	
Total				\$ 535,428	\$ 4,337,077	\$ 4,872,505	\$	

FUND	Description	Dept		Current Adopted	Adj	Revised Amt	Note
Revenue							
151	Federal Grants	4490	8561			\$235,000	From CDBG
	Operating			\$ -	\$137,943	\$137,943	Carryover
151	12-CDBG-8405	9010	8569		\$32,000	\$32,000	\$ (65,057)
	Transfers	9010		\$ 284,840	\$32,000	\$32,000	Revenue Needed
Total				\$ 284,840	\$ 169,943	\$ 169,943	\$

Approved: 
 Amy Bergstrand Management Analyst III BAHD


 Glenn Lazoff Interim Finance Director


 Randy Murphy City Administrator

General Fund 001						
Department	OBJT	Description	Dept #	Current	Adj	Revision
Streets						\$ -
Revenue	4490	Federal Grant	3100	\$ 47,109	\$80,528	\$ 127,637
Expenditures	8190	Strlight/Undrgd	3100	\$ (57,728)	(\$80,528)	\$ (138,256)
Net Adjustments to General Fund (zero)					\$ -	\$ -

Approved



 Glenn Lazof Interim Finance Director



 Randy Murphy City Administrator

City of Oroville
Investment Portfolio Report
 10/16/2014

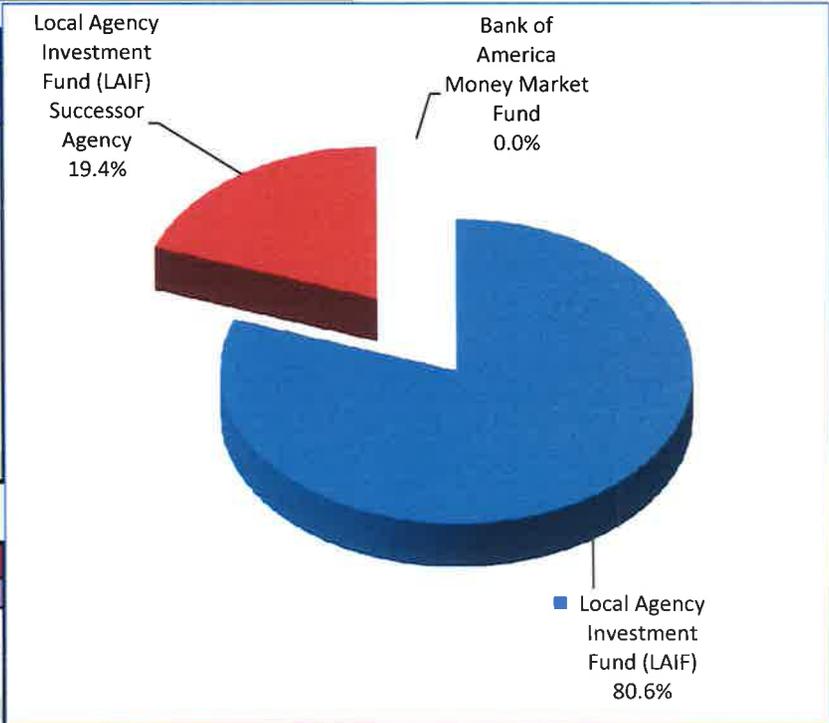
SAMPLE

Summary of Investments				
	Yield	Sep-14	Yield	Oct-14
Local Agency Investment Fund (City LAIF)	0.246%	18,368,343	0.260%	18,368,343
Proposed Transfer to Successor Agency				(1,400,692)
Adjusted Total		0		16,967,651
Local Agency Investment Fund (City LAIF) Successor Agency	0.246%	2,614,843	0.260%	2,693,843
Proposed Transfer to From LAIF				1,400,692
Adjusted Total		0		4,094,535
Bank of America Money Market Fund (Closed Sept 2014)	0.03%	79,370	0.03%	0
Total Pooled Investments		21,062,556		21,062,186

\$370 to City
 Operating not
 invested.

City Investment Portfolio - Investments held in Trust		
	Yield to Maturity	Market Value
2002 Tax Allocation Revenue Bonds		
Blackrock Provident Institutional Funds	0.01%	1,438,512
Union Bank		
2004 Series A Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	425,406
Blackrock Provident T Fund	0.01%	9,255
2004 Series B Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	75,973
Blackrock Provident T Fund	0.01%	1,653
Total		1,950,799

Distribution of Pooled Investments		
	% Split	Fair Value
Local Agency Investment Fund (LAIF)	80.6%	16,967,651
Local Agency Investment Fund (LAIF) Successor Agency	19.4%	4,094,535
Bank of America Money Market Fund	0.0%	0
Total Pooled Investments	100%	21,062,186



**OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

TO: CHAIRPERSON AND COMMISSIONERS

**FROM: GLENN LAZOF, INTERIM FINANCE DIRECTOR
RANDY MURPHY, CITY ADMINISTRATOR**

**RE: SELECTION OF CHAVAN AND ASSOCIATES AS INDEPENDENT
AUDITOR FOR THE CITY OF OROVILLE**

DATE: OCTOBER 21, 2014

SUMMARY

The Commission may consider the selection of Chavan and Associates as the Independent Auditor for the City of Oroville.

DISCUSSION

The Council approved an Auditor Rotation Policy on May 6, 2014, which requires that a new Audit Firm or Auditor Manager be sought every 3-5 years. Prior to that time the City had the same auditor for at least 23 years. Subsequently, the City was informed by our previous auditor, Davis Hammon and Company, that they had informed the previous Finance Director that they would not perform these services following the 2012 - 2013 Audit, and therefore would not be submitting a proposal under the new policy.

The City issued a Request for Proposals (RFP) May 30, 2014. We received only one proposal and reissued the RFP on July 1, 2014, receiving two additional responses. The proposals were reviewed by a committee consisting of the Interim Finance Director, City Administrator, and an Accounting Technician. The committee was unanimous in their decision to recommend Chavan and Associates to the Council.

Mr. Chavan will be attending the meeting to introduce himself, his firm, and to answer any questions.

FISCAL IMPACT

The Fiscal Year 2013 - 2014 Audit and Preparation of Comprehensive Annual Financial Report will cost \$21,900 with no cost increase requests for up to five years. The initial contract is for three years, with the option to extend for two additional years.

Approve Supplemental Appropriation 2013/14-1014-XX as follows:

Decrease	001-7000-1500	\$15,849
Increase	001-7605-1500	\$21,900

RECOMMENDATIONS

Approve the selection of Chavan and Associates as the Independent Auditor for the Oroville Successor Agency

ATTACHMENTS

None

**OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

TO: CHAIRPERSON AND COMMISSIONERS

FROM: GLENN LAZOF, INTERIM FINANCE DIRECTOR

**RE: APPROVAL OF BUDGET POLICY NO. 16 - CITY OF OROVILLE
BUDGET AND PURCHASING POLICY**

DATE: OCTOBER 21, 2014

SUMMARY

The Commission may consider approving Budget Policy No.16 - City of Oroville Budget and Purchasing Policy for the Oroville Successor Agency.

DISCUSSION

Good budget policy requires language that clear is to Council, staff, and the public. Budget control should rely on the appropriation authority of the Council in approving significant items. The City Administrator and Department Heads should be entrusted with smaller revisions and more limited purchasing authority, in the context of timely reporting to the Council. This promotes effective Council awareness and control of significant issues, while permitting staff to efficiently administrate operations.

These actions do not impact the requirement that all purchases must have adequate budgetary authority. Nothing in the proposed changes will impact the current procedures for informal and formal bids. Staff plans training sessions for staff to whom purchasing authority has been delegated to ensure adherence to these and other policies. Eventually these policies should be incorporated into a revised and updated City Fiscal Policies and Procedures Manual.

Recommended Changes

Title of Document: Budget Policy No.16 is not sufficiently descriptive of the contents of this document; therefore it is recommended that the title be changed to City of Oroville Budget and Purchasing Policy.

Coverage: Clarification that these policies apply to all funds that that are received and disbursed by the City, even if not listed therein.

Executive Director: References are deleted.

Roles and Responsibility Clarification: Three sentences added paragraph 5, page 1, reaffirming Council's role in authorizing appropriations, and staff role in administration of the budget.

Staff Threshold: Throughout the document wherever the limitation on staff approval was \$5,000 an increase is recommended to \$10,000. As directed at the September 16, 2014 Council meeting, such actions will be reported to Council in the subsequent Finance Report.

Definition of Supplemental Appropriation and Budget Revision: No change is recommended. Staff notes that distinction between the two types of budget revisions have not always been made as defined in this policy. We are now adhering to the written definitions.

Definition of Line Item: Clarified to refer to the series level (e.g. Salaries and Benefits, Operating Expenses). The Council has not approved appropriations at lower levels for approximately 20 years.

Definition of Department: Staff is recommending that for purposes of this policy, department be defined in accordance with divisions proposed at the roles and responsibility discussion earlier this month. Essentially, this groups sections of the City by the Department Heads area of responsibility, as well as Council, Mayor, and Treasurer. It is also recommended that the Housing Department be treated as one separate department, because of the complex interaction between housing funds, which are categorical in nature. Otherwise all special funds are treated as a department.

Transfers Between Departments within a Fund: Reiteration of definition of line item level of for budget control purposes. Clarification that staff may never make budget adjustments resulting in increased cost to the General Fund without Council approval.

Account number references: These describe the current financial system. These will need revision after a new accounting system is implemented. The location of the description for Fixed Asset Accounts has been moved so that description of accounts 8000-8899 precedes description of 8900 series accounts. The first sentence of the Fixed Asset description is unchanged. The second sentence is completely new and defines the minimum value of a fixed asset at \$2,000. This was previously unmentioned in this policy. The only reference to this found so far was a policy dating back to 1987, which set the limit for Fixed Assets at \$200. While there is considerable support in government financial circles for setting the level as high as \$5,000 staff is recommending an increase to just \$2,000 in recognition that after 27 years at the \$200 level the jump to \$5,000 may make the Council less than comfortable. This will still provide some workload relief to the Finance Department. The \$2,000 should be also easier to administrate and enforce since it is the same threshold as that required for a Purchase Order.

Transfers-Out - 9000 series accounts: The language has been revised to permit maximum flexibility in adjusting direct and indirect appropriations to actuals so as to maximize our ability capture any costs that are not borne by the General Fund, or which may be allocated to fee income.

Expenditure Control Budget: This policy is recommended for deletion. We have not implemented it this budget year. The purpose of this section was to reward departments for not expending all of their appropriations in one year, by permitting them to carry that forward to the next year. Department Heads are expected to purchase only goods and services that are necessary. Only two Department Heads oversee 79% of General Fund expenditures, so they already have sufficient incentive to preserve higher General Fund carryover balances to support their needs in the next fiscal year. There is no need for an inflexible policy which sacrifices 100% of annual operating expenditure savings and efficiencies.

Changes to the Adopted Budget: Clarification that this section only applies where revenue will exceed the budget amount and therefore implicitly will have no negative impact on Fund Balance. Staff has added an exception for Mutual Aid provided by our public safety staff so that the timeliness of an appropriation adjustment does not delay assistance.

Staff notes that although the rest of this language is unchanged, staff has not always utilized the authority granted, often submitting a supplemental adjustment or directing staff to reflect the changes in the budget. Assuming the Council wants leaves this language intact staff will begin to utilize this section, as it is more efficient. Otherwise please direct that this section be deleted.

Appropriation Transfers within a Department between Series 5000 Accounts (Salary and Benefits) 6-7000 Series Accounts (Operating Expenses), 8000 Series Accounts (Capital Projects): The revised title describes the contents of the section more clearly. New language retains that transfers may not be made from Personnel and Benefits appropriations unless remaining funding is adequate to cover position costs but more transparently describes that funds may augment other appropriations besides contract services. The rest of the deleted language in this section is covered by the clearer language found in the earlier paragraph describing transfers between these series accounts.

Transfers-Out - 9000 series accounts: These revisions result in more clarity. They are not intended to increase staff authority from the previous language. Language has been added to emphasize the objective of reducing General Fund cost.

Business Expenses, Conferences, Meeting, Training and Travel: No change is recommended. Staff is aware the Travel Reimbursement Policies may also need to be updated, upon further review. If so, these will be brought to the Council at a later date.

(Conferences and Travel) Mayor and Council Members/Oroville Successor Agency/Public Financing Authority Commissioners: The word “full” has been stricken regarding Council approval. It is unclear if this is a redundant emphasis on action by the Council or meant to require that approval be unanimous. If the intention of the Council is that approval should require more than a simple majority, clearer substituting language should be added. Unanimous consent has not been the practice. The only other staff recommended change is to substitute “and may not exceed final appropriations” for “and are subject to budget limitations”. We do invite the Council to consider revising this section as the limitations of this section are quite low, for example very few conferences, even within Northern California, would fall below \$500 in total cost. The \$150 small event limitation would impact almost any event that involved an overnight stay.

Grant Expenditures: Language has been added to emphasize the City Administrator and Finance Director review grant applications to ensure optimum recovery of City costs prior to submission. There is an exception when the notice of the grant does not allow sufficient time and delay would jeopardize the potential award.

Expenditures: The recommendation to raise the Purchase Order approval limit for the City Administrator from \$5,000 to \$10,000 as sent to Council at the September 16 meeting. Repetitive language has been deleted. Language has been added as directed to require that such purchases be reported to the Council in the subsequent agenda packet.

Exceptions to Purchasing Policy: The existing language regarding exceptions has been moved to last section on expenditures. Additionally these changes have been recommended:

- Additional language reflects the ongoing practice regarding Housing Department loans and related purchases.
- Recommending less vague language regarding procedures when insurance premiums increase more than 10%, which would trigger the informal bid procedure. Current language is vague and outdated, “obtain as many agents as possible”, as competitive municipal liability (including our current policy) is often offered by Joint Power Authorities. The proposed language excludes neither agents nor JPA’s. Our liability insurance is just under \$250,000 currently.

Quarterly Budget Review: Quarterly budget review requirements are now reflected in this policy.

Special Policy: Clarify that the Director of Finance may issue more restrictive purchasing policies if these will result in cost savings or increased efficiency. An example of this is our recent implementation of procedures to save staff time in the purchase of Office Supplies.

Tables 1 and 2 attached summarize the major changes being proposed in this policy.

FISCAL IMPACT

Some operational savings will result from more cost effective purchasing and budgetary authorization procedures. For example, it is estimated to cost the city approximately \$500 to place a consent item on the agenda. Therefore requiring Council approval on \$5,000 purchase order or appropriation change increases the effective cost of that purchase 10%.

RECOMMENDATION

Approve Budget Policy No.16 - City of Oroville Budget and Purchasing Policy.

ATTACHMENT

Budget Policy No. 16 - City of Oroville Budget and Purchasing Policy

Oroville City Budget Policy and Purchasing Procedures

The Annual Adopted Budget is based upon the estimated needs of the City's various funds and departments and the needs of the Successor Agency and the Public Financing Authority applying to all funds that are received and disbursed by the City and in addition and supplemental to any provisions contained in State Law, the City Charter of the City of Oroville and the Municipal Code, and other applicable Council actions.

In the event that any portion of this policy at any time becomes in conflict with either Federal or State Law, or the Charter or the Code, this policy will not apply in that instance.

Administration of the Annual Adopted Budget and the related policies is the overall responsibility of the City Administrator who is assisted by the Finance Director. The Finance Director is responsible for providing technical assistance to the Department Heads in administering budgets assigned to them and compliance with related policies; however, Department Heads are held accountable for the budgets under their control.

The City Administrator shall have the same duties and responsibilities for the Successor Agency and the Oroville Public Financing Authority as for the City. The Finance Director shall have the same duties and responsibilities for the Successor Agency and Oroville Public Financing Authority, as for the City. Department Heads and other management staff who administer budgets for the Successor Agency and the Oroville Public Financing Authority shall have the same duties and responsibilities as they have for the City of Oroville.

The City Council ultimately must approve total appropriations. Staff is entrusted with the administrative authority to efficiently provide service within these total appropriations. It is the staff's responsibility to keep the Council informed of significant issues and the financial consequences of both internal and external events. The goal of this budget policy is to strike a balance between the responsibility of the City Council, Successor Agency and the Oroville Public Financing Authority to provide expenditure authority, oversight, and policy direction while granting staff reasonable flexibility to administer the Budget, so that the work of the City and its related agencies can be carried out efficiently.

As outlined in Article VIII, Section 1 of the City Charter, if and when an emergency occurs, such as a war, natural disaster, or major accident/civil disturbance, the Mayor shall assume general control of the City Government, and all its branches and be responsible for the suppression of disorder and the restoration of normal condition.

In addition to the above, and for the purposes of City and its related agencies, budget administration emergencies also include a potential or actual threat to

public safety or serious damage to public and/or private property.

Budgetary actions taken pursuant to an emergency are required to be documented. Department Heads who make emergency expenditures must prepare a signed statement documenting the emergency expenditure. Documentation must be attached to the request for payment or invoice, which is submitted to the Finance Department for processing. Where the cost exceeds \$10,000, a copy of the documentation must be sent to the City Clerk/Secretary of the Successor Agency/Oroville Public Financing Authority and the Council/Commissioners, along with the monthly report.

Definitions:

The term "**appropriation**" is defined as the amounts approved for the expenditure or the use of funds by the City Council (or the governing body of an agency for which the Council provides policy direction such as the Oroville Successor Agency or Oroville Public Financing Authority), together with such subsequent supplemental appropriations and/or budget adjustments which are subsequently approved.

The term "**supplemental appropriation**" shall mean an increase to the amounts previously approved for expenditure in the Adopted Budget which may have an impact on the fund balance because it is funded by either the spendable portion of the fund balance or by a combination of additional revenues not anticipated in the Adopted Budget and the spendable portion of fund balance.

The term "**budget adjustment**" shall mean an increase to one or more line item appropriations, which has no impact on fund balance, because it is either funded by a corresponding decrease in one or more line items within the same fund or unanticipated revenues to that fund which were not included in the Adopted Budget, with the result that the ending fund balance is not impacted.

The term "**line item**" shall mean a single appropriation amount to a specific account; usually this item detail is aggregated as a series appropriation (Salaries and Benefits or Operating Expenses) for purposes of budget control at the Council level. The purpose of further line item detail in the financial system is primarily to assist Departments in controlling their expenditures at an operational level.

The Term "**Department**" shall refer to the following for the General Fund, with sub-divisions listed below each:

City Council

Mayor

Treasurer:

Administration:

City Administrator

Economic Enhancement

Economic and Community Enhancement

City Hall

City Clerk

Human Resources

Information Technology

Risk Management

City Attorney

Finance

Finance

Non-Departmental

Accrued Leaves

Public Safety

Police

Fire

Community Development

Planning and Development Administration

Building Code Enforcement

Public Works Administration Streets

Parks and Trees Administration

Parks and Trees Operations

Special Funds: All special funds will be equivalent to "Department" for purposes of this Policy, Except for all Housing Funds which will be considered one Department.

Categories of Expenditures/Uses of Funds:

a. Transfers Between Departments Within a Fund

Transfers between various departments and line items within a fund are subject to the same rules applicable to transfers between the Personnel, Operational Expenses, Capital, and Non Operating expenditures within the same department and are allowed as long as approved by the Finance Director and City Administrator/Executive Director and the result is no increase in General Fund cost to that department.

b. Expenditure Series Accounts

Salaries and Benefits - 5000 series accounts: are the accounts which are used

for the payment of salaries and benefits. Included in this category are various types of salary accounts such as management, clerical, outdoor labor, safety, temporary salaries and various categories of other compensation such as, overtime, compensation time, vacation pay, uniform allowances, Police reserve pay and volunteer firefighter allowances.

Services and Supplies - 6000 and 7000 series accounts: are the accounts which are used for the payment of non-payroll related operating expenditures such as office and specialized departmental supplies, repair and maintenance, contract services, printing, travel, training, grant activities, community promotional, marketing and industrial recruitment activities, etc.

c. Non-Operating Expenditures

Fixed Assets – 8000 - 8899 series accounts: are the accounts which are used for all capital expenditures, which have a normal life greater than one year, including land, buildings, equipment and infrastructure. Fixed assets exceed \$2,000 in initial cost.

Other Charges - 8900 series accounts: are the accounts which are used for certain non-operating expenses, primarily those related to debt service such as principal and interest payments.

d. Uses of Funds

Transfers-Out - 9000 series accounts: are the accounts which are used for making transfers-out of one fund, or department into another fund or department. Transfers-out are made to reimburse a fund for expenditures made on behalf of the other fund or where a separate fund is required for legal or accounting purposes. City Budget Policy is to minimize general fund costs by obtaining full reimbursement from all special operating funds, up to the maximum supported by actual costs, both direct and indirect. Such charges do not impact overall city expenditures, therefore appropriations to facilitate the transfer of these costs within or from the General Fund may be revised as needed by the Director of Finance with the approval of the City Administrator.

Grant Carry-overs, C.I.P. Projects Work in Process:

Grants are often accounted for on a multi-year basis. Whenever it is necessary to account for grants on a multi-year basis, an appropriation will be established for the total anticipated expenditures for the entire grant period. The balance of the appropriations will then be carried over from one year to the next, subject to Council/Commissioners approval.

Work in Process on Capital Projects - at the end of the fiscal year the remaining balance of appropriations of capital projects which are in process shall be carried

over to the next fiscal year, subject to Council/Commissioners approval.

Changes to the Adopted Budget; Additional Revenues:

The Finance Director and a Department Head acting under the direction of the City Administrator/Executive Director, shall have the authority to take into consideration off-setting revenues which are in excess of budgeted revenues and to authorize a budget adjustment to appropriate for the related expenditures covered by these off-setting revenues of up to \$10,000. In the case of Public Safety providing mutual aid, the adjustment may equal the amount or revenue to be reimbursed.

Whenever the Council/Commissioners approve an action which necessitates a budget adjustment it is understood that the Council/Commissioners also approve the corresponding budget adjustment. For example: The Council/Commissioners approve the purchase of \$5,500 worth of computer equipment. In the Fiscal Impact section of the staff report sent to Council/Commissioners the report details the purchase is being funded by salary savings and that a transfer will have to be made from Salaries and Benefits line items to increase appropriations in the computer equipment account in order to make the purchase. The Finance Director and the Department Head acting under the direction of the City Administrator/Executive Director are authorized to make a budget adjustment based upon the Council/Commissioners actions in approving the purchase.

Appropriation Transfers within a Department between Series 5000 Accounts (Salary and Benefits) 6-7000 Series Accounts (Operating Expenses), 8000 Series Accounts (Capital Projects). The Director of Finance with the approval of the City Administrator, may transfer appropriations between the these accounts in a department up to \$10,000, as long as total departmental expenditures are not increased. Funds may not be transferred out of the 5000 Salaries and Benefit Series accounts if the remainder is inadequate to fund existing positions for the rest of the year

Whenever the cost Salaries and Benefits series accounts exceeds the amount budgeted the Finance Director and a Department Head, acting under the direction of the City Administrator/Executive Director, are authorized to make a budget adjustment of up to \$10,000 by reducing the Services and Supplies, Operating, or Capital series accounts of the affected budget. Such transfers must have a neutral or positive impact on fund balance.

In all other instances whenever a budget has been exceeded because of obligations which have already been incurred, or are expected to be exceeded, Council/Commissioners approval will be required in order to increase the appropriations.

Transfers-Out - 9000 series accounts:

The Finance Director acting under the direction of the City Administrator/Executive Director is authorized to make those transfers-out to the actual amounts If 9000 series appropriations are exceeded, as soon as practical thereafter, and at least once prior to the yearend closing, the Finance Director shall initiate action to increase the appropriations.

In all other instances, Council/Commissioners approval will be required in order to increase the appropriations. Anytime appropriations are revised by staff pursuant to this policy, this shall be reported to Council in the subsequent Finance Staff report.

Business Expenses, Conferences, Meeting, Training and Travel:

- a. City Employees, City Treasurer, City Attorney, Members of Boards and Commissions

Department Heads, acting under the direction of the City Administrator/Executive Director, are authorized to make expenditures for business and travel expenses related to City/Agency/Authority business and attendance at such professional conferences/training sessions/meetings as they deem appropriate, up to the amount appropriated in their departmental budget for such expenses. The Supervisor must authorize the subordinate's attendance and must approve the expenditure. In the case of non-employees, the Department Head responsible for the budget which is being charged will approve the expenditure. All expenditures must be in accordance with all policies including the City's Travel and Reimbursement Policy which shall apply to the City and any related agencies which fall under its administrative jurisdiction.

- b. Mayor and Council Members/Oroville Successor Agency/Public Financing Authority Commissioners

During each fiscal year, every Council Member/Commissioner is, without Council approval allowed to attend: 1) the annual League of Cities Conference; 2) one other conference /meeting / training session which does not cost more than \$500; and 3) small conferences/meetings/training sessions costing less than \$150. The Council/Commission must approve all other travel/conference/meeting or training expenditures. Payments to Council/Commissioners are made in accordance with the City's Travel and Reimbursement Policy and may not exceed final appropriations.

Grant Expenditures:

From time to time the City or its related agencies become eligible for Federal or

State grants. Should the funding source require a grant application, the application will be submitted to the application to the City Administrator and Finance Director prior to submitting a final application. The City Administrator may waive pre-approval when notice of the grant did not provide sufficient lead time prior to the grant deadline. Whenever the City applies for a grant, every effort should be made to include all city costs, including direct or indirect costs. If not included in the application, or not approved as part of the grant by the funders, these shall be reported to Council as a city cost, and adequate budget revisions will be recommended as needed.

When a grant is received, one of the following courses of action shall be taken:

- a. If the Council/Commissioners have previously approved the grant and no matching funds are required, the Finance Director and the Department Head, acting under the direction of the City Administrator/Executive Director are authorized to make the required budget adjustment.
- b. If the Council/Commissioners have previously approved the grant and the grant requires matching funds which have already been appropriated, the Finance Director and a Department Head, acting under the direction of the City Administrator/Executive Director, are authorized to make the required budget adjustment.
- c. If the grant requires matching funds, and an appropriation has not been made, a supplemental appropriation or a budget adjustment must be approved by the Council/Commissioners unless the staff report and Resolution detailing the funding requirements for the match for the grant have been previously approved by the Council/Commissioners, along with the grant application. In the event previous approval for the funding of the match was obtained, the Finance Director and a Department Head, acting under the direction of the City Administrator/Executive Director are authorized to make the required budget adjustment.

In all other instances, Council/Commissioners approval will be required in order to increase the appropriations.

Expenditures Under \$10,000:

Council/Commissioners approval is not required prior to making an expenditure less than \$10,000 if the item is within the budget authorization of the City Administrator/Executive Director or his/her designee and prior Council/Commissioners approval is not required by State Law or City Codes or policies.

Before making expenditures for supplies, equipment and services, which exceed \$2,000 a purchase order must be authorized by both the department and the

Finance Director. If the purchase is between \$2,000 and \$25,000 it is subject to the informal bidding requirements contained in the City Code and in Ordinance 1595. All purchase orders between \$4,499.99 and \$10,000 shall be reported to the council, in the next Council Packet, subject to packet publication deadline requirements.

The limit applies only to a single invoice or the purchase of a single item. Multiple purchases from the same vendor which are under the limit individually do not require prior Council/Commissioners approval as long as the purchases are not being intentionally made in smaller amounts in order to avoid obtaining Council/Commissioners approval.

Authorization to go out to Bid where a Sealed Competitive Bid is Required:

If the budget provides for the expenditure, Council/Commissioners authorization is not required prior to going out to bid, unless otherwise required by State Law or City Codes or policies.

Public (Capital) Projects as defined by the Public Contract Code of the State of California (Section 22000-22045)

- a. Exception to section 22032 of the Public Contract Code of the State of California is as follows:
 1. Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
 2. Public projects of Twenty-five Thousand (\$25,000) or less may be let to contract by informal procedures as set forth in the article. Council will be apprised of the results on a Council agenda within 15 days but in no case later than 30 days.
 3. Public projects over Twenty-five Thousand (\$25,000) will follow the competitive bid procedures outlined in Section 2-63.101 thru 2-63.701 of the Oroville City Code as re-enacted in Ordinance 1595.
 4. Items budgeted and appropriated by the Council during the annual budget approval process shall be deemed approved and funds appropriated. Staff is not required to return for authorization for purchase of items but must follow the appropriate procurement process.

Expenditures Greater Than \$5,000:

Council/Commissioners approval is not required prior to making an expenditure

greater than \$5,000 if there are sufficient appropriations in the current Adopted Budget (as revised pursuant to this policy) of the department to cover the expenditure and:

- a. The expenditure represents a progress payment, which does not exceed the 10% Contingency approved as part of a contract or agreement previously approved or awarded by the Council commissioners.
- b. The expenditure represents a partial payout of an economic development loan previously approved by the Council/Commissioners; or is a loan or purchase approved by the Housing Loan Advisory Committee; or a loan or purchase approved by the Economic Development Loan Advisory Committee which does not exceed \$250,000.
- c. The expenditure is for an insurance policy. If the increase is over 10% quotes must be obtained from at least 3 sources.
- d. Other Exceptions: Payroll and the related benefit expenses (except as noted elsewhere in this policy), utility costs, postage, insurance premiums, concrete, road maintenance supplies and materials, fuel, communication expenses, debt service expenditures, contracted services (except where Council/Commissioners approval is required) payments to other governmental agencies, CDBG activities which are covered under grant procedures previously adopted by the Council/Commissioners, other grant activities, State Theater performance expenses and trust and agency fund disbursements, or any other expenditure which in the judgment of the City Administrator/Executive Director is routine.
- e. Special Rules: The Director of Finance department may issue purchasing requirements addressing particular types of purchases to improve efficiency and cost savings, as long as these do not conflict with this budget policy.

Staffing and Payroll Related Expenditures:

Appropriations to the Salaries and Benefits - 5000 series accounts in the Adopted Budget assume full staffing for the full fiscal year. However, as a result of such factors as attrition, sick leave, training requirements, resignations, retirements, emergencies and other related situations, it may not be possible to fill all of the allocated positions as planned, additional staffing may be needed, or positions may need to be filled at a different skill level than provided in the Adopted Budget.

A Department Head working in conjunction with the Personnel Officer, and acting under the direction of the City Administrator/Executive Director, may make a temporary promotional appointment or hire a temporary employee at any level on

the salary range, or contract for a temporary employee (normally this will be done through a temporary employment agency) in order to: 1) temporarily fill any authorized position which has been vacated due to the resignation, retirement, termination, sickness or other temporary absence of the incumbent; or, 2) fill a position in the event of an emergency. If the expense related to temporary help will cause any line items in the Adopted Budget to be exceeded, a budget adjustment or supplemental appropriation must precede the action, except in cases of emergency.

Council/Commissioners approval is required for all other reclassifications, salary adjustments, equity adjustments, costs of living raises or any other changes to the Salary and Pay Schedule listing in the Adopted Budget (except for temporary positions which are not listed).

Council/Commissioners approval is also required for all other changes, such as new non-emergency temporary positions, changes in titles, reclassifications or any other changes to the Summary of Personnel listing in the Adopted Budget.

The City Administrator/Executive Director and the Personnel Officer, may hire an employee at an advanced step in the salary range up to step G if justification is provided to the Council/Commissioners at the time of the hiring decision and:

Competitive factors in the job market for a particular job title, or a candidate's specific experience and qualifications are such that it will not be possible to employ the most qualified candidate at the beginning step on the salary range.

The accrual of overtime and any payments of overtime shall be in accordance with the provisions of any approved M.O.U., employee contract or resolution and/or the Personnel Rules and Regulations and Personnel Policies.

On a bi-annual basis, the Personnel Officer will prepare a report to the Council/Commissioners on all positions filled, except for Department Heads. The report will contain the applicable steps and ranges for each position and indicate whether the employee is temporary or permanent.

Donations:

Donations may be accepted by the Finance Director and a Department Head, acting under the direction of the City Administrator/Executive Director. As soon as possible, after accepting the donation it will be placed on the consent calendar so that the donation can be acknowledged by the Council/Commissioners. If a particular donation either will result in other than insignificant cost to the city, or is conditioned such that it will result in an unfunded burden on staff resources, staff will recommend to the Council that the donation not be accepted. The procedure necessary to make a Budget Adjustment in order to increase appropriations for a cash donation is detailed elsewhere in this policy.

Quarterly Budget Review:

Subsequent to each quarter, the Finance Director will conduct a quarterly budget review and recommend necessary adjustments based on year to date actuals.

**OROVILLE CITY COUNCIL
MONTHLY REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS AND
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: BILL LAGRONE, POLICE AND FIRE CHIEF

**RE: POLICE DEPARTMENT MONTHLY REPORT FOR SEPTEMBER 2014
FIRE DEPARTMENT MONTHLY REPORT FOR SEPTEMBER 2014**

DATE: OCTOBER 21, 2014

SUMMARY

The Council will receive a monthly report regarding the activities, revenues, and general information for the Police and Fire Departments.

Staffing:

Positions	Total staffed	Total Authorized	Total Vacant/Frozen
Police Officer	20	26	2/3
Dispatcher	9	9	0
Community Service Officers / Evidence	2	3	0/1
Administrative Personnel	2	4	0/2

Positions	Total staffed	Total Authorized	Total Vacant/Frozen
Firefighters	7	7	0/0
Fire Engineer	3	6	0/3
Fire Captain	3	3	0/0
Administrative Personnel	3	3	0/0

Police Revenue Update:

Account Number and Description	September 2013 Revenues *Comparison Purposes only	September 2014 Revenues	Fiscal 13/14 Year to Date Revenues *Comparison Purposes only	Fiscal 14/15 Year to Date Revenues	Percentage of Projected Revenue
4300 / Vehicle Fines	\$ 5,100.91	\$2,385.00	\$ 5,100.91	\$ 2,385.00	UNK%
4350 / Parking Fines	\$ 0.00	\$ 0.00	\$ 1,929.35	\$ 2,118.83	UNK%
4390 / Other Fines	\$ 5,955.41	\$ 2,326.13	\$ 5,955.41	\$ 2,236.13	UNK%
4670 / Other Fees	\$ 20,702.22	\$ 21,114.00	\$ 20,702.22	\$ 21,114.00	UNK%

*Revenues for September 2014

Projected Yearly Revenues	Actual year to date Revenue	Percentage
\$ 315,197.00	\$ 57,775.00*	18.3%

*Estimation only

Fire Revenue Update:

Account Number and Description	September 2013 Revenues *Comparison Purposes only	September 2014 Revenues	Fiscal 13/14 Year to Date Revenues *Comparison Purposes only	Fiscal 14/15 Year to Date Revenues	Percentage of Projected Revenue
Permits / 4280	\$219.00	\$.00	\$ 520.00	\$613.00	10%
Inspections / 4281	\$1,760.00	\$915.00	\$ 2,202.00	\$2,407.00	.7%
Plan Check / 4670	\$1,059.00	\$1,989.00	\$ 5,800.00	\$2,883.00	32%

Project Yearly Revenues	Actual year to date Revenue	Percentage
\$49,378.00	\$6,643.00	13.5%

Police Overtime YTD:

Overtime Budgeted	Overtime Expended YTD	Percentage Expended
\$ 168,500.00	\$ 78,192.00	46.4 %

Fire Overtime Utilization:

Date	Strike Team	Continues Professional Training incurred overtime	Sick	Vacation	Special Assignment	Out of Class	All Other <small>(comp time, industrial leave, holiday, shift hold over)</small>
September 2014	765 hrs	24 hrs	24 hrs	72 hrs	200 hrs	*885 hrs	0 hrs
TOTAL Last Quarter of Calendar Year	1,410 hrs	24 hrs	24 hrs	168 hrs	600 hrs	1,125 hrs	0 hrs

*Engineer back-fill for Caption out on Strike Team.

Fire Overtime YTD:

Overtime Budgeted	Overtime Expended YTD	Percentage Expended
\$200,000.00	\$42,969.00	21%

Overtime expended during the month of September was due to the Gulch Fire, Boyle Fire, and King Fire.

Department Activity:

Events Year to Date 2014	Average Response Time for Crimes against persons <small>*Priority 1 crimes</small>	Average Response Time for all types of calls for Service	National Average Response Time
24,205	5.77	5.47 minutes	8 - 11 minutes

Downtown Foot and Park Patrols:

	Park Patrols	Downtown Patrols
September 2014	125	57
Year to Date	1182	463

Parking Enforcement Citations Issued:

September 2014	Year to Date 2014	September 2013	Year to date 2013
14	177	13	335

Police Activity:

	September 2013	September 2014	Year to date 2013	Year to date 2014
Arrest				
Misdemeanor	162	173	1,711	1,584
Felony	59	65	576	585

	September 2013	September 2014	Year to date 2013	Year to date 2014
Citations				
	174	135	2,210	1,557

Uniform Crime Reporting:

Crimes of Violence	September 2014	Year to Date September – September
Homicide	0	0
Rape	0	5
Robbery	2	18
Aggravated Assault	6	43

Population per 2010 Census 15,000
 Violent Crimes YTD 66
 Violent Crime Rate 0.004

Fire Department Activity:

Incidents	September 2014
Fallen no injury / Medical Alarm	8
Dumpster Fire / Unoccupied Vehicle Fire	3
Downtown/Apartment/Commercial/Hospital, Etc.	2
Vegetation Fire	15
1, 2, or 3 Family Homes	6
Hydrant Sheard off / Water line break outside	1
Alarm Sounding / Smoke / Fireworks	21
Medical Aid / non CPR	208
Traffic Collision	15
Minor Hazardout Spill	1
Gas Odor/Power Lines Down	3
FD General Alarm (to call out all fire personnel)	2
Total Incidents	285

Events Year to Date 2014	Average Response Time (Dispatch to Arrival)
2,412	5:23 minutes

Fire Marshall Inspections:

	September 2014	2014 Year to Date	September 2013	2013 Year to Date
Plan Checks	22	120	5	34
Occupancy	9	85	14	121
Fire Inspections	5	38	15	65

Fire Intern Hours:

	Intern Hours	Total Hours Worked in September 2014	Funds Used Fiscal Year to Date
September 2014	\$2,030.00	203	\$6,530.00

SPCA Statics:

Service Calls by Priority:

Priority Level	Number of Calls	Total Minutes per call type	Average response times
Urgent	8	66	8.24
Priority	58	452	7.79
At Officer Convenience	25	170	6.79
After Hours	11	135	12.27

Animal Intake and Outcome Stats:

Total Animals taken in from City	Total Animals outgoing	Cats	Dogs	Other	Bird	Livestock
92	127	47	38	5	2	0

*The remaining difference from intakes to outcome total represents animals that have not yet had an outcome and are still in the facility.

Animal Outcomes:

Outcome Type	Outcome Total
Adoption	7- (5 Dogs) (1 Bird) (1 Other)
Disposal	19 - (3 Dogs) (7 Cats) (1 Livestock) (8 Other)
Euthanasia	78 - (19 Dogs) (55 Cats) (4 Other)
Relocate	1 - (1 Bird)
RTO	21 - (20 Dogs) (1 Cats)
Transfer	1 - (1 Bird)

*Others are wild animals such as bats, skunks, snakes, possums, etc....

SPCA After-hours call outs:

September 2014	Fiscal Year to Date
11	167

Shoes for Kids:

Shoes Provided	Socks Provided
0	0

This program provides shoes and socks for children of our Community. This program is funded by Department member donations and community donations.

Volunteers:

Total Number of V.I.P.S. Volunteer Hours for 2014:

Volunteer Hours converted to dollar amount:

Value of Volunteer hour in California \$21.36

$$2208.5 \times 21.36 = \text{\$47,173.56}$$

Total Number of Staff Volunteer Hours for 2014:

Volunteer Hours converted to dollar amount:

Value of Volunteer hour in California \$21.36

$$981.8 \times \$21.36 = \text{\$20,971.24}$$

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATIONS

Receive and file the September, 2014, monthly report regarding the activities, revenues, and other general information of the Police Department.



Public Education and Outreach

The 2014 public education campaign has been very successful. A recap of the year shows that the District was represented at the Home and Garden Show in Chico, Gold Nugget Days in Paradise, Feather Fiesta Days in Oroville, Red Suspenders Day in Gridley, the Silver Dollar Fair in Chico, the Gridley Home and Garden Show, Biggs National Night Out, the Berry Creek Berry Festival, the Butte County Fair, and the Salmon Festival in Oroville. A group presentations was given to/at the California Conservation Corps. in Chico. Several school presentations on the dangers of mosquitoes and ticks were given throughout the District. Also, radio interviews were granted to KPAY radio in Chico. Several television interviews were granted to KHSL 12 News, KNVN 24 News, and KRCR News Channel 7. Newspaper/internet interviews were granted to the Chico Enterprise Record, the Chico News and Review, the Oroville Mercury News, and the Paradise Post.

Paid advertising included six billboards that rotated throughout the District with this years message "Got Mosquitoes" on them. Ads were also placed in the Chico Enterprise Record and the Chico News and Review.

With this years high number of West Nile virus cases, the District believes that it is imperative to get the mosquito bite prevention message out to the public. That message states that if a person can avoid getting bitten by a mosquito, they can avoid getting any mosquito-borne illness, including West Nile virus. Some of the ways the District suggests that residents prevent mosquito bites are staying inside at dusk and dawn when mosquitoes are most active, wearing repellent and/or long sleeves and pants when outside during peak mosquito activity, and making sure their door and window screens are in good working condition. Residents are also asked to check their property for possible mosquito breeding sources, and draining any unnecessary standing water.



Entomologist Eric Gohre working at the 2014 Salmon Festival.



Assistant Manager Doug Weseman displaying insects of public health significance.

Special Services Available

Having a party, wedding, or other large outdoor gathering? The District provides special services for large outdoor gatherings to help safeguard properties and attendees from mosquitoes. Other services that the District provides are free mosquitofish, yellowjacket and wasp removal, tick and insect identification, and public education events.

For more information please contact the District at (530) 533-6038 or (530) 342-7350. The District can also be found on the web at: www.BCMVCD.com

Managed Wetland Surveillance

Managed wetland surveillance is a vital component of the District's Integrated Vector Management (IVM) Program. There are over 50,000 acres of managed wetlands within the District's service area. These wetlands consist of state, federal, and private entities. With wetlands covering such a large portion of the District, utilizing aircraft is the most effective way to conduct surveillance on these wetlands. During mosquito season, when the managed wetlands commence flooding and/or irrigations, the District's Pilot will navigate a Cessna aircraft over these wetlands so that Mosquito and Vector Control Specialist's (MVCS) can identify any "new" flood water. After the MVCS have taken notes, pictures, and have recorded GPS coordinates of where the "new" water is, the MVCS then will drive out to the field and "dip" the new source of water for the presence of mosquito larvae. Dipping consists of a 1 pint cup attached to a long handle. The MVCS gently dips this cup into the water, pulls it back out, and counts how many larvae are in the cup. The MVCS will do this dipping at a number of locations around the field. Once a MVCS has completed dipping the field, the MVCS will take the average number of larvae found and record it. If the number equals three or more larvae per dip, a map of the field is then sent to the office via email on a laptop computer that uses a USB cell phone adapter. Once Air Operations at the office receives the map, a determination of the product application rate is calculated based on the surveillance data gathered. This is determined by how dense the vegetation in the field is, water depth and quality, larval dip counts, and by what larval instars are present. The Air Operations coordinator then forwards the map to the Pilot. The map contains a GIS based color picture of the polygon that needs to be flown, the application rate, the fields GPS coordinates, and how many pounds of public health pesticide to load. Once the plane is loaded the pilot flies to the field and makes the application. When the Pilot completes the application and returns from the flight, the application information is entered into the District's database for record keeping and reporting purposes.

For the reader's information, if an operator finds 100 mosquito larvae per dip, and a square foot contains 9 Four inch dippers, then in a 100 acre field there are approximately 1.95 billion mosquito larvae (given that approximately 50% of these mosquito larvae will be female). With these numbers in mind, it quickly becomes apparent as to why the District must do aerial wetland surveillance and control.



Aerial view of wetlands



Ag-Cat treating wetlands



559654997 0016



BUTTE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT



Oroville City Clerk-Duffey
1735 Montgomery Street
Oroville, CA 95965

3rd Quarter, 2014

Newsletter

2014 West Nile Virus Activity

State public health officials have confirmed that 2014 has been a record setting year for mosquitoes infected with West Nile virus (WNV). As of September 26th, there have been 3048 positive mosquito samples identified, compared to 2379 last year. There have also been 375 human cases of WNV with 15 deaths in California, compared to 176 cases at the same time last year. Public Health officials expect these numbers to climb even higher as new cases of WNV are being reported daily. In Butte County, as of October 1st, there have been 20 human cases reported. Last year there was a total of 24 human cases.

With WNV activity being so high locally, the District did everything it could to slow virus transmission by following its Integrated Vector Management (IVM) Program. The first step in using IVM is to monitor vector populations and vector-borne disease, such as WNV. This is achieved by using CO2 baited traps, gravid traps, New Jersey light traps, sentinel chickens, mosquito pools, and dead bird testing.

As of Sept. 26, 2014	2014	2013
Counties	38	41
Human cases	375	176
Dead birds	2155	1102
Mosquito samples	3048	2379
Sentinel chickens	361	404
2013 YTD - Year to date corresponds to the same time last year.		

The District uses positive human, bird, horse, mosquito pools, sentinel chicken, and squirrel results to help locate the virus. With this data, the District then knows where vector populations and the virus is occurring. The District then can concentrate all efforts on eradicating the mosquitoes and educating the public in those areas. This is achieved by using source reduction/elimination, public education and best management practices, biological control (i.e. mosquitofish), larviciding, and as a last resort, adulticiding. Below is an annual comparison of WNV activity in Butte County (red numbers are year to date):

	Humans	Horses	Dead Birds	Dead Squirrels	Mosquito Pools	Sentinel Chickens
2004	7	18	118	0	1	50
2005	25	7	79	0	4	15
2006	34	0	40	1	1	49
2007	16	0	27	0	5	32
2008	6	0	38	0	5	31
2009	2	0	13	0	5	36
2010	1	1	6	1	7	7
2011	3	0	0	0	1	20
2012	10	2	53	2	27	43
2013	24	0	42	1	38	57
2014	20	0	22	0	43	36
Totals	148	28	438	5	137	376



Butte County Mosquito and Vector Control District
5117 Larkin Road
Oroville, CA. 95965

MANAGERS MESSAGE

The 2014 mosquito and mosquito-borne disease season started earlier than normal and lasted longer than expected. 2014 also set record numbers of West Nile virus activity. I want to thank an extremely dedicated group of employees willing to step up to large projects, work long hours, nights, and holidays, and to remain committed to protecting the public's health. I am extremely grateful and appreciative for all twenty five employees (10 seasonal) and the District's eleven members of the Board of Trustees. For all those that went above and beyond this season, I thank you! It is only because of you that the District is able to provide a level of service that has come to be expected by the residents within our service area. I thank all of you for your dedication, commitment, and effort. I am honored to serve with each of you!

MISSION STATEMENT

The mission of the Butte County Mosquito and Vector Control District is primarily to suppress mosquito-transmitted disease and also to reduce the annoyance levels of mosquitoes and diseases associated with ticks, fleas and other vectors through environmentally compatible control practices and public education.

CONTACT INFORMATION

Butte County Mosquito and Vector Control District
5117 Larkin Road, Oroville, CA. 95965
Phone: (530) 533-6038, (530) 342-7350
Fax: (530) 534-9916
Website: www.BCMVCD.com

Please call the District if you are experiencing mosquito problems or if you are planning a special outdoor event.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF FINANCIAL ASSISTANCE

2020 West El Camino Avenue, Suite 500, 95833

P.O. Box 952054, Sacramento, CA 94252-2054

(916) 263-2771 / FAX (916) 263-2763

www.hcd.ca.gov

October 7, 2014

City of Oroville
OCT 13 2014
Administration

Mr. Randy Murphy
City Administrator
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

RE: Award Announcement - City of Oroville
Contract Number: 14-CDBG-9893 / CFDA #: 14.228

Dear Mr. Murphy:

The Department of Housing and Community Development (Department) is pleased to announce that the City of Oroville has been awarded a Community Development Block Grant (CDBG) in the amount of \$500,001. This letter constitutes notice of the award of those CDBG funds for use in the City.

Grant expenditures may be incurred, with Department approval, prior to the execution of the Grant Agreement; however, these costs will be incurred at the jurisdiction's own risk. For approval to be granted and active, the City must submit a written request and receive written approval from the Department.

Congratulations on your successful application. A fact sheet depicting your 2014 award activities and funding information is enclosed. For further information, please contact your jurisdiction's CDBG Program Representative. A CDBG staff contact list by jurisdiction can be found at www.hcd.ca.gov/fa/cdbg.

Sincerely,

Laura A. Whittall-Scherfee
Deputy Director

Enclosure

Award Information for 2014 State CDBG Program
City of Oroville Fact Sheet

<u>Activity Funding</u>	<u>Award Amount</u>
Direct Homeownership Assistance	\$129,199
Activity Delivery - Direct Homeownership Assistance	\$10,336
Rehabilitation: Single-Unit Residential	\$273,598
Activity Delivery - Single-Unit (14A)	\$51,984
General Program Administration	\$34,884
	<u><u>\$500,001</u></u>

SOUTH FEATHER WATER & POWER AGENCY

ARTHUR V. MARTINEZ,
MANAGER OF INFORMATION SYSTEMS

2310 ORO-QUINCY HIGHWAY
OROVILLE, CALIFORNIA 95966
530-533-4578



October 9, 2014

Randy Murphy
City of Oroville
1735 Montgomery St.
Oroville, CA 95965

City of Oroville
OCT 15 2014
Administration

Dear Randy,

Unfortunately, too often time goes by so quickly that we forget to stop and acknowledge what is important to us. As a member of the chamber's Board of Directors, I am taking a few minutes to stop and thank you for being a member of the Oroville Area Chamber of Commerce.

As you know, the chamber is a non-profit organization supported by membership dues and chamber events. It is businesses like yours that support the vital work the chamber does to improve the business and lifestyle climate in Oroville. In fact, the chamber's ongoing goals include:

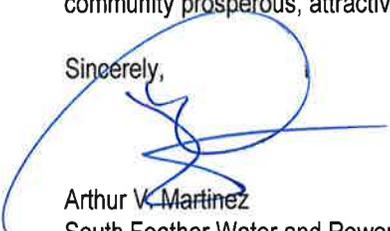
- Creating a strong local economy
- Promoting the community
- Providing marketing and business connection opportunities
- Representing the interests of business with government

Business owners sometimes ask, "*What does the chamber do for me?*" Here is a partial list of what the chamber brings to the table:

- Increased web traffic through inclusion with the chamber.
- Free Traffic Catcher sites that function as websites or link to yours.
- Online Business Directory Listing – makes your business easy to find.
- You are included in the Chamber's app – *plus your own* Mobile Web App.
- Customer referrals - for members only!
- Connect and learn with our Chamber publications.
- Cost effective advertising opportunities.
- Visitor information and recommendations.
- Connection with your business peers.
- Connection with the local community.

So, again, thank you for being a chamber member. We look forward to many years of working together to make our community prosperous, attractive, and strong.

Sincerely,


Arthur V. Martinez
South Feather Water and Power Agency

APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE(S)

ABC 211 (6/99)

TO: Department of Alcoholic Beverage Control
1900 CHURN CREEK RD
STE 215
REDDING, CA 96002
(530) 224-4830

File Number: 550665
Receipt Number: 2258340
Geographical Code: 0404
Copies Mailed Date: October 7, 2014
Issued Date:

DISTRICT SERVING LOCATION: REDDING

First Owner: LOR, PHENG
Name of Business: CHIANGMAI THAI
Location of Business: 1835 ORO DAM BLVD E
OROVILLE, CA 95966-5910
County: BUTTE
Is Premise inside city limits? Yes

City of Oroville
OCT 16 2014
Administration
Census Tract 0030.01

Mailing Address:
(If different from
premises address)

Type of license(s): 41

Transferor's license/name: 534615 / CHUE, KAZOUA VUE

Dropping Partner: Yes No X

Table with 7 columns: License Type, Transaction Type, Fee Type, Master, Dup, Date, Fee. Rows include On-Sale Beer And Wine transactions and a Total row.

Have you ever been convicted of a felony? No

Have you ever violated any provisions of the Alcoholic Beverage Control Act, or regulations of the Department pertaining to the Act? No

Explain any "Yes" answer to the above questions on an attachment which shall be deemed part of this application.

Applicant agrees (a) that any manager employed in an on-sale licensed premises will have all the qualifications of a licensee, and (b) that he will not violate or cause or permit to be violated any of the provisions of the Alcoholic Beverage Control Act.

STATE OF CALIFORNIA County of BUTTE

Date: October 7, 2014

Under penalty of perjury, each person whose signature appears below, certifies and says: (1) He is an applicant, or one of the applicants, or an executive officer of the applicant corporation, named in the foregoing application, duly authorized to make this application on its behalf; (2) that he has read the foregoing and knows the contents thereof and that each of the above statements therein made are true; (3) that no person other than the applicant or applicants has any direct or indirect interest in the applicant or applicant's business to be conducted under the license(s) for which this application is made; (4) that the transfer application or proposed transfer is not made to satisfy the payment of a loan or to fulfill an agreement entered into more than ninety (90) days preceding the day on which the transfer application is filed with the Department or to gain or establish a preference to or for any creditor or transferor or to defraud or injure any creditor of transferor; (5) that the transfer application may be withdrawn by either the applicant or the licensee with no resulting liability to the Department.

Effective July 1, 2012, Revenue and Taxation Code Section 7057, authorizes the State Board of Equalization and the Franchise Tax Board to share taxpayer information with Department of Alcoholic Beverage Control. The Department may suspend, revoke, and refuse to issue a license if the licensee's name appears in the 500 largest tax delinquencies list. (Business and Professions Code Section 494.5.)

Applicant Name(s)

Applicant Signature(s)

See 211 Signature Page

LOR, PHENG