



City Council Meeting

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

← Mayor Sean Lomen · Mayor Pro Tem Trinity Burruss
Councilmembers · David Ackerman · Joe Fatula · Marnie Mendoza →

REGULAR MEETING AGENDA

June 9, 2021

Regular Session: 6:00PM

The open session will be performed via TELECONFERENCE

Join via ZOOM on a computer or mobile device by visiting

<https://us02web.zoom.us/j/85940206507>

Dial in by calling one of the numbers listed below and enter the Webinar ID:

859 4020 6507

1 (669) 900-6833

1 (346) 248-7799

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1 (253) 215-8782

1 (301) 715-8592

Or join via Facebook Live on our City of Colfax page: City of Colfax California

Notify the City Clerk 48-hours in advance of the meeting if you wish to access the Zoom meeting from City Hall.

Submit public comments to the City Clerk via email at city.clerk@colfax-ca.gov, by mail to PO Box 702, Colfax CA 95713, or drop them off in the office at 33 S. Main Street, Colfax CA 95713 by 4pm on the day of the meeting.

Comments received will be submitted to Council and made part of the record.

1 CLOSED SESSION (NO CLOSED SESSION)

2 OPEN SESSION

2A. **Call Open Session to Order**

2B. **Pledge of Allegiance**

2C. **Roll Call**

2D. **Approval of Agenda Order**

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

Recommended Action: By motion, accept the agenda as presented or amended.

3 AGENCY REPORTS

3A. **Placer County Sheriff**

3B. **CHP**

3C. **City of Colfax Volunteer Fire Department/PCFD**

4 PRESENTATION (NO PRESENTATIONS)

5 PUBLIC HEARING (NO PUBLIC HEARING)



Colfax City Council Meetings are ADA compliant. If you need special assistance to participate in this meeting, please contact the City Clerk at (530) 346-2313 at least 72 hours prior to make arrangements for ensuring your accessibility.

June 9, 2021

Page 1 of 4

6 CONSENT CALENDAR

Matters on the Consent Calendar are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the Mayor.

Recommended Action: Approve Consent Calendar

- 6A. **2020 Annual Housing Element Progress Report** (pages 5-8)
Recommendation: By Resolution __-2021, accept the 2020 Annual Housing Element Progress Report and authorize staff to send the report to the State.
- 6B. **Minutes** (pages 9-13)
Recommendation: By Motion, approve the Colfax City Council minutes of 4/28/2021 and 5/26/2021.
- 6C. **Cash Summary - April 2021** (pages 14-22)
Recommendation: Accept and File.
- 6D. **Rainbow Music Lease Renewal** (pages 23-31)
Recommendation: By Motion, authorize the City Manager to enter into a 1-year lease agreement with Rainbow Music for 99 Railroad Street Suite 4 with the bartering terms.
- 6E. **Annual Appropriation Limits** (pages 32-40)
Recommendation: Adopt Resolution __-2021 certifying compliance with the Fiscal Year 2020-2021 Appropriation Limitation and establishing the Appropriation Limitation for the Fiscal Year 2021-2022.
- 6F. **Quarterly Sales Tax Analysis – Calendar Year 2021-Q1** (pages 41-43)
Recommendation: Accept and File.
- 6G. **Risk Assessment Review Meeting** (pages 44-46)
Recommendation: Accept and File.
- 6H. **Community Development Block Grant – Road Rehabilitation Projects Engineering Design with GHD Inc.** (pages 47-64)
Recommendation: Adopt Resolution __-2021 authorizing the City Manager to execute a Consultant Services Agreement with GHD Inc. to provide Engineering Design Services for the Community Development Block Grant (CDBG) Road Rehabilitation in an amount not to exceed \$333,838.00.
- 6I. **Placer County Sheriff Contract Amendment #6** (pages 65-69)
Recommendation: Adopt Resolution __-2021 authorizing the City Manager to enter into a contract extension with the Placer County Sheriff-Coroner-Marshall's Office for Fiscal Year 2021/2022.

*** End of Consent Calendar ***



7 PUBLIC COMMENT

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

8 COUNCIL AND STAFF

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

8A. Committee Reports and Colfax Informational Items – All Councilmembers

8B. City Operations Update – City Manager

9 COUNCIL BUSINESS

9A. Council Technology Device Policy (pages 70-72)

Presentation: Wes Heathcock, City Manager

Recommendation: Discuss and provide direction to staff.

9B. Fiscal Year 2021-2022 Budget Review (pages 73-78)

Presentation: Laurie Van Groningen, Finance Director

Recommendation: Information Only.

9C. Annual Review of Administrative Policies and Procedures (pages 79-89)

Presentation: Laurie Van Groningen, Finance Director

Recommendation: By Resolution __-2021, adopt the revised Administrative Policies and Procedures – Financial Policies dated June 11, 2019.

9D. Roundabout Monument Sign Concept Approval (pages 90-99)

Presentation: Ken Teichmann

Recommendation: Discuss and consider approving the Roundabout Design Concept and authorize the City Manager to award the structural engineering to GHD and solicit construction contractors.

10 GOOD OF THE ORDER

Informal statements, observation reports and inquiries regarding the business of the City may be presented by council members under this agenda item or requests for placement of items of interest on a future agenda. No action will be taken.



11 **ADJOURNMENT**

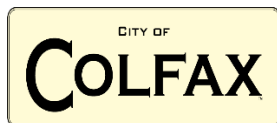
I, Amy Lind, Interim City Clerk for the City of Colfax, declare that this agenda was posted at Colfax City Hall and Colfax Post Office. The agenda is also available on the City website at <http://colfax-ca.gov/>

Amy M. Lind

Amy Lind, Interim City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.





Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Emmanuel Ursu, City Planner
Subject: 2020 Annual Housing Element Progress Report

Budget Impact Overview:

N/A: √	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Discuss and consider adopting Resolution __-2021 accepting the 2020 Annual Housing Element Progress Report and authorize staff to send the report to the State.

Summary/Background

State law requires local jurisdictions report annually on their progress implementing the Housing Element of their General Plan. Annual Progress Reports (APR) are to be filed with the California Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR) by April 1st (with a 60-day grace period) for the prior calendar year (2020). The APR must be considered at a City Council meeting prior to submission to the State.

2020 ANNUAL PROGRESS REPORT

Pursuant to Government Code Section 65400(a)(2) local jurisdictions must provide an Annual Progress Report (APR) to the State of California. State law requires local jurisdictions to present the report to the City Council at a meeting prior to submission to HCD and OPR (California Government Code Section 65400(a)(2)(B)).

Staff has prepared a draft completed APR (Attachment 2). The following is a brief summary of the City's completed APR form for 2020:

- Table A lists the planning permit applications and building permits for net new residential units deemed complete in 2020. Fourteen (14) building permits submitted.
- Table A2 lists the projects for which net new residential units were approved for an entitlement, issued a building permit, or finalized for a building permit. (Fourteen (14) new home building permits were issued in 2020 and eight homes were completed and issued final inspections/certificates of occupancy.

Attachments

1. Resolution -2021
2. 2020 Housing Element Annual Progress Report

City of Colfax

City Council

Resolution №__-2021

ACCEPTING THE UPDATE ON THE 2020 ANNUAL HOUSING ELEMENT PROGRESS REPORT AND AUTHORIZE STAFF TO SEND THE REPORT TO THE STATE

WHEREAS, California Government Code Section 65400(a)(2) requires the planning agency to provide an annual report to the City Council, the Governor' s Office of Planning and Research and the State Department of Housing and Community Development (HCD) regarding progress toward implementation of the housing element of the general plan; and

WHEREAS, planning staff has prepared an annual progress report for the calendar year 2020, utilizing the prescribed forms and instructions provided by the California Department of Housing and Community Development; and

WHEREAS, the City Council has reviewed all written evidence and oral testimony presented to date.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax accepts the update on the 2020 Annual Housing Element Progress Report and authorizes staff to send the report to the State.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th of June 2021 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sean Lomen, Mayor

ATTEST:

Amy Lind, Interim City Clerk

Jurisdiction	Colfax	
Reporting Year	2020	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

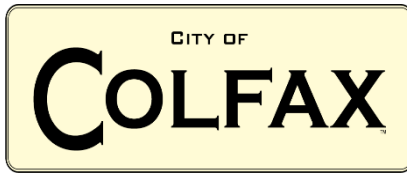
Table A Housing Development Applications Submitted																			
Project Identifier				Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes	
1				2	3	4	5								6	7	8	9	10
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes*
Summary Row: Start Data Entry Below																			
	006-150-016-000	110 Shadow Wood Place	Shadow Wood		SFD	O	1/23/2020							1					No
	006-150-017-000	108 Shadow Wood Place	Shadow Wood		SFD	O	1/23/2020							1					No
	006-150-018-000	106 Shadow Wood Place	Shadow Wood		SFD	O	1/23/2020							1					No
	006-150-019-000	104 Shadow Wood Place	Shadow Wood		SFD	O	1/23/2020							1					No
	006-150-020-000	102 Shadow Wood Place	Shadow Wood		SFD	O	1/23/2020							1					No
	101-010-034-000	1333 State Hwy 174			2 to 4	R	2/19/2020							1					No
	101-210-001-000	1100 Sierra Oaks Drive	Sierra Oaks		SFD	O	7/16/2020							1					No
	101-210-002-000	1104 Sierra Oaks Drive	Sierra Oaks		SFD	O	7/16/2020							1					No
	101-210-003-000	1108 Sierra Oaks Drive	Sierra Oaks		SFD	O	7/16/2020							1					No
	101-210-004-000	1112 Sierra Oaks Drive	Sierra Oaks		SFD	O	7/16/2020							1					No
	101-210-028-000	1139 Sierra Oaks Drive	Sierra Oaks		SFD	O	8/11/2020							1					No
	101-210-029-000	1135 Sierra Oaks Drive	Sierra Oaks		SFD	O	8/11/2020							1					No
	101-210-030-000	1131 Sierra Oaks Drive	Sierra Oaks		SFD	O	8/11/2020							1					No
	006-030-057-000	195 Hunter Lane			SFD	O	8/13/2020							1					No

Jurisdiction	Colfax
Reporting Year	2020 (Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "*" indicates an optional field
 Cells in grey contain auto-calculation formulas

Table A2 Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units																							
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement							Affordability by Household Incomes - Building Permits									
1					2	3	4							5	6	7							
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA, SFD, 2 to 4, 5+ ADU, MH)	Tenure R= renter O= owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units Issued Entitlements	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	9	
	006-150-016-000	110 Shadow Wood Place	Shadow Wood	20003	SFD	O																	
	006-150-017-000	108 Shadow Wood Place	Shadow Wood	20004	SFD	O																1	
	006-150-018-000	106 Shadow Wood Place	Shadow Wood	20005	SFD	O																1	
	006-150-019-000	104 Shadow Wood Place	Shadow Wood	20006	SFD	O																1	
	006-150-020-000	102 Shadow Wood Place	Shadow Wood	20007	SFD	O																1	
	101-010-034-000	1333 State Hwy 174	Freeman	20021	2 to 4	R																	1
	101-210-001-000	1100 Sierra Oaks Drive	Sierra Oaks	20050	SFD	O																	1
	101-210-002-000	1104 Sierra Oaks Drive	Sierra Oaks	20051	SFD	O																	1
	101-210-003-000	1108 Sierra Oaks Drive	Sierra Oaks	20052	SFD	O																	1
	101-210-004-000	1112 Sierra Oaks Drive	Sierra Oaks	20053	SFD	O																	1
	101-210-029-000	1130 Sierra Oaks Drive	Sierra Oaks	20062	SFD	O																	1
	101-210-029-000	1135 Sierra Oaks Drive	Sierra Oaks	20063	SFD	O																	1
	101-210-030-000	1131 Sierra Oaks Drive	Sierra Oaks	20064	SFD	O																	1
	006-030-057-000	195 Hunter Lane	Dalton	20065	SFD	O																	1
	101-210-020-000	4000 Rubicon Court	Sierra Oaks	19033	SFD	O																	1
	101-210-031-000	1127 Sierra Oaks Drive	Sierra Oaks	19034	SFD	O																	1
	101-210-032-000	1123 Sierra Oaks Drive	Sierra Oaks	19035	SFD	O																	1
	101-210-033-000	1119 Sierra Oaks Drive	Sierra Oaks	19036	SFD	O																	1
	101-210-034-000	1115 Sierra Oaks Drive	Sierra Oaks	19037	SFD	O																	1
	101-210-011-000	516 Chase Ct.	Sierra Oaks	19074	SFD	O																	1
	006-061-033-000	1120 Shadow Wood Place	Shadow Wood	19091	SFD	O																1	



City Council Minutes

Regular Meeting of Colfax City Council

Wednesday, April 28, 2021

City Hall Council Chambers

33 S. Main Street, Colfax CA & via Zoom Meetings

1 CLOSED SESSION (No Closed Session)

2 OPEN SESSION

2A. Call Open Session to Order

Mayor Lomen called the open session to order at 6:02 PM

2B. Pledge of Allegiance

City Manager Wes Heathcock led the Pledge of Allegiance

2C. Roll Call

Present: Mendoza, Fatula, Ackerman, Burruss, Lomen

Absent: None

2D. Approval of Agenda Order

By motion, accept the agenda as presented.

MOTION made by Mayor Lomen and seconded by Mayor Pro Tem Burruss and approved by the following roll call vote:

AYES: Mendoza, Fatula, Ackerman, Burruss, Lomen

NOES:

ABSTAIN:

ABSENT:

3 AGENCY REPORTS

3A. Colfax Station Commander Sgt. Kevin Griffiths provided an update on calls in the area. He reminded the public that they should call the Sheriff Station or dispatch directly if there is an issue they can resolve.

3B. CAL FIRE Battalion Chief Eagan provided an update on the upcoming wildland training. Chief Eagan confirmed that the annual VFA 50/50 Grant has been submitted on behalf of the City for \$18,550.00 in requested funding. Burn permits will be required 5/1/2021. Chief Estes provided a quick update on pedestrian vs. train incident earlier in the day.

4 PRESENTATION (no presentations)

5 PUBLIC HEARING (no public hearing)

6 CONSENT CALENDAR

6A. Cash Summary - March 2021

Recommendation: Accept and File.

6B. Quarterly Investment Report – Quarter ended 03/31/2021

Recommendation: Accept and File.

6C. 2021/22 Budget Process

Recommendation: Information Only.

6D. Minutes

Recommendation: By Motion, approve the Colfax City Council minutes of 3/11/2021 and 3/24/2021.

6E. South Auburn Street and Whitcomb Ave. – Best Western Hotel Offer of Dedication

Removed from consent calendar.

6F. Placer County Vehicle Miles Traveled Tool Recommendation: By Resolution 21-2021, authorize the City Manager to Execute an Agreement with Placer County for the use of their Vehicle Miles Traveled Tool.

*** End of Consent Calendar ***

By MOTION, approve the consent calendar with the exception of 6E per Councilmember Fatula. MOTION made by Mayor Pro Tem Burruss and seconded by Councilmember Mendoza and approved by the following roll call vote:

AYES: Mendoza, Fatula, Ackerman, Burruss, Lomen

NOES:

ABSTAIN:

ABSENT:

6E. South Auburn Street and Whitcomb Ave. – Best Western Hotel Offer of Dedication

Councilmember Fatula asked City Manager Wes Heathcock to explain what the offer of dedication entails.

By Resolution 22-2021 Accept an Offer of Dedication for a portion of South Auburn Street and Whitcomb Avenue associated with the Best Western Hotel Project and directing the Recordation of the Offer of Dedication.

MOTION made by Councilmember Fatula and seconded by Mayor Pro Tem Burruss and approved by the following roll call vote:

AYES: Mendoza, Fatula, Ackerman, Burruss, Lomen

NOES:

ABSTAIN:

ABSENT:

7 PUBLIC COMMENT

Mary Coleman commented on Facebook stating Colfax Drug Company is now giving COVID-19 vaccines.

8 COUNCIL AND STAFF

- 8A. Mayor Pro Tem Burruss reported on the recent PCTPA meeting and the ride-share program that will be available to residents soon.
- 8B. City Manager Heathcock provided an update on the CDBG Subsistence Program Funding Award

9 COUNCIL BUSINESS

9A. **Council Technology Device Policy**

Presentation: Wes Heathcock

Recommendation: Discussion Item; provide direction to staff.

Mayor Lomen opened the discussion of whether the City wants a technology expense for Council.

Mayor Pro Tem Burruss stated she feels each Councilmember should be responsible for their own technology expenses.

Councilmember Ackerman stated he is opposed to providing technology to Council. He hopes to be in person for meetings soon and not be so reliant on the technology.

Councilmember Fatula stated he already purchased one laptop for City business and would like to avoid another purchase on a laptop he can only use for City business. Fatula cited the need for Council to keep their personal devices separate from City business. He also suggested that it would cost more in staff time if Council requires staff to print all of their paperwork.

Mayor Pro Tem Burruss stated technology ages out and she would rather increase the Council stipends to aide in the technology expenses. She also asked why she received a W-2 instead of a 1099.

City Attorney Cabral confirmed that is an IRS requirement.

City Manager Heathcock suggested we could set up a computer at City Hall for Council to use, but the only available office is upstairs and not deemed ADA compliant.

Mayor Lomen asked Council if they would like further discussion or a vote.

Councilmember Mendoza inquired as to the cost of providing a laptop or cell phone to Council.

Mayor Pro Tem Burruss reiterated that the stipend should sufficient to purchase the necessary technology and would only be interested in adjusting stipends.

City Manager Heathcock reminded Council that purchasing phones or laptops would increase our IT

service costs as well.

City Attorney Cabral stated the maximum stipend allowed for a City of this size is \$300 per month per Councilmember.

Councilmember Ackerman stated he does not want to alter the budget and suggested a motion to not approve technology for Council.

Mayor Lomen suggested further discussion on the topic.

City Manager Heathcock stated he will look into the cost of the various technology options.

Mayor Pro Tem stated she would like to see the full scope cost before deciding.

9 GOOD OF THE ORDER

Councilmember Mendoza asked the City to review and possibly increase Council stipends.

Councilmember Fatula discussed Pioneer Energy service and potential rate changes. He said as of now, Pioneer is more expensive to utilize.

Mayor Pro Tem Burruss reminded the public that the 3rd of July is being planned and will include a DJ, car show, soap box derby, bounce houses and hopefully fireworks.

Councilmember Mendoza suggested that the public support the 3rd of July efforts by contributing to the 3rd of July Go Fund Me page on Facebook.

Mayor Lomen reminded everyone that the City still needs the water tender purchase due to the loss of other apparatus. He would like to continue talks with Placer County regarding the fire service contract and what options the City has. The City of Colfax does not have the necessary equipment going into a very dry fire season.

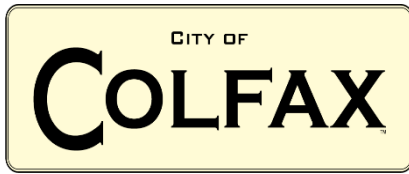
City Manager Heathcock confirmed that the May 12, 2021 Council meeting has been cancelled.

10 ADJOURNMENT

As there was no further business on the agenda, Mayor Lomen adjourned the meeting, by motion and without objection at 6:53 PM

Respectfully submitted to City Council this 9th day of June 2021.

Amy Lind, Interim City Clerk



City Council Minutes

Regular Meeting of Colfax City Council

Wednesday, May 26, 2021

City Hall Council Chambers

33 S. Main Street, Colfax CA & via Zoom Meetings

CLOSED SESSION (No Closed Session)

OPEN SESSION

1A. Call Open Session to Order

Mayor Pro Tem Burruss called the open session to order at 6:00 PM. It was determined that there were audio technical difficulties and the meeting could not be held. All items were continued to the June 9, 2021 meeting.

ADJOURNMENT

As the meeting could not be held, Mayor Pro Tem Burruss adjourned the meeting, by motion and without objection at 6:02 PM

Respectfully submitted to City Council this 9th day of June, 2021.

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Cash Summary - April 2021

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Accept and File.

Summary/Background

The monthly financial report includes General Fund Reserved Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports, and bank statements. Detailed budget comparisons are provided as a mid-year report and also as part of the proposed budget process each year.

The purpose of these reports is to provide the status of funds and transparency for Council and the public of the financial transactions of the City.

The attached reports reflect an overview of the financial transactions of the City of Colfax in April 2021. Some monthly highlights are listed below:

- April revenues included:
 - Allocation for Sales Tax revenues reported/paid to the State for the month of February 2021 (two month lag).
 - Annual Franchise Fees – PG&E
 - Mitigation/Impact/Construction fees for Sierra Oaks (9 homes) and Shadowwood (2 homes) development projects.
- April expenditures included:
 - No significant expenses other than ongoing General operating expenditures
- Negative cash fund balances at the end of April are due to timing of funding allocations and reimbursements:
 - Fund 200 – Cannabis Application. Balance is negative due to SCI services for assistance with Council workshops and development of new ordinance. It is anticipated that this fund will be made whole with future application fees.
 - Fund 250 – Streets and Roads. This activity is funded by annual allocation from PCTPA, Gas taxes and General Fund transfer. Negative fund balance is typical until the end of the fiscal year. We have received the annual funding from PCTPA, the balance of Gas Tax and General Fund transfers will be allocated at the end of the fiscal year – June 30, 2021.
 - Fund 300 – FY2020-21 ADA Improvements at the Sheriff substation - project is budgeted (\$20K) to be a transfer from General Funds. Project currently on hold due to estimates

exceeding budgeted funding. Staff is reviewing project and evaluating what funds may be utilized to complete.

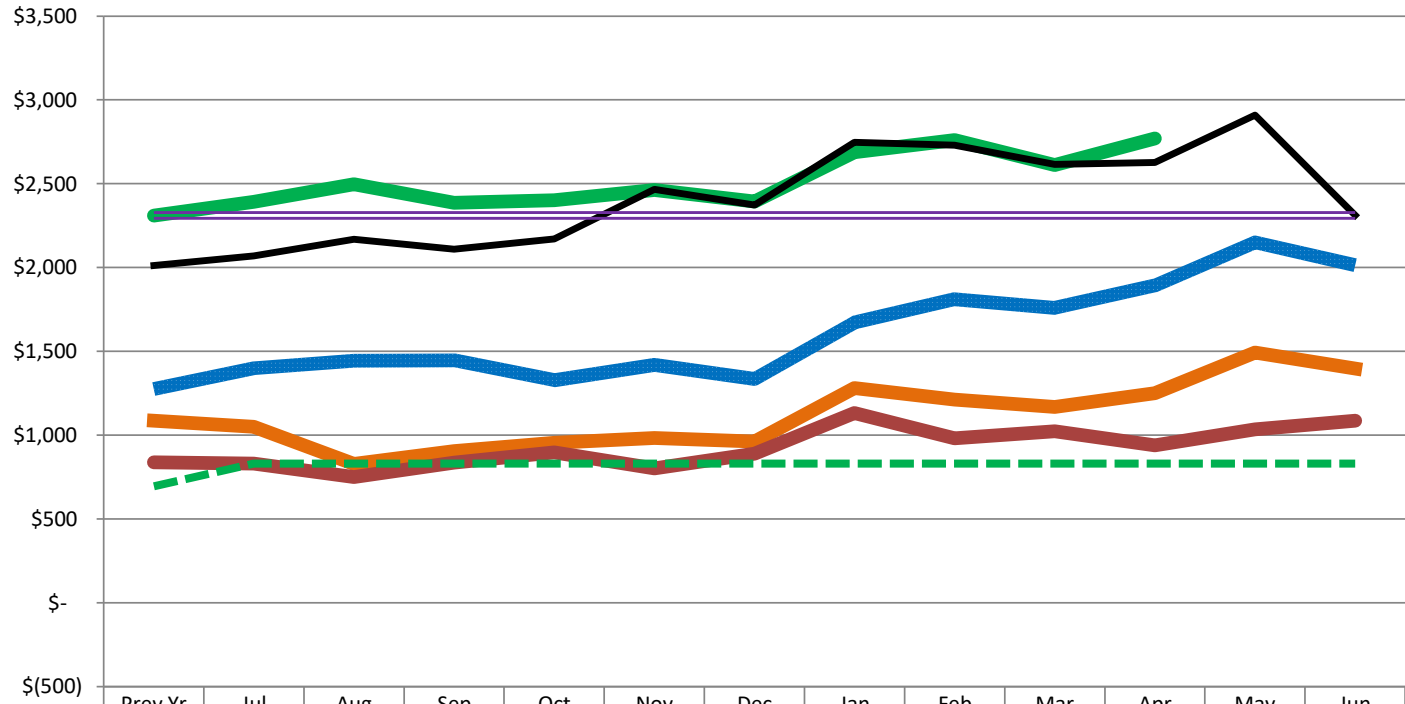
- Fund 358 – CDBG Road Rehabilitation. This is a reimbursable grant – final funding of grant was anticipated in September but has been delayed into 2021 and is now estimated to be awarded before end of current quarter (June 30). CDBG approved start date of expenditures. Any unfunded expenditures would require allocation from General Fund.
- Fund 367 – SB2 Planning Grant – this is a reimbursable grant. First request for reimbursement was submitted in April 2021.
- Fund 573 – WWTP Planning Grant. This is a reimbursable grant with the State Water Board. Reimbursement for the quarter ended December 2020 was received in early April and the final reimbursement request was submitted at end of March.
- Fund 585 – Lift station #5 Force Main repair. Current expenditures include design work being performed by GHD (approved \$50K). Funding to be allocated from Fund 564 – Sewer Connections – allocation of funds will be made at design project completion. Future repair work estimated at \$165K.
- Anticipated revenues/expenditures for May include:
 - Revenues
 - Second allocation (45%) of annual property tax and delinquent sewer charges from Placer County.
 - Allocation for Sales Tax revenues reported/paid to the State for the month of March 2021 (two-month lag).
 - Expenditures
 - No expenditures outside normal operating expenses forecasted.

Attachments:

1. General Fund Reserved Cash Analysis Graphs
 - a. Cash Analysis – Balance
 - b. Expenses by Month
 - c. Revenues by Month
2. Cash Activity Reports
 - a. Cash Summary
 - b. Cash Transactions Report – by individual fund
 - c. Check Register Report - Accounts Payable
 - d. Daily Cash Summary Report (Cash Receipts)

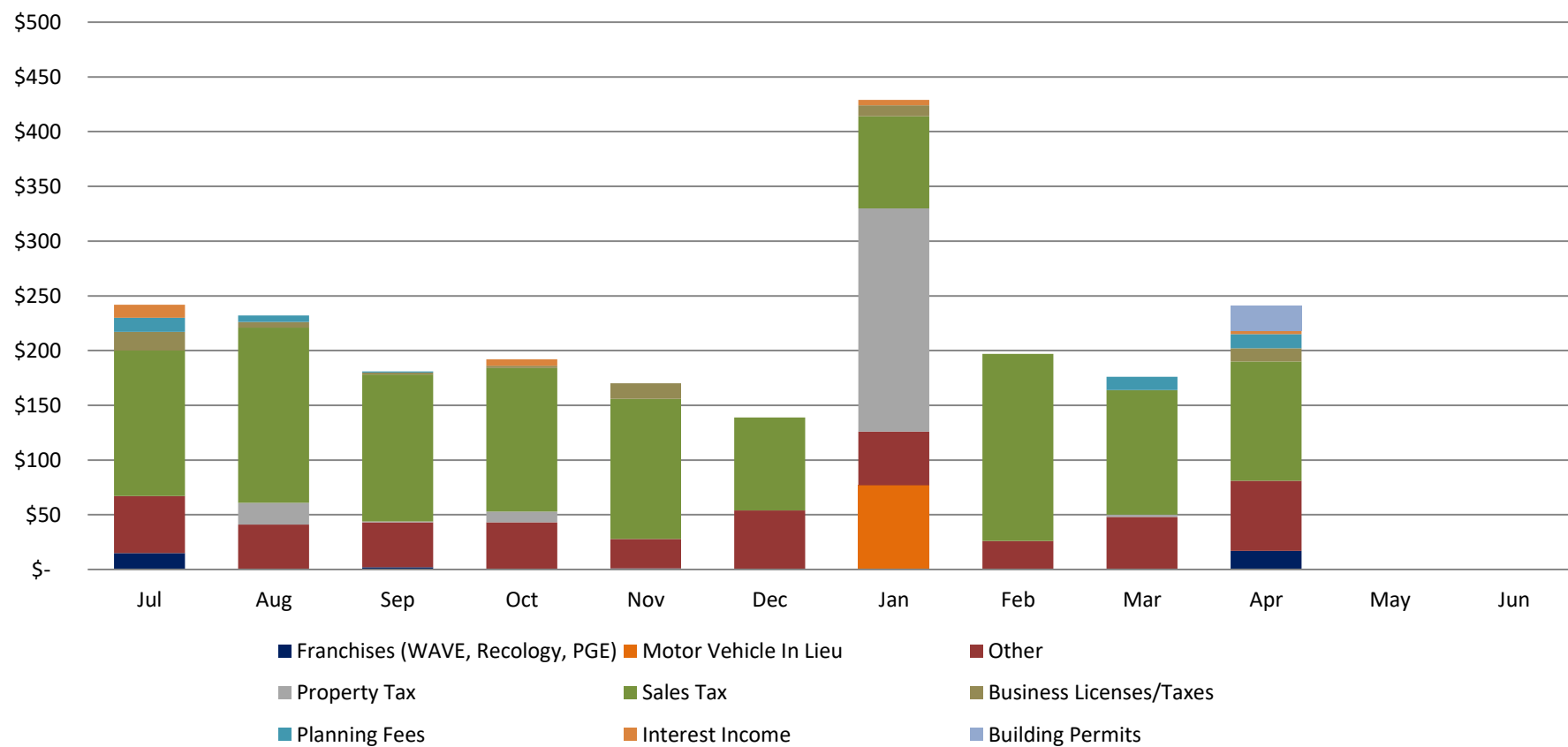
City of Colfax - April 2021 General Fund Reserved Cash Analysis (Dollars in Thousands)

Fiscal Year 2020-21 >>

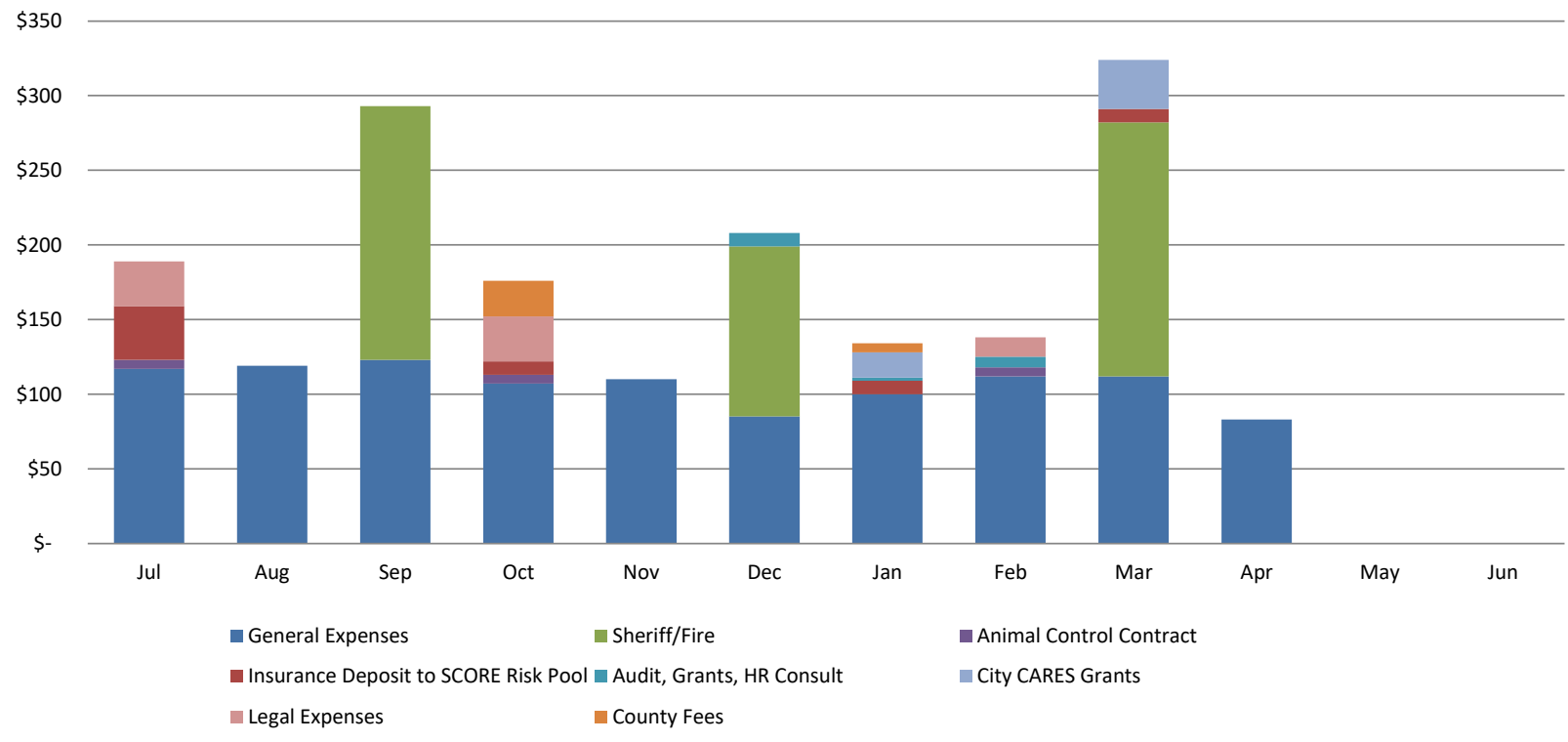


	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— Cash Balance FY2020-21	\$2,311	\$2,392	\$2,497	\$2,386	\$2,402	\$2,463	\$2,393	\$2,688	\$2,760	\$2,612	\$2,771		
— Cash Balance FY2019-20	\$2,013	\$2,069	\$2,169	\$2,110	\$2,170	\$2,467	\$2,373	\$2,747	\$2,730	\$2,615	\$2,627	\$2,910	\$2,311
— Cash Balance FY2018-19	\$1,275	\$1,398	\$1,444	\$1,447	\$1,329	\$1,420	\$1,336	\$1,672	\$1,812	\$1,760	\$1,893	\$2,151	\$2,013
— Cash Balance FY2017-18	\$1,086	\$1,050	\$828	\$905	\$954	\$983	\$962	\$1,280	\$1,212	\$1,168	\$1,250	\$1,493	\$1,396
— Cash Balance FY2016-17	\$838	\$829	\$750	\$835	\$897	\$802	\$889	\$1,133	\$981	\$1,022	\$938	\$1,034	\$1,086
- - *Reserves (Ops, Cap, Pen)	\$695	\$830	\$830	\$830	\$830	\$830	\$830	\$830	\$830	\$830	\$830	\$830	\$830
— Budget FY2020-21	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311	\$2,311

City of Colfax - April 2021 General Fund Reserved Cash - Revenues by Month (Dollars in Thousands)



City of Colfax - April 2021
General Fund Reserved Cash - Expenses by Month
(Dollars in Thousands)



City of Colfax
Cash Transactions Report - April 2021

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	\$ 2,530,616.88	\$ 230,461.60	\$ (80,284.36)	\$ 2,680,794.12
Fund: 120 - Land Development Fees	\$ 88,981.79	\$ 10,880.90	\$ (2,775.00)	\$ 97,087.69
Fund: 200 - Cannabis Application	\$ (7,543.51)	\$ -	\$ (51.13)	\$ (7,594.64)
Fund Type: 1.11 - General Fund - Unassigned	\$ 2,612,055.16	\$ 241,342.50	\$ (83,110.49)	\$ 2,770,287.17
Fund Type: 1.14 - General Fund - Restricted				
Fund: 205 - Escrow Funds	\$ 3,237.00	\$ -	\$ -	\$ 3,237.00
Fund: 571 - AB939 Landfill Diversion	\$ 24,517.26	\$ -	\$ -	\$ 24,517.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 773,590.05	\$ 94.00	\$ (3,234.52)	\$ 770,449.53
Fund Type: 1.14 - General Fund - Restricted	\$ 801,344.31	\$ 94.00	\$ (3,234.52)	\$ 798,203.79
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 201 - CARES Act Funding	\$ -	\$ -	\$ -	\$ -
Fund: 203 - CARES Act Funding - CDBG	\$ (750.00)	\$ -	\$ -	\$ (750.00)
Fund: 210 - Mitigation Fees - Roads	\$ 231,489.91	\$ 20,063.29	\$ -	\$ 251,553.20
Fund: 211 - Mitigation Fees - Drainage	\$ 5,008.76	\$ 152.84	\$ -	\$ 5,161.60
Fund: 212 - Mitigation Fees - Trails	\$ 67,214.66	\$ 3,642.89	\$ -	\$ 70,857.55
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 121,240.38	\$ 50,269.47	\$ -	\$ 171,509.85
Fund: 214 - Mitigation Fees - City Bldgs	\$ 69,786.81	\$ 7,583.14	\$ (5,332.51)	\$ 72,037.44
Fund: 215 - Mitigation Fees - Vehicles	\$ 14,186.71	\$ 1,442.22	\$ -	\$ 15,628.93
Fund: 217 - Mitigation Fees - DT Parking	\$ 48,485.86	\$ 1,200.99	\$ -	\$ 49,686.85
Fund: 218 - Support Law Enforcement	\$ 19,747.90	\$ 13,810.73	\$ -	\$ 33,558.63
Fund: 244 - CDBG Program Inc - ME Lending	\$ 1,001.47	\$ 1,000.70	\$ -	\$ 2,002.17
Fund: 250 - Streets - Roads/Transportation	\$ (156,442.51)	\$ 93,867.00	\$ (8,562.29)	\$ (71,137.80)
Fund: 253 - Gas Taxes	\$ 30,256.59	\$ 3,855.88	\$ (1,252.19)	\$ 32,860.28
Fund: 258 - Road Maintenance - SB1/RSTBG	\$ 108,749.09	\$ 3,493.21	\$ -	\$ 112,242.30
Fund: 270 - Beverage Container Recycling	\$ 19,043.83	\$ 19.85	\$ -	\$ 19,063.68
Fund: 280 - Oil Recycling	\$ 3,754.98	\$ 3.92	\$ -	\$ 3,758.90
Fund: 292 - Fire Department Capital Funds	\$ 90,587.28	\$ 4,140.64	\$ (1,642.72)	\$ 93,085.20
Fund: 342 - Fire Construction - Mitigation	\$ 57,983.00	\$ 15,723.23	\$ (872.04)	\$ 72,834.19
Fund: 343 - Recreation Construction	\$ 57,983.47	\$ 14,851.22	\$ -	\$ 72,834.69
Fund Type: 1.24 - Special Rev Funds - Restrict	\$ 789,328.19	\$ 235,121.22	\$ (17,661.75)	\$ 1,006,787.66
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 300 - FY2021 ADA Project	\$ (12,127.50)	\$ -	\$ -	\$ (12,127.50)
Fund: 367 - SB2 - Planning Grant	\$ (71,627.87)	\$ -	\$ (7,514.06)	\$ (79,141.93)
Fund: 358 - CDBG Pavement	\$ (92,644.64)	\$ -	\$ -	\$ (92,644.64)
Fund: 374 - Roundabout Monument	\$ -	\$ -	\$ (1,445.00)	\$ (1,445.00)
Fund Type: 1.34 - Capital Projects - Restricted	\$ (176,400.01)	\$ -	\$ (8,959.06)	\$ (185,359.07)
Fund Type: 2.11 - Enterprise Funds				
Fund: 560 - Sewer	\$ 1,068,065.94	\$ 96,672.07	\$ (64,834.75)	\$ 1,099,903.26
Fund: 561 - Sewer Liftstations	\$ 262,886.13	\$ 14,245.15	\$ (11,813.04)	\$ 265,318.24
Fund: 563 - Wastewater Treatment Plant	\$ 1,199,135.17	\$ 40,318.94	\$ (430.34)	\$ 1,239,023.77
Fund: 564 - Sewer Connections	\$ 306,368.45	\$ 17,900.00	\$ -	\$ 324,268.45
Fund: 573 - WWTP Planning Grant	\$ (66,724.16)	\$ 22,211.00	\$ -	\$ (44,513.16)
Fund: 574 - OES PSPS Grant	\$ 298,648.55	\$ 312.19	\$ -	\$ 298,960.74
Fund: 576 - Phase II - Pond 3 Fissure Repair	\$ -	\$ -	\$ (520.00)	\$ (520.00)
Fund: 585 - LS #5 Force Main Repairs	\$ (16,524.75)	\$ -	\$ (95.00)	\$ (16,619.75)
Fund Type: 2.11 - Enterprise Funds - Unassign	\$ 3,051,855.33	\$ 191,659.35	\$ (77,693.13)	\$ 3,165,821.55
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	\$ 2,000.00	\$ 59,551.04	\$ (59,397.20)	\$ 2,153.84
Fund Type: 9.0 - CLEARING ACCOUNT	\$ 2,000.00	\$ 59,551.04	\$ (59,397.20)	\$ 2,153.84
Grand Totals:	\$ 7,080,182.98	\$ 727,768.11	\$ (250,056.15)	\$ 7,557,894.94

**City of Colfax
Cash Summary
April 30, 2021**

	Balance 03/31/2021	Revenues In	Expenses Out	Transfers	Balance 04/30/2021
US Bank	\$ 130,150.38	\$ 661,003.84	\$ (190,658.95)	\$ (425,000.00)	\$ 175,495.27
LAIF	\$ 6,950,032.60	\$ 7,367.07		\$ 425,000.00	\$ 7,382,399.67
Total Cash - General Ledger	<u>\$ 7,080,182.98</u>	<u>\$ 668,370.91</u>	<u>\$ (190,658.95)</u>	<u>\$ -</u>	<u>\$ 7,557,894.94</u>
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	<u>\$ 7,080,482.98</u>	<u>\$ 668,370.91</u>	<u>\$ (190,658.95)</u>	<u>\$ -</u>	<u>\$ 7,558,194.94</u>

Change in Cash Account Balance - Total \$ 477,711.96

Attached Reports:

1. Cash Transactions Report (By Individual Fund)		
2. Check Register Report (Accounts Payable)	\$ (112,070.43)	
3. Cash Receipts - Daily Cash Summary Report	\$ 493,799.90	
Payroll Checks and Tax Deposits	\$ (59,397.20)	
Utility Billings - Receipts	\$ 147,772.62	
Check - Voided	\$ 240.00	
LAIF Interest Quarterly	\$ 7,367.07	
	<u>\$ 477,711.96</u>	\$ -

Prepared by: Laurie Van Groningen, Finance Director
Laurie Van Groningen, Finance Director

Reviewed by: Wes Heathcock, City Manager
Wes Heathcock, City Manager

Check Register Report

Item 6C

Date: 05/03/2021

Time: 12:19 pm

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CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
56851	04/06/21	Reconciled		04/30/21	03141	CALPERS	HEALTH PREMIUMS	4,241.07
56854	04/07/21	Reconciled		04/30/21	1509	ALTA SAW & MOTOR	WEEDEATER GAS/LINE	64.33
56855	04/07/21	Reconciled		04/30/21	01448	AMERIGAS - COLFAX	FIRE DEPT PROPANE	173.42
56856	04/07/21	Reconciled		04/30/21	01448	AMERIGAS - COLFAX	CITY HALL PROPANE	654.82
56857	04/07/21	Reconciled		04/30/21	01448	AMERIGAS - COLFAX	SHERIFF DEPT PROPANE	416.20
56858	04/07/21	Reconciled		04/30/21	02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 3/21/21	440.80
56859	04/07/21	Reconciled		04/30/21	02848	BRESNAHAN, ROGER J.	STRIKE TEAM PYMT 8/17-8/18/20	643.54
56860	04/07/21	Reconciled		04/30/21	03121	CALIFORNIA BUILDING	Q1 2021 GREEN FEES COLLECTED	63.00
56861	04/07/21	Reconciled		04/30/21	13409	MATT CHRISTENSEN	STRIKE TEAM PYMT 8/18/20	355.64
56862	04/07/21	Reconciled		04/30/21	04234	DE LAGE LANDEN FINANCIAL	COPY MACH LEASE FEB 2021	399.72
56863	04/07/21	Reconciled		04/30/21	04250	DEPARTMENT OF CONSERVATION	Q1 2021 SMIP FEES COLLECTED	396.87
56864	04/07/21	Reconciled		04/30/21	04260	DEPARTMENT OF WATER RESOURCES	WWTP DAM STORAGE	15,129.00
56865	04/07/21	Reconciled		04/30/21	04532	DIVISION OF STATE ARCHITECT	SB1186 Q1 2021 FEES COLLECTED	7.20
56866	04/07/21	Reconciled		04/30/21	04541	DOG WASTE DEPOT	DOG WASTE BAGS	139.36
56867	04/07/21	Reconciled		04/30/21	07465	GOLD MINER PEST CONTROL	FIRE STATION 36 PEST CONTROL	74.00
56868	04/07/21	Reconciled		04/30/21	07570	GRAINGER	WWTP SHELVING	18.79
56869	04/07/21	Reconciled		04/30/21	07570	GRAINGER	WWTP SHELVING	309.95
56870	04/07/21	Reconciled		04/30/21	08050	HACH COMPANY	WWTP LAB SUPPLIES	353.87
56871	04/07/21	Reconciled		04/30/21	08086	HBE RENTALS	CITY LAWN AERATOR RENTAL	70.00
56872	04/07/21	Reconciled		04/30/21	08170	HILLS FLAT LUMBER CO	STMT 3/25/21	440.08
56873	04/07/21	Reconciled		04/30/21	12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING FEB 2021	168.75
56874	04/07/21	Reconciled		04/30/21	12555	LOMEN, SEAN	STRIKE TEAM PYMT 8/17-8/18/20	643.54
56875	04/07/21	Reconciled		04/30/21	14356	NORTHERN CALIFORNIA GLOVE	PW SUPPLIES	110.04
56876	04/07/21	Reconciled		04/30/21	16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SVCS MAR 2021	10,655.87
56877	04/07/21	Reconciled		04/30/21	16161	PLACER COUNTY EXECUTIVE OFFICE	Q1 2021 CAP FAC IMPACT FEES	2,852.23
56878	04/07/21	Reconciled		04/30/21	16052	PLACEWORKS	GEN PLAN UPDATE/HOUSING ELEM	4,924.06
56879	04/07/21	Reconciled		04/30/21	16740	POWER PROTECTION PLUS, INC	DEPOT SECURITY SYSTEM RPR	240.00
56880	04/07/21	Reconciled		04/30/21	18200	RECREATION SCIENCE INC	LYONS PARK SLIDE RPR	1,100.00
56881	04/07/21	Reconciled		04/30/21	19495	SNOQUIP	SNOW PLOW PARTS	628.69
56882	04/07/21	Reconciled		04/30/21	19650	STATE BOARD OF EQUALIZATION	Q1 2021 SELF ASS SALES TAX	67.00
56883	04/07/21	Reconciled		04/30/21	19743	WILL STOCKWIN	COLFAX CONN EDITING APR 2021	300.00
56884	04/07/21	Reconciled		04/30/21	30016	DAVE STOECKLE	UB PENALTY/INT FY 19/20 REIMB	1,536.92
56885	04/07/21	Reconciled		04/30/21	21560	US BANK CORPORATE PMT SYSTEM	STMT 3/22/21	1,420.46
56886	04/07/21	Reconciled		04/30/21	18883	WAXIE SANITARY SUPPLY	PW SUPPLIES	252.62
56887	04/13/21	Reconciled		04/30/21	01270	ADAMS ASHBY GROUP, INC.	CDBG 2/3 GRANT APPLICATION	1,000.00
56888	04/13/21	Reconciled		04/30/21	01414	ALHAMBRA & SIERRA SPRINGS	WATER	74.23
56889	04/13/21	Reconciled		04/30/21	01500	ANDERSON'S SIERRA	CITY IRRIGATION SUPPLIES	1,083.16
56890	04/13/21	Reconciled		04/30/21	01500	ANDERSON'S SIERRA	CITY HALL EXTENSION CORD	24.59
56891	04/13/21	Reconciled		04/30/21	01766	AT&T MOBILITY	CITY CELL PHONES	816.50
56892	04/13/21	Reconciled		04/30/21	02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 4/4/21	487.20
56893	04/13/21	Reconciled		04/30/21	02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 3/28/21	487.20
56894	04/13/21	Reconciled		04/30/21	3425	CINTAS	UNIFORM SVCS MAR 2021	283.36
56895	04/13/21	Reconciled		04/30/21	03435	CITY OF AUBURN	CITY CLERK SVCS MAR 2021	1,549.39
56896	04/13/21	Reconciled		04/30/21	5123	EGGEMAN CONSTRUCTION	CITY HALL FLOORING	5,332.51
56897	04/13/21	Reconciled		04/30/21	14859	GHD INC.	ENG SVCS MAR 2021	7,455.00
56898	04/13/21	Reconciled		04/30/21	08050	HACH COMPANY	WWTP LAB SUPPLIES	777.34

Check Register Report

Item 6C

Date: 05/03/2021

Time: 12:19 pm

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CITY OF COLFAX

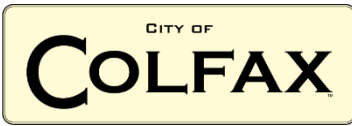
BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
56899	04/13/21	Reconciled		04/30/21	08200	HINDERLITER, DE LLAMAS & ASSOC	Q1 2021 SALES TAX AUDIT SVCS	600.00
56900	04/13/21	Reconciled		04/30/21	08660	HUNT AND SONS, INC.	PW/WWTP/FIRE FUEL	697.87
56901	04/13/21	Reconciled		04/30/21	16035	PG&E	ELECTRICITY	18,437.59
56902	04/13/21	Reconciled		04/30/21	16192	PLACER COUNTY DOCUMENT	ENVELOPES	137.23
56903	04/13/21	Reconciled		04/30/21	16165	PLACER COUNTY ENVIRONMENTAL	LANDFILL TESTING Q3 20/21	696.50
56904	04/13/21	Reconciled		04/30/21	18295	RETAIL STRATEGIES	ECONOMIC DEVELOPMENT	5,000.00
56905	04/13/21	Reconciled		04/30/21	18400	RIEBES AUTO PARTS	STMT 3/31/21	11.24
56906	04/13/21	Reconciled		04/30/21	19037	SAFE SIDE SECURITY	CORP YARD SECURITY	155.00
56907	04/13/21	Reconciled		04/30/21	01790	SIERRA OFFICE PRODUCTS	OFFICE SUPPLIES	101.79
56908	04/13/21	Printed			20092	THUMBLER	ROUNDBOUT MONUMENT SIGN	1,445.00
56909	04/13/21	Reconciled		04/30/21	21452	URSU, EMMANUEL	GEN PLANNING SVCS MAR 2021	7,770.00
56910	04/13/21	Reconciled		04/30/21	22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SVCS MAR 2021	4,687.50
56911	04/13/21	Reconciled		04/30/21	22134	VISION QUEST	TECH SUPPORT SVCS MAY 2021	1,683.50
56912	04/13/21	Reconciled		04/30/21	23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONES	227.24
56913	04/13/21	Reconciled		04/30/21	23169	WAVE BUSINESS SOLUTIONS	DEPOT PHONE	18.88
56914	04/13/21	Reconciled		04/30/21	23218	WENDEL ROSEN	LEGAL ISSUES MAR 2021	892.50
56915	04/13/21	Reconciled		04/30/21	23301	WESTERN PLACER WASTE	SLUDGE REMOVAL MAR 2021	816.27
56916	04/12/21	Reconciled		04/30/21	2087	BASIC PACIFIC	FSA BENEFIT PYMT	15.00
56917	04/26/21	Reconciled		04/30/21	2087	BASIC PACIFIC	FSA BENEFIT PYMT	15.00

Total Checks: 65 **Checks Total (excluding void checks): 112,070.43**

Total Payments: 65 **Bank Total (excluding void checks): 112,070.43**

Total Payments: 65 **Grand Total (excluding void checks): 112,070.43**



Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Wes Heathcock, City Manager
Subject: Rainbow Music Lease Renewal

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: By Motion, authorize the City Manager to enter into a 1-year lease agreement with Rainbow Music for 99 Railroad Street Suite 4 with the bartering terms.

Summary/Background

Rainbow Music located at 99 Railroad Street Suite 4 (Pullman Car) is a City of Colfax tenant currently on a month-to-month lease and is requesting a 1-year lease term with the ability to continue the rent reduction with in-kind building improvements.

The previous lease authorized by Council agreed to a rent amount of \$500/month with the ability to reduce the rent by \$150/month with a defined activity that qualifies as a credit for the rent reduction. Rainbow Music's proposal included the replacement of 12 custom made windows in the railcar. The City's property management company Foothills Property Management confirmed the windows were replaced as specified in the agreement.

Due to the COVID-19 impacts, Rainbow Music is requesting the similar terms as previously authorized by council. The attached proposal from Rainbow Music would result in a total rent reduction of \$2,000 for the year term. Staff believes the barter request is equitable for the reduced rent request.

Fiscal Impacts

N/A

Attachments:

1. Rainbow Music Barter Proposal
2. Lease Agreement

Rainbow Music Company Railcar Window Repair Proposal

1. Front - Nine (9) windows need repair and paint - \$100.00 per window
Back – Seven (7) need sand & prep for paint - \$100.00 per window
 - a. $\$100.00 \times 9 = \900.00
 - b. $\$100.00 \times 7 = \700.00

2. Back - Two (2) windows can be repaired (need to be removed to repair) - \$200 per window
Back – Fourteen (14) need to be fully replaced - \$300.00 per window
 - a. $\$200.00 \times 2 = \400.00
 - b. $\$300.00 \times 14 = \$4,200.00$

Tenants are asking for the The City of Colfax to consider another year lease beginning June 1, 2021. Tenant's proposal is to keep rent and barter agreement as previously agreed to in prior lease agreement.
($\$500.00 - \150 barter for windows) $\$150.0$ per month $\times 12 = \$1800.00$

Due to the substantial increase in cost of wood, Tenants are proposing to barter for the repair and paint of Item #1 (a) (b) and Item #2 (a). This would amount to \$2000.00. Item #2 (b) to be negotiated separately.

Tenants to complete all windows proposed by 10/30/21.



COMMERCIAL LEASE AGREEMENT (C.A.R. Form CL, Revised 12/15)

Date (For reference only): May 19, 2021

Foothill Properties (Landlord) and Rob & Christine Bonner (Tenant) agree as follows:

- 1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: Railcar - 99 Railroad Avenue, Suite 4... 2. TERM: The term begins on (date) June 1, 2021... 3. BASE RENT: A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):... 4. RENT: A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord... 5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on... 6. SECURITY DEPOSIT: A. Tenant agrees to pay Landlord \$ 500.00 as a security deposit.

Landlord's Initials () () Tenant's Initials () ()



Premises: Railcar - 99 Railroad Avenue, Suite 4

Date May 19, 2021

7. PAYMENTS:

	TOTAL DUE	PAYMENT RECEIVED	BALANCE DUE	DUE DATE
A. Rent: From <u>06/01/2021</u> To <u>06/30/2021</u> Date Date	\$ <u>350.00</u>	\$ _____	\$ <u>350.00</u>	<u>06/15/2021</u>
B. Security Deposit	\$ <u>500.00</u>	\$ <u>500.00</u>	\$ _____	<u>Pd held by City</u>
C. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
D. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
E. Total:	\$ <u>850.00</u>	\$ <u>500.00</u>	\$ <u>350.00</u>	

8. **PARKING:** Tenant is entitled to First come first serve unreserved and _____ reserved vehicle parking spaces. The right to parking is is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ _____ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.

9. **ADDITIONAL STORAGE:** Storage is permitted as follows: Within the interior of the Railcar. Exterior to remain free of debris. The right to additional storage space is is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ _____ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within **5 calendar days** after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, \$ **50.00** as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

11. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: See Attached "Rainbow Music Company Railcar Window Repair Proposal". Items listed as exceptions shall be dealt with in the following manner: Tenant to repair & paint windows identified in attached proposal. All work to be completed w/permits by end of lease term 10/30/21. Add'l 14 windows in need of complete replacement to be negotiated.

12. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant _____

14. **PROPERTY OPERATING EXPENSES:**

A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. _____

OR B. (If checked) Paragraph 14 does not apply.

15. **USE:** The Premises are for the sole use as Rainbow Music Company. No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

16. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

17. **MAINTENANCE:**

A. Tenant OR (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.

B. Landlord OR (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and Landscaping will be cared for by Colfax Public Works Dept and Tenants. Tenants to coordinate bartered gardening with Public Works.

Landlord's Initials (_____) (_____)

Tenant's Initials (_____) (_____)



Premises: **Railcar - 99 Railroad Avenue, Suite 4**

Date **May 19, 2021**

- 18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or _____) day period preceding the termination of the agreement.
- 22. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. **POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within 60 (or _____) calendar days after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) **Written Notice to be accepted on the first (1st) of the month only.**
All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.
- 25. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.
- 27. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$ **1,000,000.00** and (ii) property insurance in an amount sufficient to cover the replacement cost of the property if Tenant is responsible for maintenance under paragraph 17B. Tenant's insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$ _____, plus property insurance in an amount sufficient to cover the replacement cost of the property unless Tenant is responsible for maintenance pursuant to paragraph 17B. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials () ()

Tenant's Initials () ()

CL REVISED 12/15 (PAGE 3 of 6)

COMMERCIAL LEASE AGREEMENT (CL PAGE 3 OF 6)



Premises: **Railcar - 99 Railroad Avenue, Suite 4**

Date **May 19, 2021**

- 30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
- 34. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:** Landlord states that the Premises has, or has not been inspected by a Certified Access Specialist. If so, Landlord states that the Premises has, or has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.

35. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Tenant and Landlord 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, subject to paragraph 35B(2) below. Paragraphs 35B(2) and (3) apply whether or not the arbitration provision is initialed. 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 commences an action without first attempting to resolve the matter through mediation, or 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.

B. **ARBITRATION OF DISPUTES:** (1) **Tenant and Landlord 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, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.**

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (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; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. 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 violation of the mediation and arbitration provisions.

(3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

"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."

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____

Landlord's Initials (_____) (_____)

Tenant's Initials (_____) (_____)



Premises: Railcar - 99 Railroad Avenue, Suite 4 Date May 19, 2021

36. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

37. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: Foothill Properties
204 S. Auburn Street
PO Box 1531
Colfax, CA 95713

Tenant: Rob & Christine Bonner
PO Box 1234
Colfax, CA 95713

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

38. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.

39. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.

40. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:**

- 1. Base rent to be \$500.00 per month less the \$150.00 bartered towards window replacement & gardening. Tenant to pay \$350.00 per month due on the 15th of each month until end of lease term 6/30/22.
- 2. Permits are required by the The City of Colfax prior to windows being repaired/painted etc. Permit fees will be waived.

The following ATTACHED supplements/exhibits are incorporated in this agreement: Option Agreement (C.A.R. Form OA)

41. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.

42. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

43. **BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord 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 named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 43.

44. **AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:

Listing Agent: Foothill Properties (Print Firm Name) is the agent of (check one):

the Landlord exclusively; or both the Tenant and Landlord.

Selling Agent: Foothill Properties (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):

the Tenant exclusively; or the Landlord exclusively; or both the Tenant and Landlord.

Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials (_____) (_____)

Tenant's Initials (_____) (_____)



Premises: Railcar - 99 Railroad Avenue, Suite 4

Date May 19, 2021

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant _____ Date _____

Rob Bonner

(Print name)

Address PO Box 1234 City Colfax State CA Zip 95713-1234

Tenant _____ Date _____

Christine Bonner

(Print name)

Address PO Box 1234 City Colfax State CA Zip 95713-1234

GUARANTEE: In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) _____

Guarantor _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord _____ Date _____

(owner or agent with authority to enter into this agreement) **Foothill Properties**

Address 204 S. Auburn/PO Box 1531 City Colfax State CA Zip 95713

Landlord _____ Date _____

(owner or agent with authority to enter into this agreement)

Address _____ City _____ State _____ Zip _____

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) **Foothill Properties** CalBRE Lic. # _____

By (Agent) _____ CalBRE Lic. # 01745276 Date _____

Tami Hampshire

Address PO Box 1531/204 S Auburn St., #2 City Colfax State CA Zip 95713

Telephone (530)308-3320 Fax (530)346-9797 E-mail tami@tamihampshire.com

Real Estate Broker (Listing Firm) **Foothill Properties** CalBRE Lic. # _____

By (Agent) _____ CalBRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





CALIFORNIA ASSOCIATION OF REALTORS®

COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM

(C.A.R. Form CLCA 11/16)

This is an addendum to the Commercial Lease Agreement (lease) dated May 19, 2021 in which Foothill Properties is referred to as "Landlord" and Rob Bonner, Christine Bonner is referred to as "Tenant". Paragraph 34 of the lease is deleted in its entirety and replaced by the following;

Paragraph 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:

- A. Landlord states that the Premises have, or have not been inspected by a Certified Access Specialist (CASp).
B. If the Premises have been inspected by a CASp, (1) Landlord states that the Premises have, or have not been determined to meet all applicable construction-related accessibility standards... (2) (i) Tenant has received a copy of the report at least 48 hours before executing this lease... (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease... (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease...
C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection, "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law...
D. Notwithstanding anything to the contrary in paragraph 17, 18, 19 or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards are the responsibility of Tenant Landlord Other

Tenant (Signature) Date
Tenant (Print name) Rob Bonner
Tenant (Signature) Date
Tenant (Print name) Christine Bonner
Landlord (Signature) Date
Landlord (Print name) Foothill Properties
Landlord (Signature) Date
Landlord (Print name)

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Reviewed by Date



CLCA 11/16 (PAGE 1 OF 1)

COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM (CLCA PAGE 1 OF 1)



Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Annual Appropriation Limits

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Adopt Resolution __-2021 certifying compliance with the Fiscal Year 2020-2021 Appropriation Limitation and establishing the Appropriation Limitation for the Fiscal Year 2021-2022.

Summary/Background

In 1979, California voters approved Proposition 4, an initiative that added Article XIII B to the *California Constitution*. This constitutional amendment, known as the Gann Initiative, placed limits on the growth of expenditures for publicly funded programs. Division 9 of Title 1, beginning with Section 7900 of the *Government Code*, was then added to law to specify the process for calculating state and local government appropriation limits and appropriations subject to limitation under Article XII B of the *Constitution*. These constitutional and statutory sections explain and define the appropriations limit and appropriations subject to limitation as they apply to state and local government, and require that each entity of government formally "adopt" its appropriations limit for a given fiscal year and certify actual appropriations limit for the preceding year.

The data required to complete the calculation is provided by the State of California, Department of Finance.

The appropriation limit is calculated based on two factors: a percentage change in population in conjunction with a change in the cost of living or price. Under Proposition 111, there are options available for each of the calculation factors:

- Population Factor – The City can elect to utilize the percent growth in City population or the percent growth in County population.
- Price Factor – The City can elect to use the percent growth in State per capita personal income or the percent change in assessed valuation in new non-residential construction.

The population and price factors are multiplied together to calculate the Growth factor. The Growth factor is applied to the previous year calculated appropriated limit to determine the current fiscal year appropriation limit.

The Appropriations Limitation (Limit) imposed by the Propositions creates a restriction on the amount of revenue which can be appropriated in any fiscal year. Not all revenues are restricted by the Limit, only those which are referred to as “proceeds of taxes”. During any fiscal year, a city may not appropriate any proceeds of taxes they receive in excess of their Limit. In fact, any excess funds remaining after two years must be returned to the taxpayers.

For the 2021-2022 Appropriation Limit calculation, the growth in Placer County population of 1.55% is more favorable than the City percent growth of .84% and has therefore been utilized in the calculation. For the price factor, the percentage change in State per capita income of 5.73% is used to calculate the Limitation. The population and price factors are multiplied together for a combined factor of 1.073. The combined growth factor is applied to the fiscal year 2020-2021 Appropriation limit of \$6,001,022 to determine the fiscal year 2021-2022 limit of \$6,440,054.

Based on the estimated actuals for fiscal year 2020-2021 and the fiscal year 2021-2022 budget the City will be well under its Appropriation Limit for both years.

Attachments

1. Public Notice – Notice of Determination of appropriations Limit for the Fiscal Year 2021-2022
2. Resolution XX-2020
 - a. Attachment 1 – Estimated actual appropriation for the fiscal year 2020-2021
 - b. Attachment 2 – Appropriation Limit Calculation for fiscal year 2021-2022
3. Department of Finance Price and Population information for use in calculations for fiscal year 2021-2022 appropriations limit



City Of Colfax
33 SOUTH MAIN STREET, COLFAX, CA

PUBLIC NOTICE

NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2021-2022

Section 7910 of the California Government Code requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII B of the California Constitution applicable during the fiscal year. The limit must be adopted at a regularly scheduled meeting or at a noticed special meeting, and the documentation used in determining the limit must be made available for public review fifteen days prior to such meeting.

Set below is the methodology to be used to calculate the Fiscal Year 2021-2022 appropriations limit for the City. The limit is set forth below and will be considered and adopted at the regularly scheduled meeting of the Colfax City Council on June 9, 2021.

	<u>2021-2022</u>				
Appropriations Limit for FY 2020-2021	\$6,001,022				
Price Factor					
Change in California per capita	1.0573	<i>Department of Finance - May 2021</i>			
Population Factor					
Placer County	1.015	<i>Department of Finance - May 2021</i>			
Combined Growth Factor	1.073	<i>Price Factor x Population Factor</i>			
Appropriations Limit for FY 2021-2022	\$6,440,054	<i>Calculated Limit for fiscal year 2021-2022</i>			

Documentation may be requested from Colfax City Hall during regular work hours – Monday through Thursday, 8:00am to 5:00pm.

I, Amy Lind, Interim City Clerk for the City of Colfax declare that this Notice was posted at Colfax City Hall and the Colfax Post Office. The Notice is also available on the City website at www.Colfax-ca.gov.

Amy Lind, Interim City Clerk

May 21, 2021

City of Colfax

City Council

Resolution No. __-2021

CERTIFYING COMPLIANCE WITH THE 2020-2021 FISCAL YEAR APPROPRIATION LIMITATION AND ESTABLISHING THE APPROPRIATION LIMITATION FOR THE 2021-2022 FISCAL YEAR

WHEREAS, the City Council of the City of Colfax hereby certifies that the estimated actual appropriations for the Fiscal Year 2020-2021 will fall within the appropriation limitation for the 2020-2021 Fiscal Year as demonstrated in Attachment 1; and

WHEREAS, the City Council of the City of Colfax must establish the appropriation limitation for the fiscal year 2021-2022, as calculated in Attachment 2; and,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax, that the 2020-2021 Fiscal Year expenditures fall within the established limitations and the limitations for the 2021-2022 Fiscal Year are hereby established at \$6,440,054.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th of June 2021 by the following vote of the Council:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

Sean Lomen, Mayor

ATTEST:

Amy Lind, Interim City Clerk

**CITY OF COLFAX
APPROPRIATION LIMIT CALCULATION
Attachment 1**

<i>Tax Revenues to be included in calculation:</i>		2020-2021 Actuals*
100-000-4010	Property Taxes	\$ 385,000
100-000-4020	Sales and Use Taxes	\$ 1,250,000
100-000-4040	Transient Occupancy Taxes	\$ 10,000
100 (572)-000-4100	Franchises	\$ 82,000
100-000-4200	Business Licenses	\$ 36,000
100-000-4700	State Motor Vehicle License	\$ -
100-000-4710	Motor Vehicle In Lieu	\$ 150,000
100-000-4030	Cannabis Business Tax	\$ 40,000
	Total Tax Revenue	\$ 1,953,000
Calculated Appropriation Limit Fiscal Year 2020-2021		\$ 6,001,022
<i>Remaining appropriation limit capacity</i>		\$ 4,048,022 67%

*Estimate as of 05/10/21

**City of Colfax
Appropriation Limit Calculation
Attachment 2**

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Computed Limit - Previous Year*	\$ 1,628,747	\$ 1,666,214	\$ 1,716,041	\$ 1,770,954	\$ 1,848,010	\$ 1,934,858	\$ 1,940,060	\$ 2,008,127	\$ 2,119,984	\$ 2,236,900	\$ 5,364,955	\$ 5,674,579	\$ 6,001,022
Price Factor													
Change in California per capita	1.0062	0.9746	1.0251	1.0377	1.0512	0.9977	1.0382	1.0537	1.0369	1.0367	1.0385	1.0373	1.0573
Population Factor**	1.0197	1.0567	1.0072	1.0056	0.996	1.005	0.997	1.0019	1.0176	1.0166	1.0185	1.0195	1.015
Computed limitation	\$ 1,671,130	\$ 1,715,967	\$ 1,771,779	\$ 1,848,010	\$ 1,934,858	\$ 1,940,060	\$ 2,008,127	\$ 2,119,984	\$ 2,236,900	\$ 2,357,490	\$ 5,674,579	\$ 6,001,022	\$ 6,440,054
Combined Growth Factor	1.026	1.030	1.032	1.044	1.047	1.003	1.035	1.056	1.055	1.054	1.058	1.058	1.073

Note: * Fiscal year 2018-2019 Limit recalculated back to the Base Year - Independent Accountants Report dated 06/03/19

**Fiscal year 2020-2021 elected to use population factor for Placer County versus City of Colfax.



May 2021

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2021, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2021-22. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2021-22 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2021.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

Erika Li
Chief Deputy Director

Attachment

A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2021-22 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2021-22	5.73

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2021-22 appropriation limit.

2021-22:

Per Capita Cost of Living Change = 5.73 percent
 Population Change = -0.46 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.73 + 100}{100} = 1.0573$

Population converted to a ratio: $\frac{-0.46 + 100}{100} = 0.9954$

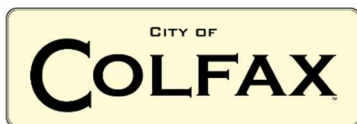
Calculation of factor for FY 2021-22: $1.0573 \times 0.9954 = 1.0524$

Fiscal Year 2021-22

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021 and Total Population, January 1, 2021

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2020-2021	1-1-20	1-1-21	1-1-2021
Placer				
Auburn	0.42	14,372	14,433	14,433
Colfax	0.84	2,154	2,172	2,172
Lincoln	2.14	48,584	49,624	49,624
Loomis	0.31	6,787	6,808	6,808
Rocklin	1.10	69,702	70,469	70,469
Roseville	2.36	143,493	146,875	146,875
Unincorporated	0.61	113,923	114,613	114,613
County Total	1.50	399,015	404,994	404,994

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



Staff Report to City Council

FOR THE JUNE 09, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Quarterly Sales Tax Analysis – Calendar Year 2021-Q1

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Accept and File

Summary/Background

The City provides a quarterly report on Sales and Use Tax revenues as quarterly information is available. We have now received the final Accounting for Sales and Use Tax revenues for the quarter ended March 31, 2021 and actual receipts continue to exceed our forecasts.

Forecasting Sales and Use Tax Revenue is a challenge under normal circumstances. Based on the COVID-19 Pandemic which added a new level of uncertainty, the City elected to adopt a very conservative forecast for the fiscal year 2020-2021 budget - which was a 20% decrease of FY 2018-2019 sales tax revenues. At the mid-year budget review (February 2021) our analysis indicated higher receipts and we elected to increase the budget forecast for the current fiscal year by \$125,000 (approximately 11% of adopted budget). If the current trends continue – we anticipate up to an additional increase of \$100,000 in receipts for the fiscal year. This “forecast” is highlighted in green in the chart below.

	QE 09/30	QE 12/31	QE 03/31	QE 06/30	TOTAL	Budget	% of Budget	Budget Diff
Fiscal Year 2020-2021	\$ 391,444	\$ 340,379	\$ 326,981	\$ 291,196	\$ 1,350,000	\$ 1,250,000	108%	\$ 100,000
Fiscal Year 2019-2020	\$ 457,737	\$ 320,975	\$ 370,903	\$ 374,688	\$ 1,524,302	\$ 1,450,000	105%	\$ 74,302
Fiscal Year 2018-2019	\$ 354,152	\$ 353,870	\$ 336,721	\$ 356,865	\$ 1,401,608	\$ 1,350,000	104%	\$ 51,608
% Change - Previous Calendar Qtr	4%	-13%	-4%	-11%				
% Change - Same Qtr - Prev Year	-14%	6%	-12%	-22%	-11%	-14%		

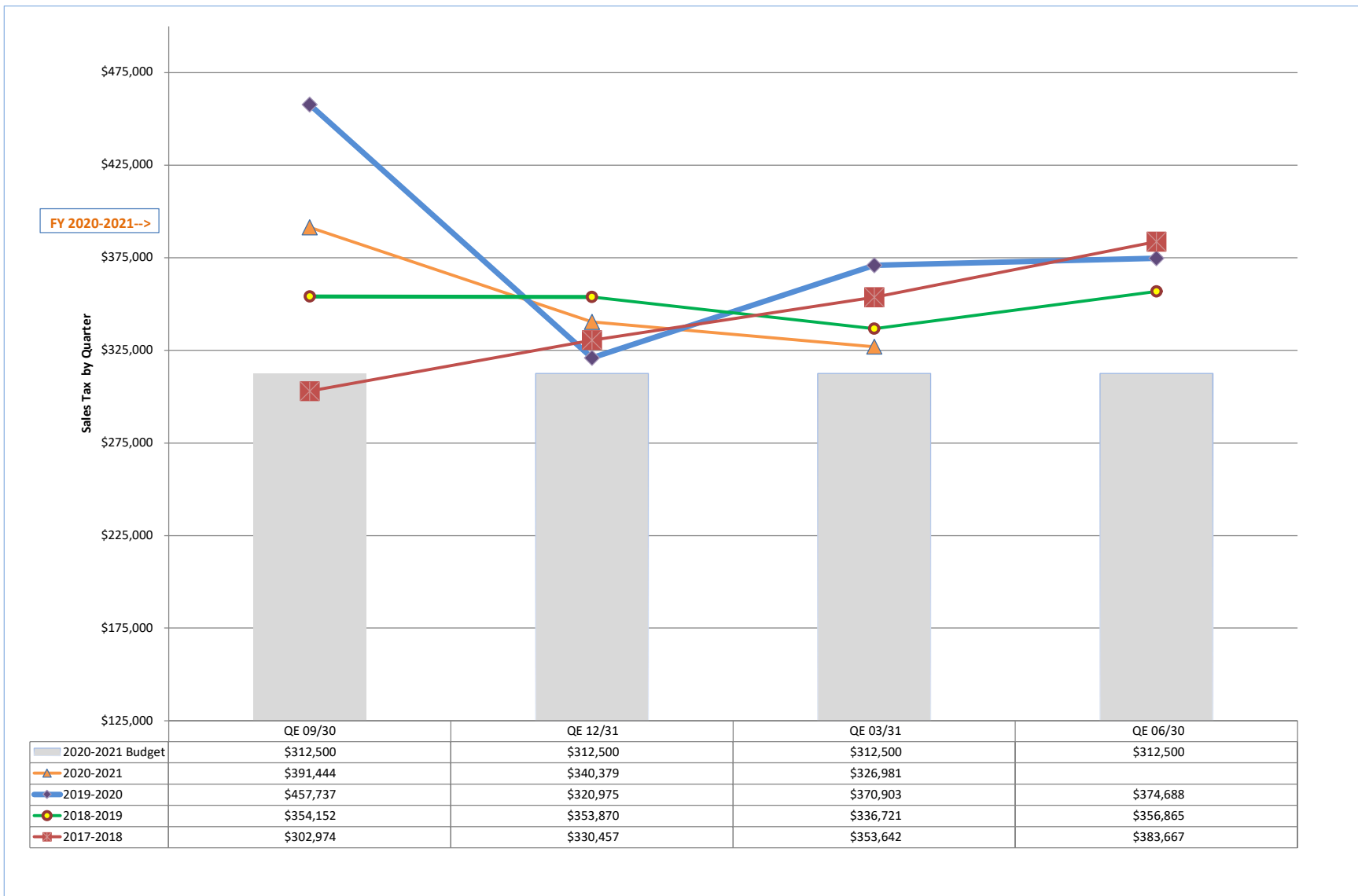
Fiscal and Budget Impacts

Our businesses continue to face challenging times and we may not yet have seen all of the impact of the Covid-19 Pandemic. Staff will continue to monitor and provide updates as additional information is available.

Attachments:

1. Graph – City of Colfax – Sales and Use Tax Revenues
2. Chart – City of Colfax – Sales and Use Tax Revenues History

City of Colfax Sales and Use Tax Revenues (Actuals Through Quarter Ended 03/31/2021)



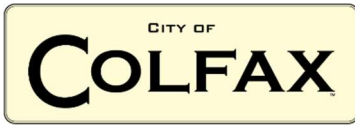
City of Colfax

Sales and Use Tax Revenues

City of Colfax Sales and Use Tax Revenue History

	Actuals	Change	% Change
1999-2000	\$ 478,169		
2000-2001	\$ 484,801	\$ 6,632	1%
2001-2002	\$ 592,392	\$ 107,591	22%
2002-2003	\$ 581,749	\$ (10,643)	-2%
2003-2004	\$ 601,276	\$ 19,527	3%
2004-2005	\$ 707,515	\$ 106,239	18%
2005-2006	\$ 749,583	\$ 42,068	6%
2006-2007	\$ 752,431	\$ 2,848	0%
2007-2008	\$ 648,989	\$ (103,442)	-14%
2008-2009	\$ 540,051	\$ (108,938)	-17%
2009-2010	\$ 538,549	\$ (1,502)	0%
2010-2011	\$ 551,953	\$ 13,404	2%
2011-2012	\$ 571,943	\$ 19,990	4%
2012-2013	\$ 706,828	\$ 134,885	24%
2013-2014	\$ 928,729	\$ 221,901	31%
2014-2015	\$ 956,342	\$ 27,613	3%
2015-2016	* \$ 1,104,357	\$ 148,015	15%
2016-2017	\$ 1,103,560	\$ (797)	0%
2017-2018	\$ 1,370,741	\$ 267,181	24%
2018-2019	\$ 1,401,608	\$ 30,867	2%
2019-2020	\$ 1,524,302	\$ 122,694	9%

**Included true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015*



Staff Report to City Council

FOR THE JUNE 09, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Risk Assessment Review Meeting

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Accept and File

Summary/Background

The Fiscal Year 2017-2018 audit report included a recommendation for the City to include a discussion in the annual budget process to identify risks within the City that could result in fraud or material misstatement. Staff met on this topic and the meeting minutes are attached. Council and public discussion is encouraged on this topic.

Attachments:

1. Risk Assessment Review Meeting – Minutes June 2, 2021

Risk Assessment Review Meeting

June 2, 2021

11:00 AM

Colfax City Hall

Meeting Summary Minutes

Attendees:

Heathcock, Wes	City Manager
Stahl, Shanna	Administrative Analyst
Van Groningen, Laurie	Finance Director

Note: This meeting was part of a budget review update meeting for staff on Wednesday, June 2, 2021.

Risk Assessment Process: It was recommended in previous financial audit reports that the City expand its annual budget process to include a formal risk assessment process to identify risks within the City that could result in fraud or material misstatement of the financial statements, and then implementation of internal controls to mitigate those identified risks.

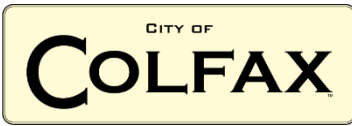
City staff met to discuss any areas where employees feel there is a risk of fraud occurring. At this meeting the following was reviewed:

- Reviewed list of “indicators” of financial stress (internet research) that could indicate fraud or misstatement of financials in an organization:
 - Not paying vendors timely
 - Not making loan payments
 - Allowing customers to remain delinquent
 - Weak or non-existent accounting practices
 - Exorbitant salaries
 - Misuse or lack of competitive bidding process
 - Making loans without expectation of payback
 - Related party transactions
 - Personal use of City assets
 - Falsification of public records
 - Absence of Management Reviews/Oversight on financial transactions
- Conducted a brainstorming session to review any City risk areas for fraud or material misstatement.
- Discussed existence of current policies, procedures, and training to minimize fraud and/or misstatement of City Financials:
 - Whistleblower Policy,
 - Administrative Policies and Procedures
 - Investment Policy.

- Employee Handbook (code of conduct)
- Anonymous complaint process
- Ethics Training
- Form 700 Reporting
- Segregation of duties and multiple levels of review in financial processes
- Annual Audit process which includes staff and council risk interviews.

SUMMARY

Staff did not identify any new risk areas for the City. Staff consensus is that current policies, procedures, training and oversight are adequate to reduce any opportunities for fraud or misstatement of City Financials. This report will be presented for information to the City Council at the regular city council meeting on June 9, 2021.



Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Larry Wing, City Engineer
Subject: Community Development Block Grant – Road Rehabilitation Projects
 Engineering Design with GHD Inc.

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$333,838	Fund(s): 358
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RECOMMENDED ACTION: Adopt Resolution __-2021 authorizing the City Manager to execute a Consultant Services Agreement with GHD Inc. to provide Engineering Design Services for the Community Development Block Grant (CDBG) Road Rehabilitation in an amount not to exceed \$333,838.00.

Summary/Background

On April 22, 2020, the City Council directed staff to prepare a CDBG application for a Road Rehabilitation Project. Staff worked with its CDBG Consultant Adams Ashby Group to prepare the application which was submitted to the State Housing and Community Development Department (HCD) on May 21, 2020. The roadway segments included portions of Church Street, Culver Street, School Street, Pleasant Street, and Forest Hill Street, and the total grant request was \$2,954,035. Since the City was authorized to request up to \$3,500,000, a second application was submitted on July 10, 2020 for portions of Pine Street and the intersection of Culver Street with W. Oak Avenue. This second grant request was \$494,109.

There was a total of thirty (30) projects submitted, of which the Colfax first application was number 18 and the second application was number 30. Staff has been keeping in contact with the Adams Ashby Group for updates on funding status, and we were informed on May 25th that there only three (3) projects ahead of our first application.

The CDBG Grant has a stipulation that once the funding is finalized, staff has only 90 days to complete the design and construction documents ready to bid. In order to position the roadway rehabilitation projects for design, the City Council approved Resolution 30 - 2020 on June 10, 2020 which authorized the City Manager to execute a contract with GHD Inc. to complete the topographic surveys. These surveys have been completed and information compiled ready to start the design when funding is received.

Staff recommends that the City Council authorize the City Manager to execute a Consultant Services Agreement with GHD Inc. for final design and bid documents for both CDBG Road Rehabilitation projects in the amount of \$333,838.00. The project fee budget was determined as follows:

- First Submittal GHD fee \$260,019
- Second Submittal GHD Fee \$43,470
- Subtotal \$303,489
- 10% Contingency \$30,349
- Total Estimated Fee \$333,838

If the City Council approves this Resolution, staff will not authorize GHD to begin their work until such time as complete authorization from HCD to proceed is received.

Fiscal Impacts

The CDBG Road Rehabilitation Project design costs are assigned to Fund 358 and reimbursable from the CDBG Over the Counter (OTC) grant funding in the amount of \$333,838.

Attachments:

1. Resolution __ - 2021
2. Agreement for Consultant Services
3. Design Costs

City of Colfax

City Council

Resolution No. __-2021

ADOPT RESOLUTION __ - 2021 AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH GHD INC. TO PROVIDE ENGINEERING DESIGN SERVICES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ROAD REHABILITATION IN AN AMOUNT NOT TO EXCEED \$333,838

WHEREAS, On April 22, 2020, the City Council directed staff to prepare a CDBG application for a Road Rehabilitation Project, which first grant application was submitted to the State Housing and Community Development Department (HCCD) on May 21, 2020; and,

WHEREAS, the first grant application roadway segments included portions of Church Street, Culver Street, School Street, Pleasant Street, and Forest Hill Street, with a total grant request of \$2,954,035; and,

WHEREAS, a second grant request was submitted on July 10, 2020, for portions of Pine Street and the intersection of Culver Street with Oak Ave. in the amount of \$494,109; and,

WHEREAS, since the submittals staff has been coordinating on a date for funding of at least the first grant application and the city has been informed that there are only a few remaining applications ahead of the city's first grant application; and,

WHEREAS, once funding is authorized the city has only ninety (90) days to complete the engineering design documents and have the project ready for bidding.

WHEREAS, the City Council finds and determines that it is in the City's best interests to authorize the City Manager to execute a contract with GHD for final design and bid documents for the projects included in the City's both grant application, anticipating that final HCD approval will soon be received and recognizing the need to timely submit final design and bid documents once final HCD approval is received.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to execute a Consultant Services Agreement with GHD Inc. for final design and bid documents for the CDBG Road Rehabilitation project included in the City's two grant applications in the amount of \$333,838. The City Council further directs the City Manager not to authorize GHD to begin the design work until such time that funding from the HCCD is received.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th day of June 2021 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sean Lomen, Mayor

ATTEST:

Amy Lind, Interim City Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on this **9th day of June, 2021** by and between the City of Colfax, a municipal corporation of the State of California ("City") and **GHD Inc.** ("Consultant").

RECITALS

- A. The City desires to retain Consultant to provide the Services set forth in detail in Exhibit A hereto (the "Services") subject to the terms and conditions of this Agreement.
- B. Consultant is duly licensed and sufficiently experienced to undertake and perform the Services in a skilled and workmanlike manner and desires to do so in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, the City and Consultant agree as follows:

Section 1. Services

Subject to the terms and conditions set forth in this Agreement, Consultant shall furnish and perform all of the Services described in detail in Exhibit A hereto and incorporated herein by this reference (the "Services") to the satisfaction of the City. Consultant shall not perform any work exceeding the scope of the Services described in Exhibit A without prior written authorization from the City.

Section 2. Time of Completion.

Consultant's schedule for performance of the Services is set forth in Exhibit A hereto which is incorporated herein by this reference. Consultant shall commence performance of the Services promptly upon receipt of written notice from the City to proceed. Performance of the Services shall progress and conclude in accordance with the schedule set forth in Exhibit A. During the performance of the Services, Consultant shall provide the City with written progress reports at least once each month and at such additional intervals as City may from time to time request.

Section 3. Compensation.

- A. Except as may otherwise be provided in Exhibit A or elsewhere in this Agreement or its exhibits, Consultant shall invoice City once each month for the Services performed during the preceding month. Such invoices shall itemize all charges in such detail as may reasonably be required by City in the usual course of City business but shall include at least:
 - i. the date of performance of each of the Services,
 - ii. identification of the person who performed the Services,

- iii. a detailed description of the Services performed on each date,
- iv. the hourly rate at which the Services on each date are charged,
- v. an itemization of all costs incurred and
- vi. the total charges for the Services for the month invoiced.

As long as the Consultant performs the Services to the satisfaction of the City, the City shall pay the Consultant an all-inclusive compensation that shall not exceed the amount as detailed in Exhibit A except pursuant to an authorized written change order issued pursuant to Section 15 of this Agreement before the Services requiring additional compensation are performed. City shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by City's staff.

- B. The Consultant's compensation for the Services shall be full compensation for all indirect and direct personnel, materials, supplies, equipment and services incurred by the Consultant and used in carrying out or completing the Services. Payments shall be in accordance with the payment schedule established in Exhibit A or elsewhere in this Agreement or its exhibits.
- C. The City shall have the right to receive, upon request, documentation substantiating charges billed to the City pursuant to this Agreement. The City shall have the right to perform an audit of the Consultant's relevant records pertaining to the charges.
- D. Any Services performed more than sixty (60) days prior to the date upon which they are invoiced to the City shall not be compensable.

Section 4. Professional Ability; Standard of Quality.

City has relied upon the professional training and ability of Consultant to perform the Services described in Exhibit A as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All Services performed by Consultant under this Agreement shall be in a skillful, workmanlike manner 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.

Section 5. Indemnification.

Consultant shall hold harmless and indemnify, including without limitation the cost to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Consultant who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers.

Section 6. Insurance.

Without limiting Consultant's indemnification obligations provided for above, Consultant shall take out before beginning performance of the Services and maintain at all times during the life of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than A. Consultant shall not allow any subcontractor, professional or otherwise, to commence work on any subcontract until all insurance required of the Consultant has also been obtained by the subcontractor.

- A. Workers' Compensation Coverage. Statutory Workers' Compensation insurance and Employer's Liability Insurance to cover its employees. In the alternative, Consultant may rely on a self-insurance program to meet its legal requirements as long as the program of self-insurance complies fully with the provisions of the California Labor Code. Consultant shall also require all subcontractors, if such are authorized by the City, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to City by the insurer. The Workers' Compensation insurance shall also contain a provision whereby the insurance company agrees to waive all rights of subrogation against the City and its elected or appointed officials, officers, agents, and employees for losses paid under the terms of such policy which arise from the Services performed by the insured for the City.
- B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Consultant and its subcontractors, if such are authorized by the City, arising out of or in connection with the Services. The insurance shall be written on a comprehensive general liability form and include a broad form comprehensive general liability endorsement. In the alternative, the City will accept, in satisfaction of these requirements, commercial general liability coverage which is equivalent to the comprehensive general liability form and a broad form comprehensive general liability endorsement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence. The insurance shall be occurrence based insurance. General liability coverage written on a claims made basis shall not be acceptable absent prior written authorization from the City.
- C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$1 million combined single limit for each occurrence.
- D. Policy Endorsements. Each general liability and automobile liability insurance policy shall be endorsed with the following provisions:

1. The City, and its elected or appointed officials, employees and agents shall be named as insureds or additional insureds with regard to damages and defenses of claims arising from activities performed by or on behalf of the Consultant.
 2. The insurance afforded by each policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limits of liability.
 3. The insurance shall be primary insurance as respects the City and its elected or appointed officers, officials, employees and agents. Any other insurance maintained by the City or its elected or appointed officers, officials, employees, agents or volunteers shall be in excess of this insurance and shall not contribute with it.
 4. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City.
 5. Any failure to comply with the reporting requirements of any policy shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, or agents.
- E. Professional Liability Coverage. If required by the City, Consultant shall also take out and maintain professional liability, errors and omissions insurance in an amount not less than \$1 million. The professional liability insurance policy shall be endorsed with a provision stating that it shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the City.
- F. Insurance Certificates and Endorsements. Prior to commencing the Services under this Agreement, Consultant shall submit to the City documentation evidencing the required insurance signed by the insurance agent and the companies named. This documentation shall be on forms which are acceptable to the City and shall include all required endorsements and verify that coverage is actually in effect. This Agreement shall not be effective until the required insurance forms and endorsements are submitted to and approved by the City. Failure to provide these forms within the time period specified by City may result in the award of this Agreement to another Consultant should the City, in its sole discretion, decide to do so. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.
- G. Deductible and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City.
- H. Termination of Insurance. If the City receives notification that Consultant's insurance will be suspended, voided, cancelled or reduced in coverage or in limits,

and if the Consultant does not provide for either the reinstatement of that insurance or for the furnishing of alternate insurance containing all of the terms and provisions specified above prior to the termination of that insurance, City may either terminate this Agreement for that breach, or City may secure the required insurance to satisfy the conditions of this Agreement and deduct the cost thereof from compensation which would otherwise be due and payable to the Consultant for Services rendered under the terms of this Agreement.

Section 7. Subcontracts.

Consultant may not subcontract any portion of the Services without the written authorization of City. If City consents to a subcontract, Consultant shall be fully responsible to the City and third parties for all acts or omissions of the subcontractor to which the Services or any portion thereof are subcontracted. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor, nor shall it create any obligation on the part of the City to pay or cause the payment of any monies due to any such subcontractor except as otherwise is required by law.

Section 8. Assignment.

Consultant shall not assign any right or obligation under this Agreement without the City's prior written consent. Any attempted assignment of any right or obligation under this Agreement without the City's prior written consent shall be void.

Section 9. Entire Agreement.

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Section 10. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction over any litigation arising from this Agreement shall be in the Superior Court of the State of California with venue in Placer County, California.

Section 11. Suspension of Services.

Upon written request by Consultant, City may suspend, in writing, all or any portion of the Services if unforeseen circumstances beyond the control of the City and Consultant make normal progress of the Services impossible, impractical or infeasible. Upon written City approval to suspend performance of the Services, the time for completion of the Services shall be extended by the number of days performance of the Services is suspended.

Section 12. Termination of Services.

City may at any time, at its sole discretion, terminate all or any portion of the Services and this Agreement upon seven (7) days written notice to Consultant. Upon receipt of notice of termination, Consultant shall stop performance of the Services at the stage directed by City. Consultant shall be entitled to payment within thirty (30) days for Services performed up to the date of receipt of the written notice of termination. Consultant shall not be entitled to payment for any Services performed after the receipt of the notice of termination unless such payment is authorized in advance in writing by the City.

Should Consultant fail to perform any of the obligations required of Consultant within the time and in the manner provided for under the terms of this Agreement, or should Consultant violate any of the terms and conditions of this Agreement, City may terminate this Agreement by providing Consultant with seven (7) days written notice of such termination. The Consultant shall be compensated for all Services performed prior to the date of receipt of the notice of termination. However, the City may deduct from the compensation which may be owed to Consultant the amount of damage sustained or estimated by City resulting from Consultant's breach of this Agreement.

Consultant's obligations pursuant to Sections 5 and 6 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 5 and 6.

Section 13. Independent Contractor.

Consultant shall in all respects be an independent contractor and not an agent or employee of City. Consultant has and shall retain the right to exercise full control and supervision of the means and methods of performing the Services. Consultant shall receive no premium or enhanced pay for Services normally understood as overtime; nor shall Consultant receive holiday pay, sick leave, administrative leave or pay for any other time not actually expended in the performance of the Services. It is intended by the parties that Consultant shall not be eligible for benefits and shall receive no compensation from the City, except as expressly set forth in this Agreement. Consultant shall submit completed W -9 and Report of Independent Contractor forms upon execution of this Agreement and prior to the payment of any compensation hereunder.

Section 14. Ownership of Documents.

Within thirty (30) days after the Consultant substantially completes performance of the Services, or within thirty (30) days after the termination of this Agreement, the Consultant shall deliver to the City all files, records, materials and documents drafted or prepared by Consultant's in the performance of the Services. It is expressly understood and agreed that all such files, records, materials and documents are the property of the City and not the property of the Consultant. All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of performing the Services shall become the sole property of the City upon payment

to Consultant for the Services, and the City shall have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and writings to City or any party the City may designate, upon written request. Consultant may keep file copies of all documents prepared for City. Use of any such documents by the City for projects that are not the subject of this Agreement or for purposes beyond the scope of the Services shall be at the City's sole risk without legal liability or expense to Consultant.

Section 15. Changes and/or Extra Work.

Only the City Council may authorize extra and/or changed Services, modification of the time of completion of the Services, or additional compensation for the tasks to be performed by Consultant. Consultant expressly recognizes that other City personnel are without authorization to order extra and/or changed Services or to obligate the City to the payment of additional compensation. The failure of Consultant to secure the prior written authorization for such extra and/or changed Services shall constitute a waiver of any and all right to adjustment in the contract price due to such unauthorized Services, and Consultant thereafter shall not be entitled to any compensation whatsoever for the performance of such extra or changed Services. In the event Consultant and City agree that extra and/or changed Services are required, or that additional compensation shall be awarded to Consultant for performance of the Services under this Agreement, a supplemental agreement providing for such compensation shall be prepared and shall be executed by the Consultant and the necessary City officials before the extra and/or changed Services are provided.

Section 16. Compliance with Federal, State and Local Laws.

Consultant shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Consultant's failure to comply with applicable laws, statutes, ordinances, rules or regulations.

Section 17. Retention of Records.

Consultant and any subconsultants authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to the Services, and Consultant shall make such documents available for review and/or audit by City and City's representatives at all reasonable times during performance of the Services and for at least four (4) years after completion of the Services and/or termination of this Agreement.

Section 18. Alternative Dispute Resolution

- A. Before resorting to mediation, arbitration or other legal process, the primary contacts of the parties shall meet and confer and attempt to amicably resolve any dispute arising from or relating to this Agreement subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 15 days after provision of that written notice by the party desiring to meet and confer, the primary contacts for each party shall meet in person and attempt to amicably resolve their dispute. Each primary contact, or the person acting in their absence with full authority to resolve the dispute, shall attend the meeting and shall be prepared to devote an entire day thereto. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in the subparagraph B below.
- B. Subject to the provisions of subparagraph A, any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation, before a mutually acceptable, neutral retired judge or justice at the Sacramento Office of the Judicial Arbitration and Mediation Service ("JAMS"). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the Sacramento office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to each bring to the neutral mediation a list of at least five neutral arbitrators, including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.
- C. If mediation is unsuccessful, before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties agree to submit selection of an arbitrator to the mediator, whose decision shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices at the Sacramento Office of the JAMS. The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. In such case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement.
- D. This section 18 shall survive the termination or expiration of this Agreement. If there is no Sacramento office of JAMS, then the office of JAMS closest to the City shall be used instead of a Sacramento office.

Section 19. Severability.

The provisions of this Agreement are severable. If any portion of this Agreement is held

invalid by an arbitrator or by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual written consent of the parties.

Section 20. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may be amended or extended from time to time only by written agreement of the parties hereto.

Section 21. Time of the Essence.

Time is of the essence in the performance of the Services. The Consultant will perform its Services with due and reasonable diligence consistent with sound professional practices and shall devote such time to the performance of the Services as may be necessary for their timely completion.

Section 22. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid and addressed as follows. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as provided in this Section.

If to City: City of Colfax
 33 S. Main Street
 Colfax, CA 95713

If to Consultant: GHD Inc
 P.O. Box 1407
 Roseville, CA 95678

Section 23. Execution.

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

Section 24. Successors.

This Agreement shall be binding on and inure to the benefit of the respective parties hereto except to the extent of any contrary provision in this Agreement.

Section 25. Attorney's Fees.

If any party to this Agreement commences legal proceedings to enforce any of its terms or to recover damages for its breach, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and the expenses of expert witnesses, including any such fees costs and expenses incurred on appeal.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

CITY

CONSULTANT

Signature: _____

Signature: _____

Printed Name: Wes Heathcock

Printed Name: Douglas J. Ries

Title: City Manager

Title: Principal

Date: _____

Date: _____

APPROVED AS TO FORM:

City Attorney

City of Colfax
Community Development Block Grant
Various Street Rehabilitation Projects
June 1, 2021

PROJECT UNDERSTANDING

The City of Colfax has applied for a Community Development Block Grant (CDBG) to fund the rehabilitation and resurfacing of several streets within the City. The anticipated streets to be included are shown on the attached spreadsheet. It is anticipated that preparation of the plans, specifications and estimate will begin after the anticipated successful grant award notification on or around July 1, 2021. After successful grant award notification, the City will only have three months within which to prepare the plans, specifications and estimate for this project.

SCOPE OF SERVICES

The City's On-call Consultant, GHD, shall perform all services required to provide project management and civil design for the Community Development Block Grant Various Streets Rehabilitation project.

TASK 1- Project Management and Coordination

1. On-call Consultant, GHD, shall act as the lead point of contact for project civil design development.
2. On-call Consultant, GHD, shall provide quality assurance and quality control measures (QA/QC) for project deliverables.
3. On-call Consultant, GHD, shall manage project and all activities in accordance with required Federal Grant funding standards.

TASK 2- Data Collection, Topographic Survey, Geotechnical Study and Public Utilities

1. The topographic survey of the various street involved has been authorized by the City Council and is complete, having been completed by the On-Call Consultant, GHD.
2. A geotechnical investigation report has also been authorized by the City Council and is complete. The On-call Consultant, GHD, will rely on this geotechnical investigation report to establish the structural roadway sections and any site-specific earthwork recommendations. Also, included with this report will be the potholing of certain utilities. This information will also be relied on for the preparation of the plans, specification and estimate for this project.
3. On-call Consultant, GHD, shall request facility mapping from all public utility companies within the project limits before the design begins. Public utility companies will be provided with the final design plans as well.

TASK 3- Construction Documents (Plans, Specifications and Estimate)

1. On-call Consultant, GHD, shall produce plans, specifications and estimate in accordance with City and County standards; and in accordance with standards of practice for projects utilizing federal funding.
2. Final stamped and signed plans will be provided in PDF format only, suitable for advertisement.
3. Special Provisions shall conform to Caltrans 2018 Standard Specifications.
4. Drainage design calculations will not be included within this scope of work.
5. No public utility relocations are anticipated with this project.
6. No landscape or irrigation improvements are included within this scope of work.
7. No right of way acquisition is anticipated with this project.
8. Due to the extremely short time frame available to provide the plans, specifications and estimate, these products may be considered less than industry standard, leading to a need for greater than normal construction management and construction modifications/adjustments in the field. The On-call Consultant, GHD, therefore, recommends carrying a 15% minimum construction contingency forward into construction.

TASK 4 –Bid Phase Support

1. On-call Consultant, GHD, shall assist the City in preparing addenda or responding to questions during the bidding process, as requested.
2. During the advertisement period the City and On-call Consultant, GHD, shall confer on the complexity of questions and responses at weekly intervals to determine whether an addendum is required. On-call Consultant, GHD, may be required to prepare a response to questions as needed for incorporation into addenda. It is assumed that a maximum of three (3) addenda will be prepared.
3. On-call Consultant, GHD, shall prepare one (1) set of As-Built (conformed) construction documents to be issued at the conclusion of the bid phase.

				Estimated Construction Costs							
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12
Street Name	Length (ft)	Width (ft)	Sq. FT.	Paving	Drainage	Concrete	Cont. (15%)	Const. Total	Engr (12%)	Constr. Mgmt (12%)	Total Cost for Street
Culver St. - Church St. to Grass Valley St.	375	50	18,750	\$ 200,000.00	\$ 20,000.00	\$ 20,000.00	\$ 36,000.00	\$ 276,000.00	\$ 33,120.00	\$ 33,120.00	\$ 342,240.00
Church Str. - Rising Sun St. to Culver St	350	35	12,250	\$ 135,000.00	\$ 13,500.00	\$ 20,000.00	\$ 25,275.00	\$ 193,775.00	\$ 23,253.00	\$ 23,253.00	\$ 240,281.00
Pleasant St. - Depot St. - Water Plant	1600	40	64,000	\$ 675,000.00	\$ 54,000.00	\$ 54,000.00	\$ 117,450.00	\$ 900,450.00	\$ 108,054.00	\$ 108,054.00	\$ 1,116,558.00
School St. - Main St. to Pleasant St.	400	40	16,000	\$ 170,000.00	\$ 17,000.00	\$ 17,000.00	\$ 30,600.00	\$ 234,600.00	\$ 28,152.00	\$ 28,152.00	\$ 290,904.00
Forest Hill St. - Vista Ave. - SR 174	1800	24	43,200	\$ 460,000.00	\$ 23,000.00	\$ 10,000.00	\$ 69,000.00	\$ 562,000.00	\$ 67,440.00	\$ 67,440.00	\$ 696,880.00
Labor Compliance											\$ 67,172.00
CDBG Consultant Oversight											\$ 200,000.00
								Total Engr.	\$ 260,019.00	Total	\$ 2,954,035.00

Estimated Construction Costs

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12
Street Name	Length (ft)	Width (ft)	Sq. Ft.	Paving	Drainage	Concrete	Cont. (15%)	Const. Total	Engr. (12%)	Inspection (12%)	Total for Street
Intx. Culver St. & Oak Ave.	50	65	3250	\$ 75,000.00	\$ 20,000.00	\$ 20,000.00	\$ 17,250.00	\$ 132,250.00	\$ 15,870.00	\$ 15,870.00	\$ 163,990.00
Pine Street - Newman St. to Pine Ct.	375	20	7500	\$ 170,000.00	\$ 20,000.00	\$ 10,000.00	\$ 30,000.00	\$ 230,000.00	\$ 27,600.00	\$ 27,600.00	\$ 285,200.00
Labor Compliance											\$ 44,919.00
								Total Engr. Fee	\$ 43,470.00	Grand Total	\$ 494,109.00



Staff Report to City Council

FOR THE JUNE 09, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Wes Heathcock, City Manager
Subject: Sheriff Contract Amendment #6

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$827,372	Fund(s): 100-300, 218-000
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RECOMMENDED ACTION: Adopt Resolution -2021 authorizing the City Manager to enter into a contract extension with the Placer County Sheriff-Coroner-Marshal's Office for Fiscal Year 2021/2022.

Summary/Background

Effective July 1, 2016, the City and Placer County executed an amendment to the agreement for the provision of law enforcement services by the Placer County Sheriff-Coroner-Marshals Office (PCSO). The contract must be amended yearly due to annual adjustments which account for increases in salaries, liability insurance, vehicle rates and overall cost of living. Placer County is mandated for Sheriff salary adjustments by voter approved Proposition F*.

The City has amended the Sheriff contract each year since the first amendment in 2016. The 2021-2022 Amendment #6 includes a 5.85% increase raising the contract value by \$45,756 for a total cost of \$827,372.

Fiscal Impacts

The contract amount is \$827,372 from Funds 100-300 and 218-000.

Attachments

1. Resolution -2021
2. 2021-2022 Amendment #6

**Measure F was a local initiative sponsored by the Placer County Deputy Sheriff's Association (PCDSA) and passed by the voters of Placer County, effective in 1977. Measure F, codified in Placer County Code § 3.12 040 (Appendix A) and its express terms, are mandatory. Measure F provides the required method for annually determining and setting salaries for specified peace officer classes in Placer County. The Measure F formula requires the County to annually: (1) determine maximum salaries for comparable classes of positions, as listed, in the 3 surrounding counties, El Dorado, Nevada and Sacramento; (2) calculate the average maximum salaries for those three agencies; and then, (3) set the salary of the Placer County comparable employees at a level equal to the average maximum salary of the other three counties. The required average maximums are used to set the salaries for the classifications of Undersheriff, Captain, Lieutenant, Sergeant, and Deputy Sheriff II, effective the first full pay period in February.*

City of Colfax

City Council

Resolution № __-2021

AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT EXTENSION WITH THE PLACER COUNTY SHERIFF-CORONER-MARSHAL’S OFFICE FOR FISCAL YEAR 2021/2022

WHEREAS, the County of Placer, Office of the Sheriff-Coroner-Marshal (“County”) and the City of Colfax (“City”) have previously contracted for the provision of law enforcement services; and,

WHEREAS, the contract must be amended yearly due to annual adjustments which account for increases in salaries, liability insurance, vehicle rates and overall cost of living; and,

WHEREAS, the 2021-2022 Amendment #6 includes a 5.85% increase raising the contract value by \$45,756 for a total cost of \$827,372.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax authorizes the City Manager to enter into a contract extension with the Placer County Sheriff-Coroner-Marshal’s Office for Fiscal Year 2021/2022.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th day of June 2021, by the following vote of the Council:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

Sean Lomen, Mayor

ATTEST:

Amy Lind, Interim City Clerk

BEGINS: July 1, 2021

ADMINISTERING AGENCY: Sheriff-Coroner-Marshal

DESCRIPTION: Contract amendment between County of Placer, Office of the Sheriff-Coroner-Marshal and the City of Colfax to update the annual cost of providing law enforcement services for FY 2021-22

THIS AMENDMENT No. 6 of contract No. 13508 is made as of July 1, 2021, by and between the COUNTY OF PLACER, Office of the Sheriff-Coroner-Marshal, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and the CITY OF COLFAX, a municipal corporation, hereinafter referred to as "CITY".

The original contract No. 13508 is hereby amended as follows:

Section 1 DURATION OF CONTRACT: This agreement shall commence on July 1, 2021 for a period of one year, expiring on June 30, 2022, unless terminated under conditions of Section 2.

Section 6 PAYMENT FOR SERVICES: The cost of performing law enforcement services for the year beginning July 1, 2021 through June 30, 2022 both dates inclusive, will be agreed to in the amount of \$827,370 (EIGHT HUNDRED TWENTY-SEVEN THOUSAND THREE HUNDRED SEVENTY DOLLARS) per attached Exhibit A. This sum shall be paid in four equal quarterly installments of \$206,843 (TWO HUNDRED SIX THOUSAND EIGHT HUNDRED FORTY-THREE DOLLARS) to be paid on September 1, 2021; December 1, 2021; March 1, 2022; and June 1, 2022. The COUNTY will provide an amendment adjusting salaries, liability insurance, vehicle rates, and cost of living to the CITY each year for basic law enforcement services for adoption effective July 1 with an amendment approved by both parties.

All other terms and conditions set forth in the Agreement shall remain unchanged and in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this amendment the day and year first written above.

CITY OF COLFAX

COUNTY OF PLACER

By: _____
City of Colfax

By: _____
Chair, Board of Supervisors

By: _____
Devon Bell
Placer County Sheriff

Approved as to Form

Approved as to Form

By: _____
City Attorney

By: _____
County Counsel

**PLACER COUNTY SHERIFF'S OFFICE
CITY OF COLFAX - CONTRACT SERVICES
FISCAL YEAR 2021/2022**

Item 6I

SALARY AND BENEFITS:

Qty	Class/Description	Pay Type	Annual Hours/Units	Billable Hours/Units*	2020-2021 Hrly Rate	2021-2022 Hrly Rate	2020-2021 Cost	2021-2022 Cost	Increase/ Decrease
0.5	Sergeant	Regular Pay	2080	1040	125.51	132.55	\$ 130,532	\$ 137,853	\$ 7,321
0.5	Sergeant	Overtime	120	60	118.23	117.19	\$ 7,094	\$ 7,031	\$ (63)
0.5	Sergeant	Holiday Overtime	48	24	163.45	171.02	\$ 3,923	\$ 4,104	\$ 182
2.25	Deputy II	Regular Pay	2080	4680	98.47	105.92	\$ 460,851	\$ 495,705	\$ 34,854
2.25	Deputy II	Overtime	127	286	92.44	91.96	\$ 26,414	\$ 26,279	\$ (135)
2.25	Deputy II	Holiday Overtime	48	108	127.13	134.17	\$ 13,730	\$ 14,490	\$ 760
0.1	Detective (Deputy II)	Regular Pay	2080	208	116.68	119.74	\$ 24,269	\$ 24,906	\$ 637
0.1	Detective (Deputy II)	Overtime	127	13	107.95	103.92	\$ 1,371	\$ 1,320	\$ (51)
0.1	Detective (Deputy II)	Holiday Overtime	48	5	149.05	151.67	\$ 715	\$ 728	\$ 13
Total Personnel Costs							\$ 668,900	\$ 712,416	\$ 43,517

OTHER COSTS:

Item	Description	2020-2021 Cost	2021-2022 Cost	Increase/ Decrease
Communication	IT Charges and Radio Costs	\$ 26,697	\$ 29,532	\$ 2,834
Direct Operational Support	Direct operational staff support	\$ 33,445	\$ 35,621	\$ 2,176
Equipment & Supplies	Equipment & Supplies	\$ 11,305	\$ 8,261	\$ (3,044)
Training	Specialized training which may include accident investigation training	\$ 7,878	\$ 8,474	\$ 596
Vehicle Expenses	Vehicles charged @ \$5.15 per billable hours	\$ 33,390	\$ 33,066	\$ (324)
Total Other Costs		\$ 112,715	\$ 114,954	\$ 2,238

Total Contract Costs	\$ 781,615	\$ 827,370	\$ 45,755
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Total Contract Change	5.85%
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21-22 Base Quarterly Payments	\$ 206,843
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**City of Colfax - Contract Services
Fiscal Year 2021/2022**

- Salaries & Benefits increased due to Measure F increases: Sergeant 2.59% and Deputy Sheriff I/II 2.91%.
- Communication costs increased due to the overall increases of County IT charges including Workday.
- Direct operational support including dispatch, evidence, records and other direct support cost the Deputies and Sergeant assigned to Colfax.
- Replacement cost for deputy equipment is \$2,453 per person per year, which is 15% of decrease from the FY20/21 contract due to the update in personal duty gear and useful life time. Other supplies are determined based on the costs incurred and projected in FY20/21 divided by 137 total Patrol funded FTEs and multiplied by the Colfax portion accordingly.
- Training cost is calculated based on FY21/22 Deputy Rate \$105.92 multiplied by 2 classes of 40 hour/class, which is a minimum amount of increase.
- Methodology to determine vehicle charges is to determine a per hour vehicle cost, which is based on projected and annualized FY20/21 Fleet costs divided by total minimum staffing hours.



Staff Report to City Council

FOR THE JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Wes Heathcock, City Manager
 Alfred A. "Mick" Cabral, City Attorney
Subject: Council Technology Device Policy

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Discuss and direct staff

Summary/Background

At the April 28, 2021 meeting, Council discussed whether it should provide Council Members with any type of technology devices for use in conducting City business. Council considered the following issues and directed staff to evaluate the cost of each for additional discussion at the May 26 meeting:

1. Whether Council Members should each be provided cell phones and/or laptop computers at City expense for use in conducting City business. This includes considering whether the City should continue to supply a cell phone to the Council Member who is using one at City expense.
2. Whether a computer station should be established at City Hall for Council Members to use to conduct City business in lieu of providing a laptop computer to each Council Member.
3. Whether the monthly Council stipend should be used by Council Members to supply their own cell phones, laptops and other technology devices. This included a discussion of whether the monthly Council salary should be increased to cover the cost of such devices.

Alternatives.

Based on prior discussion and direction, staff formulated the following alternatives for Council consideration, without recommendation.

1. Maintain the Status Quo.

The prior discussion focused on laptop computers and cell phones, but the agenda item is broad enough to allow discussion and direction about other available technology. Council does not have an established policy regarding what if any technology should be provided to Council Members for their City business use. At present, one Council Member has a cell phone provided at City expense, and one Council Member asked to be provided a replacement laptop at City expense. Maintaining the status quo would mean that City funds will not be expended for Council technology. This can involve continuing to provide the cell phone for one Council Member or ending that practice. If Council decides to maintain the status quo, the other issues raised in this staff report need not be considered at this time.

2. Authorize an Annual Budget For Council Technology Devices.

At Council’s direction, Staff evaluated the cost of providing laptops to all Council Members and the cost of supplying Council with cell phones. Staff’s evaluation is attached to this staff report. Creating a budget will require Council to identify a source of funding and adopt a technology acquisition, maintenance, and replacement policy. Council will also need to provide policy direction on the following issues:

- A. What type of technology devices does Council want to authorize the City to issue its Members?
- B. How much funding for such devices is the Council willing to authorize, and from what funding source?
- C. What guidelines and restrictions will be established on the use of the technology devices?
- D. How will the selection of devices be handled? For example, will each Council Member be able to choose his/her own device, or will each Council Member be limited to the same type of device?

3. Authorize a One-Time Expenditure.

Council has discretion to authorize a single expenditure that will allow each Council Member to update or upgrade their existing devices in lieu of authorizing an annual budget. This authorization will require Council to identify an expenditure limit, the types of devices that can be updated or upgraded, and a source of funds.

4. Increase Council's Monthly Salary.

Colfax Municipal Code Section 2.24.030 establishes a monthly salary of \$100 per Council Member and \$150 for the Mayor. This has not changed since 1997.

Government Code Section 36516(a)(2) (A) allows a maximum Council salary of \$300 per month for cities with populations of up to 35,000. It is possible to exceed the \$300 limit under very narrow circumstances for which Colfax does not qualify.

The primary impediment to increasing Council salary is that the Council has been seated. Salary increases cannot become effective before the Council Members elected in November 2022 take their seats. See Government Code Section 36516.5. Therefore, although Council can amend the monthly Council salary by an ordinance it enacts now, the increase cannot become effective before the Council Members elected in November 2022 take their seats. This may benefit future Council Members but not the current Council.

5. Create a Workstation at City Hall.

This alternative involves allocating space within City Hall to place a computer workstation through which all Council Members can conduct City business, access City emails, and print hard copies of agendas and other City documents. The estimated cost of this alternative is included within the attached cost comparison. Council will also have to determine whether access will be available only during usual workdays at City Hall or whether Council Members will have expanded access.

Staff will be available to answer Council's questions and provide needed information.

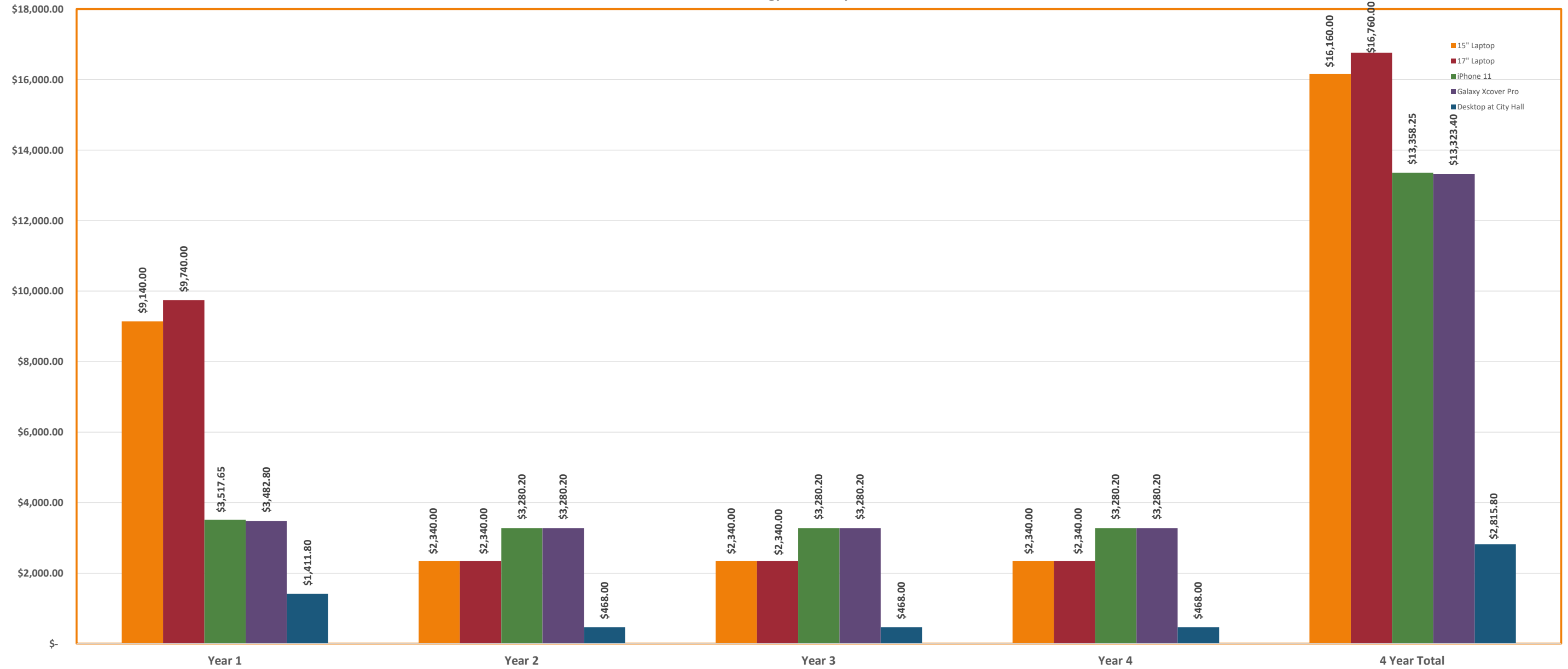
Fiscal Impacts

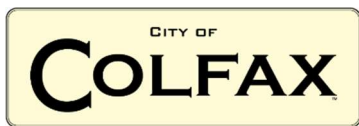
The fiscal impact will depend upon Council's direction to staff.

Attachments:

1. Council Technology Cost Comparison

Council Technology Cost Comparison





Staff Report to City Council

FOR THE JUNE 09, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Fiscal Year 2021-2022 Budget Review

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Information Only

Summary/Background

The fiscal year 2021-2022 budget was adopted as part of the biennial budget process in June 2020. Staff has completed a review of the Fiscal Year 2021-2022 adopted budget and is providing an update for the following:

- Capital Projects/Expenditures
- Operating Revenues and Expenses

Capital Projects/Expenditures

Attachment 1 – City of Colfax Capital Expenditures – includes an update of capital project expenditures for the current fiscal year 2020-2021 and fiscal year 2021-2022. The analysis includes a comparison to the forecast in the Adopted Budget June 2020 and a projection (Budget Review) based on current project status and anticipated project funding. The differences are due to:

1. Changes in project schedules.
2. Delays in awarding of grant funding.
3. Project holds due to other factors such as contract negotiations (ex. fire services)
4. New projects - Capital projects that have been added since Budget adoption are highlighted (asterisked) and have either already been through Council review/approval or are in earlier planning stages and will be presented to Council prior to implementation.

The City anticipates being awarded approximately \$380K from the 2021 American Rescue Plan Act (ARPA) over the next year. Some of the allowable uses for this funding is investments in water, sewer, or broadband infrastructure. Staff will be analyzing further and identify if funding can be utilized on current identified projects.

The primary difference in total project costs from the Adopted budget to the current Budget Review is the removal of a 2nd year award of CDBG Infrastructure Grant funding (\$3.5M). The City has not yet received the first award and it will likely roll into next fiscal year – therefore, a second annual award during this budget period is not anticipated.

Operating Revenue and Expenses

Staff has reviewed the adopted budget for operating revenues and expenses for fiscal year 2021-2022. This review incorporated the trends for revenues and expenses that were identified during the current fiscal mid-year review that was just completed in February 2021 and current activity. Although we are not recommending any formal budget amendments at this time for the coming year, we are highlighting the following categories that may have adjustments as we head into the mid-year report for the 2021-2022 fiscal year.

- Staffing
 - The City has modified two positions over the past year. The Community Services Director has been modified to Public Works Director and the Accounting Technician position has been promoted to Administrative Analyst. These modifications have been made within the adopted budget. We are currently interviewing for a Maintenance Worker II position (promotional only) – and one Maintenance Worker I position is open for future placement.
 - The current Memorandum of Understanding with our labor union expires on June 30, 2021 and negotiations for a new agreement have not been completed as of this report date.
 - Two part time administrative positions are currently on leaves of absences and are being partially backfilled by temporary help and contracted services.
 - The timing of filling positions may create decreases in anticipated expenditures for staffing.
- Administrative Support/Contracted Services
 - The City continues to contract for Attorney Services, Finance Services, Planner Services, Building Inspector Services and Engineering Services. In addition to these ongoing functions, we have budgeted for a Grant Consultant, City newsletter editor, branding consultants, and a retail strategy consultant. Expense estimates for Human resources and labor law assistance have also been included.
 - Depending on the requirements for the above expenditures, the budget may need amendments for the following:
 - Unanticipated legal costs. During this current fiscal year, the City has incurred additional legal expenses in defense of a lawsuit. Additional expenditures are unknown at this time.
 - Staff has identified the opportunity of contracting services for a tax measure consultant to review the possibility of a change in TOT (Transient Occupancy Taxes) for the new election cycle in coordination with other local jurisdictions. The current TOT rate for the City of Colfax is 8%.
 - The Fire Services Contract is currently under review/negotiation, but costs are expected within the total Fire department costs currently budgeted.
 - The Sheriff contract is also up for renewal with a proposed increase of 5.85%. The net impact is \$12K higher than budget. For the past few years, the City has received an increase in grant funds for law enforcement (ELEAS credit). This credit is not guaranteed and is generally allocated in the Fall – so impact is not yet quantifiable.
- General Fund Revenues
 - Sales and Use tax
 - Sales and Use tax remains the largest revenue source in the City General Fund. The Covid-19 outbreak caused a massive shift in consumer spending and was expected to have a significant impact on City revenues. We budgeted a very conservative estimate which was a 20% decrease in Fiscal Year 2020-2021 – and a 10% decrease in Fiscal Year 2021-2022. Based on current year actuals – we increased the 2020-2021 budget at mid-

year review. If these trends continue – we are likely so see an increase in fiscal year 2021-2022 forecast also.

- Cannabis business tax
 - Current year revenues are higher than budget – and there may be increased activity with new business in the new fiscal year.
- Business Licenses and Building Permits
 - We have exceeded budget for both items in the current fiscal year. The increases appear to be a result of developer projects (nearing completion) and home improvements projects. It is not certain that these trends will continue into the next fiscal year.
- Interest Income
 - Decrease in LAIF interest rates has resulted in decrease in interest earnings. This impact applies to Special Revenue Funds and Enterprise (Sewer) Funds also.
- Special Revenue Funds – Revenues
 - Preliminary estimates from PCTPA indicated that Streets and Roads Funding (Local Transportation Fund and State Transit Fund) will be as forecasted in the adopted budget.
 - Gas Taxes and SB1 Road Maintenance funds are also expected to be on budget – as forecasted by State Department of Finance statewide revenue projections (May 2021).
 - No changes are expected in the Supplemental Law Enforcement Fund – the City receives an annual allocation of \$100K. As mentioned in Sheriff expenses above – we may receive an additional ELEAS credit for this category consistent with recent years.
- Enterprise (Sewer) Fund Revenues
 - Sewer service charges were lowered in the current fiscal year at mid-year review due to delay in development projects. Those projects are now caught up with the anticipated EDU schedule. Current year revenue forecast may be impacted by the service start date for the new hotel anticipated by December of this coming year.

Attachments:

1. City of Colfax – Capital Expenditures – Budget for Fiscal Year 2020-2021 and 2021-2022
2. City of Colfax – Fund Summary – Projected Revenues, Expenditures, Transfers and Fund Balance – For Fiscal Year 2021-2022 (Adopted June 2020).
3. City of Colfax – FY2020-2021 – Mid Year Operating Budget Review – Fund Summary – Revision Date 02/24/21.

City of Colfax Capital Expenditures Budget for Fiscal Year 2020-2021 and 2021-2022		Adopted Budget - June 2020				Fiscal Year 2021-2022 Budget Review Notes	Budget Review - June 2021			
		Estimated Previous Year Expenditures	FY2020-2021 Capital Outlay	FY2021-2022 Capital Outlay	Total Project Cost		Estimated Previous Year Expenditures	FY2020-2021 Capital Outlay	FY2021-2022 Capital Outlay	Total Project Cost
Fund	Description									
Administration										
Grant/GF	General Plan Update (includes housing element)	\$ 17,000	\$ 190,000		\$ 207,000	Project not scheduled to complete until 2022. Received additional grant funding (100%)	\$ 27,500	\$ 100,000	\$ 107,500	\$ 235,000
General Fund	Art Lot Property				\$ -	Purchase complete FY 2020-2021	*	\$ 24,196		\$ 24,196
Grant/GF	Cal Trans Economic Grant (11.47% City match)				\$ -	Colfax Downtown Connectivity and Main Street Improvement Plan	*		\$ 230,000	\$ 230,000
					\$ -					\$ -
Buildings & Grounds										
270/571/GF	Corp Yard Security/Recycling Improvements	\$ -	\$ -	\$ 80,000	\$ 80,000	Project has not been initiated	\$ -	\$ -	\$ 80,000	\$ 80,000
292/342/GF	Roof Replacement - Fire Station 36	\$ -	\$ -	\$ 80,000	\$ 80,000	Project has not been initiated	\$ -	\$ -	\$ 80,000	\$ 80,000
General Fund	ADA Project - 2021	\$ 9,075	\$ 20,000	\$ -	\$ 29,075	Sheriff substation improvements Plan completed - construction higher than anticipated	\$ 9,075	\$ 1,943	\$ -	\$ 11,018
General Fund	ADA Project - 2022			\$ 20,000	\$ 20,000	One project per year - Reviewing funding to complete Sheriff substation (90k)			\$ 20,000	\$ 20,000
General Fund	New Landscape/Dump Trailer		\$ 20,000		\$ 20,000	Cost lower than anticipated		\$ 7,908		\$ 7,908
General Fund	Commerical Mower and Trailer		\$ 20,000		\$ 20,000	Cost lower than anticipated		\$ 13,598		\$ 13,598
General Fund	Metal Storage Building for Corp Yard		\$ 10,000		\$ 10,000	Down payment 2021 - Expect delivery in 2022		\$ 1,284	\$ 7,897	\$ 9,181
PCTPA	Bunch Creek Trail				\$ -		*		\$ 107,000	\$ 107,000
Steets & Roads										
General Fund	PMP - Kneeland Improvements	\$ 116,000	\$ 124,000		\$ 240,000	2019-2020 PMP/GF Funding (\$500K) and SB1 - Project completed FY2021	\$ 123,376	\$ 204,707		\$ 328,083
General Fund	PMP - Culver St. Phase 2	\$ 20,000	\$ 220,000		\$ 240,000	2019-2020 PMP/GF Funding (\$500K) and SB1 - Project completed FY2020	\$ 247,212	\$ -		\$ 247,212
General Fund	PMP - S. Auburn/Whitcomb	\$ 10,000	\$ 10,000		\$ 20,000	City share - BW development agreement - To be funded with Road Mitigation fees/SB1	\$ -	\$ -	\$ 104,000	\$ 104,000
250/GF	Storm Drain Improvements					Storm Drain replacement - Depot Street - Project completed FY2021	*	\$ 27,758		\$ 27,758
210 Mitigation Fees	Roundabout Monument					Design Concept (Thumblers 2.9K)	*	\$ 1,445	\$ 52,555	\$ 54,000
CDBG Grant	Road Rehabilitation - CDBG Grant/SB1 Funds		\$ 3,575,723	\$ -	\$ 3,575,723	CDBG Not Funded in FY2021 - Pre award costs to be reimbursed with award	\$ 31,631	\$ 60,990	\$ 3,407,379	\$ 3,500,000
CDBG Grant	Road Rehabilitation - CDBG Grant/SB1 Funds			\$ 3,539,164	\$ 3,539,164	One project per year			\$ -	\$ -
Fire Capital										
100-200/292	Wildland Fire Equipment (VFA Grant - 50%)		\$ 3,000		\$ 3,000	Did not apply FY2021. Applied for 50% funding of \$18,055 project for FY 2022.		\$ -	\$ 18,055	\$ 18,055
100-200/292	Structure Protective Clothing		\$ 20,000		\$ 20,000	Was not put forth in FY 2021 - pending Fire Services contract		\$ -	\$ 20,000	\$ 20,000
100-200/292	SCBA's			\$ 50,000	\$ 50,000	Was not put forth in FY 2021 - pending Fire Services contract			\$ 50,000	\$ 50,000
100-200/292	Water Tender		\$ 350,000		\$ 350,000	Not approved in FY2021 - Under review		\$ -	\$ 375,000	\$ 375,000
Sewer Plant and Collection Systems										
Grant	SRF Planning Grant	\$ 300,000	\$ 200,000		\$ 500,000	Planning grant completed. Balance of funding will roll to Construction Grant (\$96K)	\$ 285,501	\$ 118,307		\$ 403,808
Grant	SRF Construction Grant		\$ 5,500,000		\$ 5,500,000	SAF/DAF, Solar, Lift Station #3 Force Main, I&I repairs		\$ -	\$ 5,600,000	\$ 5,600,000
ST Assets Reserve	WWTP Aerator Pumps			\$ 40,000	\$ 40,000	Utilize short term asset reserve		\$ 40,000	\$ -	\$ 40,000
561	Lift Station Pump and motor replacement				\$ -	Lift Station #5 replacement - down payment 2021 - Delivery 2022	*	\$ 33,268	\$ 40,000	\$ 73,268
Ins/FEMA	Pond 3 Fissure Repair- Funded by Ins/FEMA		\$ 342,194		\$ 342,194	Project completed FY2021 - Anticipate full reimbursement from Insurance/FEMA	\$ 76,993	\$ 443,363		\$ 520,355
Grant/560/561	PSPS - Generators		\$ 300,000		\$ 300,000	Project rolled forward from FY2019. CM paid by 560/561 (\$25k). Review APRA funding		\$ 6,593	\$ 348,000	\$ 354,593
Insurance	Pond 3 Fissure Repair - Phase II				\$ -	Current project investigation only. Anticipate insurance reimbursement	*	\$ 4,241	\$ 8,000	\$ 12,241
564 - Sewer Connect	Lift Station #5 Force Main Repair - Prelim Engineer				\$ -		*	\$ 50,051	\$ -	\$ 50,051
564 - Sewer Connect	Lift Station #5 Force Main Repair - Construction				\$ -	Reviewing funding - ARPA	*		\$ 200,000	\$ 200,000
Sewer Ops	Metal Storage Building for WWTP		\$ 10,000		\$ 10,000	Down payment 2021 - Expect delivery in 2022		\$ 1,355	\$ 8,335	\$ 9,690
WWTP										
TOTAL		\$ 472,075	\$ 10,914,917	\$ 3,809,164	\$ 15,196,156		\$ 801,288	\$ 1,141,007	\$ 10,863,720	\$ 12,806,015

* NEW

CITY OF COLFAX
Fund Summary - Projected Revenues, Expenditures, Transfers and Fund Balance
For Fiscal Year 2021-2022

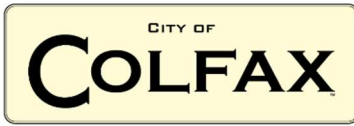
		Fiscal Year 2021-2022							
Fund Description	Fund #	Fund Balance 07/01/2021	Projected Revenues	Projected Expenses	Grants/Other	Capital Projects	Reserves	Fund Transfers In (Out)	Projected Fund Balance 06/30/2022
General Fund - Unrestricted	100/120/570	\$ 1,184,000	\$ 2,270,110	\$ (1,989,333)		\$ -	\$ (115,000)	\$ (270,655)	\$ 1,079,122
General Fund - Restricted									
Operating Reserve - 25%	100	485,000	-	-			15,000	-	500,000
Pension Liability Reserve	100	95,000	-	-			50,000	-	145,000
Capital Project Reserve	100	250,000	-	-			50,000	-	300,000
Landfill - Postclosure Maintenance	572	366,195	80,000	(94,878)				-	351,317
Total General Fund - Restricted		\$ 1,196,195	\$ 80,000	\$ (94,878)	\$ -	\$ -	\$ 115,000	\$ -	\$ 1,296,317
Special Revenues					\$ -				
Mitigation Funds	210-17	588,996	214,520	-	-			-	803,516
Support Law Enforcement	218	-	100,000	(100,000)	-			-	-
CDBG - Program Income	244	4,500	6,000	(6,000)	-			-	4,500
Transportation - Streets/Roads	250	(28,414)	137,300	(266,887)	-			129,587	(28,414)
Gas Taxes	253	53,488	97,096	(19,000)	-			(78,096)	53,488
Beverage Recycling	270	-	-	-	-			-	-
Fire Capital Fund	292	(7,000)	12,000	(5,000)	-			(7,000)	(7,000)
Fire Construction - Mitigation	342	(2,863)	18,800	-	-			(11,050)	4,887
Recreation Construction	343	39,967	18,800	-	-			-	58,767
Total Special Revenues		\$ 648,674	\$ 604,516	\$ (396,887)	\$ -	\$ -	\$ -	\$ 33,441	\$ 889,744
Capital Projects									
Administration		-	-	-	-			-	-
Buildings & Grounds		-	-	-	-	(180,000)		180,000	-
Fire Capital		(224,789)	-	-	-	(50,000)		18,050	(256,739)
Streets & Roads		-	-	-	3,500,000	(3,539,164)		39,164	-
Total Capital Projects		\$ (224,789)	\$ -	\$ -	\$ 3,500,000	\$ (3,769,164)	\$ -	\$ 237,214	\$ (256,739)
Enterprise Funds									
WWTP, Collection System, Debt Serv	560, 561, 563	1,745,444	2,183,630	(1,821,130)	-		(147,500)	-	1,960,444
Operating Reserve - 17% (Restricted)		350,000	-	-			10,000	-	360,000
Sewer Connections - Restricted		327,862	91,900	-			-	-	419,762
Short Term Asset Reserve (Restricted)		165,065	-	-			37,500	(40,000)	162,565
Loan Payment Reserve (Restricted)		438,974	-	-			-	-	438,974
Capital Projects		-	-	-		(40,000)		40,000	-
Capital Projects - Reserve		300,000	-	-			100,000	-	400,000
Total Enterprise Funds		\$ 3,327,345	\$ 2,275,530	\$ (1,821,130)	\$ -	\$ (40,000)	\$ -	\$ -	\$ 3,741,744
TOTAL ALL FUNDS		\$ 6,131,425	\$ 5,230,156	\$ (4,302,228)	\$ 3,500,000	\$ (3,809,164)	\$ -	\$ -	\$ 6,750,189

City of Colfax - FY2020-2021

Mid Year Operating Budget Review - Fund Summary (Does not include capital expenditures, transfers and reserve allocations)

Revision Date: February 24, 2021

Fund	Dept	Revenues			Expenses			Net Change in Fund Balance (Revenues - Expenses)		
		Projected	Adopted	Difference	Projected	Adopted	Difference	Projected	Adopted	Difference
		Actuals 02/24/21			Actuals 02/24/21			Actuals 02/24/21		
General Fund - Unrestricted										
100	000	2,154,550	2,001,110	153,440			-	2,154,550	2,001,110	153,440
100	100 Central Services	-		-	235,785	191,685	44,100	(235,785)	(191,685)	(44,100)
100	110 City Council	-		-	72,450	81,200	(8,750)	(72,450)	(81,200)	8,750
100	120 Administration/Finance	-		-	279,539	300,284	(20,745)	(279,539)	(300,284)	20,745
100	160 Legal	-		-	110,000	70,400	39,600	(110,000)	(70,400)	(39,600)
100	200 Fire	-		-	78,539	68,500	10,039	(78,539)	(68,500)	(10,039)
100	300 Sheriff	-		-	635,005	688,615	(53,610)	(635,005)	(688,615)	53,610
100	400 Building Department	-		-	75,500	90,500	(15,000)	(75,500)	(90,500)	15,000
100	425 Engineering	-		-	75,000	21,000	54,000	(75,000)	(21,000)	(54,000)
100	450 Planning	-		-	40,000	40,000	-	(40,000)	(40,000)	-
100	500 Buildings and Grounds	-		-	156,558	179,503	(22,945)	(156,558)	(179,503)	22,945
100	530 Parks	-		-	133,719	138,822	(5,103)	(133,719)	(138,822)	5,103
100	- Land Development	65,000	65,000	-	56,000	68,400	(12,400)	9,000	(3,400)	12,400
Total General Fund - Unrestricted		2,219,550	2,066,110	153,440	1,948,094	1,938,909	9,186	271,456	127,201	144,254
General Fund - Restricted										
XXX	- Capital Project Reserve	-	-	-	-		-	-	-	-
200	Cannabis Application	16,000		16,000	20,000		20,000	(4,000)	-	(4,000)
201	Covid Relief Funds	50,000		50,000	95,200		95,200	(45,200)	-	(45,200)
571	- AB939 Landfill Diversion	-	-	-	-		-	-	-	-
572	- Landfill - Postclosure Maint	80,000	80,000	-	90,225	90,225	-	(10,225)	(10,225)	-
Total General Fund - Restricted		146,000	80,000	66,000	205,425	90,225	115,200	(59,425)	(10,225)	(49,200)
Special Revenues										
210-17	- Mitigation Funds	122,295	122,295	-	-	-	-	122,295	122,295	-
218	- Support Law Enforcement	156,110	100,000	56,110	156,110	100,000	56,110	-	-	-
244	- CDBG Program Income	6,000	6,000	-	6,000	6,000	-	-	-	-
250	- Streets-Roads/Transportation	94,367	122,100	(27,733)	216,815	253,633	(36,818)	(122,448)	(131,533)	9,085
253	- Gas Taxes	54,093	57,944	(3,851)	15,000	19,000	(4,000)	39,093	38,944	149
258	Road Maintenance/SB1	36,995	39,152	(2,157)			-	36,995	39,152	(2,157)
270	- Beverage Recycling	-	-	-	-	-	-	-	-	-
292	- Fire Capital Fund	-	12,000	(12,000)	-	5,000	(5,000)	-	7,000	(7,000)
342/343	- Fire & Rec Const Mitigation	29,374	29,374	0	-	-	-	29,374	29,374	0
Total Special Revenues		499,234	488,865	10,369	393,925	383,633	10,292	105,309	105,232	77
Enterprise Funds										
560	- Sewer WWTP Maint and Ops	1,253,000	1,320,687	(67,687)	1,082,663	1,147,642	(64,979)	170,337	173,044	(2,708)
561	- Sewer Collections Systems	198,000	202,965	(4,965)	237,877	249,622	(11,746)	(39,877)	(46,657)	6,780
563	- WWTP/Debt Service	550,000	567,288	(17,288)	438,974	438,974	-	111,026	128,314	(17,288)
564	- Sewer Connect - Restricted	44,750	44,750	-	-	-	-	44,750	44,750	-
XXX	- Reserves	-	-	-	-	-	-	-	-	-
Total Enterprise Funds		2,045,750	2,135,689	(89,939)	1,759,514	1,836,239	(76,725)	286,236	299,451	(13,215)
TOTAL ALL FUNDS		4,910,534	4,770,664	139,870	4,306,958	4,249,005	57,953	603,576	521,659	81,917



Staff Report to City Council

FOR THE JUNE 09, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Annual Review of Administrative Policies and Procedures

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Adopting the revised Administrative Policies and Procedures – Financial Policies dated June 11, 2019

Summary/Background

The City Administrative policies and procedures for 1) Investment Policy, and 2) Financial Policies were both adopted by Resolution No. 29-2014 in October of 2014 and stipulate that the policies will be reviewed annually as part of the budget process. The Financial Policies were revised in June 2019 – Resolution No. 18-2019.

Staff has completed an annual review of the policies and has the following recommendations for revision:

Investment Policy

No revisions recommended.

Financial Policy

Paragraph F.3.b – Sewer Revenue Reserve. Staff recommends increasing the Sewer Revenue Reserve target to 25% (from 17%) of annual operating revenues for the fiscal year. This target will provide approximately three months of operating revenues for the City's fiscal year.

While the City has fortunately not incurred the need to utilize the Sewer Revenue Reserve funds in our recent past, it was recommended both by our Audit Manager as part of the annual audit process for fiscal year 2020 – and cited in the 2018 Colfax Wastewater Rate Study to increase the reserve amount to 25% (three months of operating revenues). This percentage is consistent with the percentage established for the City General Fund in our Financial Policy.

This change in percentage would increase the current fiscal year Sewer Revenue Reserve from \$350,000 to \$525,000. This adjustment would be a reclassification of Fund balance – not a City expense. The City has an Unrestricted-Unassigned fund balance in the Sewer Enterprise fund of \$1,540,000 (as of June 30, 2020), therefore this increase would be a reclassification (increase) to Unrestricted-Designated Operating Reserve.

Attachments:

1. Investment Policy - Revision Date October 8, 2014 (Resolution 29-2014)
2. Financial Policies – Revision Date June 12, 2019 (Resolution 18-2019) with recommended revision.
3. Resolution XX-2021 – Adopting the revised Administrative Policies and Procedures – Financial Policies dated June 11, 2019

CITY OF COLFAX
ADMINISTRATIVE POLICIES AND PROCEDURES

Subject: Investment Policy
 Effective Date: October 8, 2014
 Resolution: Resolution No. 29-2014

SCOPE AND AUTHORITY

The purpose of this policy is to establish a prudent and systematic Investment Policy, and to organize and formalize investment-related activities.

The City's Investment Policy is authorized under the California Government Code, section 53600, et, seq.as it applies to the investment of public funds.

It is intended that this policy cover all funds and investment activities under the direct authority of the City of Colfax. Investments authorized by Fiscal Agents pursuant to bonded debt are controlled by the terms and conditions of the specific bond, and may not necessarily coincide with the Investment Policy outlined herein. Investments must conform to Government Code Section 53600.5 concerning safekeeping of purchased securities by financial advisers, fiscal agent, or consultants. Wherever practical, investments made by a Fiscal Agent on behalf of the City will be consistent with this Policy.

INVESTMENT OBJECTIVES

Safety – It is the primary duty and responsibility of the City Staff to protect, preserve and maintain cash and investments on behalf of the citizens of Colfax.

Liquidity – An adequate percentage of the City's investment portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements. Since all cash requirements cannot be anticipated, investments in securities with active secondary or resale markets is highly recommended. Emphasis should be on marketable securities with low sensitivity to market risk.

Yield – Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

- A. The overall yield should be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.

Public Trust – All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Diversification – The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

- A. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Prudence – The City adheres to the "prudent person rule" which obligates a fiduciary to insure that: "...investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

INVESTMENT STRATEGY

The most effective method of increasing investment yields without sacrificing safety is to extend the investment horizon commensurate with the City's cash requirements. To that end, improved cash forecasting and management is the preferred investment strategy for the City.

- A. Cash management activities include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and a short-term borrowing program, when needed, that coordinates working capital requirements and investment opportunity.

ALLOWABLE INVESTMENT INSTRUMENTS

The Government Code, Sections 53601, 53601.1 and 53635 shall govern the City's allowable investments, and the length of those investments, unless specifically limited by this policy. Although the maximum maturity for any deposit or investment is five years, most investments should be for no longer than 2-3 years. All investments of City funds shall be made in accordance with California Government Code Sections 53601, et seq. and 53635 et seq., or in accordance with California Government Code 16429.1 authorizing investments into the State Local Agency Investment Fund (LAIF). Investments will be authorized by the City Manager, City Treasurer, Finance Director or Mayor only.

REPORTING REQUIREMENTS

City staff shall submit a quarterly investment report to the City Council. The report must be submitted to the City Manager for the agenda within 30 days following the end of the month covered by the report, and is required under Government Code Section 53646. Such report shall include at least the following information:

- Types of investments;
- Name of the institution in which funds are invested or deposited;
- Date of maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest;

- Average weighted yield of all investments;
- A statement relating the report to the City's Investment Policy; and
- A statement that there are sufficient funds to meet the City's next six months' financial obligations.

Staff shall also submit the above information annually to the external auditors.

Periodic reports shall be prepared as required by circumstances or as directed by Council. Such circumstances include, but are not limited to, notification that any City investment may be in jeopardy or a sudden and significant drop in the current market value of any City investment.

INTERNAL CONTROLS AND GENERAL GUIDELINES

A system of internal control shall be implemented to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

Controls deemed most important include:

- The control of collusion and separation of duties;
- Custodial safekeeping of funds invested or on deposit;
- Minimizing the number of authorized Investment Officers; and
- Written documentation of procedures and transactions.

In selecting financial institutions for the deposit or investment of City funds, the City shall consider the credit-worthiness of the institution. Such credit-worthiness shall be monitored on a regular basis throughout the period in which City funds are deposited or invested.

- A. Any deposit or investment of funds shall be in writing, signed by the City and the authorized representative of the institution.
- B. All transfers must be made by authorized personnel and properly logged and documented.

City staff shall encourage peer review of the City's investments and investment practices. In addition, the City's cash management and investment practices shall be included in any outside financial audit of the City.

An annual Cash Flow Forecast may be prepared by the City, and would be used to assist in the development of the annual operating budget for the City.

This Investment Policy shall be reviewed by the City Council on an annual basis as part of the budget process.

CITY OF COLFAX

ADMINISTRATIVE POLICIES AND PROCEDURES

Subject: Financial Policies
 Effective Date: June ~~1209~~, 2021~~19~~
 Resolution: Resolution No. ~~18-2019~~XX-2021
Previous Resolutions: Resolution No. 20-2019
Resolution No. 29-2014

PURPOSE

The City of Colfax is accountable to the community for the use of public dollars. Municipal resources will be used wisely to ensure adequate funding for the services, public facilities and infrastructure necessary to meet the community's present and future needs.

This policy document establishes a comprehensive set of financial guidelines for the City that will assist elected officials and staff in the development of fiscal management practices and serve as a guideline for operational and strategic decision-making related to financial management of the City.

These policies will be reviewed annually as part of the budget process and amended as necessary to guide the City in maintaining its financial stability.

GOALS AND OBJECTIVES

- Guide the City Council and management policy decisions that have significant fiscal impact
- Maintain and protect City assets and infrastructure
- Employ balanced and fair revenue policies that provide adequate funding for desired programs
- Set forth operating principles that minimize the cost of government services and minimize financial risk
- Promote sound financial management by providing accurate and timely information on the City's financial condition
- Ensure the legal use of financial resources through an effective system of internal controls
- Promote cooperation and coordination with other governments and the private sector in the financing and delivery of services
- Protect the City's credit rating and provide for adequate resources to meet the provision of the City's debt obligations on all municipal debt
- Maintain appropriate financial capacity for present and future needs

PROCEDURES AND GUIDELINES

This document discusses the most important elements of financial management in one comprehensive centralized format and is organized into the following areas of discussion:

- A. Operating Budget
- B. Revenues
- C. Expenditures
- D. Cash Management and Investments
- E. Capital Financing and Debt Management
- F. Fund Accounting and Reserve Fund Policies
- G. Financial Reporting

A. Operating Budget

1. The budget will be adopted by the City Council no later than June 30th of each year.
 - a. The City Manager will develop and present a biennial budget.
 - b. The City should strive to develop a multi-year financial plan that is updated as part of the periodic budget process.
2. A calendar of events related to budget development will be presented to City Council by April 1st of each year.
 - a. Scheduled activities will encourage early involvement with the City Council and the public.
3. A balanced provisional budget will be presented to City Council for review and adoption with total projected expenditures not exceeding total estimated revenues.
 - a. The budget will be developed in a way that facilitates public study and effectively communicates key economic and fiscal issues to City Council and the public.
 - b. Actual revenues, expenditures, reserve balances and fund balances for the prior fiscal year and estimates for the current year will be provided.
 - c. Forecasts require clearly stated assumptions. Estimations should be conservative but reasonable.
 - d. The City budget must comply with the annual determination of the City's appropriations limit calculated in accordance with Article XIII B of the Constitution of the State of California and must adopt an annual resolution to this effect.
 - e. One-time revenue sources are not to be relied upon to fund ongoing operations.
 - f. Should it be necessary, City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.
 - g. A multi-year capital improvement plan should be developed so that project priorities and debt capacity can be analyzed.
4. The Finance Department will maintain a system for monitoring the City's budget performance.
 - a. The City Manager will provide the City Council with a mid-year review of the City's financial activities. The review will be presented in February and compare annual budget projections with actual results.

B. Revenues

1. The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.
 - a. Revenue forecasts shall be realistically estimated and based on the best information available. The City will follow a vigorous policy of collecting revenues.
 - b. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the City Council.
2. The City will seek out, apply for, and effectively administer federal, state, and other grants that address the City's current operating and capital priorities.
 - a. All potential grants will be carefully examined for matching requirements.
 - b. Grants may be rejected if programs must be continued with local resources after grant funds are exhausted.
3. The City shall develop and maintain a comprehensive list of various fees and charges.
 - a. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.
 - b. Enterprise funds will have revenues sufficient to meet all cash operating expenses, capital expenses, approved cash reserves and any debt service.
 - c. Rate studies should be conducted periodically (three to five years) to ensure the proper balance of costs and service charges.
4. Economic downturns and gaps in cash flow will be addressed as soon as recognized.
 - a. Council must approve inter-fund loans, except for short-term working capital loans.
 - i. Short-term inter-fund loans for working capital to provide cash for Council-approved reimbursable grants and projects, are permitted.
 - ii. Short-term working capital loans are also permitted for temporary (less than one year) timing differences in cash flows when expenditures are incurred before revenue is collected.
 - iii. Interfund loans will not be used to solve ongoing structural budget issues and will not hinder the accomplishment of any function or project for which the lending fund was established.
 - b. Deficit financing and borrowing to support on-going operations is not the policy of the City as a response to long-term revenue shortfalls
 - i. Revenue forecast will be revised and expenses will be reduced to conform to the revised long-term forecast
 - ii. Revenue increases will be considered as appropriate.
5. The City will review contracts and leases, which result in revenues to the City on a timely basis in order to provide for careful evaluation by the City Council.

C. Expenditures

1. The City will propose operating expenditures, which can be supported from ongoing revenues.
 - a. Before the City undertakes any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years.

- b. The City will invest in technology and other efficiency tools to maximize productivity
 - c. The City will hire additional staff only after the need of such positions has been demonstrated and documented.
 - d. The City will strive to pay competitive market level compensation to its employees.
 - e. All compensation planning and collective bargaining will focus on the total cost of compensation, which includes salary, health care benefits, paid leave, pension contribution and other benefits.
2. The City will maintain expenditure categories according to state statute and administrative regulation.
 3. Costs of service will be budgeted and charged to the fund performing the service. Cost allocation methodology will be reviewed and approved in the annual budgeting process.

D. Cash Management and Investments

1. The City's investment policy will be reviewed annually as part of the budget process.
2. The responsibility of investing City funds rests with the City Manager and Finance Director who are to exercise due diligence to adhere to the investment policy. Quarterly (or more frequent) reports will be provided to City Council presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy.
3. Investments shall be made in conformance with the City's investment policy with the primary objectives of:
 - a. Preservation of Capital and protection of Principal
 - b. Maintenance of sufficient liquidity to meet operating needs
 - c. Security of City Funds and investments
 - d. Maximization of return on the portfolio

E. Capital Financing and Debt Management

1. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.
2. Major capital improvement projects will be funded using the most financially prudent method available.
 - a. The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.
3. The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council. The City will diligently monitor its compliance with bond covenants.
4. The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long term debt.
5. The City will use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return.

F. Fund Accounting and Reserve Fund Policies

1. The City will use Governmental Accounting Standards Board (GASB) definitions of fund balance for the annual financial reports (audits) and for all other financial reporting.
2. Fund Descriptions are as follows:
 - a. Governmental Funds
 - i. General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
 - ii. Special Revenue Funds – Used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or other local ordinance to finance particular governmental functions or activities.
 - iii. Capital Projects Funds – Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays
 - iv. Debt Service Funds – Used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future year’s payments.
 - b. Business Activity Funds
 - i. Enterprise Funds (Sewer) – Used to account for the operations of self-supporting governmental activities that render services or goods to the public.
 1. The intent of the City is that the costs of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges.
3. The City will maintain Reserve Fund Balances in an effort to stabilize the City’s fiscal base for unpredictable fluctuations in major revenues, protect against reducing service levels or raising taxes and fees due to revenue shortfalls or unpredicted one-time expenditures, and provide for innovative opportunities for the betterment of the community.
 - a. General Fund Revenue Reserve – The City’s fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The City target is to maintain an unrestricted fund balance of 25% of annual operating expenditures for the fiscal year. This target will:
 - i. Provide liquidity necessary to accommodate the City’s uneven cash flow, which is inherent in its periodic tax collection schedule.
 - ii. Provide approximately three (3) months of operating expenses,
 - iii. Adhere to Government Finance Officers Association (GFOA) recommendation that a minimum General Fund unrestricted fund balance to be maintained of no less than either two (2) months of regular operating revenues or expenditures.
 - iv. Provide liquidity to respond to contingent liabilities.
 - b. Sewer Revenue Reserve – The City target is to maintain a fund balance reserve of ~~17.25%~~ of annual operating expenditures for the fiscal year. This target will:
 - i. Provide approximately ~~two (2)~~three (3) months of operating expenses. ~~which is the same as the bi-monthly billing cycle.~~
 - c. General or Sewer Fund revenues remaining at the end of the City’s fiscal year, unless encumbered, will be allocated to the revenue reserves.
 - i. Additional reserve funds may be established by the City Council based on recommendation of the City Manager such as:

1. Capital Improvement Reserve
 2. Equipment Reserves
 3. Community Fund Reserve
- d. City Council action is required for appropriation of reserves (except replacement reserves).

G. Financial Reporting

1. The City's accounting and financial reports are to be maintained in conformance with Generally Accepted Accounting Practices (GAAP) as applied to governmental units.
2. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion and will present the audit report and discuss audit findings to the City Council. The City encourages the rotation of audit service providers on a periodic basis.
3. A fiscal impact statement will be provided in each staff report submitted to the City Council as part of the City Council agenda process.
4. The City has established Capitalization thresholds as follows:
 - a. Land purchases at any value
 - b. Equipment - \$5,000
 - c. Buildings and facility improvements - \$25,000
 - d. Infrastructure - \$100,000
5. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor.

City of Colfax

City Council

Resolution № __-2021

ADOPTING THE REVISED ADMINISTRATIVE POLICIES AND PROCEDURES – FINANCIAL
POLICIES DATED JUNE 11, 2019

WHEREAS, the Administrative Policies and Procedures were adopted by Resolution 29-2014 in October 2014 revised by Resolution 20-2019 on June 11, 2019; and,

WHEREAS, the Administrative Policies and Procedures stipulate that the policies will be reviewed annually as part of the budget process.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax adopts the revised Administrative Policies and Procedures – Financial Policies will be revised as reflected in the attached summary documents:

1. Financial Policies – Recommended revisions highlighted

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th day of June 2021 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sean Lomen, Mayor

ATTEST:

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR JUNE 9, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Wes Heathcock, City Manager
Subject: Roundabout Monument Sign Concept Approval

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: TBD	Fund(s): 210
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RECOMMENDED ACTION: Discuss and consider approving the Roundabout Design Concept and authorize the City Manager to award the structural engineering to GHD and solicit construction contractors.

Summary

At the March 24, 2021, City Council meeting, Council established a Roundabout Monument Sign Concept Ad hoc committee with Mayor Lomen and Councilman Fatula as its members. Staff with support from Solace Graphics met with the Ad hoc committee on the following dates: April 12, 2021, April 22, 2021, and May 14, 2021. The May 14, 2021, Ad hoc meeting reviewed the final design concepts that would be presented to Council and was approved by the Ad hoc committee members.

In essence, the attached monument design captures the community’s historic railroad identity, while encapsulating the modern branding Council previously approved. Staff is requesting Council discuss the proposed Roundabout Monument Design, and then provide design direction.

If the Roundabout design is approved, staff is also requesting authorization to move forward with the structural engineering and subsequently the solicitation of contractors. Structural engineering cost is \$3,000. The construction contract award would be brought before Council for approval.

Background

The City completed all but one aspect of the Colfax Roundabout Project in May of 2020. The remaining task is to design and install the Monument Sign that will be added to the center of the Roundabout. Solace Graphics has provided a conceptual design to build on. Staff is requesting Council assign two members of Council as the Roundabout Monument Sign Ad hoc committee to work with staff and Solace Graphics.

Fiscal Impacts

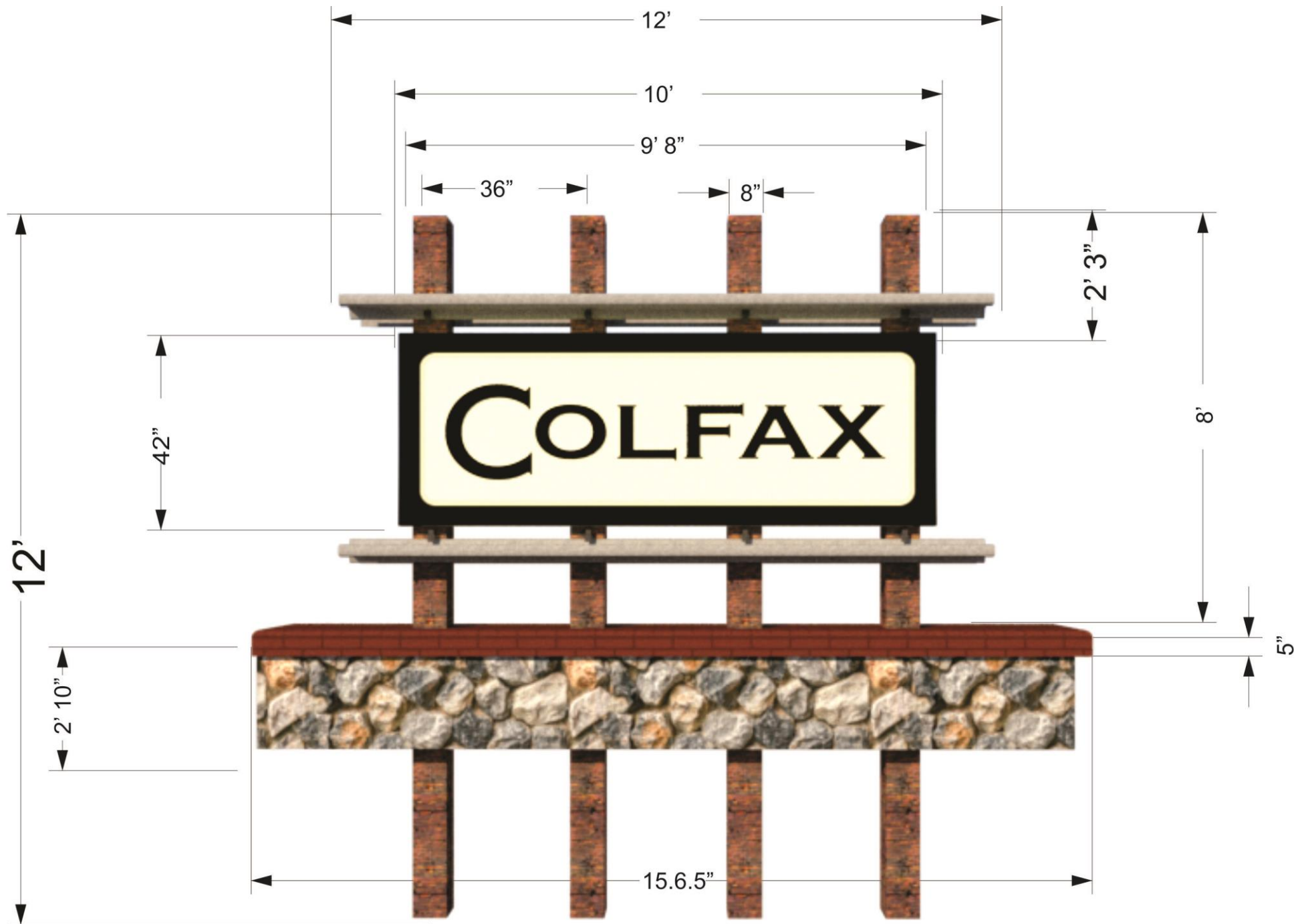
The Roundabout Monument Sign Project will be funded through the restricted Fund 210 road impact fees paid by developers. Road mitigation fees can only be used for improvement projects related to development.

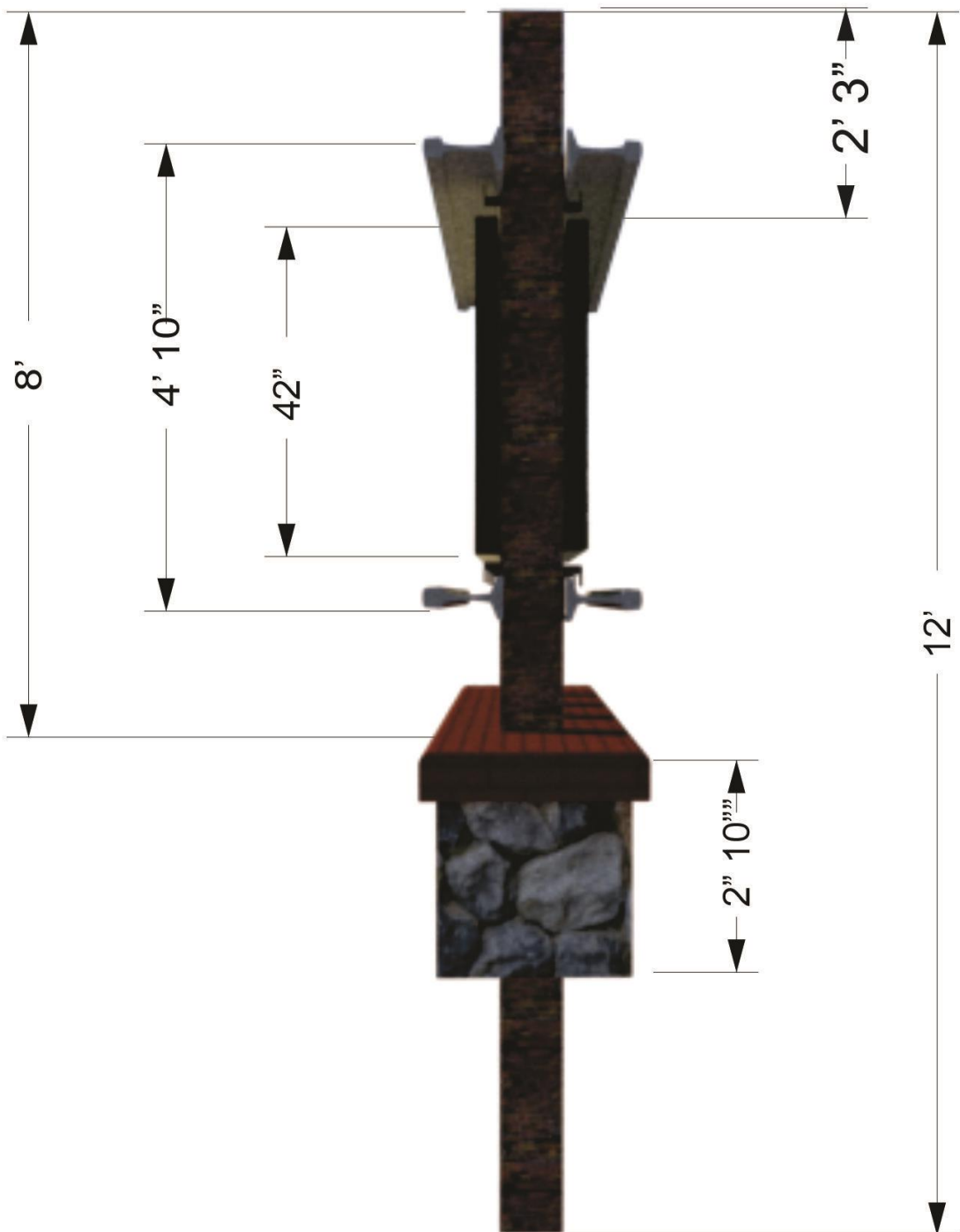
Attachments:

1. Roundabout Monument Sign Design Concept Presentation









Item 9D









