



# CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR STEVE HARVEY • MAYOR PRO TEM TONY HESCH  
COUNCILMEMBERS KIM DOUGLASS • MARNIE MENDOZA • WILL STOCKWIN



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## REGULAR MEETING AGENDA

December 13, 2017

Closed Session 6:00 PM

Regular Session 7:00 PM

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### 1. CALL TO ORDER

- 1A. **Call Meeting to Order**
- 1B. **Roll Call**
- 1C. **Public Comment on Closed Session Item**
- 1D. **Closed Session**
  - 1) Public Employment and Public Employee Performance Evaluation pursuant to Government Code Section 54957. Position Title: City Manager.
  - 2) Conference with Legal Counsel – Existing Litigation pursuant to Government Code §54956.9(d)(1): Berry vs City of Colfax, Placer County Superior Court Case #SCV0040336.

### 2. CALL TO ORDER

- 2A. **Call Open Session to Order**
- 2B. **Report from Closed Session**
- 2C. **Pledge of Allegiance**
- 2D. **Roll Call**
- 2E. **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. PRESENTATION

- 3A. **Pioneer Energy Update**  
Steve Nichols, Board Member Pioneer

### 4. CONSENT CALENDAR

*Matters on the Consent Agenda 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**

- 4A. **Minutes – Regular meeting November 8, 2017**  
**Recommendation:** Approve the Minutes of the Regular Meeting of November 8, 2017.
- 4B. **Cash Summary Report – October 2017**  
**Recommendation:** Receive and file

### 5. PUBLIC COMMENT

*Members of the audience are permitted to address the Council on matters of concern to the public within the subject matter jurisdiction of the City Council that are not listed on this agenda. Please make your comments as brief as possible; not to exceed three (3) minutes in length. The Council cannot act on items not included on this agenda; however, if action is required it will be referred to staff.*



## 6. COUNCIL, STAFF AND OTHER REPORTS

*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.*

- 6A. **Committee Reports and Colfax Informational Items - All Councilmembers**
- 6B. **City Operations Update – City staff**
- 6C. **Additional Reports – Agency partners**

## 7. COUNCIL BUSINESS


- 7A. **Draft Proposed City Manager Contract**  
**Staff Presentation:** Mick Cabral, City Attorney  
**Recommendation:** Review the proposed draft city manager contract, receive any public comment, amend as appropriate, and adopt Resolution 54-2017 authorizing the execution of an employment agreement with Wes Heathcock to serve as Colfax City Manager.
- 7B. **City of Colfax – Unfunded Pension Liability**  
**Staff Presentation:** Laurie Van Groningen, Finance Director  
**Recommendation:** Receive update and direct staff as appropriate.
- 7C. **Mitigation Impact Fees**  
**Staff Presentation:** Laurie Van Groningen, Finance Director  
**Recommendation:** Receive update and direct staff as appropriate.
- 7D. **Rotation of City Council Officers: Mayor and Mayor Pro Tem**  
**Staff Presentation:** Mick Cabral, City Attorney  
**Recommendation:** By separate motions, select Mayor and Mayor Pro Tem

## 8. GOOD OF THE ORDER - INFORMAL COUNCIL STATEMENTS REGARDING THE BUSINESS OF THE CITY

Informal 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.

## 9. ADJOURNMENT

I, Lorraine Cassidy, City Clerk for the City of Colfax declare that this agenda was posted at Colfax City Hall and the Colfax Post Office. The agenda is also available on the City website at [www.Colfax-ca.gov](http://www.Colfax-ca.gov).

  
Lorraine Cassidy, City Clerk

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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.  
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City of Colfax  
 City Council Minutes  
 Regular Meeting of Wednesday, November 8, 2017  
 City Hall Council Chambers  
 33 S. Main Street, Colfax CA

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## 1 OPEN SESSION

### 1A. **Call to Order**

Mayor Harvey called the meeting to order at 7:00PM.

### 1B. **Pledge of Allegiance**

Battalion Chief Landon Haack, CalFire and Colfax Volunteer Fire Department, led the Pledge of Allegiance.

### 1C. **Roll Call**

Council members present: Douglass, Harvey, Mendoza, Stockwin

Council member absent: Hesch

### 1D. **Approval of Agenda Order**

On a motion by Councilmember Stockwin, seconded by Councilmember Douglass, the City Council approved the agenda order.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

## 2 CONSENT CALENDAR

### 2A. **Minutes - Regular Meeting October 25, 2017**

**Recommendation:** Approve the Minutes of the Regular Meeting of October 25, 2017.

### 2B. **Hach Supply Contract Renewal**

**Recommendation:** Adopt Resolution 48-2017 authorizing continuation of the contract with Hach Services for Maintenance of the UVAS sensor and Wastewater Treatment Plant supplies for 2018.

### 2C. **Pond 1 Levee Project Rejection of Bids**

**Recommendation:** Adopt Resolution 49-2017 authorizing the Interim City Manager to reject all bids received on November 1, 2017 for the construction of the Wastewater Treatment Plant Pond 1 Levee Project and directing the City Engineer to re-bid the Project.

Councilmember Stockwin asked to pull Items 2A and 2B from the Consent Calendar.

On a motion by Councilmember Stockwin, seconded by Councilmember Douglass, Council approved Item 2C of the Consent Calendar.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

Item 3A: Minutes of the Regular Meeting of October 25, 2017

Councilmember Stockwin stated the minutes did not include the recess which occurred at the end of the Public Hearing for the second reading of Ordinance 534 – Cannabis Regulations. He stated that the outburst which caused the recess was picked up by both in-state and out-of-state media outlets and should be included in the minutes. He provided the following statement to

amend the minutes, “The meeting was briefly recessed to restore order following a profane outburst from councilman Hesch.”

City Clerk Cassidy explained the incident was not included in the minutes as presented because the conflict with a member of the audience did not affect the decision of Council.

Councilmember Stockwin reiterated that because this was in the news it should be recorded in the minutes.

On a motion by Councilmember Stockwin, seconded by Councilmember Douglass, Council approved amending the minutes of the October 25, 2017 meeting as suggested.

**AYES:** Douglass, Mendoza, Stockwin

**NOES:** Harvey

**ABSENT:** Hesch

### Item 3B. Hach Contract Renewal

Councilmember Stockwin requested staff spell out the meaning of all acronyms when they are introduced in staff reports.

Interim City Manager Heathcock stated spelling acronyms has been the standard practice for staff reports, so there must have simply been an oversight in this particular staff report.

On a motion by Councilmember Stockwin, seconded by Councilmember Mendoza, Council adopted Resolution 48-2017 authorizing continuation of the contract with Hach Services for Maintenance of the UVAS sensor and Wastewater Treatment Plant supplies for 2018.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

## 3 PUBLIC COMMENT

*Foxy McCleary, 127 Saunders Lane*

- Ms. McCleary announced the VFW will hold a ceremony in September 2018 since the Veteran’s Day event for 2017 was cancelled.

*Larry Hillberg, 255 J Street*

- Mr. Hillberg stated the words people use make a difference in people’s attitude. Homeless people are sometimes referred to as transients. Most of the homeless in Colfax are not transient –not just passing through the area – they are homegrown. ‘Transient’ implies we have no obligation to assist the homeless because they won’t be here long. Since the homeless aren’t here temporarily we should use the correct term.

*Bill Roach, Humane society*

- Mr. Roach stated he is a new representative in the area for the Humane Society and will respond to complaints about animal abuse and neglect. The Society can be reached at 916-633-8388 or [broach@animalplace.com](mailto:broach@animalplace.com).

## 4 COUNCIL, STAFF, AND OTHER REPORTS

### 4A. Committee Reports and Colfax Informational Items – All Councilmembers

*Councilmember Mendoza*

- Councilmember Mendoza attended the Winterfest fundraiser and the Fall Festival. Both were great events.
- She thanked the Colfax Garden Club and public works staff for trimming the vegetation in the traffic islands which had been obstructing traffic visibility.

- She mentioned a few residents, including Councilmember Douglass, were repairing the Sierra Vista Community Center roof.

*Councilmember Stockwin*

- Councilmember Stockwin attended the Winterfest fundraiser, and the Coffee with Supervisor Montgomery.
- He announced the 'Bear River' group will be meeting in Auburn on Wednesday from 12:30PM-2:30PM.
- He gave a seasonal update on rainfall – this season's rainfall total is 2.3 inches.

*Councilmember Douglass*

- Councilmember Douglass attended the City/County Officials Dinner, the Colfax Elementary School Veterans Day program, the Winterfest fundraiser, and the Coffee with Supervisor Montgomery.
- He represented the City on the Board for Pioneer Energy, the JPA which will be able to provide as much as 6% savings on energy bills by April 2018.
- He reminded everyone the Coffee with Supervisor Montgomery is open to everyone with a new time – 11:00AM on the second Wednesday of the month at Café Luna.

*Mayor Harvey*

- Mayor Harvey stated the pending resignation of Mayor Pro Tem Hesch will create vacancies on boards and committees. Mayor Harvey is alternate on both Placer County Transportation Agency and Air Quality Control boards and will begin attending those meetings. He asked Councilmember Stockwin to serve on the Land Use/New Development Strategies Ad Hoc Committee. Councilmember Stockwin agreed.
- He stated he had recently learned the Sewer Lateral Ordinance may be causing undue hardship on property owners when it is applied to properties with a shared private lateral. He would like this issue to be addressed and placed on the agenda to correct the problem with the ordinance. City Attorney Cabral stated staff will look at the ordinance and bring it back to Council before June 2018.

**4B. City Operations – City Staff**

*Interim City Manager Heathcock*

- Interim City Manager Heathcock reported the CDBG project is moving forward. Councilmember Douglass and a resident have offered to help with the survey. He thanked Jim Bowers for his help with images to include in the packet which has been submitted to the federal agency.
- He attended the Lioness Club meeting to discuss their plans to donate \$4500 towards the purchase of tables and barbeques for the Lion's Club Park area. The Lions Club may also participate and the City has mitigation fee funds which could be used if required.
- The Rising Sun Pavement Project is in the design phase and should go to bid in February.

#### 4C. **Additional Reports – Agency Partners**

*Officer Chris Nave, California Highway Patrol Gold Run Public Information Officer*

- Officer Nave will be conducting a winter safety driving course in conjunction with Caltrans on December 3<sup>rd</sup> at the Bass Pro Shop in Rocklin to teach drivers how to handle ice, snow and winter storms.
- Colfax High School will have an 'Every 15 Minutes' program which demonstrate the dangers of drunk-driving to students by re-enacting a fatal drunk driving accident. The program is scheduled for February 15<sup>th</sup> and 16<sup>th</sup> next year.
- CHP's Toys for Kids toy drive will be underway soon.
- Thanksgiving is a Maximum Enforcement Period. Be careful during the holiday.

Mayor Harvey mentioned the need for more signs over the I-80 pass stating the 30 mph speed limit during snowy conditions. Officer Nave agreed.

Interim City Manager Heathcock thanked Officer Nave for gathering the volunteers to help with putting together the bleachers at the ballpark.

*Landon Haack, Battalion Chief Colfax Fire Department, CALFire.*

- Chief Haack reported the new rescue vehicle is being outfitted with equipment.
- The grant resolution for fire equipment has been submitted to the State.
- He is coordinating with the County to include maintenance of fire trucks in our contract.

Mayor Harvey asked how the process for clearing the Landfill and Wastewater Treatment Plant is coming. Chief Haack explained it is a slow process and may take up to a year from the date of the application.

*Sergeant Ty Conners, Colfax Substation Commander Placer County Sheriff*

- Sergeant Conners stated he has distributed the October report regarding Colfax area calls for service. Three hundred and thirty calls were from within the City limits.

*Frank Klein, President of the Colfax Chamber of Commerce*

- Mr. Klein reported the Winterfest fundraiser with wonderful food provided by Paul Raj and family netted \$1000.
- The Chamber hopes everyone will be able to come and enjoy Winterfest on December 9<sup>th</sup> from 4:30PM-8:30PM. Santa will be at the Depot, the Mayor will light the tree, and there will be fireworks. The Soroptomist will have their soup kitchen at the Sierra Vista Community Center.
- Mr. Klein asked if the City would give the usual \$500 in support of the event. Interim City Manager Heathcock stated this is in the budget and the Council assented to the distribution of funds.

## 5 **PUBLIC HEARING**

### 5A. **Mitigation Impact Fees**

**STAFF PRESENTATION:** Laurie Van Groningen, Finance Director

**RECOMMENDATION:** Conduct a Public Hearing, review the Annual Report, consider public and staff comments, accept report and adopt Resolution 50-2017: Accepting and Approving the Annual AB 1600 Mitigation Fee Report and Making Findings Pursuant to Colfax Municipal Code Chapter 3.56 and the Mitigation Fee Act (Government Code §66000 Et Seq).



Finance Director Van Groningen explained this is the standard annual report indicating funds received from developers to mitigate their impacts on the community and the distribution of those funds for projects.

Council asked for information regarding how those fees are set and how they can be redistributed.

City Attorney Cabral stated changing the fee structure requires a complex study and a Prop 218 process.

Interim City Manager Heathcock stated the Mayor has asked staff to present an analysis regarding mitigation fee percentages at the next Council Meeting.

There was no public comment.

Mayor Harvey closed the Public Hearing at 7:54PM.

On a motion by Councilmember Stockwin, seconded by Councilmember Mendoza, Council adopted Resolution 50-2017 accepting and approving the Annual AB 1600 Mitigation Fee Report and making findings pursuant to Colfax Municipal Code Chapter 3.56 and the Mitigation Fee Act (Government Code §66000 Et Seq).

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

## **6 COUNCIL BUSINESS**

### **6A. Engineering Design Services for S. Auburn St and I-80 Roundabout Project**

**STAFF PRESENTATION:** Dane Schilling, City Engineer

**RECOMMENDED ACTION:** Adopt Resolution 51-2017 authorizing the Interim City Manager to execute an agreement with Omni-Means for Engineering Design on the S. Auburn St. and I-80 Roundabout Project in an amount not to exceed \$326,034, contingent upon Caltrans approval of the Architect and Engineering Procurement Process.

Engineer Schilling explained the Roundabout funding has been promised by the State and PCTPA. The first step for the project is the engineering design. The City advertised a Request for Proposals (RFP) and received two responses. The selection committee reviewed qualifications and selected Omni-Means to perform the design. The City negotiated an acceptable fee to design the roundabout, coordinate with Caltrans, obtain utility easements and other preliminary actions. Ross Ainsworth with Omni-Means is here to represent his company.

Council asked a few clarifying questions.

Jim Dion, area resident, asked if the project could extend to opening a connection with Railroad Ave. Engineer Schilling explained that is not within the scope of this project.

On a motion by Councilmember Mendoza, seconded by Councilmember Stockwin, Council adopted Resolution 51-2017 authorizing the Interim City Manager to execute an agreement with Omni-Means for Engineering Design on the S. Auburn St. and I-80 Roundabout Project in an amount not to exceed \$326,034, contingent upon Caltrans approval of the Architect and Engineering Procurement Process.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

**6B. Pavement Management Plan Update.**

**STAFF PRESENTATION:** Travis Williams, Construction Manager for Coastland Engineering

**RECOMMENDED ACTION:** For information only.

Mr. Williams explained there are three components to the Pavement Management Plan – evaluate street segments to compile lists of street segments in similar condition, conduct field inspections to determine the actual extent of repair needed, and compile information into a database. The engineers are finishing the second component next week and will begin working with the database soon.

**6C. Wastewater Treatment Plant Laboratory Services**

**Staff Presentation:** Wes Heathcock, Interim City Manager

**Recommendation:** Adopt Resolution 52-2017 authorizing the Interim City Manager to enter into a Contract Agreement with 49er Water Services for Laboratory Services for Fiscal Year 2017/18 with an option to extend the contract in years two and three.

Interim City Manager Heathcock explained the laboratory testing services are mandated by the State Water Board to ensure compliance of the Wastewater Treatment Plant processes. The firm that has been contracted to perform the services lost their certification, so the Chief Plant Operator, Chris Clardy put out an RFP for Laboratory Services and received 3 proposals. Staff selected 49er Water Services and requests authorization to enter into a contract with the firm with an option to extend the contract in years two and three.

Councilmember Mendoza asked if the rates were subject to increase in years two and three of the contract. Interim City Manager Heathcock stated the rates are set for the entire three years and won't change.

Mayor Harvey stated Chief Plant Operator Clardy did a good job and should be commended.

There was no public comment.

On a motion by Councilmember Stockwin, seconded by Councilmember Douglass, Council adopted Resolution 52-2017 authorizing the Interim City Manager to enter into a contract agreement with 49er Water Services for Laboratory Services for Fiscal Year 2017/18 with an option to extend the contract in years two and three.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

**6D. Employee Benefit Offering – Flexible Spending Accounts**

**Staff Presentation:** Lorraine Cassidy, City Clerk

**Recommendation:** Adopt Resolution 53-2017 authorizing the Interim City Manager to execute an agreement with Basic Pacific to administer Flexible Spending Accounts on the behalf of City Employees.

City Clerk Cassidy stated this benefit will enhance the benefits package Council approved earlier this year. The Flexible Spending Account programs allow employees to create pretax spending accounts for certain medical expenses or for childcare. The program costs are minimal and usually offset by payroll savings. The funds are “use it or lose it”, which creates a risk for employees who may have the funds deducted and not use them by the end of the year. The City also has a slight risk because an employee may spend the funds before they are deducted. If the employee then leaves employment before the end of the year, the City will not be reimbursed for the difference. To minimize the risk to the City, staff recommends limiting the deduction amount to \$2000.



Mayor Harvey asked for more explanation regarding the risk to the City.

Finance Director Van Groningen responded it is rare for the employer to end up with a deficit. The amount we allow for deductions can change each year.

Sharon Conners, Milk Ranch Road resident, stated it is a standard benefit and City employees should have it.

Council agreed.

On a motion by Councilmember Mendoza, seconded by Councilmember Douglass, Council adopted 53-2017 authorizing the Interim City Manager to execute an agreement with Basic Pacific to administer Flexible Spending Accounts on the behalf of City Employees.

**AYES:** Douglass, Harvey, Mendoza, Stockwin

**ABSENT:** Hesch

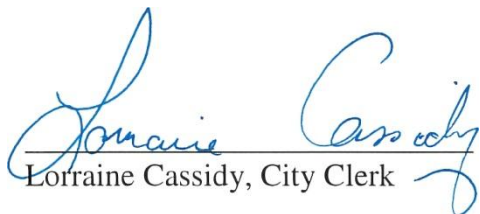
**7 GOOD OF THE ORDER – INFORMAL COUNCIL STATEMENTS REGARDING THE BUSINESS OF THE CITY**

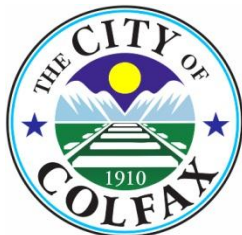
Councilmember Douglass confirmed this will be the last meeting in November and the next meeting will be December 13, 2017.

**8 ADJOURNMENT**

As there was no further business on the agenda, Mayor Harvey adjourned the meeting at 8:19PM.

Respectfully submitted to City Council this 13<sup>th</sup> day of December, 2017

  
Lorraine Cassidy, City Clerk



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE DECEMBER 13, 2017 COUNCIL MEETING

**FROM:** Wes Heathcock, Interim City Manager  
**PREPARED BY:** Laurie Van Groningen, Finance Director  
**DATE:** November 16, 2017  
**SUBJECT:** City of Colfax Cash Summary Report: October 2017

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Accept and file City of Colfax Cash Summary Report: October 2017.

### BACKGROUND AND ANALYSIS:

These monthly financial reports include 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 the reports is to provide 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 October 2017. Monthly highlights include:

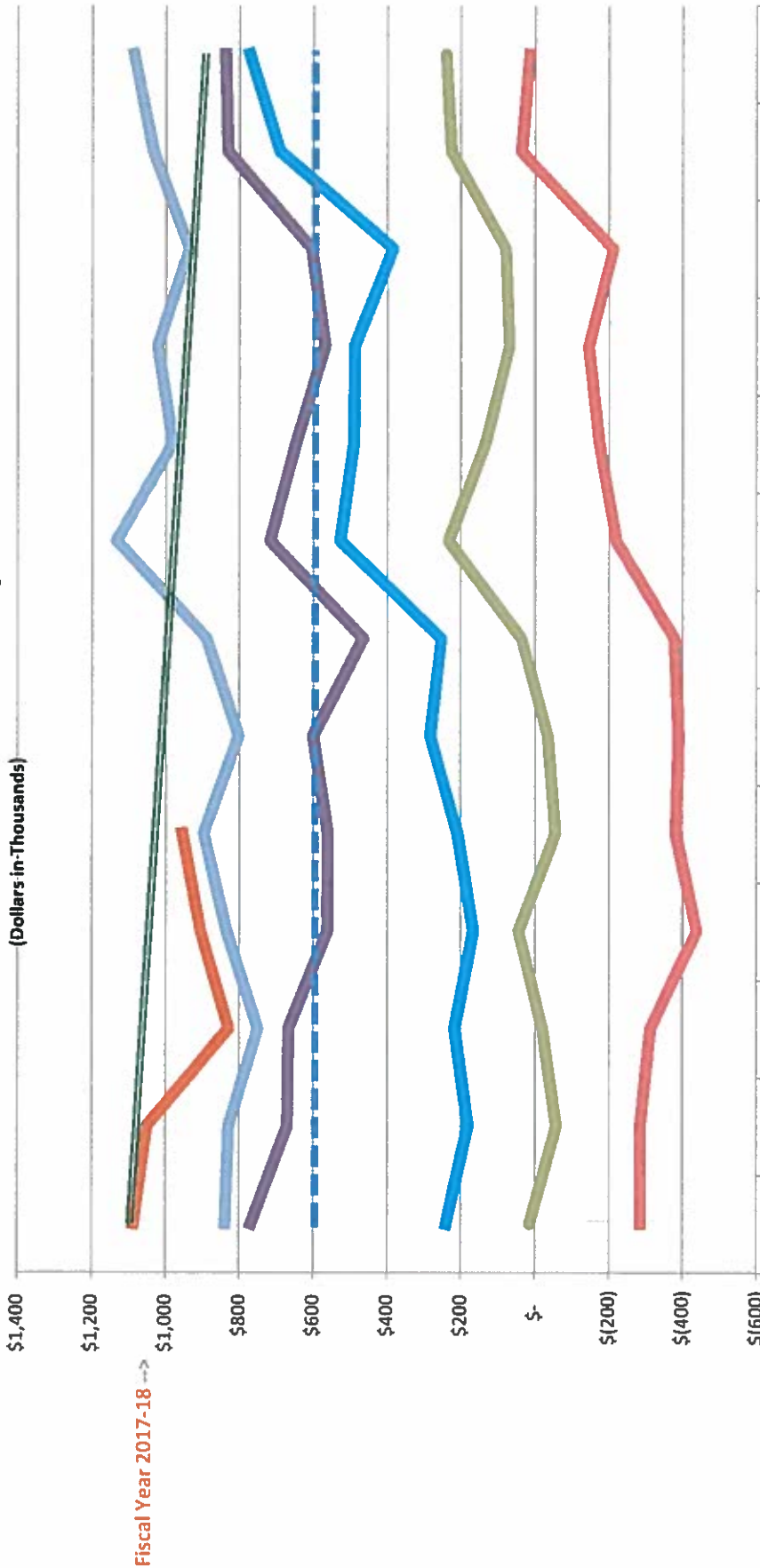
- Negative cash fund balances in Special Revenues and Capital project funds are due to timing of funding allocations and reimbursements.
  - Fund 250 – Streets & Roads – Fiscal year funding (via PCTPA) is generally requested and approved in 2<sup>nd</sup> quarter of fiscal year. Actual funding generally begins in 3<sup>rd</sup> quarter with final receipts in final quarter of the fiscal year.
  - Fund 292 – Fire Capital – Represents “loan” from General fund until Strike team revenues and possible USDA grant funding are received.
  - Fund 370 – Capital Funds – The first reimbursement was received for project to date costs during March. The next/final request is anticipated to be filed in November. Note: Construction costs for this project in the amount of \$229K were expended in August.

- Expenses for October included:
    - Annual payment on loan with State Water Board - \$438K
    - Final payment on new Fire Rescue vehicle - \$122K
    - Purchase of Hot Box Trailer - \$33K
    - Quarterly Workers Compensation premiums - \$14K
- 

**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)

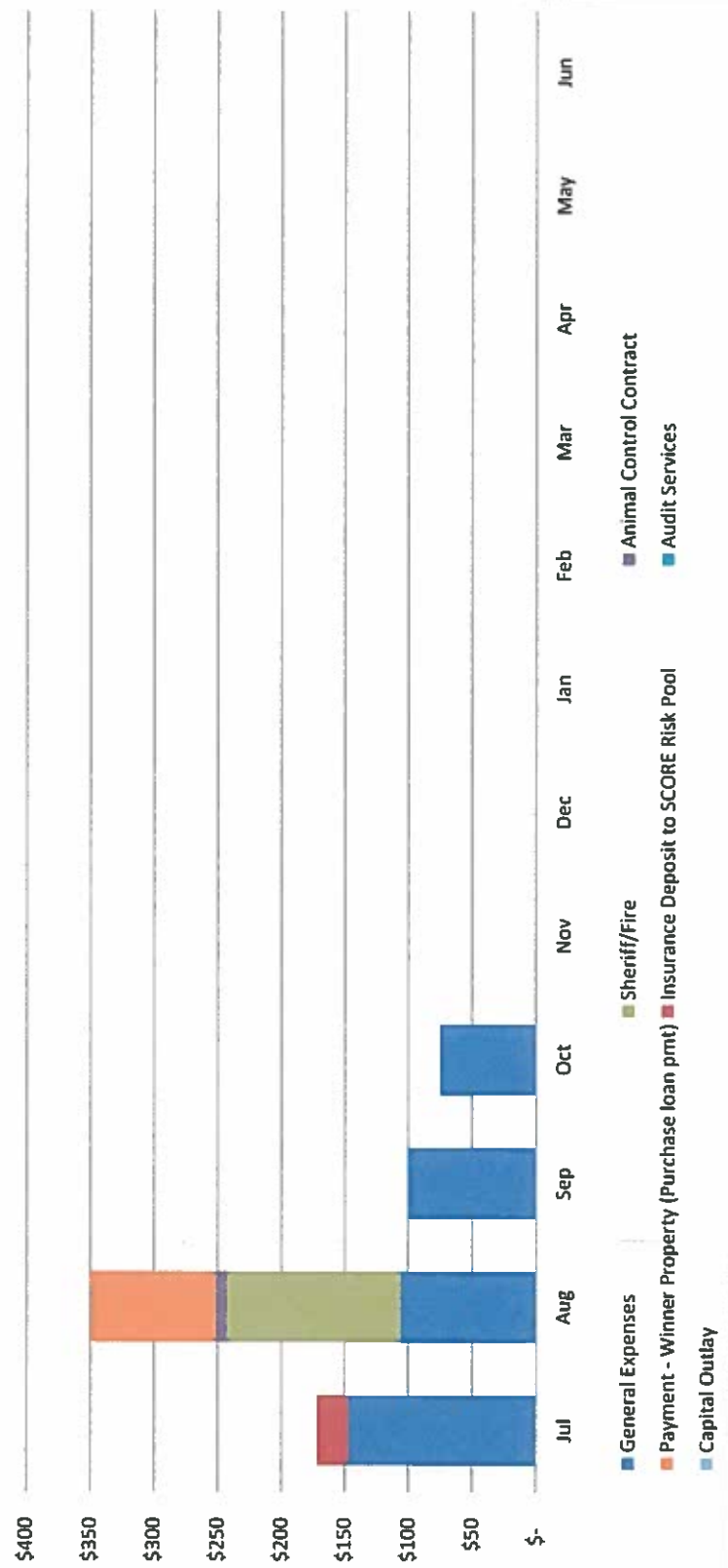
## City of Colfax - October 2017 General Fund Reserved Cash Analysis



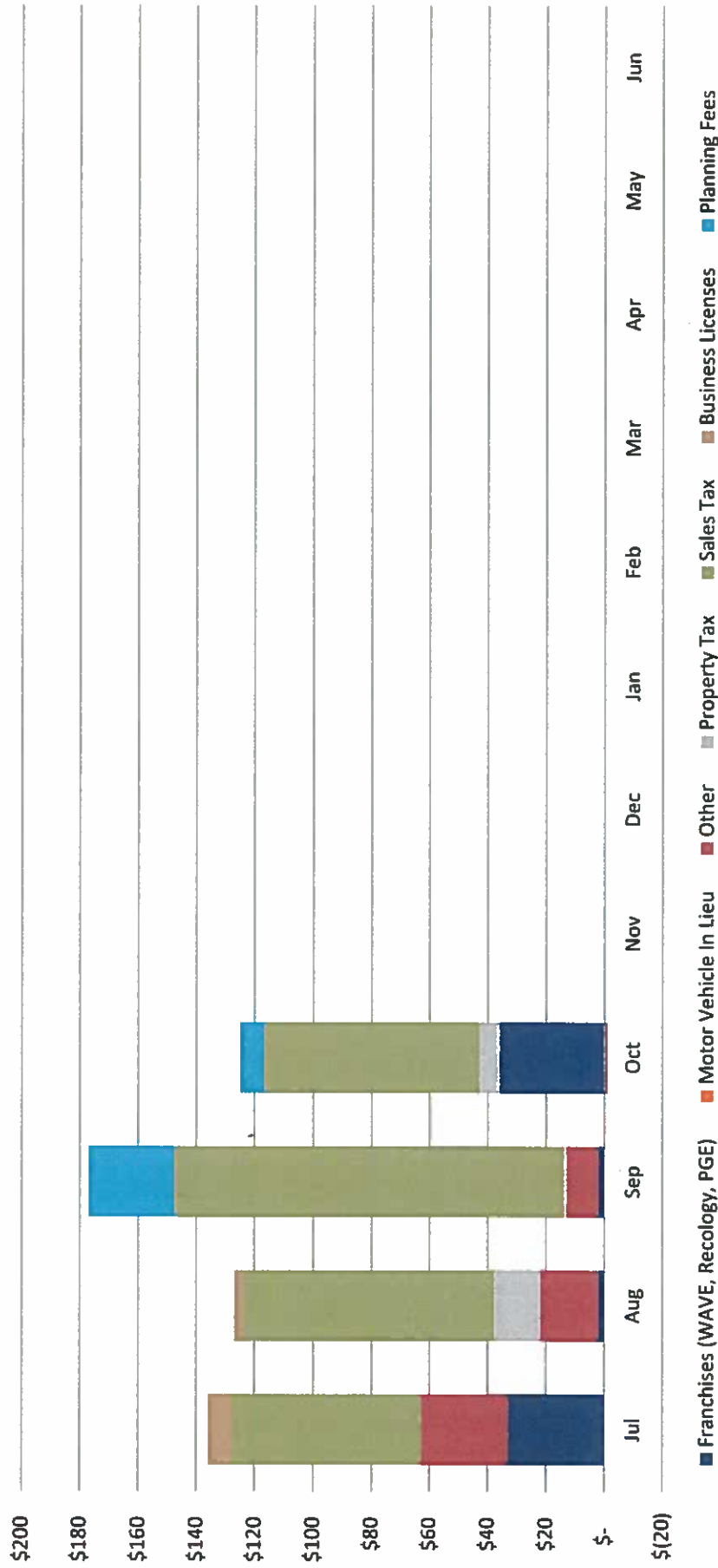
	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2017-18	\$1,086	\$1,050	\$828	\$905	\$954	\$802	\$889	\$1,133	\$981	\$1,022	\$938	\$1,034	1086
Cash Balance FY2016-17	\$838	\$829	\$750	\$835	\$897	\$601	\$466	\$717	\$647	\$569	\$605	\$831	838
Cash Balance FY2015-16	\$768	\$670	\$666	\$562	\$561	\$284	\$253	\$528	\$491	\$489	\$385	\$691	773
Cash Balance FY2014-15	\$240	\$181	\$217	\$167	\$209	\$(34)	\$36	\$233	\$134	\$69	\$79	\$225	240
Cash Balance FY2013-14	\$15	\$(57)	\$(20)	\$45	\$(55)	\$(391)	\$(380)	\$(221)	\$(173)	\$(144)	\$(212)	\$37	15
Cash Balance FY2012-13	\$(287)	\$(286)	\$(314)	\$(438)	\$(383)	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595
*Reserves (Ops, Cap, Pen)	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595
Budget FY2017-18	\$1,096	\$1,079	\$1,062	\$1,045	\$1,028	\$1,011	\$994	\$977	\$960	\$943	\$926	\$909	\$892

\*City Administrative policy stipulates General Fund Reserve of 25% (3 months) of annual General Fund Revenues.

### City of Colfax - October 2017 General Fund Reserved Cash - Expenses by Month (Dollars in Thousands)



### City of Colfax - October 2017 General Fund Reserved Cash - Revenues by Month (Dollars in Thousands)





City of Colfax  
Cash Summary  
October 31, 2017

	Balance 09/30/2017	Revenues In	Expenses Out	Transfers	Balance 10/31/2017
US Bank	\$ 261,424.55	\$ 328,121.98	\$ (774,730.40)	\$ 475,000.00	\$ 289,816.13
LAIF	\$ 3,754,752.60	\$ 10,602.94		\$ (475,000.00)	\$ 3,290,355.54
Total Cash - General Ledger	\$ 4,016,177.15	\$ 338,724.92	\$ (774,730.40)	\$ -	\$ 3,580,171.67
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	\$ 4,016,477.15	\$ 338,724.92	\$ (774,730.40)	\$ -	\$ 3,580,471.67

Change in Cash Account Balance - Total \$ (436,005.48)

Attached Reports:

1. Cash Transactions Report (By Individual Fund)	
2. Check Register Report (Accounts Payable)	\$ (687,014.01)
3. Cash Receipts - Daily Cash Summary Report	\$ 196,272.54
Payroll Checks and Tax Deposits	\$ (86,394.42)
Utility Billings - Receipts	\$ 130,622.42
Service Charge/Adj/Voids	\$ (94.95)
LAIF Interest	\$ 10,602.94
	<u>\$ (436,005.48)</u> \$

Prepared by: Laurie Van Groningen 11/15/17  
Laurie Van Groningen, Finance Director

Reviewed by: Wes Heathcock  
Wes Heathcock, Interim City Manager

## City of Colfax

## Cash Transactions Report - October 2017

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
<b>Fund Type: 1.11 - General Fund - Unassigned</b>				
Fund: 100 - General Fund	\$ 1,055,005.14	\$ 102,307.26	\$ (74,699.82)	\$ 1,082,612.58
Fund: 120 - Land Development Fees	\$ 22,470.32	\$ 7,760.00	\$ (1,036.55)	\$ 29,193.77
Fund: 570 - Garbage Fund	\$ (171,610.91)	\$ 14,034.70	\$ -	\$ (157,576.21)
<b>Fund Type: 1.11 - General Fund - Unassigned</b>	<b>\$ 905,864.55</b>	<b>\$ 124,101.96</b>	<b>\$ (75,736.37)</b>	<b>\$ 954,230.14</b>
<b>Fund Type: 1.14 - General Fund - Restricted</b>				
Fund: 571 - AB939 Landfill Diversion	\$ 29,317.26	\$ -	\$ (1,200.00)	\$ 28,117.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 777,270.06	\$ 20,290.72	\$ (5,002.42)	\$ 792,558.36
<b>Fund Type: 1.14 - General Fund - Restricted</b>	<b>\$ 806,587.32</b>	<b>\$ 20,290.72</b>	<b>\$ (6,202.42)</b>	<b>\$ 820,675.62</b>
<b>Fund Type: 1.24 - Special Rev Funds - Restricted</b>				
Fund: 210 - Mitigation Fees - Roads	\$ 23,908.43	\$ 64.53	\$ -	\$ 23,972.96
Fund: 211 - Mitigation Fees - Drainage	\$ 3,071.01	\$ 7.99	\$ -	\$ 3,079.00
Fund: 212 - Mitigation Fees - Trails	\$ 43,023.58	\$ 111.93	\$ -	\$ 43,135.51
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 98,525.35	\$ 256.31	\$ -	\$ 98,781.66
Fund: 214 - Mitigation Fees - City Bldgs	\$ -	\$ -	\$ -	\$ -
Fund: 215 - Mitigation Fees - Vehicles	\$ -	\$ -	\$ -	\$ -
Fund: 217 - Mitigation Fees - DT Parking	\$ 26,817.37	\$ 69.77	\$ -	\$ 26,887.14
Fund: 218 - Support Law Enforcement	\$ (25,000.00)	\$ 51,340.35	\$ -	\$ 26,340.35
Fund: 244 - CDBG Program Inc - ME Lending	\$ 207,334.65	\$ 1,538.50	\$ -	\$ 208,873.15
Fund: 250 - Streets - Roads/Transportation	\$ (50,041.36)	\$ 114.00	\$ (48,535.78)	\$ (98,463.14)
Fund: 253 - Gas Taxes	\$ 6,101.70	\$ 4,423.45	\$ (1,552.29)	\$ 8,972.86
Fund: 270 - Beverage Container Recycling	\$ 17,961.27	\$ 46.73	\$ -	\$ 18,008.00
Fund: 280 - Oil Recycling	\$ 2,191.75	\$ 5.72	\$ (37.24)	\$ 2,160.23
Fund: 292 - Fire Department Capital Funds	\$ 92,680.83	\$ 241.10	\$ (124,556.79)	\$ (31,634.86)
Fund: 342 - Fire Construction - Mitigation	\$ 2,446.11	\$ 6.37	\$ -	\$ 2,452.48
Fund: 343 - Recreation Construction	\$ 2,446.57	\$ 6.37	\$ -	\$ 2,452.94
<b>Fund Type: 1.24 - Special Rev Funds - Restrict</b>	<b>\$ 451,467.26</b>	<b>\$ 58,233.12</b>	<b>\$ (174,682.10)</b>	<b>\$ 335,018.28</b>
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>				
Fund: 300 - Capital Projects - General	\$ 5,010.78	\$ 13.04	\$ -	\$ 5,023.82
Fund: 370 - North Main Street Bike Route	\$ (218,546.81)	\$ -	\$ (368.93)	\$ (218,915.74)
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>	<b>\$ (213,536.03)</b>	<b>\$ 13.04</b>	<b>\$ (368.93)</b>	<b>\$ (213,891.92)</b>
<b>Fund Type: 2.11 - Enterprise Funds - Unassigned</b>				
Fund: 560 - Sewer	\$ 617,733.98	\$ 87,103.81	\$ (64,284.70)	\$ 640,553.09
Fund: 561 - Sewer Liftstations	\$ 378,643.09	\$ 12,390.28	\$ (14,482.08)	\$ 376,551.29
Fund: 563 - Wastewater Treatment Plant	\$ 576,875.93	\$ 36,081.46	\$ (438,973.80)	\$ 173,983.59
Fund: 564 - Sewer Connections	\$ 41,080.00	\$ -	\$ -	\$ 41,080.00
Fund: 565 - General Obligation Bond 1978	\$ 2,247.76	\$ -	\$ -	\$ 2,247.76
Fund: 567 - Inflow & Infiltration	\$ 449,213.29	\$ 510.53	\$ -	\$ 449,723.82
<b>Fund Type: 2.11 - Enterprise Funds - Unassign</b>	<b>\$ 2,065,794.05</b>	<b>\$ 136,086.08</b>	<b>\$ (517,740.58)</b>	<b>\$ 1,684,139.55</b>
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>				
Fund: 998 - PAYROLL CLEARING FUND	\$ -	\$ -	\$ -	\$ -
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals:</b>	<b>\$ 4,016,177.15</b>	<b>\$ 338,724.92</b>	<b>\$ (774,730.40)</b>	<b>\$ 3,580,171.67</b>

Check Register Report

ITEM 4B

Checks Processed Oct 2017

Date: 8 of 11  
11/16/2017

Time: 2:33 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
52958	10/02/2017	Reconciled		01121	3FOLD COMMUNICATIONS	RRG OUTREACH 2017/18 CAMPAIGN	1,200.00
52959	10/02/2017	Reconciled		04165	DANCKERT COMMUNICATION CO.	CITY HALL PHONES	440.00
52960	10/02/2017	Reconciled		05221	EOSI - ENVIRONMENT OPERATING	WWTP CHEMICALS	4,892.98
52961	10/02/2017	Reconciled		06410	FIRE SUPPLY DEPOT	CABOOSE FIRE EXT COVER	37.95
52962	10/02/2017	Reconciled		06278	FRONTIER COMMUNICATIONS	WWTP PHONE SVC	180.43
52963	10/02/2017	Reconciled		07200	GENERAL PLUMBING SUPPLY	IRRIGATION SUPPLY	12.27
52964	10/02/2017	Reconciled		08050	HACH COMPANY	WWTP LAB SUPPLIES	565.00
52965	10/02/2017	Reconciled		08660	HUNT AND SONS, INC.	FIRE DEPT FUEL	490.61
52966	10/02/2017	Reconciled		09455	INLAND BUSINESS SYSTEMS	COPY MACH MAINTENANCE	643.94
52967	10/02/2017	Reconciled		23101	LARRY WALKER ASSOCIATES	POND 3 UPDATE	1,655.74
52968	10/02/2017	Reconciled		12180	LAWRENCE & ASSOCIATES INC	AUG 2017 MONITORING SVC	270.00
52969	10/02/2017	Reconciled		14356	NORTHERN CALIFORNIA GLOVE	SAFETY SUPPLIES	112.45
52970	10/02/2017	Reconciled		16140	PLACER COUNTY AIR POLLUTION	PER CAPITA ASSESSMENT 2017	1,035.00
52971	10/02/2017	Reconciled		18580	ROSENBAUER SOUTH DAKOTA LLC	NEW RESCUE VEHICLE	122,383.99
52972	10/02/2017	Reconciled		18883	SAC-VAL JANITORIAL SUPPLY	CLEANING SUPPLIES	500.81
52973	10/02/2017	Reconciled		19695	STATE WATER RESOURCES CONTROL	SRF FINANCING AGMT CONTRACT	438,973.80
52974	10/02/2017	Reconciled		19743	WILL STOCKWIN	LOCC MEETING TRAVEL EXP	109.50
52975	10/02/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	RR DEPOT PHONE	13.64
52976	10/02/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	FIRE DEPT PHONE	28.13
52977	10/02/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONES	190.90
52978	10/02/2017	Reconciled		23237	WHITLEY & SONS CUSTOM SIGNS	VEHICLE LOGOS	300.30
52979	10/06/2017	Reconciled		03141	CALPERS	OCT 2017 HEALTH PREMIUMS	9,351.35
52980	10/10/2017	Reconciled		01448	AMERIGAS - COLFAX	FIRE DEPT PROPANE	20.44
52981	10/10/2017	Reconciled		01448	AMERIGAS - COLFAX	SHERIFF DEPT PROPANE	17.06
52982	10/10/2017	Reconciled		01460	AMERIPRIDE UNIFORM SERVICE	STMT 9/30/17	512.49
52983	10/10/2017	Reconciled		01500	ANDERSON'S SIERRA	PARK RESTROOMS	22.52
52984	10/10/2017	Reconciled		02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 09/24/17	1,366.40
52985	10/10/2017	Reconciled		03121	CALIFORNIA BUILDING	BUILDING FEE REPORT Q3 2017	70.20
52986	10/10/2017	Reconciled		3158	CARROT-TOP INDUSTRIES, INC.	CITY FLAGS	212.99
52987	10/10/2017	Reconciled		03173	LORRAINE CASSIDY	NOTARY CLASS REIMBURSEMENT	164.00
52988	10/10/2017	Reconciled		03511	COLFAX GARDEN CLUB	PLANT SALE EVENT REIMBURSEMENT	100.00
52989	10/10/2017	Reconciled		04253	DEPARTMENT OF GENERAL SERVICES	SB1186 FEES Q3 2017	53.40
52990	10/10/2017	Reconciled		07200	GENERAL PLUMBING SUPPLY	SPLASH PARK	151.18
52991	10/10/2017	Reconciled		07220	GENERAL WHOLESALE ELECTRIC	DEPOT LIGHTS	514.06
52992	10/10/2017	Reconciled		07460	GOLD COUNTRY MEDIA	LEGAL NOTICE FATULA	276.15
52993	10/10/2017	Reconciled		08070	HANSEN BROS. ENTERPRISES	LIONS PARK	177.61
52994	10/10/2017	Reconciled		08170	HILLS FLAT LUMBER CO	STMT 9/25/17	1,016.67
52995	10/10/2017	Reconciled		08501	HOME DEPOT CREDIT SERVICES	STMT 9/21/17	128.51
52996	10/10/2017	Reconciled		08660	HUNT AND SONS, INC.	PW FUEL	540.95
52997	10/10/2017	Reconciled		09540	INTERSTATE SALES	CURB PAINT	112.82
52998	10/10/2017	Reconciled		16300	PCWA -PLACER COUNTY	MARSONS FINAL WATER BILL	100.38
52999	10/10/2017	Reconciled		16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SERVICES SEPT 2017	6,512.98
53000	10/10/2017	Reconciled		16035	PG&E	STMT 9/22/17	19,476.93
53001	10/10/2017	Reconciled		16515	PLACER PACERS	VOLKSWALK EVENT REIMBURSEMENT	100.00
53002	10/10/2017	Reconciled		16559	PLAZA TIRE AND AUTO SERVICE	PW TIRE REPAIR	20.00
53003	10/10/2017	Reconciled		18193	RECOLOGY AUBURN PLACER	TAX ROLLS 5% FY 2016-2017	213.76
53004	10/10/2017	Reconciled		18400	RIEBES AUTO PARTS	STMT 9/30/17	336.50

Check Register Report

ITEM 4B

Checks Processed Oct 2017

Date: 11/16/2017

Time: 2:33 pm

Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
53005	10/10/2017	Reconciled		18883	SAC-VAL JANITORIAL SUPPLY	CLEANING SUPPLIES	180.72
53006	10/10/2017	Reconciled		19070	SCORE - SMALL CITIES ORGANIZED	WORK COMP Q2 2017	13,679.18
53007	10/10/2017	Reconciled		01790	SIERRA OFFICE PRODUCTS	STMT 10/2/17	134.99
53008	10/10/2017	Reconciled		19796	SWARTZ DIESEL	FIRE TRUCK INSPECTIONS	875.00
53009	10/10/2017	Reconciled		21560	US BANK CORPORATE PMT SYSTEM	STMT 9/22/17	3,152.41
53010	10/10/2017	Reconciled		22134	VISION QUEST	TECH SUPPORT PREPAY	1,153.50
53011	10/17/2017	Reconciled		01414	ALHAMBRA & SIERRA SPRINGS	WATER	206.08
53012	10/17/2017	Reconciled		01766	AT&T MOBILITY	SEPT 2017 CELL PHONES	777.76
53013	10/17/2017	Reconciled		02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 10/1/17	854.00
53014	10/17/2017	Reconciled		02901	BUREAU VERITAS NORTH AMERICA	BLDG OFFICIAL SVCS SEPT 2017	5,610.00
53015	10/17/2017	Reconciled		03510	COLFAX GLASS	BACKHOE WINDOW RPR	200.00
53016	10/17/2017	Reconciled		04186	DAWSON, JEREMY	STRIKE TEAM 8/30/17	543.20
53017	10/17/2017	Reconciled		04234	DE LAGE LANDEN FINANCIAL	OCT 2017 COPY MACH LEASE	468.34
53018	10/17/2017	Reconciled		06112	FALCON ROAD MAINTENANCE EQUIP.	HOT BOX TRAILER	32,835.00
53019	10/17/2017	Printed		08070	HANSEN BROS. ENTERPRISES	SAND FOR RESIDENT BAGS	76.42
53020	10/17/2017	Reconciled		8080	ZACHARY HASLETT	STRIKE TEAM 8/30/17	543.20
53021	10/17/2017	Reconciled		09513	INTERNATIONAL CODE COUNCIL	CODE COUNCIL MEMBERSHIP	135.00
53022	10/17/2017	Reconciled		12555	LOMEN, SEAN	STRIKE TEAM 8/30/17	543.20
53023	10/17/2017	Reconciled		16601	BRENT STECK	STRIKE TEAM 08/30/17	543.20
53024	10/17/2017	Reconciled		22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SVCS SEPT 2017	7,293.75
53025	10/17/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	CORP YARD INTERNET	54.90
53026	10/17/2017	Reconciled		23301	WESTERN PLACER WASTE	SEPT 2017 SLUDGE REMOVAL	1,547.37

**Total Checks: 69** **Checks Total (excluding void checks): 687,014.01**

**Total Payments: 69** **Bank Total (excluding void checks): 687,014.01**

**Total Payments: 69** **Grand Total (excluding void checks): 687,014.01**

DAILY CASH SUMMARY REPORT

ITEM 4B

10/01/2017 - 10/31/2017

10/16/2017  
11/16/2017  
3:08 pm

City of Colfax

		Debit	Credit	Net Chng	
<b>Fund: 100 - General Fund</b>					
10/03/2017	Daily Totals	37.50	0.00	37.50	
10/04/2017	Daily Totals	2,545.00	0.00	2,545.00	
10/12/2017	Daily Totals	3,639.46	0.00	3,639.46	
10/16/2017	Daily Totals	0.00	127.38	-127.38	
10/17/2017	Daily Totals	1,705.08	0.00	1,705.08	
10/18/2017	Daily Totals	80,767.54	0.00	80,767.54	
10/20/2017	Daily Totals	6,670.26	0.00	6,670.26	
10/25/2017	Daily Totals	931.75	0.00	931.75	
10/26/2017	Daily Totals	256.91	0.00	256.91	
10/31/2017	Daily Totals	632.46	0.00	632.46	
<b>Fund: 100 - General Fund</b>		<b>TOTALS:</b>	<b>97,185.96</b>	<b>127.38</b>	<b>97,058.58</b>
<b>Fund: 120 - Land Development Fees</b>					
10/12/2017	Daily Totals	500.00	0.00	500.00	
10/31/2017	Daily Totals	7,260.00	0.00	7,260.00	
<b>Fund: 120 - Land Development Fees</b>		<b>TOTALS:</b>	<b>7,760.00</b>	<b>0.00</b>	<b>7,760.00</b>
<b>Fund: 218 - Support Law Enforcement</b>					
10/18/2017	Daily Totals	51,340.35	0.00	51,340.35	
<b>Fund: 218 - Support Law Enforcement</b>		<b>TOTALS:</b>	<b>51,340.35</b>	<b>0.00</b>	<b>51,340.35</b>
<b>Fund: 244 - CDBG MicroEnterprise Lending</b>					
10/04/2017	Daily Totals	1,000.00	0.00	1,000.00	
<b>Fund: 244 - CDBG MicroEnterprise Lending</b>		<b>TOTALS:</b>	<b>1,000.00</b>	<b>0.00</b>	<b>1,000.00</b>
<b>Fund: 250 - Streets - Roads/Transportation</b>					
10/12/2017	Daily Totals	24.00	0.00	24.00	
10/17/2017	Daily Totals	90.00	0.00	90.00	
<b>Fund: 250 - Streets - Roads/Transportation</b>		<b>TOTALS:</b>	<b>114.00</b>	<b>0.00</b>	<b>114.00</b>
<b>Fund: 253 - Gas Taxes</b>					
10/02/2017	Daily Totals	4,412.86	0.00	4,412.86	

DAILY CASH SUMMARY REPORT

ITEM 4B

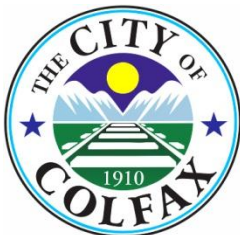
10/01/2017 - 10/31/2017

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11/01/17  
11/16/2017  
3:08 pm

City of Colfax

		Debit	Credit	Net Chng
<b>Fund: 253 - Gas Taxes</b>				
<b>TOTALS:</b>		<b>4,412.86</b>	<b>0.00</b>	<b>4,412.86</b>
<b>Fund: 560 - Sewer</b>				
10/12/2017	Daily Totals	61.33	0.00	61.33
10/18/2017	Daily Totals	200.00	0.00	200.00
<b>Fund: 560 - Sewer</b>				
<b>TOTALS:</b>		<b>261.33</b>	<b>0.00</b>	<b>261.33</b>
<b>Fund: 570 - Garbage Fund</b>				
10/20/2017	Daily Totals	14,034.70	0.00	14,034.70
<b>Fund: 570 - Garbage Fund</b>				
<b>TOTALS:</b>		<b>14,034.70</b>	<b>0.00</b>	<b>14,034.70</b>
<b>Fund: 572 - Landfill Post Closure Mainten</b>				
10/20/2017	Daily Totals	20,290.72	0.00	20,290.72
<b>Fund: 572 - Landfill Post Closure Mainten</b>				
<b>TOTALS:</b>		<b>20,290.72</b>	<b>0.00</b>	<b>20,290.72</b>
<b>GRAND TOTALS:</b>		<b>196,399.92</b>	<b>127.38</b>	<b>196,272.54</b>





# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE DECEMBER 13, 2017 COUNCIL MEETING

**FROM:** Alfred “Mick” Cabral, City Attorney  
**PREPARED BY:** Alfred “Mick” Cabral, City Attorney  
**DATE:** December 13, 2017  
**SUBJECT:** Draft Proposed City Manager Contract

<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	<b>AMOUNT:</b> As determined by City Council and to be included in the 2017/2018 City Budget	<b>FROM FUND:</b> Multiple
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**RECOMMENDATION:** Review the proposed draft city manager contract, receive any public comment, amend as appropriate, and adopt Resolution 54-2017 authorizing the execution of an employment agreement with Wes Heathcock to serve as Colfax City Manager.

**BACKGROUND AND SUMMARY:**

Wes Heathcock was hired as Interim City Manager effective July 12, 2017. This was a six-month assignment while the City Council determined whether to conduct an open recruitment to fill the permanent City Manager position or appoint Mr. Heathcock to that position. The interim appointment expires on December 31, 2017 or when the permanent replacement is appointed, whichever occurs first.

Mr. Heathcock’s employment agreement requires the Council to review his performance as close as reasonably possible to December 31, 2017. It is anticipated that the Council will decide to either conduct an open recruitment or appoint Mr. Heathcock to the City Manager position once that review is completed.

The City Manager is an “executive” for purposes of the Brown Act. Accordingly, the Council is required to report a summary of a recommendation on his proposed salary and compensation in the form of fringe benefits before voting to approve the City Manager’s proposed employment agreement.

Staff is available to answer any questions the Council may have.

Attachment:

- Resolution 54-2017
- Draft City Manager Employment Contract

# City of Colfax

## City Council

### Resolution № 54-2017

#### AUTHORIZING THE EXECUTION OF AN EMPLOYMENT AGREEMENT WITH WES HEATHCOCK TO SERVE AS COLFAX CITY MANAGER

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**Whereas**, Colfax Municipal Code Chapter 2.08 creates the position of city manager and authorizes the City Council to select an individual to fill that position based solely on the basis of his/her executive and administrative qualifications; and

**Whereas**, Wes Heathcock possesses the executive and administrative qualifications needed to fulfill the duties of Colfax City Manager; and

**Whereas**, the City Council finds and determines that it is in the best interests of the City of Colfax to hire Wes Heathcock as its City Manager and to execute an employment agreement with him in the form attached to this Resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Colfax as follows:

1. The foregoing recitals are true and correct statements of fact and are incorporated into this Resolution by this reference.
2. The Mayor is authorized to execute on behalf of the City an Employment Agreement with Wes Heathcock in the form attached to this Resolution.
3. The City is authorized to appropriate and expend all City funds needed to perform the City's obligations under the attached Employment Agreement.

**PASSED AND ADOPTED** at the Regular Meeting of the City Council of the City of Colfax held on the 13<sup>nd</sup> day of December, 2017 by the following vote of the Council:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**Stephen L Harvey, Mayor**

**ATTEST:**

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**Lorraine Cassidy, City Clerk**

**EMPLOYMENT AGREEMENT  
FOR CITY MANAGER**

**THIS EMPLOYMENT AGREEMENT (AGREEMENT)**, is made and entered into effective the 14<sup>th</sup> day of December, 2017 (the “Effective Date”), by and between the City of Colfax, a California municipal corporation and general law city (the “City”) and Wes Heathcock (“City Manager”), both of whom understand and agree as follows:

**RECITALS**

This Agreement is made with respect to the following facts:

- A. The City wishes to employ Wes Heathcock as its City Manager, subject to the following terms and conditions and consistent with applicable laws of the State of California and City ordinances; and
- B. Wes Heathcock desires to accept employment by the City as its City Manager, subject to the following terms and conditions and consistent with applicable laws of the State of California and City ordinances.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the above recitals and of the mutual promises, terms and conditions of this Agreement, the City and City Manager agree as follows:

**Section 1. Employment.**

The City hereby employs Wes Heathcock as its City Manager to perform the duties and functions identified in Colfax Municipal Code Title 2, Chapter 2.08, and other duties and functions as the Mayor and/or the City Council assign either orally or in writing to the City Manager. Wes Heathcock hereby accepts employment as City Manager subject to the terms and conditions of this Agreement and agrees (1) to devote his full time, attention and energies to performing all such duties and functions in a professional and ethical manner to the best of his skill and ability and (2) to use his best efforts to promote and advance the interests of the City. City Manager shall have the authority to execute contracts on behalf of and bind the City for amounts up to and including \$10,000 per contract, subject to the direction and control of the City Council. With this exception, City Manager agrees that he has no authority to bind the City or any of its elected or appointed officials or commit the City to any course of action without the duly authorized written consent of the Mayor and/or the City Council. City Manager acknowledges that the position of City Manager is a position of high visibility before the public and agrees that he shall conduct himself before the public and City staff, both during and outside of regular working hours, in a manner that reflects favorably on the City.

**Section 2. No Other Employment.**

City Manager agrees not to undertake any other employment during the term of this Agreement that will diminish the number of hours he has available to lawfully work for the City. City Manager further agrees to confer with the Mayor and/or the City Council or a designated subcommittee thereof before undertaking any projects for organizations other than the City which may require a time commitment by City Manager that may diminish the number of hours he has available to lawfully work for the City.

**Section 3. Employment Agreement Controls.**

In the event of any conflict or ambiguity between the terms of this Agreement and the Colfax Municipal Code Title 2, Chapter 2.08, the terms of this Agreement shall control.

**Section 4. Term.**

- A. This Agreement is effective December 14, 2017 and shall automatically renew from year to year unless and until it is terminated by either party as hereinafter provided. City Manager agrees that he serves at the pleasure of the City. Either the City or City Manager may, consistent with the provisions of Section 5 of this Agreement, terminate this Agreement and the relationship created hereby at any time for any reason with or without Good Cause.
- B. Notwithstanding any other provision of this Agreement or of the Colfax Municipal Code, City Manager shall not be removed from office, except for Good Cause as defined in Section 5 C (iii) below, during or within a period of 30 days prior and 90 days immediately succeeding any general or special election held in the City at which a member of the City Council is elected, or within a period of 90 days immediately after a new member of the City Council is appointed. In this regard, Colfax Municipal Code Title 2, Chapter 2.08, Section 2.08.040 in effect as of the Effective Date is expressly made applicable to City Manager.

**Section 5. Termination of Agreement.**

- A. City Manager may terminate this Agreement and resign as City Manager at any time, for any reason, upon one-month prior written notice to the City. Upon receipt of written notice from City Manager, the City may elect to immediately remove City Manager from his position as City Manager or to allow City Manager to remain as City Manager for all or any part of the one-month notice period. If the City removes City Manager from his position as City Manager prior to the expiration of the one-month notice period, the City will pay City Manager an amount equal to the salary and benefits that City Manager would have received if he had remained in the City Manager position until the expiration of the one-month notice period, less legally required withholdings. If the City advises City Manager that he should continue to perform his duties and functions as City Manager during the one-month notice period, and City Manager fails to do so, City Manager will receive no salary or benefits after the last date on which he actually performs his City Manager duties and functions.

- B. Unless the City Manager is terminated for Good Cause as defined below, then upon termination by the City of City Manager's employment, the City shall pay the City Manager his accrued but unpaid salary and his accrued but unpaid vacation in addition to the amounts payable to the City Manager under this Agreement. In addition thereto, if this Agreement is terminated by the City without Good Cause prior to December 13, 2019, then upon the effective date of termination, the City shall pay City Manager an amount equal to two months of gross pay as severance compensation. That severance compensation shall increase by one month for every year of City Manager's service as City Manager after December 13, 2019, up to a maximum total of four months. All of such gross pay shall be subject to usual state and federal withholding. With the exception of the foregoing, City shall not pay City Manager any other amounts whatsoever upon termination of City Manager's employment. City Manager shall not be entitled to receive any severance compensation if City Manager resigns his employment with City or terminates this Agreement, or if City Manager is terminated for Good Cause.
- C. (i) If the City elects to terminate this Agreement for Good Cause, it will pay City Manager for all earned pay and accrued, unused vacation benefits at the time it notifies City Manager of the termination decision, less legally required withholdings. City Manager will be entitled to no pay or benefits after the date that the City notifies him that this Agreement and his employment by the City are being terminated for Good Cause. If the City elects to terminate this Agreement with Good Cause, it will provide City Manager with a brief, written explanation for that decision sent to City Manager's last known home address. City Manager shall have no right to be heard publicly by the City Council prior or subsequent to a final vote on his termination and hereby waives any right to be heard publicly under any provision of the Colfax Municipal Code or otherwise. City Manager shall have the right to meet with the City Council in closed session for the purpose of discussing the basis for his proposed termination for Good Cause prior to a final vote on his termination for Good Cause. In order to exercise that right, he must provide a written request to meet in closed session to the Mayor of the City within fifteen days of the effective date of his termination for Good Cause. Failure to timely provide such written notice shall constitute a waiver of the right to be heard.
- (ii) If the City Council proposes to terminate this Agreement and City Manager's employment for Good Cause, the City Council may consider granting City Manager, upon City Manager's written request, the opportunity to cure the proposed reason for termination within a thirty (30) business day period after City Manager is advised of the reason the City Council is considering termination of this Agreement and City Manager's employment.
- (iii) For purposes of this Section 5, "Good Cause" includes without limitation, as determined in the sole discretion of the City, any of the following: (1) neglect of or failure to adequately perform the essential duties or functions of City Manager, (2) insubordination, (3) dishonesty, (4) embezzlement, (5) violation of Federal, State or local requirements pertaining to conflict of interest, (6) appearance of a conflict of interest, (7) conviction of a criminal act, other than minor traffic violations or similar offenses, which is likely to have a material adverse impact on the City or City Manager's reputation, (8) involvement in any act involving moral turpitude that would compromise City Manager's effective performance as City Manager, (9) taking a position adverse to the interests of the City without the City's

prior written consent, (10) violation of any fiduciary duty owed to the City, (11) proven failure of City Manager to observe or perform any of his duties and obligations under this Agreement or (12) inability to perform the essential duties and functions of the City Manager position as referred to in Section 6 of this Agreement.

(iv) If termination of this Agreement is the result of the death of City Manager, the City shall pay all salary and benefits due up to and including City Manager's date of death to City Manager's legal heir(s).

- D. In the event this Agreement is terminated by the City or City Manager for any reason, the City and City Manager agree that neither party shall make any written or oral statements to members of the public, the press, or any City employee concerning City Manager's termination except in the form of a joint press release or statement which is mutually agreeable to both parties. The joint press release or statement shall not contain any text or information that is disparaging to the City or City Manager. Either party may orally repeat the substance of the joint press release or statement in response to any inquiry.

#### **Section 6. Inability To Perform Essential Duties and Functions.**

City Manager agrees that if he is unable to perform the essential duties and functions of the City Manager position for any reason for more than 60 consecutive calendar days, the City may terminate this Agreement. If the City elects to terminate this Agreement based on City Manager's inability to perform the essential duties and functions of the City Manager position, it will so advise City Manager in a writing sent to City Manager's last known home address. At the time the City provides such notice, it will pay City Manager for all earned pay and accrued, unused vacation benefits, less legally required deductions. Once said amounts have been paid, all financial obligations between City and City Manager shall cease.

#### **Section 7. Compensation**

- A. **Base Compensation.** The City agrees to pay City Manager for the performance of his duties and functions an initial compensation of \$110,000.00 for the first year of service under this Agreement, \$115,000.00 for the second year of service and \$120,000.00 for the third year of service under this Agreement. City Manager's salary will be paid in installments at the same time that other employees of the City are paid, prorated for any partial month of service. The City shall have the right to increase City Manager's base annual salary at any time. Any adjustment to City Manager's salary must be authorized in writing by the City. City Manager shall not be entitled to receive payment or credit for, and the City shall not pay or credit City Manager for, overtime, compensated time off in lieu of overtime or other compensation except as expressly provided in this Agreement. City Manager acknowledges that the position of City Manager is exempt from the provisions of the Fair Labor Standards Act (FLSA).
- B. **Annual Cost Of Living Adjustment.** At the commencement of the third year of service under this Agreement, and on each annual anniversary date of this Agreement thereafter (the "Adjustment Date"), and provided that City Manager remains employed by the City, the City



Manager's annual salary shall increase by the increase in the Consumer Price Index (CPI), calculated as follows. The base for computing the annual salary adjustment is the Consumer Price Index, All Urban Consumers, All Items, For The San Francisco Bay Area, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index") which is in effect on the Effective Date (the "Beginning Index"). The Index published most immediately preceding the Adjustment Date in question ("Extension Index") is to be used in determining the amount of the adjustment. If the Extension has increased over the Beginning Index, the increase in the City Manager's salary shall be set by multiplying the City Manager's gross annual salary immediately prior to the Adjustment Date by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the City Manager's salary be decreased. If the CPI is discontinued by the Bureau of Labor Statistics, the Index designated by the Bureau of Labor Statistics as replacing the CPI shall be used. The CPI increase provided for in this paragraph shall be in addition to any other salary or benefit increase the City Council may authorize.

### **Section 8. Benefits.**

During the term of this Agreement and his employment hereunder, City Manager shall be entitled to receive the following benefits on the same terms and conditions as other City department heads:

- A. Vacation: City Manager shall accrue vacation at the rate specified in the City's adopted Employee Handbook based on City Manager's original hire date by the City of August 17, 2015.
- B. Holidays: City Manager shall be entitled to holidays and holiday pay consistent with the City's adopted Employee Handbook.
- C. Sick Leave: City Manager shall accrue sick leave at the rate specified in the City's adopted employee Handbook.
- D. Bereavement Leave: City Manager shall be entitled to bereavement leave consistent with the City's adopted Employee Handbook.
- E. Health Plan: City Manager and City Manager's qualified dependents shall be eligible to participate in City's sponsored health plan consistent with the City's adopted Employee Handbook as it pertains to exempt employees. Any and all monthly premium payments payable by City Manager may, at City Manager's discretion, be deducted from the City Manager's paycheck as a pre-tax deduction as allowed by applicable law. City Manager shall be permitted, at City Manager's election, to receive \$800 per month in lieu of medical insurance which can be paid directly to City Manager or deposited into one of the City's qualified plans for City Manager's benefit.
- F. Pension: On the same basis as other department heads employed by the City, which is currently the California Public Employee's Retirement System (CalPERS) 2% at 60.

G. Compensated Time Off/Administrative Time: City Manager shall be entitled to compensated time off/administrative leave consistent with the City's adopted Employee Handbook.

H. Other benefits on the same basis as department heads covered by the City's adopted Employee Handbook.

### **Section 9. Automobile**

While this Agreement remains in effect, City shall pay City Manager a vehicle allowance of \$200 per month, subject to periodic adjustments approved by the City Council. At all times during this Agreement, City Manager shall keep and maintain a policy of comprehensive automobile insurance (Bodily Injury and Property Damage) on owned, leased and non-owned vehicles used in connection with City business of no less than \$500,000 combined single limit per occurrence. Proof of such insurance shall be provided to the City's risk manager. The City Manager's insurance coverage shall be primary as respects the City, its officers, agents, employees and volunteers. Any insurance kept or maintained by the City, its officers, agents, employees and volunteers shall be excess of City Manager's and shall not contribute with it.

### **Section 10. Performance Evaluations**

The City Council shall review and consider City Manager's performance as City Manager as close as reasonably possible to the beginning of each year while this Agreement, or any renewal or extension of this Agreement, remains in effect. The review shall be discussed with City Manager and reduced to writing, and shall only cover the annual period of performance being reviewed.

### **Section 11. Confidential Information.**

City Manager agrees that he will not reveal any confidential information about the City or City employees that he learns while performing the duties and functions of City Manager.

### **Section 12. City Property.**

City Manager agrees that all materials, regardless of their form, that he receives, creates or produces in connection with this Agreement and/or his employment as City Manager are and will remain the exclusive property of the City. City Manager will immediately deliver all originals and all copies of such materials that are in his possession or control to the City upon termination of this Agreement or upon any request from the Mayor and/or the City.

### **Section 13. Assistance in Litigation.**

City Manager agrees that he will furnish information and proper assistance to the City as it may reasonably require with any litigation in which it is or may become involved, either during or after the termination of this Agreement. City Manager further agrees that he will not discuss, reveal or convey any information or documents pertaining to the City to any person or entity, or to any attorney for or representative of any person or entity, with actual or potential claims that are adverse to the City except pursuant to duly issued legal process or as otherwise authorized by

the City. City Manager agrees to notify the City immediately upon receipt of any legal process pertaining to the City.

#### **Section 14. Alternative Dispute Resolution**

- A. City Manager and the City agree that if a dispute arises from or relates to this Agreement, to City Manager's employment as City Manager or his termination or resignation from that position, or to the amount of pay or benefits which City Manager is owed, then before resorting to mediation, arbitration or other legal process, City Manager and a committee of two elected City Council members appointed by the Mayor and approved by a majority of the City Council shall first meet and confer and attempt to amicably resolve any such dispute subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 30 days after provision of that written notice by the party desiring to meet and confer, City Manager and a committee of two elected City Council members appointed by the Mayor and approved by a majority of the City Council shall meet in person and attempt to amicably resolve their dispute. 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 sub-Section 14 (B) below. Any resolution shall be subject to approval by a majority of the City Council.
- B. Subject to the provisions of sub-Section 14 (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 nearest 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 nearest 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, then 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 shall submit selection of an arbitrator to the mediator, whose selection of an arbitrator 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, other than himself/herself, at the nearest office of the Judicial Arbitration and Mediation Service (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 or pursuant to such other process as the City and City Manager may agree. In either case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement. The award of the arbitrator shall be subject to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. The City shall pay the costs incurred with JAMS for the arbitration. The arbitration hearing shall last as long as is reasonably necessary for the arbitrator to decide all

issues in dispute. Both parties shall be allowed to present to the arbitrator all legal and equitable claims available to them under law.

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 THIS SECTION 14. 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 THIS AGREEMENT TO ALTERNATIVE DISPUTE RESOLUTION AS PROVIDED IN THIS SECTION 14.

City Initials: \_\_\_\_\_ City Manager's Initials: \_\_\_\_\_

### **Section 15. Indemnification**

Pursuant to the requirement of the California Government Code, including but not limited to Sections 825, 995, 995.2, 995.8 and 996.4, as amended from time to time, the City shall defend, save harmless and indemnify City Manager against any tort, professional liability claim and demand or other claim or legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the course and scope of City Manager's duties as City Manager. Said defense shall be provided by the City until such time as all legal action on the matter is concluded.

### **Section 16. Governing Law.**

This Agreement will be construed and enforced in accordance with the laws of the State of California.

### **Section 17. Headings.**

The headings used in this Agreement are provided for convenience only and may not be used to construe meaning or intent.

### **Section 18. Assignment.**

Neither this Agreement nor any interest in this Agreement may be assigned by City Manager without the prior express written approval of the City.

**Section 19. Severability.**

If any provision or portion of this Agreement is held to be invalid or unenforceable, this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable provision(s) or portion(s) had never been included.

**Section 20. Notices.**

Notices pursuant to this Agreement shall be given in writing and shall be deemed given when personally served upon the person to whom addressed or when mailed by certified or registered mail and deposited with the United States Postal Service, postage prepaid and addressed as follows:

City: Mayor, City of Colfax  
P.O. Box 702  
33 S. Main Street  
Colfax, CA 95713

City Manager: Wes Heathcock  
Colfax City Hall  
P.O. Box 702  
Colfax, CA 95713

**Section 21. Modification.**

This Agreement may only be modified in a writing signed by the City and the City Manager.

**Section 22. Entire Agreement.**

This Agreement supersedes any and all other agreements, either oral or in writing, and contains all agreements between City Manager and the City regarding his employment as City Manager. City Manager and the City agree that no representations, inducements, promises or agreements, oral or otherwise, have been made to either party, or anyone acting on behalf of either party, which are not stated herein, and that no agreement, statement, or promise not contained in this Agreement will be valid or binding on either party.

\_\_\_\_\_  
Stephen L. Harvey  
Mayor, City of Colfax

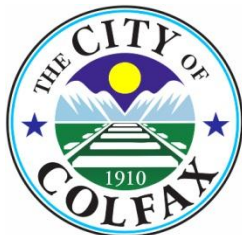
\_\_\_\_\_  
Wes Heathcock  
City Manager

Approved as to form:

Attest:

\_\_\_\_\_  
Alfred A. Cabral  
City Attorney

\_\_\_\_\_  
Lorraine Cassidy  
City Clerk



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE DECEMBER 13, 2017 COUNCIL MEETING

**FROM:** Wes Heathcock, Interim City Manager  
**PREPARED BY:** Laurie Van Groningen, Finance Director  
**DATE:** December 1, 2017  
**SUBJECT:** City of Colfax –Unfunded Pension Liability

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Discuss and direct staff as appropriate

**SUMMARY:**

Public pensions are a hot topic of public discussion and the media, particularly concerns over the cost to fund current and future pension obligations. The City of Colfax strives to be proactive in this regard. Staff has completed an updated analysis of our unfunded pension liability and is providing a report of the findings and discussion of options available to the City.

**BACKGROUND AND ANALYSIS:**

The City of Colfax provides a defined pension benefit to its employees and participates in the California Public Employees’ Retirement System (CalPERS) to manage and administer the program. Due to our small size of less than 100 employees, we are mandated to participate in a miscellaneous risk pool. Risk sharing pools dramatically reduce or eliminate large fluctuations in an employer’s retirement contribution rate caused by unexpected demographic events. In May 2014, the CalPERS Board approved a change to combine all existing pools into two pools, one for all miscellaneous groups and one for all safety groups.

The City contracted with CalPERS in April of 2008. The City has two benefit formulas/plans, both of which are part of the miscellaneous risk pool:

1. Classic employees – 2% at 60
2. PEPRAs employees – 2% at 62

*Note: The California Public Employees’ Pension Reform Act (PEPRA) employees are those hired and are new to CalPERS on or after January 1, 2013.*

City employees vest in the program after five years of service. The City makes required employer contributions each pay period as a percentage of employee salaries and an annual payment (dollar amount) towards our unfunded liability. The employee contribution is 7% of salary and is deducted each pay period.

The City receives two actuarial reports for its plans:

1. Annual Actuarial Valuation - Determines City specific minimum employer contributions and annual employer payments toward unfunded liability, and
2. GASB68 Accounting Valuation Report - Provides risk pool information required for financial reporting.



### Annual Actuarial Valuation

This Actuarial report sets forth the assets and accrued liabilities of the City of Colfax plan and determines the required employer contributions for future fiscal years.

The most recent report for the City of Colfax – dated August 2017 – provided actuarial valuation data for the City as of June 30, 2016 and reported an unfunded liability of \$97,338. Unfunded liability is the net difference between accumulated contributions (assets) and the total forecasted cost of earned pension benefits (liabilities).

The Employer contribution rate is set by the actuarial valuation and is based on assumptions and methods approved by the Board of Administration upon the recommendation of the Chief Actuary. Beginning with FY2015-2016, CalPERS is collecting employer contributions toward the unfunded liability as dollar amounts instead of the prior method of a contribution rate. This amount is invoiced at the beginning of the fiscal year and the plan's normal cost contribution continues to be collected as a percentage of payroll. The unfunded liability portion of the annual contribution is based on paying down the liability over a period of 30 years with a discount rate assumption of 7.375 percent. In December 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations.

### GASB 68 Accounting Valuation

The General Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* with new pension reporting requirements for employers. Effective with the fiscal year ended June 30, 2015; unfunded pension obligations (Net Pension Liability) will become a new liability on the *Statement of Net Position* within the local government's basic financial statements. GASB 68 does not change CalPERS or other retirement system policies, contribution rates, or cash flow.

The financial reporting measure that is required for the GASB 68 calculations and reporting is typically more fiscally conservative and accelerates the recognition of gains and losses over a shorter amortization period than the Annual Actuarial Valuation. As a result, the pension expenses used for financial reporting purposes is likely to be larger than measured for contribution/funding purposes, and will likely be more volatile from year-to-year as both favorable and unfavorable results flow through the statements on an accelerated basis.

### **ANALYSIS:**

The attached status report summarizes historical data for the City of Colfax plan compiled from the two reports mentioned above and a CalPERS Facts-At-A Glance report dated June 2017.

### Highlights:

- City unfunded liability at 06/30/2016 is \$97,338 which is a substantial increase over the previous year, but is relatively small as compared to other jurisdictions. The increase can generally be attributed to an increase in staffing/payroll (note increase in present value of projected benefits) and the lowering of the discount rate by CalPERS Board mentioned above. The projected annual contributions for future years have been calculated assuming the additional rate changes over the next two years.
- City Funding ratio is 82.6% - compared to average public agency funded status of 69.0% (projected).

**RECOMMENDATION:**

Staff is not recommending any formal action at this time. As we move forward with our mid-year budget review (February 2018) and into our next two year budget cycle (April 2018) we will update projections with the latest CalPERS projections and provide recommendations at that time.

Some options for future consideration:

1. The City could pay down the unfunded liability which *could* decrease future liabilities and therefore lower required payments in the future. The amount of savings in future years would depend on actuarial adjustments and actual investment returns of pension assets. A prepayment of the unfunded liability would not preclude the City from ever having an unfunded or overfunded pension liability in the future
    - Current payment of unfunded liability is amortized over thirty years. The City could elect to pay over:
      - 20 years - \$33,000 - interest savings
      - 15 years - \$67,500 - interest savings
  2. The City could Increase the reserve for Unfunded Pension Liability. Currently, the City has reserved/committed \$50,000 of fund balance for Unfunded Pension Liability.
  3. The City could continue to finance the Cost of the unfunded liability through the CalPERS required annual contribution payments.
- 

**ATTACHMENTS:**

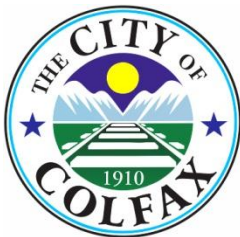
1. City of Colfax – Defined Benefit Pension Plan/CalPERS Status Report

# City of Colfax

## Defined Benefit Pension Plan/CalPERS

CalPERS Actuarial Valuation Report	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	Projected					
							6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Present Value of Projected Benefits (PVB)	\$ 622,469	\$ 677,023	\$ 754,677	\$ 886,565	\$ 782,487	\$ 1,239,628						
Entry Age Normal Accrued Liability	\$ 214,079	\$ 222,104	\$ 304,624	\$ 362,938	\$ 411,729	\$ 567,796						
Plan's Market Value of Assets (MVA)	\$ 179,060	\$ 177,270	\$ 258,846	\$ 326,698	\$ 357,544	\$ 470,458						
Unfunded Liability	\$ 35,019	\$ 44,834	\$ 45,778	\$ 36,240	\$ 54,185	\$ 97,338						
Funded Ratio	83.6%	79.8%	85.0%	90.0%	86.7%	82.6%						
Employer Contribution Rate	7.209%	8.197%	8.311%	8.486%	8.435%	7.163%	7.612%	8.099%	8.500%	9.300%	9.300%	9.300%
Employer Payment of Unfunded Liability (30 Yr)	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,729	\$ 2,652	\$ 4,907	\$ 6,200	\$ 8,000	\$ 10,000
<b>GASB 68 Accounting Valuation Report</b>	<b>6/30/2011</b>	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>
Unfunded Liability	N/A	N/A	N/A	\$ 57,010	\$ 46,274	\$ 70,056						
<b>CalPERS - Facts At A Glance - January 2016</b>	<b>6/30/2011</b>	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>
Funded status of Retirement Plans (Public Agency)	74.3%	70.1%	70.5%	77.9%	74.5%	69.0%						

Revised: November 29, 2017



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE DECEMBER 13, 2017 COUNCIL MEETING

**FROM:** Wes Heathcock, Interim City Manager  
**PREPARED BY:** Staff  
**DATE:** December 4, 2017  
**SUBJECT:** Mitigation Impact Fees

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Discuss and direct staff as appropriate

**BACKGROUND AND ANALYSIS:**

Mitigation Impact Fees are a monetary exaction, other than a tax or special assessment, which is charged by a local governmental agency to an applicant in connection with approval of a development project. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a mitigation fee program are set forth in Government Code Section 66000-66025 (the “Mitigation Fee Act”), the bulk of which was adopted as 1987’s Assembly Bill (AB) 1600 and is commonly referred to as “AB 1600 requirements”. The City of Colfax Mitigation Impact Fee program is outlined in City Municipal Code – Chapter 3.56 a copy of which is attached to this report. The Colfax Municipal Code is consistent with California Government Code.

A City report – “Major Projects and Mitigation Fee Study” was prepared in 2006 – and was the basis for the City Ordinance 488 which was adopted in early 2007. The Ordinance established eight separate Mitigation Fee categories and projects to be applied to development projects:

1. Roads
2. Drainage Study
3. Drainage Systems on E-W culverts
4. Trails
5. Park & Recreation
6. City Buildings
7. City Vehicles
8. Downtown Parking

The attached report – Mitigation Fee by Landuse & Type demonstrates the established City fee schedule. A table on the far right of the report displays the fees as a percentage.

The City maintains separate fund accounts for each mitigation fee type. All fees and interest earned on them can only be spent for the purpose for which the fee was collected. The law, and the Colfax Municipal Code, allows flexibility in determining which projects will be pursued to implement the purpose for which the fees are collected in the first place. The applicable statutes are focused on purpose, not specific projects.

Reallocation of collected fees between Mitigation fee categories is not allowed. For example: Road fees that have already been collected must be spent on road projects and cannot be spent on non-road projects. Projects to implement the purpose for which fees are collected can change, but the purpose for which the fees are spent cannot.

Moving forward, the Council can elect to revise or change the amount of its mitigation impact fees and it can adopt mitigation impact fees for different purposes. The basic legal standards for creating or changing mitigation impact fees are (1) the fees must advance a legitimate City interest, (2) there must be a proper nexus between the impacts caused by the development and the conditions which advance the City's interest and (3) the amount of the fee must be roughly proportional to the impacts of the project. The City must make findings supported by evidence to justify the establishment or modification of mitigation impact fees. This means that the City cannot arbitrarily create or change its fees or the purposes to which they are allocated. It cannot, for example, change the allocation of fees to different purposes by arbitrarily assigning a different percentage to each.

The current fees are based on a fee study that estimates the cost of the impact of future development on several categories of City facilities and services. Most cities base mitigation impact fees on studies undertaken by independent consultants, but a formal study by a consultant is not required. The City can perform its own evaluation and modify its fees based upon the results of that evaluation. If that evaluation concludes that the overall amount of mitigation impact fees does not need to change but that more needs to be allocated to one category and less to another, the City can modify its fee schedule accordingly. Using an independent consultant is generally more defensible, especially when the consultant is experienced in performing mitigation fee studies, but it is not required.

The Council may want to consider updating its "Major Projects and Mitigation Fee Study" to incorporate current trends in development forecasts and identify City infrastructure and facility requirements as a result of the updated trends. It is estimated that an updated study by an independent consultant would cost \$20,000 - \$35,000 and would require normal public hearing processes.

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ATTACHMENTS:

1. City Municipal Code – Chapter 3.56 – Mitigation Impact Fees
2. Mitigation Fee Schedule

## Chapter 3.56 - MITIGATION IMPACT FEES

**Sections:**

## 3.56.010 - Findings.

The city council of the city of Colfax does hereby find and declare as follows:

- A. The state of California, through the enactment of Government Code Section 66000 et seq. has, conferred upon local government units authority to adopt fees imposed on a specific project in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.
- B. The imposition of mitigation impact fees is one of the preferred methods of ensuring that development bears a proportionate share of the cost of public facilities and service improvements necessary to accommodate such development. This must be done in order to promote and protect the public health, safety, and welfare.
- C. This chapter recognizes that all new development within the city will result in additional growth and that such growth will place additional burdens on various city facilities, infrastructure, and services. This chapter further recognizes the types of land development that will generate impacts necessitating the acquisition of land and construction of public facilities and expansion of services and infrastructure in order to meet and accommodate them.
- D. All land uses within the city should bear a proportionate financial burden in the construction and improvement of public facilities and services necessary to serve them.
- E. The mitigation impact fees established by this chapter are based upon the costs that are generated through the need for new facilities and other capital acquisition costs required, incrementally, by new development within the city of Colfax.
- F. The fees established by this chapter do not exceed the reasonable cost of providing public facilities occasioned by development projects within the city of Colfax.
- G. The fees established by this chapter relate rationally to the reasonable cost of providing public facilities occasioned by development projects within the city of Colfax.
- H. The fees established by this chapter are consistent with the goals and objectives of the city's General Plan and are designed to mitigate the impacts caused by new development throughout the city. Mitigation impact fees are necessary in order to finance the required facilities and service improvements and to pay for new development's fair share of their construction costs.

(Ord. 488 § 1 (part), 2007)



## 3.56.020 - Definitions.

For purposes of this chapter, the following terms, phrases, words and their derivations shall have the meanings respectively ascribed to them by this section:

- A. "Development Project" means any project undertaken for the purpose of development. "Development Project" shall include a project involving the issuance of a building permit for construction or major reconstruction or remodeling for single and multi-family residential units, commercial, or industrial buildings. The term "Development Project" shall also include permits for erection of manufactured housing or structures, and structures moved into the city.
- B. "Fee" means a monetary exaction, other than a tax or special assessment, which is charged by the city of Colfax to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees specified in Section 66477 of the California Government Code, fees for processing applications for governmental regulatory actions or approvals, or fees collected under development agreements adopted pursuant to Title 7, Chapter 4, Article 2.5 (commencing with Section 65864) of the California Government Code.
- C. "Public Facilities" includes public improvements, public services, and community amenities.

(Ord. 488 § 1 (part), 2007)

## 3.56.030 - Establishment of fees.

The following mitigation impact fees are hereby established and imposed on the issuance of all building permits for development within the city of Colfax to finance the cost of the following categories of public facilities and improvements required by new development.

- A. Roads. A mitigation impact fee is hereby established for roads.
- B. Drainage. A mitigation impact fee is hereby established for drainage.
- C. Drainage with E-W Culverts. A mitigation impact fee is hereby established for drainage with e-w culverts.
- D. Trails. A mitigation impact fee is hereby established for trails.
- E. Parks and Recreation. A mitigation impact fee is hereby established for parks and recreation.
- F. City Buildings. A mitigation impact fee is hereby established for city buildings.
- G. City Vehicles. A mitigation impact fee is hereby established for city vehicles.
- H. Downtown Parking. A mitigation impact fee is hereby established for downtown parking.

For each mitigation impact fee hereby established, the city council shall, by resolution: establish the specific amount of the fee; identify the purpose of the fee; identify the specific use to which the fee is to be put; determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; determine how there is a reasonable relationship between the need for the public facility and the impacts caused by the type of development project on which the fee is imposed; and determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development project for which the fee is imposed.

(Ord. 488 § 1 (part), 2007)

#### 3.56.040 - Imposition of mitigation impact fee.

- A. Any person who, after the effective date of the ordinance codified in this chapter, seeks to develop land within the city by applying for a building permit, is hereby required to pay the appropriate mitigation impact fees established pursuant to Section 3.56.030 as the same may be applicable, in the manner, amount and for the purposes therein referenced.
- B. No permits or extension of permits for the activities referenced in subsection A shall be granted unless and until the appropriate mitigation impact fees hereby required have been paid to the city.

(Ord. 488 § 1 (part), 2007)

#### 3.56.050 - Creation of special funds.

Each fee collected pursuant to this chapter shall be deposited in a special fund created to hold the revenue generated by each such fee. Monies within each such fund may be expended only by appropriation by the city council for specific projects that are of the same category as that for which the money was collected. In this regard, the following special funds are hereby created and established for the purpose indicated:

- A. A Roads Fund is hereby established. The Roads Fund is a fund for payment of the actual or estimated costs of constructing and improving roads and appropriate study and planning costs.
- B. A Drainage Fund is hereby established. The Drainage Fund is a fund for payment of the actual or estimated costs of constructing and improving drainage facilities and appropriate study and planning costs.
- C. A Drainage c. with E-W Culverts Fund is hereby established. The Drainage c. E-W Culverts Fund is a fund for payment of the actual or estimated costs of constructing and improving drainage facilities in that area of the city requiring the construction/upgrade of an east west culvert including appropriate study and planning costs.

- D. A Trails Fund is hereby established. The Trails Fund is a fund for payment of the actual and estimated costs of constructing and improving trails within the city, including any required acquisition of land and appropriate study and planning costs.
- E. A Parks and Recreation Fund is hereby established. The Parks and Recreation Fund is a fund for payment of the actual and estimated costs of acquiring equipment, and constructing and improving the park and recreation facilities within the city, including any required acquisition of land, as well as grading, irrigation and turfing costs associated herein.
- F. A city Buildings Fund is hereby established. The city Buildings Fund is a fund for payment of the actual and estimated costs of constructing and/or improving city buildings within the city, including any required acquisition of land and appropriate study and planning costs.
- G. A city Vehicles Fund is hereby established. The city Vehicles Fund is a fund for payment of the actual and estimated costs of city equipment.
- H. A Downtown Parking Fund is hereby established. The Downtown Parking Fund is a fund for payment of the actual and estimated costs of providing municipal parking including the acquisition of land, actual and estimated costs of constructing improvements including appropriate study and planning costs, grading and paving costs.

(Ord. 488 § 1 (part), 2007)

#### 3.56.060 - Expenditure and reimbursement of fees.

- A. Fees subject to this chapter shall be deposited, invested, accounted for and expended pursuant to California Government Code Section 66006. The fees shall be held in separate public facility funds to be expended for the purpose for which they were collected. Any interest income earned by moneys in the capital facilities fund shall also be deposited in that fund and shall be expended only for the purpose for which the fee was originally collected.
- B. For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the city council shall make findings with respect to that portion of the account or fund remaining unexpended, pursuant to California Government Code Section 66001.

The city council shall order a refund of unexpended or uncommitted fees for which a need cannot be demonstrated, along with accrued interest, to the then current owner(s) of lots or units of the development project(s) on a prorated basis. The finance director may refund these fees by direct payment or by offsetting other obligations owed to the city by the then-current record owner(s) of the development project(s).

(Ord. 488 § 1 (part), 2007)

### 3.56.070 - Fee payment.

The fees established pursuant to this chapter shall be paid for the property on which a development project is proposed at the time of the issuance of any required building permit, except as otherwise provided below. Provided, however, that fees imposed on residential development shall be collected in accordance with the provisions of California Government Code Section 66007, as the same presently exists or may hereafter be amended from time to time.

All fees collected shall be promptly transferred or deposited into the appropriate funds referenced in Section 3.56.050.

(Ord. 488 § 1 (part), 2007)

### 3.56.080 - Use of funds.

- A. Funds collected from mitigation impact fees shall be used for the purpose of: 1) paying the cost of development and administration of the impact fee program, 2) paying the actual or estimated costs of construction and/or improving the public facilities within the city to which said specific fee or fees relate, including any required acquisition of land or rights-of-way therefore; 3) reimbursing the city for the development's share of those public facilities already constructed by the city or to reimburse the city for costs advanced, including without limitation, administrative costs incurred with respect to a specific public facility project; or 4) reimbursing other developers who have constructed public facilities described in the resolution adopted pursuant to Section 3.56.030, where those facilities were beyond that needed to mitigate the impact of said developer's project or projects.
- B. In the event that bonds or similar debt instruments are issued for advanced provision of public facilities for which mitigation impact fees may be expended, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities provided are of the type to which the fees involved relate.
- C. Funds may be used to provide refunds as described in Section 3.56.090.

(Ord. 488 § 1 (part), 2007)

### 3.56.090 - Refund of fees paid.

If a building permit expires without commencement of construction, then the fee payer shall be entitled to a refund, without interest, of the impact fee paid as a condition for its issuance, except that the city shall retain one percent of the fee to offset a portion of the costs of collection and refund. The fee payer must submit an application for such a refund to the city clerk within thirty (30) calendar days of the expiration of the permit. Failure to timely submit the required application for refund shall constitute a waiver of any right to the refund.

(Ord. 488 § 1 (part), 2007)

### 3.56.100 - Exemptions.

No fee shall be due for the reconstruction of any existing residential, commercial, or industrial development project that is damaged or destroyed as a result of a natural disaster, as declared by the Governor of the state of California, a local emergency declared by the city council or from fire, flood or other private calamity. Any reconstruction, or portion thereof, which is not substantially equivalent to the damaged or destroyed property shall be deemed to be new construction and shall be subject to the applicable fee.

Any claim of exemption with respect to any one or more of the fees referenced in Section 3.56.030 must be made no later than the time of application for a building permit.

(Ord. 488 § 1 (part), 2007)

### 3.56.110 - Developer construction of facilities.

#### A. In-Lieu Fee Credits for Construction of Improvements.

1. A developer that has been required by the city to construct any facilities or improvements (or a portion thereof) described in the resolution adopted pursuant to Section 3.56.030 as a condition of approval of a development permit may request an in-lieu credit of the specific mitigation impact fee(s) involved for the same development. Upon request, an in-lieu credit of fees shall be granted for facilities or improvements that mitigate all or a portion of the need therefore that is attributable to and reasonably related to the given development.
2. Only costs proportional to the amount of the improvement or facility that mitigates the need therefore attributable to and reasonably related to the given development shall be eligible for in-lieu credit, and then only against the specific relevant fee(s) involved to which the facility or improvement relates.
3. Fees required under this chapter shall be reduced by the actual construction costs of the facilities or improvements that relate to said fees, as demonstrated by the applicant and reviewed and approved by the city. If the cost of the facilities or improvements is greater than the required relevant fees, this chapter does not create an obligation on the city to pay the applicant the excess amount.
4. An amount of in-lieu credit that is greater than the specific fee(s) required under this chapter may be reserved and credited toward the fee of any subsequent phases of the same development, if determined appropriate by the city. The city may set a time limit for reservation of the credit.
5. Credits shall be calculated by the city in accordance with the fee schedule set forth in the resolution to be adopted pursuant to Section 3.56.030.

- B. Developer Construction of Facilities Exceeding Needs Related to Development Project. Whenever an applicant is required, as a condition of approval of a development permit, to construct any facility or improvement (or a portion thereof) described in the resolution adopted pursuant to Section 3.56.030 which facility or improvement is determined by the city to exceed the need therefore attributable to and reasonably related to the given development project, a reimbursement agreement with the applicant and a credit against the specific relevant fee which would otherwise be charged pursuant to this chapter on the development project, shall be offered. The credit shall be applied with respect to that portion of the improvement or facility that is attributable to and reasonably related to the need therefore caused by the development. The amount to be reimbursed shall be that portion of the cost of the improvement or facility that exceeds the need therefore attributable to and reasonably related to the given development. The reimbursement agreement shall contain terms and conditions mutually agreeable to the developer and the city, and shall be approved by the city attorney.
- C. Site Related Improvements. Credit shall not be given for site-related improvements, including, but not limited to, traffic signals, right-of-way dedications, or providing paved access to the property, which are specifically required by the project in order to serve it and do not constitute facilities or improvements specified in the resolution referenced in Section 3.56.030 hereof.
- D. Determination of Credit. The developer seeking credit and/or reimbursement for construction of improvements or facilities, or dedication of land or rights-of-way, shall submit such documentation, including without limitation, engineering drawings, specifications, and construction cost estimates, and utilize such methods as may be appropriate and acceptable to the city to support the request for credit or reimbursement. The city shall determine the credit for construction of improvements or facilities based upon either these cost estimates or upon alternative engineering criteria and construction cost estimates if he determines that such estimates submitted by the developer are either unreliable or inaccurate. The city shall determine whether facilities or improvements are eligible for credit or reimbursement.
- E. Time for Making Claim for Credit. Any claim for credit must be made no later than the application for a building permit. Any claim not so made shall be deemed waived.
- F. Transferability of Credit—Council Approval. Credits shall not be transferable from one project or development to another without the approval of the city council.
- G. Appeal of Determination of City. Determinations made by the city pursuant to the provisions of this section may be appealed to the city council by filing a written appeal (setting forth in detail the factual basis therefore) with the city clerk, together with a fee established by resolution of the city council, within ten (10) calendar days of the determination of the city. The appeal shall be considered by the city council at a public hearing to be held, noticed and conducted within sixty (60) days after the filing of the appeal. The decision of the city council on the appeal shall be final.



(Ord. 488 § 1 (part), 2007)

3.56.120 - Review.

- A. Except for the first year this chapter is in effect, no later than one hundred and eighty (180) days following the end of each fiscal year, the finance director shall prepare a report for the city council identifying the balance of fees in the various funds established pursuant to Section 3.56.050, the facilities constructed, and the facilities to be constructed.
- B. At a noticed public hearing, the city council shall review the report and the mitigation impact fees to determine whether the fee amounts continue to be reasonably related to the impact of development and whether the described public facilities are still needed. The council may revise the mitigation impact fees to include additional projects not previously foreseen as being needed.
- C. The report prepared by the finance director and its review by the city council, as well as any findings thereon, shall be subject to the provisions of California Government Code Section 66001(d), to the extent applicable (which shall be controlling in the event of any conflict).

(Ord. 488 § 1 (part), 2007)

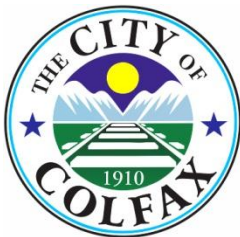
3.56.130 - Controlling state law.

The provisions of this chapter and any resolution adopted pursuant hereto, shall at all times be subject and subordinate to the provisions of Chapter 5 (commencing with Section 66000), Division 1, of Title 7 of the California Government Code, as the same presently exist or may hereafter be amended from time to time, to the extent the same are applicable. In the event of any conflict between the provisions of this chapter and said state law, the latter shall control.

(Ord. 488 § 1 (part), 2007)

**MITIGATION FEE BY LANDUSE & TYPE**  
**COLFAX MITIGATION FEE STUDY**  
 June 11, 2013 update

Mitigation Fee 3.56		Single Family	Multi Family	Office Building	Retail Building	Industrial Building	Single Family	Multi Family	Office Building	Retail Building	Industrial Building
Item	Code/Ordinance Section	per unit	per unit	per 1000 sf	per 1000 sf	per 1000 sf	per unit	per unit	per 1000 sf	per 1000 sf	per 1000 sf
Roads	3.48?? 3.56.030A	\$ 1,802	\$ 1,301	\$ 5,285	\$ 6,342	\$ 1,172	13%	14%	43%	43%	28%
Drainage Study	3.56.030B	\$ 74	\$ 48	\$ 57	\$ 68	\$ 43	1%	1%	0%	0%	1%
Drainage systems on E-W culverts	3.56.030C	\$ 3,416	\$ 2,216	\$ 2,616	\$ 3,139	\$ 1,962	25%	24%	21%	21%	47%
Trails	3.56.030D	\$ 1,125	\$ 787	\$ 35	\$ 31	\$ 12	8%	8%	0%	0%	0%
Park & Rec.	3.36.020?? 3.56.030E	\$ 5,731	\$ 4,011	\$ 178	\$ 160	\$ 63	42%	43%	1%	1%	2%
City Buildings	3.56.030F	\$ 684	\$ 494	\$ 2,007	\$ 2,409	\$ 445	5%	5%	16%	16%	11%
City Vehicles	3.56.030G	\$ 130	\$ 94	\$ 380	\$ 456	\$ 84	1%	1%	3%	3%	2%
Downtown Parking	3.56030H	\$ 581	\$ 420	\$ 1,705	\$ 2,046	\$ 378	4%	4%	14%	14%	9%
Mitigation Fee Study		\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	0%	0%
				Totals for a			100%	100%	100%	100%	100%
		per unit	per unit	10,000		sf building,					
				example							
Total		\$ 13,543	\$ 9,372	\$ 122,628	\$ 146,522	\$ 41,595					
Totals areas not using E-W culverts		\$ 10,126	\$ 7,156	\$ 96,465	\$ 115,128	\$ 21,974					



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE DECEMBER 13, 2017 COUNCIL MEETING

**FROM:** Mick Cabral, City Attorney

**DATE:** December 13, 2017

**SUBJECT:** Rotation of City Council Officers: Mayor and Mayor Pro Tem

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: N/A	FROM FUND: N/A
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**RECOMMENDED ACTION:** By Separate Motions, Select Mayor and Mayor Pro Tem

The ceremonial nature of the first Colfax City Council meeting in December usually involves rotating the Mayor and Mayor Pro Tem chairs. This year, selection of the next Mayor is influenced by the resignation of Mr. Hesch effective December 30, 2017.

Government Code §36801 dictates that a Mayor and Mayor Pro Tem must be selected but it does not dictate how the Mayor and Mayor Pro Tem are selected. In December 2002, the Colfax City Council adopted a policy whereby the rotation occurs by seniority on the Council, excepting those who have already served. That policy provides, in relevant part:

“...the Office of the Mayor is rotated yearly according to seniority on the Council with the exception of those already having served, while this Council sits.”

That policy was reiterated in the December 14, 2004 minutes and was written into the agenda for the December 12, 2006 meeting. The only deviation from the policy occurred in December 2005, when a resolution was adopted honoring the request of the then Mayor Pro Tem not to rotate into the Mayor’s seat. The December 2005 resolution provides that the established rotation policy was not being modified on a permanent basis.

The December 2002 action was only to adopt a policy, not an ordinance binding on future Councils. Policies by their nature provide guidance but are not binding. In the case of selection of the Mayor and Mayor Pro Tem, the Council can follow any process it chooses for selection of its Mayor and Mayor Pro Tem for 2018.

The phrase “while this Council sits” injects ambiguity into what the 2002 Council intended because the phrase “this Council” is subject to interpretation. On one hand, if “this Council” is interpreted in its narrow, literal sense to refer only to the 2002 Council that adopted the policy, then application of the policy is limited to the members of the 2002 Council. That would make sense if, for example, there was disagreement between the 2002 Council members over who should next sit as Mayor and Mayor Pro Tem.

Aside from being a literal interpretation of the language selected, this narrow interpretation is consistent with the general proposition that a Council cannot bind future Councils on matters of policy. Each Council has the right to decide which of its members will serve as Mayor and Mayor Pro Tem. The law only requires that those offices be filled. How those offices are filled is a matter of Council policy.

On the other hand, if “this Council” is broadly interpreted to mean “the Colfax City Council”, then the policy adopted in 2002 is arguably intended to apply to future Councils. It has apparently been followed by Councils after 2002, with limited exception. Again, however, it is only a policy, not a binding ordinance.

The rotation “according to seniority” also injects ambiguity into the process. If seniority was the only criteria, then the two Council members with the longest tenure would continue to rotate into and out of the Mayor and Mayor Pro Tem offices. That would not make sense and would not be in keeping with Colfax’s typical practice.

“Seniority” can refer to the total amount of time a member of the Council sits if, for example, a Council member is elected to successive terms. It can also refer to the amount of time a member sits since his or her most recent election or appointment. The latter is how the Council has historically interpreted “seniority”.

For example, Mr. Douglass and Mr. Parnham were elected to office in November 2012. Donna Barkle became Mayor for 2013 because she had most recently been appointed in lieu of an unopposed election in November 2010 and therefore had the most seniority on the Council. Mr. Hesch was appointed Mayor Pro Tem for 2013 because he had been appointed to fill Suzanne Roberts’ vacancy in September 2012 and had the second most “seniority” on the Council, having been there before Kim and Tom were elected.

Mr. Hesch became Mayor for 2014. Since Mr. Douglass received the most votes at the November 2012 election, he was made Mayor Pro Tem for 2014. It was Kim’s turn to serve as Mayor for 2015 and Tom, who was next in line, became 2015’s Mayor Pro Tem and 2016’s Mayor.

Mr. Delfino, Mr. Harvey and Mr. Hesch were elected at the November 2014 election. Ken received the highest number of votes, followed by Steve and then by Tony. If Ken had remained on the Council, it would have been his turn to serve as Mayor Pro Tem in 2016 and Mayor in 2017 because, based on past Council practice, he would have been the most “senior”. When Ken resigned, Steve became the highest in “seniority” because he received more votes than Tony in 2014 and, based on past practice, was made Mayor Pro Tem in 2016 and Mayor in 2017.

Following that practice, Mr. Harvey served as Mayor in 2017 and Mr. Hesch served as Mayor Pro Tem. Under normal circumstances, Mr. Hesch would serve as Mayor in 2018 and Mr. Stockwin would be Mayor Pro Tem. Mr. Stockwin would precede Mr. Douglass and Ms. Mendoza into that office because Will was on the Council before Mr. Douglass was re-elected in 2016 and before Ms. Mendoza was appointed to the Council.

Assuming that Mr. Hesch does not withdraw his resignation, the normal rotation will accelerate by one year. Mr. Stockwin is the most “senior” and next in line to serve as Mayor. Mr. Douglass is the next most senior, so he is next in line to serve as Mayor Pro Tem. Ms. Mendoza would succeed Mr. Douglas as reflected in the following rotation:

2016	Mayor Parnham, Mayor Pro Tem Harvey
2017	Mayor Harvey, Mayor Pro Tem Hesch
2018	Mayor Stockwin, Mayor Pro Tem Douglass
2019	Mayor Douglass, Mayor Pro Tem based on 11/2018 election

If Mr. Hesch rescinds his resignation, the rotation will be as follows, depending upon the results of the November 2018 election and on whether the Council wants to follow the typical rotation:

- 2016 Mayor Parnham, Mayor Pro Tem Harvey
- 2017 Mayor Harvey, Mayor Pro Tem Hesch
- 2018 Mayor Hesch, Mayor Pro Tem Stockwin
- 2019 Mayor Stockwin, Mayor Pro Tem Douglass
- 2020 Mayor Douglass, Mayor Pro Tem Mendoza
- 2021 Mayor Mendoza, Mayor Pro Tem depends on 2018 Election

This issue is exclusively for the City Council to decide. The history is interesting, if not a bit confusing, but selection of Mayor and Mayor Pro Tem is a policy issue for the Council, not staff or the City Attorney.