



LIVE OAK CITY COUNCIL

REGULAR MEETING AGENDA NOVEMBER 6, 2024 6:00 PM

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

MEMBERS OF THE COUNCIL

ASHLEY HERNANDEZ, MAYOR
NANCY SANTANA, VICE MAYOR
JERAMY CHAPDELAINE, COUNCILMEMBER
LAKHVIR GHAG, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

MARK SCOTT,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

The Council may take up any agenda item at any time, regardless of the order listed. Action may be taken on any item on this agenda. Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection at City Hall, 9955 Live Oak Boulevard, Live Oak, during normal business hours. Such documents are also available on the City of Live Oak's website at www.liveoakcity.org, subject to staff's availability to post the documents before the meeting.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the City Clerk's office at (530) 695-2112 x107. Requests must be made at least 24 hours in advance.

- **Remote Viewing:**

- Members of the public can view a livestream of the meeting online at https://liveoakca.granicus.com/ViewPublisher.php?view_id=1.
- Members of the public can access the Zoom webinar as follows:
 - **Join by Electronic Device:**
<https://us02web.zoom.us/j/81728267674>
 - **Join by Phone:**
1-669-900-6833 or 1-833-548-0282 (Toll Free)
Webinar ID: 817 2826 7674

- **Public Comment:** Members of the public can submit general public comments, as well as comment on specific agenda items in the following ways:
 - **Public Attendance:** Members of the public who attend in person may make comments from the Council Chamber podium.

- **Live Remote Public Comment:** Members of the public can submit a live remote public comment by:
 - *Joining the virtual Council meeting via the link below. When public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes.*

<https://us02web.zoom.us/j/81728267674>
 - *Joining the virtual Council meeting by calling the phone number below. When public comment is opened, dial *9 to raise your hand and be called upon to speak for up to 3 minutes.*

1-669-900-6833 or 1-833-548-0282 (Toll Free)
Webinar ID: 817 2826 7674
 - **Email Public Comment:** Comments from the public on agenda items will be accepted until 1:00 pm on the date of the meeting, via email to the City Clerk at cmenchaca@liveoakcity.org. Comments will be distributed to Council prior to the meeting and attached to the minutes. Please note that emailed comments will NOT be read aloud by staff during the meeting.
 - **eComment Feature:** Comments from the public on agenda items will be accepted until 1:00 pm on the date of the meeting, via the eComment feature at https://liveoakca.granicus.com/ViewPublisher.php?view_id=1. Comments will be distributed to Council prior to the meeting and attached to the minutes. Please note that eComments will NOT be read aloud by staff during the meeting.
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CALL TO ORDER**ROLL CALL****PLEDGE OF ALLEGIANCE AND INVOCATION****CORRECTIONS AND/OR CHANGES TO THE AGENDA BY CITY MANAGER ONLY****PRESENTATIONS AND RECOGNITIONS****PUBLIC COMMENT**

Any person wishing to address the City Council on general jurisdictional matters or consent calendar items may do so at this time. If you are commenting on an agenda item, your comments will be heard at the time that item is scheduled for discussion. The City Council adopted a time limit of three minutes per person. The Brown Act does not allow for Council discussion of items not on the agenda. Councilmembers may only a) refer the matter to staff; b) ask for additional information; c) request a report back; or d) provide a limited factual response for items not listed on the agenda.

CONSENT ITEMS

Consent Calendar is passed by one motion with exceptions and separate votes as noted.

1. City Council Meeting Minutes
Recommendation: Approve the October 2, 2024, City Council Regular Meeting minutes.
(Clarissa Menchaca, City Clerk)
2. City Council Meeting Minutes
Recommendation: Approve the October 8, 2024, City Council Special Meeting minutes.
(Clarissa Menchaca, City Clerk)
3. California Department of Resources Recycling and Recovery (CalRecycle) a Collaborative Application for the Waste Tire Enforcement Grant, Fiscal Year 2025-26 Yuba County Applicant on Behalf of the City of Live Oak
Recommendation: Adopt resolution.
(Mark Scott, Interim City Manager)

BUSINESS ITEMS

4. Approval of Contract with Bob Murray & Associates to Perform Executive Search Services for the Live Oak City Manager Position
Recommendation: Approve the contract with Bob Murray & Associates for performance of City Manager executive search services.
(Mark Scott, Interim City Manager)
5. Resolution Appointing Richard Crabtree as Interim City Manager and Approving an Employment Agreement
Recommendation: Adopt the resolution of appointment and approve the employment agreement for Richard Crabtree for the Interim City Manager position.
(Mark Scott, Interim City Manager)

6. Establishment of PARS Section 115 Trust
Recommendation: Adopt resolution to establish the PARS trust.
(James Ramsey, Finance Director)

DISCUSSION ITEMS

7. Business Grant Program Update
Recommendation: Discuss the status of the Business Grant program and provide staff direction relating to any adjustments in program policy.
(Mark Scott, Interim City Manager)

ITEMS REMOVED FROM THE CONSENT AGENDA FOR COUNCIL CONSIDERATION AND ACTION

UPDATES AND ANNOUNCEMENTS FROM THE CITY ATTORNEY AND CITY MANAGER

COUNCILMEMBER REPORTS / COMMENTS / REQUESTS

ADJOURNMENT



**City of Live Oak
Report to City Council**

Meeting Date: November 6, 2024

Title: City Council Meeting Minutes

Contact Information: Clarissa Menchaca, City Clerk

Recommendation: Approve the October 2, 2024, City Council Regular Meeting minutes.

Attachments:

[Minutes](#)



LIVE OAK CITY COUNCIL

MINUTES
OCTOBER 2, 2024
6:00 PM

MEMBERS OF THE COUNCIL

ASHLEY HERNANDEZ, MAYOR
NANCY SANTANA, VICE MAYOR
JERAMY CHAPDELAINE, COUNCILMEMBER
LAKHVIR GHAG, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

MARK SCOTT,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

CALL TO ORDER

Meeting called to order by Mayor Hernandez at Live Oak City Council Chambers, 9955 Live Oak Boulevard, Live Oak, CA at 6:00 pm.

ROLL CALL

Present: Councilmembers Woten, Chapdelaine, Ghag, Vice Mayor Santana, and Mayor Hernandez

PLEDGE OF ALLEGIANCE AND INVOCATION

Councilmember Ghag led the Pledge of Allegiance. Councilmember Woten delivered the invocation.

CORRECTIONS AND/OR CHANGES TO THE AGENDA BY CITY MANAGER ONLY

There were no corrections and/or changes.

PRESENTATIONS AND RECOGNITIONS

- A. Presentation with Possible Direction to Staff on Results of Impact Assessment Study Related to Joining Pioneer Community Energy

Lisa Delaby, Community Outreach Manager; Gina Stassi-Vanacore, Director of Communications; and Taylor Smith, Communications Coordinator, provided a presentation to the Council.

PUBLIC COMMENT

The following member of the public submitted a written public comment: Dale Carlson.

CONSENT ITEMS

Consent Calendar is passed by one motion with exceptions and separate votes as noted.

MOTION: APPROVE THE CONSENT AGENDA, WITH THE EXCEPTION OF ITEM 3 WHICH WAS PULLED FOR FURTHER DISCUSSION.
(MOTION: GHAG; SECOND: CHAPDELAINE)

VOTE: MOTION PASSED UNANIMOUSLY

1. City Council Meeting Minutes
Clarissa Menchaca, City Clerk
Council action: September 18, 2024, City Council Regular Meeting minutes approved.
2. City Council Meeting Minutes
Clarissa Menchaca, City Clerk
Council action: September 18, 2024, City Council Special Meeting minutes approved.
3. Filing and Acceptance of AB 1600 (Development Impact Fee) Annual Report
James Ramsey, Finance Director

The item was removed from the Consent Agenda for further discussion at the request of Councilmember Ghag.

DISCUSSION ITEMS

4. Dog Park Surface Discussion
Luis Cibrian, Parks and Recreation Director

John Suesens, Quadriga Landscape Architecture and Planning, Inc., provided a report for the Council.

Public Comment was opened and closed without any speakers.

Council action: Directed staff to obtain quotes from Quadriga Landscape Architecture and Planning, Inc.
5. October 16 Council Meeting Date
Mark Scott, Interim City Manager

Mark Scott, Interim City Manager, provided a report for the Council.

Public Comment was opened and closed without any speakers.

Council action: Directed staff to hold Council meeting only if there is business before the Council.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR COUNCIL CONSIDERATION AND ACTION

3. Filing and Acceptance of AB 1600 (Development Impact Fee) Annual Report
James Ramsey, Finance Director

James Ramsey, Finance Director, addressed questions from the Council.

MOTION: 1) ACCEPT THE ANNUAL REPORT ON DEVELOPMENT IMPACT FEES; AND 2) ADOPT FINDINGS THAT FUNDS HELD LONGER THAN FIVE YEARS ARE NEEDED FOR FUTURE PROJECTS.
(MOTION: GHAG; SECOND: SANTANA)

VOTE: MOTION PASSED UNANIMOUSLY

UPDATES AND ANNOUNCEMENTS FROM THE CITY ATTORNEY AND CITY MANAGER

There were no updates from the City Attorney or City Manager.

COUNCILMEMBER COMMENTS

Councilmember Woten touched on his attendance at the Regional Housing Authority Board of Commissioners meeting and urged the public to get out and vote.

Councilmember Chapdelaine highlighted his attendance at the Regional Housing Authority Board of Commissioners meeting.

Councilmember Ghag touched on his attendance at the Sacramento Area Council of Government's Race Equity, and Inclusion meeting.

Vice Mayor Santana discussed her attendance at the Yuba City Police Officer's Association dinner. Vice Mayor Santana suggested holding a Ribbon Cutting Ceremony for the Fire Training Center. Lastly, Vice Mayor Santana requested the city start an Officer of the Year award recognition program.

Mayor Hernandez announced her appointment to the school site council.

CLOSED SESSION

6. Public Employee Recruitment: Interim City Manager/City Manager, Pursuant to California Government Code Section 54957(b)

*Clerk's Note: If there is any reportable action, a report will be made at the beginning of the next regular Council meeting.

ADJOURNMENT

Mayor Hernandez adjourned the meeting at 7:52 pm.

Ashley Hernandez, Mayor

ATTEST:

Clarissa Menchaca, City Clerk



**City of Live Oak
Report to City Council**

Meeting Date: November 6, 2024

Title: City Council Meeting Minutes

Contact Information: Clarissa Menchaca, City Clerk

Recommendation: Approve the October 8, 2024, City Council Special Meeting minutes.

Attachments:

[Minutes](#)



LIVE OAK CITY COUNCIL

SPECIAL MEETING MINUTES OCTOBER 8, 2024 6:00 PM

MEETING LOCATION
LIVE OAK COUNCIL CHAMBERS
9955 LIVE OAK BOULEVARD
LIVE OAK, CALIFORNIA 95953

MEMBERS OF THE COUNCIL

ASHLEY HERNANDEZ, MAYOR
NANCY SANTANA, VICE MAYOR
JERAMY CHAPDELAIN, COUNCILMEMBER
LAKHVIR GHAG, COUNCILMEMBER
BOB WOTEN, COUNCILMEMBER

MARK SCOTT,
INTERIM CITY MANAGER

NICOLE ROSSER,
CITY ATTORNEY

CALL TO ORDER

Meeting called to order by Mayor Hernandez at Live Oak City Council Chambers, 9955 Live Oak Boulevard, Live Oak, CA at 6:03 pm.

ROLL CALL

Present: Councilmembers Woten, Chapdelaine, Ghag, Vice Mayor Santana, and Mayor Hernandez

PUBLIC COMMENT

The following member of the public addressed the Council: J.R. Thiara.

CLOSED SESSION

1. Public Employee Recruitment: Interim City Manager/City Manager, Pursuant to California Government Code Section 54957(b)

*Clerk's Note: If there is any reportable action, a report will be made at the beginning of the next regular Council meeting.

ADJOURNMENT

Mayor Hernandez adjourned the meeting at 6:06 pm.

Ashley Hernandez, Mayor

ATTEST:

Clarissa Menchaca, City Clerk



City of Live Oak Report to City Council

Meeting Date:	November 6, 2024
Title:	California Department of Resources Recycling and Recovery (CalRecycle) a Collaborative Application for the Waste Tire Enforcement Grant, Fiscal Year 2025-26 Yuba County Applicant on Behalf of the City of Live Oak
Contact Information:	Mark Scott, Interim City Manager
Location:	City Wide
Background:	The County of Yuba Environmental Health operates as the Yuba-Sutter LEA (Local Enforcement Agency) to perform waste tire activities on behalf of the City of Live Oak. In order for Yuba County to submit to the California Department of Resources Recycling and Recovery a Collaborative Application for the Waste Tire Enforcement Grant, Fiscal Year 2025-26 on behalf of the City of Live Oak, it is necessary for the Council to adopt a resolution authorizing and empowering the County of Yuba to execute all grant-related documents, including, but not limited to applications, payment requests, agreements, and amendments necessary to secure grant funds and implement and carry out the purposes specified in the grant application, and to further authorize the County of Yuba to conduct waste tire enforcement activities within the jurisdictional boundaries of the City of Live Oak during the term of Fiscal Year 2025-26 Local Government Waste Tire Enforcement Grant. The City has been partnering annually with Yuba County since 2011 in this program. Information regarding the program can be found on the Yuba County Environmental Health Website at https://www.yuba.org/departments/community_development/environmental_h
Fiscal Impacts:	None.
Recommendation:	Adopt resolution.
Attachments:	

[Resolution](#)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVE OAK AUTHORIZING THE COUNTY OF YUBA TO SUBMIT TO THE CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY, A COLLABORATIVE APPLICATION FOR WASTE TIRE ENFORCEMENT GRANT, FISCAL YEAR 2025-26 ON ITS BEHALF

WHEREAS, Public Resources Code sections 40000 et seq. authorizes the Department of Resources Recycling and Recovery (CalRecycle), to administer various Grant Programs (Grants) in furtherance of the State of California's (State) efforts to reduce, recycle and reuse solid waste generated in the State, thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, funds are allocated and available from the CalRecycle for Grants to cities, counties, and cities and counties with regulatory authority within the city and county government to perform enforcement/compliance and surveillance activities of entities and/or individuals involved with the waste tire industry; and

WHEREAS, CalRecycle has been delegated the responsibility for the administration of the Program within the State; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish necessary procedures governing the application, awarding and management of the Grants; and

WHEREAS, procedures established by the State and CalRecycle require each Applicant's governing body to certify by resolution its approval of the submittal of a Grant Application to CalRecycle; and

WHEREAS, the County of Yuba has agreed to perform waste tire activities on behalf of the City of Live Oak.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Live Oak authorizes the County of Yuba to submit to the California Department of Resources Recycling and Recovery a Collaborative Application for the Waste Tire Enforcement Grant, Fiscal Year 2025-26 on its behalf; and

BE IT FURTHER RESOLVED that the County of Yuba is hereby authorized and empowered to execute all Grant-related documents, including, but not limited to Applications, Payment Requests, Agreements, and Amendments necessary to secure Grant funds and to implement and carry out the purposes specified in the Grant Application, and that the County of Yuba is hereby authorized to conduct waste tire enforcement activities within the jurisdictional boundaries of the City of Live Oak during the term of Fiscal Year 2025-26 Local Government Waste Tire Enforcement Grant.

PASSED AND ADOPTED by the City Council of the City of Live Oak this 6th day of November, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Ashley Hernandez, Mayor

ATTEST:

Clarissa Menchaca, City Clerk



City of Live Oak Report to City Council

Meeting Date:	November 6, 2024
Title:	Approval of Contract with Bob Murray & Associates to Perform Executive Search Services for the Live Oak City Manager Position
Contact Information:	Mark Scott, Interim City Manager
Background:	The City Manager position in Live Oak has been vacant for more than 6 months, during which time the City has attempted to fill the position through internal staff-administered recruitment processes. The process did not result in successful placement of a candidate. Because the position of City Manager is critical to professional management of the City's business, the Interim City Manager has recommended that the City retain the services of a professional executive search firm with experience in doing this type of placement. The City Council has previously interviewed three finalist firms interested in doing this search, and selected the Bob Murray & Associates firm as best suited to manage the Live Oak City Manager search. Bob Murray & Associates is located in Roseville, California and has been in business for several decades, primarily serving local governments. They have extensive experience doing City Manager and Department Head recruitments throughout California and the Western U.S. For instance, in the last year, they have performed City Manager recruitments for the following Northern California cities: Auburn, Orinda, Novato, Winters, Pinole, Pacific Grove, Salinas. They are currently conducting City Manager/Chief Administrative Officer searches for Folsom, Yolo County and Reno.
Analysis:	Attached is the proposed contract with Bob Murray & Associates, along with a projected recruitment timeline. Also attached is a sample copy of a recruitment brochure of the sort that will be prepared for the Live Oak position. The fee for services is \$17,500, plus expenses not to exceed \$6,500 without client approval. This is a very competitive price in the executive search industry. Bob Murray & Associates provides a guarantee that if the successful candidate leaves the position within one year of being hired, the firm will perform a new search without basic fee, except for reasonable expenses.
Fiscal Impacts:	Funds are budgeted for the proposed contract.

Recommendation: Approve the contract with Bob Murray & Associates for performance of City Manager executive search services.

Attachments:

[Draft Professional Services Agreement](#)
[Basic Recruitment Timeline](#)
[Folsom City Manager Recruitment Brochure](#)

PROFESSIONAL SERVICES AGREEMENT

This agreement is made by and between the City of Live Oak (the CLIENT), and Bob Murray & Associates (the CONSULTANT).

- A. Engagement: The CLIENT agrees to engage the CONSULTANT to perform the services described below, the project described as an executive recruitment for a City Manager (the Search).
- B. Services: The CONSULTANT agrees to perform certain services necessary for the completion of the search, which services shall include the following:
 - a. Develop the Candidate Profile
 - b. Develop Advertising Campaign and Recruitment Brochure
 - c. Recruit Candidates
 - d. Screen Candidates
 - e. Conduct Personal Interviews
 - f. Conduct Public Record Search
 - g. Provide Recommendation
 - h. Assist with Final Interviews
 - i. Conduct Detailed Reference Checks
 - j. Assist with Negotiations
 - k. Provide Complete Administrative Assistance

As described in the proposal dated July 27, 2024.

- C. Relationship: The CONSULTANT is an independent contractor and is not to be considered an agent or employee of the CLIENT.
- D. Compensation: As full compensation for the CONSULTANT's professional services performed hereunder, the CLIENT shall pay the CONSULTANT the fixed amount of \$17,500. This amount includes four (4) meetings on site at CLIENT's place of business between CLIENT and CONSULTANT. Additional on-site meetings will incur additional professional services fees.
- E. Expense Reimbursement: The CONSULTANT shall be entitled to reimbursement for expenses from the CLIENT for consultant travel; advertising; recruitment brochure layout, typeset, and printing; clerical; express mail delivery; printing and binding; background and public records checks; education verification; and credit checks. First class mail postage, photocopying, and telephone charges are allocated costs. Expenses to be reimbursed shall not exceed \$6,500 without prior approval of the CLIENT. The expense reimbursement includes background and public records checks, education verification, and credit checks for up to three (3) final candidates. Additional reference checks will incur additional expense fees. Documentation of reimbursable expenses shall be provided upon request of the CLIENT; failure to request documentation prior to receipt of CONSULTANT'S invoice shall not serve as reason to delay payment.

- F. Compensation for Additional Services: In the event the CLIENT elects to require additional services of the CONSULTANT in addition to those described in Paragraph B, the CONSULTANT shall be compensated at an agreed-upon rate.
- G. Should a candidate recommended by our firm position resign or be terminated within the first 12 months of employment, we will provide the City of Live Oak with professional services to secure a replacement. Services will be provided at no cost, aside from expenses incurred on the City of Live Oak's behalf during the new search. We are confident in our ability to recruit outstanding candidates and do not expect the city to find it necessary to exercise this provision of our proposal.
- H. Method of Payment: The CLIENT shall be billed monthly by the CONSULTANT for the professional services completed as of that date. Expenses shall be billed and due at the same time. Invoices shall be submitted to the following individual or department in the CLIENT organization:

Invoicing/Billing Contact (client):

Interim City Manager
9955 Live Oak Blvd.
Live Oak, California 95953

- I. Term: The term of this agreement shall commence on November 6, 2024 at which time CONSULTANT shall begin work on the Search and shall continue until the Search is completed. Completion of work is defined as the CLIENT'S offer being accepted by the selected candidate.
- J. Termination: This agreement may be terminated; (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement; (b) by either party upon 10 days' prior written notice to the other party; or (c) upon mutual written agreement of both parties. In the event of termination, the CONSULTANT shall stop work immediately and shall be entitled to compensation for professional fees and expense reimbursement to the date of termination and for any work necessitated by that termination.
- K. Indemnity: Except for loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees, caused solely by the negligence of the CLIENT, its Council, boards, commissions, officers and employees, CONSULTANT shall indemnify, defend and hold harmless the CLIENT, its Council, boards and commissions, officers, and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner connected to CONSULTANT's negligent act or omission regarding performance of services or work conducted or performed pursuant to this Agreement.

L. Miscellaneous:

- a. The entire agreement between the parties with respect to the subject matter hereunder is contained in this agreement.
- b. Neither this agreement nor any rights or obligations hereunder shall be assigned or delegated by the CONSULTANT without the prior written consent of the CLIENT.
- c. This agreement shall be modified only by written agreement duly executed by the CLIENT and the CONSULTANT.
- d. Should any of the provisions hereunder be found to be invalid, void or voidable by a court, the remaining provisions shall remain in full force and effect.
- e. This agreement shall be governed by and construed in accordance with the laws of the State of California.
- f. All notices required or permitted under this agreement shall be deemed to have been given if and when deposited in the United States mail, properly stamped and addressed to the party for whom intended at such party's address listed below, or when delivered personally to such party. A party may change its address for notice hereunder by giving written notice to the other party.

Wherefore, the parties have entered into this agreement as of the later of the dates stated below.

Approved:

Dated: _____, 2024

BOB MURRAY & ASSOCIATES

By: _____

Gary Phillips

Title: Executive Vice President

1544 Eureka Road, Suite 280

Roseville, CA 95661

Dated: _____, 2024

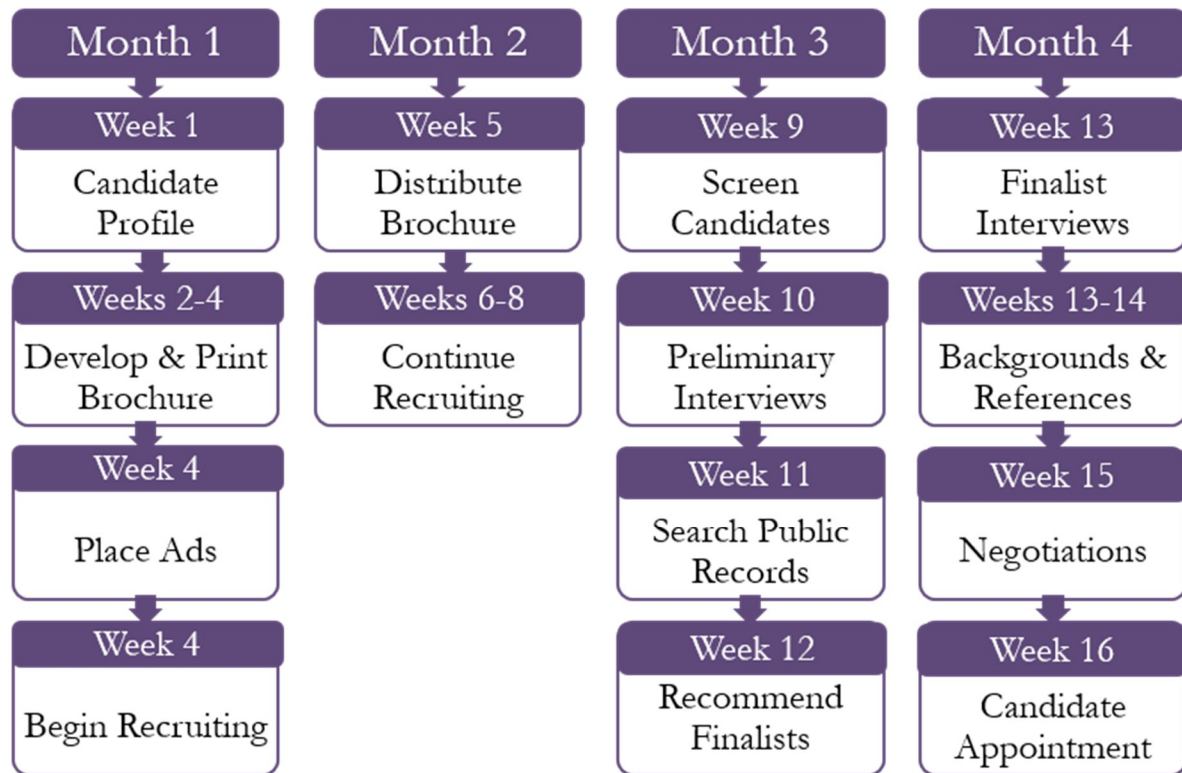
CITY OF LIVE OAK

By: Mark Scott

Title: Interim City Manager

9955 Live Oak Blvd.

Live Oak, CA 95953





CITY OF
FOLSOM
DISTINCTIVE BY NATURE

CITY MANAGER



**BOB MURRAY
& ASSOCIATES**
EXPERTS IN EXECUTIVE SEARCH

THE COMMUNITY

Anchored in the foothills of the Sierra Nevada, the City of Folsom is comprised of beautiful parks and trails, family-oriented neighborhoods, and outstanding shopping, dining, and cultural options for visitors and residents alike. The City is renowned for highly ranked schools, excellent public safety with low crime rates, and a strong employer base. Located 20 miles east of Sacramento and about 1.5 hours from Lake Tahoe, Folsom is a high-tech, forward-looking city, with firms ranging from small to large international corporations. The City is a dynamic metropolis with a unique mixture of sophistication, historic insight, and a prospering business community.

Folsom has a rich history that includes the famous California Gold Rush Days which created a legacy of excitement that propels the City today. The City also has an abundance of recreation for all ages from water sports such as kayaking, water skiing and sailing to an expansive network of 50+ miles of integrated trails for biking and hiking. Folsom Lake State Recreation Area is the most popular multi-use, year-round unit in the California State Park System. Each year visitors flock to the 18,000-acre park to fish, hike, camp, picnic, ride horseback, water ski, boat, swim, and study nature. Folsom Lake, the larger of the area's two lakes, is formed behind Folsom Dam and has 120 miles of shoreline. The City also offers diverse shopping, fine restaurants, and quality lodging. The historic district and oldtown with their landmarks, great scenery, and wonderful shopping are located just above the shores of Lake Natoma on the American River. Over 60 antique dealers make the City one of the oldest and largest centers of the antique trade in the West. More than 40 artisanal studios, art galleries and working artists make the City a fascinating destination for the collector.

The City's ideal location provides easy access to many major metropolitan areas, such as Sacramento – California's State Capital, San Francisco, Lake Tahoe, and the California Coast. Folsom residents enjoy the highest household median income in the Capital Region and the 13th highest in the state. The City has been named the best place to raise a family in California, has been ranked as one of the safest cities in the U.S., is listed as one of the most livable small cities in California, is noted as one of the best places in California to find a job, and has two schools that were selected as best high schools in the country. These along with its natural scenic beauty and a great climate make Folsom a wonderful place to live, work and raise a family.



CITY GOVERNMENT

Folsom residents elect five City Council members representing five distinct districts who serve four-year terms. Each year, council members select a Mayor and Vice Mayor from their ranks. Under direction of the City Council, the City Manager oversees day-to-day operations of the City and directs a staff of about 500 permanent employees. Folsom's General Plan serves as the guiding document to lead the City into the future. It emphasizes Folsom's family-friendly atmosphere and calls for at least five acres of park land for each 1,000 residents and city co-sponsorship of family activities. It envisions easily accessible retail centers, without adding traffic into the City's core. The General Plan also paints a picture of attractive new neighborhoods and a carefully preserved Historic District. Folsom residents also play an active role as the City handles routine business and shapes itself for the future. Committed citizens keep the City on track, providing thoughtful guidance to assure that Folsom retains the values which have lent it generations of appeal. The City has a Fiscal Year 2024-2025 General Fund budget of approximately \$117M.

THE POSITION

The City Manager plans, organizes, and directs the overall administrative activities and operations of the City; advises and assists the City Council; and represents the City's interests with other governmental agencies, business interests, and the community. The City Manager must keep Council informed and advised of the financial condition and future needs of the City, and make recommendations to the Council concerning the affairs of the City as are deemed necessary or desirable. Duties and responsibilities include but are not limited to:

- Representing the City in the Community at professional meetings.
- Preparing and administering the annual budget and capital improvement plan.
- Enforcing laws and contracts; Providing for enforcement and faithful execution of all laws, regulations and rules of the City, all provisions of the Charter, and all acts of the Council.
- Attending all Council meetings and participating in discussions; making recommendations for City Council adoption.
- Responding to and resolving difficult and sensitive citizen inquiries and complaints.
- Directing and conferring with department heads concerning administrative and operational problems.
- Appointing, removing and disciplining all employees of the City pursuant to requirements set out in the Charter.
- Directing and supervising the administration of all departments, offices, and agencies of the City.
- Administering and safeguarding all contracts of which the City is a party.
- Making reports to the Council concerning the operations of City departments, offices and agencies.
- Performing other duties consistent with the Charter as may be required by the Council.



THE IDEAL CANDIDATE

The City of Folsom is seeking a politically savvy, flexible, and proactive candidate to serve as the next City Manager. The ideal candidate is innovative, positive and solution oriented with the ability to provide effective leadership and mentorship to staff. A professional, team oriented, and confident leader will do well in this role. The successful candidate must have the ability to select, supervise, and evaluate assigned staff; interpret and apply laws, rules, and regulations; and analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.

The ideal candidate will maintain a customer service focus and engage the community. A consensus builder who removes obstacles and thinks outside of the box is desired. The new City Manager must bring balance and adaptability. Knowledge of principles and practices of municipal government; current social, political, and economic trends; and pertinent



federal, state, and local laws, codes, and regulations is essential. The successful candidate must be transparent and respectful with high emotional intelligence. Candidates must have the ability to communicate effectively, both verbally and in writing, and establish positive and effective working relationships with those contacted in the course of work.

Qualified candidates possess a Bachelor's degree from an accredited college or university in public or business administration or a closely related field, along with five (5) years of increasingly responsible management experience in local government, preferably in a city manager or county administrative office, including significant administrative, financial, and personnel management responsibilities. A Master's degree in public or business administration is highly desirable.

COMPENSATION

The incumbent City Manager's salary is currently \$290,050. The salary for the incoming City Manager is negotiable and dependent upon experience and qualifications. The

City of Folsom also offers an attractive benefits package including:

Retirement - Public Employee Retirement System (CalPERS)

- PERS Classic Members (hired into PERS on or prior to May 16, 2011), formula is 2.7% @ 55
- PERS Classic Members (hired into PERS on or after May 17, 2011), formula is 2% @ 55
- PERS PEPPRA Members (hired into PERS after January 1, 2013), formula is 2% @ 62

Social Security and Medicare - Employer and Employee both contribute 6.2% to Social Security and 1.45% to Medicare.

Medical – Employer contributes set amount for medical.

Dental – Employer pays 80% of premium (Delta Dental).

Vision – Employer pays 80% of premium (VSP).

Life Insurance – \$100,000 policy City paid for you; \$2,000 for each eligible dependent. Accidental Death and Dismemberment: \$100,000.

Holidays – 13 paid City holidays, including one floating holiday.

Disability Insurance – Short- and long-term disability paid by City with benefit of up to 60% salary up to age 65 for non-job related injuries or illnesses. Current maximum of \$1,252 weekly for STD. Workers compensation insurance covers on-the-job injuries or illnesses.

Annual Leave – The City provides 24 hours per month of paid Annual Leave for use as vacation or sick time.

Cash Out of Annual Leave – Employees may cash out up to 40 hours of annual leave per fiscal year.

Management Leave – In recognition that exempt managers often work more than 40 hours per week, the City provides paid Management Leave of 80 hours per year.

Deferred Compensation Match – 7.5% of the employee's gross salary. Employee match not required.

Auto Allowance – The City provides \$500 per month in auto allowance.

Expense Allowance – The City provides \$200 per month in expense allowance.

Tech Allowance – The City provides \$100 per month in tech allowance.

TO APPLY

If you are interested in this outstanding opportunity, please apply online at:

www.bobmurrayassoc.com

Filing Deadline:

October 27, 2024

Following the closing date, resumes will be screened according to the qualifications outlined above. The most qualified candidates will be invited to personal interviews with Bob Murray & Associates. A select group of candidates will be asked to provide references once it is anticipated that they may be recommended as finalists. References will be contacted only following candidate approval. Finalist interviews will be held with the City of Folsom. Candidates will be advised of the status of the recruitment following selection of the City Manager.

If you have any questions, please do not hesitate to call Ms. Valerie Phillips at:

(916) 784-9080





City of Live Oak Report to City Council

Meeting Date: November 6, 2024

Title: Resolution Appointing Richard Crabtree as Interim City Manager and Approving an Employment Agreement

Contact Information: Mark Scott, Interim City Manager

Background: The City Manager position in Live Oak has been vacant for seven months during which the City has actively recruited to fill the position and employed the services of Mark Scott as Interim City Manager. Mr. Scott has advised the City that he can no longer serve in that role, necessitating appointment of a new Interim City Manager to cover the City Manager's duties until a new permanent City Manager is appointed. It is hoped that an appointment might be made in early 2025.

Analysis:

After the current Interim City Manager notified the City of the need to replace him, the City advertised for applicants. Mr. Crabtree responded to the outreach and expressed interest. The City Council interviewed him in a special closed session on October 8, 2024. Following a background and reference evaluation, it was determined that Mr. Crabtree has the ability and interest to perform the duties effectively. He also benefits from living much closer to Live Oak than the current Interim City Manager.

Because Mr. Crabtree is a retired annuitant and under Government Code Section 21221(h), the City Council must make the appointment and approve the employment agreement by resolution. In addition, an appointment under Section 21221(h) requires the City to be actively pursuing a permanent replacement. The City has been and continues in its active efforts to identify and select a permanent City Manager. There is a contract on the November 6, 2024 agenda to retain services of an executive search firm for this purpose. The City had previously sought to perform the recruitment with City staff, but it did not result in an appointment.

The interim appointment will end when the regular replacement for the vacant position of City Manager for the City commences her or his employment or, if earlier, the date that this appointment is terminated by the City or Mr. Crabtree.

In accordance with applicable law for CalPERS retired annuitants, the proposed contract limits the number of hours which may be worked in any fiscal year to 960 hours. Further, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary specified in the City's salary schedule for the City Manager position, divided by 173.333 to equal the hourly rate. For Mr. Crabtree, as with the current City Manager, the rate is \$108/hour. Lastly, in accordance with applicable law, the employment agreement does not provide for any other benefit, incentive compensation in lieu of benefits, or any other form of compensation in addition to this hourly pay. The Agreement will be effective November 8, 2024.

Fiscal Impacts:

The Interim City Manager compensation is less in total than what is budgeted for the City Manager position because there is no cost for benefits. Thus, the City will have budget savings during this Interim period.

Recommendation:

Adopt the resolution of appointment and approve the employment agreement for Richard Crabtree for the Interim City Manager position.

Attachments:

[Resolution](#)
[Agreement](#)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVE OAK, CALIFORNIA, APPOINTING RICHARD CRABTREE AS INTERIM CITY MANAGER AND APPROVING AN EMPLOYMENT AGREEMENT

WHEREAS, the City of Live Oak is in the process of actively recruiting a qualified, permanent City Manager; and

WHEREAS, Government Code Section 21221(h) permits the City Council to appoint a retired annuitant to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the Live Oak City Council desires to appoint Richard Crabtree as an interim appointment retired annuitant to the vacant position of City Manager for the City of Live Oak under Government Code Section 21221(h), effective November 8, 2024 to allow sufficient time to recruit and hire a permanent City Manager; and

WHEREAS, Richard Crabtree has over 30 years of municipal government experience, which includes serving as a city manager in another local city; and

WHEREAS, Government Code Section 7522.6(f) requires that post-retirement employment commence no earlier than 180 days after the retirement date, and Richard Crabtree satisfies this requirement, in that he has been retired from public service since 2022; and

WHEREAS, this Section 21221(h) appointment shall only be made once and therefore will end on the date immediately preceding the date on which the regular replacement for the vacant position of City Manager for the City of Live Oak commences his or her employment or, if earlier, the date that this appointment is terminated by the City of Live Oak or Richard Crabtree; and

WHEREAS, the compensation of Richard Crabtree shall not be less than the minimum nor exceed the maximum published pay schedule for the vacant position of City Manager, divided by 173.333 to equal the hourly rate. Richard Crabtree has not and will not receive any other benefit, incentive compensation in lieu of benefits or any other form of compensation in addition to this hourly pay rate; and

WHEREAS, the entire employment agreement between Richard Crabtree and the City of Live Oak has been reviewed by this body and is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Live Oak, as follows:

SECTION 1. The City Council has considered the full record before it, which may include but is not limited to such things as the agenda staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. The City Council hereby appoints Richard Crabtree as interim City Manager effective November 8, pursuant to the authority provided under Government Code Section 21221(h) and 7522.56,

during the recruitment, selection and employment of a regular City Manager, to provide the critically-needed, specialized skills necessary to run the City of Live Oak.

SECTION 3. The employment agreement with Richard Crabtree, a copy of which is incorporated herein as Exhibit "A", is approved by the City Council, effective November 8, 2024.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Live Oak, California on 4th day of November, 2024.

APPROVED:

Ashley Hernandez, Mayor

ATTEST:

Clarissa Menchaca, City Clerk

APPROVED AS TO FORM:

Nicole Rosser, City Attorney

CITY OF LIVE OAK
AGREEMENT FOR EMPLOYMENT OF INTERIM CITY MANAGER

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into effective November 8, 2024 (the "Effective Date"), and is by and between the CITY OF LIVE OAK (the "City") and RICHARD CRABTREE (the "Employee").

RECITALS

A. The City desires to obtain the service of Employee as Interim City Manager for the City of Live Oak.

B. The Employee desires to be employed in that position.

C. Employee represents he is a retired annuitant of CalPERS within the meaning of Government Code § 21221 (h) and acknowledges that his compensation is statutorily limited as provided in Government Code § 21221(h). Employee represents that, as of the effective date of this Agreement, he has not worked for another CalPERS state or contracting agency as a retired annuitant during City's 2024-2025 fiscal year, and he therefore acknowledges he is restricted to working no more than a total of 960 hours for the City, a state agency or other CalPERS contracting agencies (collectively "CalPERS Agencies") during City's 2024-2025 fiscal year. Employee represents that he has not received unemployment compensation from any CalPERS agencies during the 12-month period preceding the effective date of this Agreement. Employee further represents that his CalPERS retirement date became effective prior to the 180-day period preceding the effective date of this Agreement.

D. City has determined it is necessary to hire Employee, a retired annuitant, because the position of Interim City Manager requires special skills, and Employee, by virtue of his significant experience as City Manager, has those special skills.

NOW, THEREFORE, City and Employee in consideration of the mutual covenants and agreements herein contained, agree as follows:

SECTION 1
INCORPORATION OF RECITALS

The foregoing recitals are not merely recitals but are contractual in nature and are incorporated herein.

SECTION 2
APPOINTMENT OF INTERIM CITY MANAGER

The City Council of the City hereby appoints Employee to the position of Interim City Manager, in and for the City of Live Oak, California.

SECTION 3
TERM OF AGREEMENT

This Agreement will become effective November 8, 2024 and shall continue in force until terminated pursuant to the conditions specified in Section 6 of this Agreement. This Agreement shall expire as of the first of the following to occur: (i) upon the employment commencement date of a permanent City Manager employed by City; or (ii) upon termination of the Agreement by City or Employee as provided in Section 6 (Termination) of this Agreement.

SECTION 4
AT-WILL EMPLOYMENT

Employee is an “at-will” Employee who shall serve at the pleasure of the City Council. Accordingly, the City Council may terminate Employee’s employment at any time, with or without cause. This provision may not be altered, except by a written instrument executed by Employee and formally adopted by the City Council, which specifically references this Agreement and section.

SECTION 5
DUTIES OF EMPLOYEE

a. Employee agrees to perform any and all duties outlined in the City’s Municipal Code as may be from time to time amended, and such other permissible and proper duties and functions as the City Council may from time to time assign.

b. Included within Employee’s duties shall be to assist the City Council for the recruitment of a permanent City Manager. In light of the provisions of Government Code Section 1090 et. seq., Employee recognizes and agrees it would be a conflict of interest to seek appointment to the position of permanent City Manager and Employee agrees not to seek or accept the permanent position of the City’s City Manager.

c. Employee shall devote forty (40) hours per week to perform his duties as Interim City Manager. The Employee and City agree that Employee shall be working at the City of Live Oak, each weekday during normal business hours. However, the Employee and City are flexible in allocation of these hours given that Employee may work some hours outside of regular business hours including, without limitation, attendance at regular and special Council Meetings, and other meetings and events as may be necessary by the Interim City Manager. Toward that end, Employee shall be allowed reasonable flexibility in setting his own office hours, provided the schedule of such hours provides a significant presence at City Hall, reasonable availability to the City Council, City staff, and members of the community during regular City business hours and for the performance of his duties and of City business. However, in no event shall Employee be required to work more than 959 hours per fiscal year for City, with the further limitation that Employee shall not exceed the 959 hours per fiscal year combined with time previously spent at another jurisdiction. The position of Interim City Manager shall be deemed an exempt position under California wage and hour law.

d. To assist Employee in performance of his duties City shall provide Employee a City cell phone and laptop computer and shall also pay for a service provider for internet access to such laptop computer. Employee shall return the cell phone and laptop computer to City upon termination of this Agreement.

SECTION 6 TERMINATION OF EMPLOYMENT AND SEVERANCE

a. BY CITY. The City may terminate this Agreement at any time with or without cause for any reason upon providing written notice to Employee of such termination without cause. The City Council may also terminate this Agreement in the event of termination with cause. The City's only obligation in the event of termination will be payment to Employee of all compensation then due and owing up to and including the effective date of termination.

b. In addition to termination of Employee without cause, the Employee may be terminated for "cause". The determination of whether there is "cause" for termination may include but shall not be limited to the following:

1. Violation of administrative policies and procedures;
2. Failure to properly perform assigned duties;
3. Theft of City property;
4. Insubordination;
5. Conviction of a felony, or conviction of a misdemeanor relating to Employee's fitness to perform assigned duties;
6. Unauthorized absence from employment;

7. Failure to maintain satisfactory working relationships with other employees or the public;
8. Reporting for work, or being at work, under the influence of or in possession of alcohol or non-prescribed controlled substances;
9. Improper use of City funds;
10. Unauthorized use of City property;
11. An act of moral turpitude or dishonesty; and
12. Other failure of good behavior either during or outside of employment such that Employee's conduct causes discredit to the City.

c. BY EMPLOYEE. The Employee may terminate this Agreement at any time for any reason and make every effort to provide thirty (30) days written notice to City of such termination. The City Council shall have the option in its discretion, to make Employee's termination effective at any time prior to the end of such period, provided City pays Employee all compensation for the hours he has worked prior to the date of termination.

SECTION 7 COMPENSATION/BENEFITS

a. RATE OF PAY AND COMPLIANCE WITH CALPERS REQUIREMENTS. It is the intent of the parties to compensate Employee only to the extent permitted under Government Code § 21221(h) and corresponding CalPERS regulations and policy statements. The Rate of Pay of \$108.00 per hour shall be paid for his services rendered as Interim City Manager. Payment shall be made to Employee on the same schedule as other City employees, subject to all applicable withholdings and deductions as may be required by law or government regulations. Employee will submit time reports to substantiate his hours worked.

b. RECORDATION AND REPORTING OF HOURS WORKED. Employee will comply with all applicable CalPERS regulations governing employment after retirement, including the recordation and reporting of all hours worked for City to CalPERS as may be required. City shall assist in any such reporting obligations to CalPERS.

c. BENEFITS. No Benefits. Pursuant to Government Code § 21221 (h) and related CalPERS regulations and policy statements, Employee shall not receive from City any benefits City commonly provides to its employees, including without limitation health, dental, or vision insurance coverage, life insurance, employee assistance programs, and similar benefits.

d. VACATION AND LEAVE. No leave. Employee and City agree that Employee in accordance with Government Code Section 21221(h) and related CalPERS regulations and policy statements, shall not be provided or accrue any personal time *off*, vacation, sick leave

(except sick leave which may be required by law), administrative leave, paid holidays or similar leave benefits.

SECTION 8 NOTICES

a. Notices pursuant to this Agreement shall be in writing given by deposit in the custody of the United States Postal Service, first class postage prepaid, addressed as follows:

i. THE CITY

CITY OF LIVE OAK
Live Oak City Hall
9955 Live Oak Blvd.
Live Oak, CA 95953
Attn: City Clerk

cc: RICH, FUIDGE, BORDSEN & GALYEAN, INC.
1129 D Street
Marysville, CA 95901
Attn: Nicole D. Rosser, City Attorney

ii. EMPLOYEE

RICHARD CRABTREE
31 Purple Robe Court
Chico, CA 95973

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to Civil Judicial Process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice, postage prepaid, with the United States Postal Service. Either party may change the address for notices pursuant to this Agreement by providing written notice to the other party as stated above.

SECTION 9 GENERAL PROVISIONS

- a. The text herein shall constitute the entire agreement between the parties.
- b. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, heirs at law and personal representative of Employee.

c. If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

d. Pursuant to California Government Code section 53243.2, regardless of the term of this contract, if the contract is terminated, any cash settlement related to the termination that Employee may receive from City shall be fully reimbursed to City if Employee is convicted of a crime involving the abuse of her position.

e. INDEMNIFICATION. Subject to, in accordance with, and to the extent provided by the California Government Claims Act [Government Code Section 810 *et seq.*] City will indemnify, defend, and hold Employee harmless from and against any action, demand, suit, monetary judgment or other legal or administrative proceeding, and any liability, injury, loss or other damages, arising out of any act or omission occurring during Employee's tenure as Interim City Manager.

f. BONDING. City shall bear the full cost of any fidelity or other bonds required of the Interim City Manager under any law or ordinance.

IN WITNESS WHEREOF the parties have executed this Agreement on the date set forth below.

Date: _____

Richard Crabtree, Employee

Date: _____

CITY OF LIVE OAK

By: _____
Ashley Hernandez, its Mayor

Attest:

Clarissa Menchaca, City Clerk



City of Live Oak Report to City Council

Meeting Date:	November 6, 2024
Title:	Establishment of PARS Section 115 Trust
Contact Information:	James Ramsey, Finance Director
Background:	See attached staff report.
Fiscal Impacts:	There is no financial impact associated with establishing the trust to pre-fund retirement obligations, administered by PARS. Contributions to the trust, as determined by the City Council at a future meeting, may impact reserves.
Recommendation:	Adopt resolution to establish the PARS trust.
Attachments:	

[Staff Report](#)
[Resolution](#)
[Agreement for Administrative Services](#)
[PARS 115 Trust](#)



**City of Live Oak
Report to the City Council**

Date: October 16, 2024

Title: Establishment of PARS Section 115 Trust

Contact: James Ramsey, CPA, Finance Director (Consultant)

On May 22, 2024, the City Council received a presentation from representatives from the Public Agency Retirement Services (PARS) regarding options to fund future other post-employment benefits (OPEB) obligations and future pension obligations (pension contributions). Management has made an evaluation and has the following recommendations for both type of accounts:

Pensions

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires that governmental employers that sponsor define benefit plans (i.e., CalPERS) must recognize a net pension liability or asset (NPL/A) on their balance sheet. The NPL/A is the difference between its total pension liability, which is determined by independent actuaries, and the plan assets. GASB 68 became effective for fiscal years starting after June 15, 2014.

The City's pension plan is administered by the California Public Employee Retirement System (CalPERS), and is funding through three (3) types of contributions: a) employee contributions (currently 8%); b) employer contributions (16.02% for Classic employees and 7.87% for PEPRAs employees); and c) Unfunded Actuarial Liability (UAL) contributions (\$187,234 for FY 24-25). Employer & UAL contributions are determined by actuarial valuations performed by CalPERS. As noted below, the City's funding ratio is 73.0% based on its participation in the cost-pool:

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	\$8,790,664	\$9,493,040
Market Value of Assets (MVA)	6,419,864	6,920,625
Unfunded Accrued Liability (UAL) [AL – MVA]	\$2,370,800	\$2,572,415
Funded Ratio [MVA ÷ AL]	73.0%	72.9%

The actuarial valuations are determined by assumptions, including demographic assumptions (retirement age, employment and mortality rate projections) and economic assumptions (investment rate of return, wage and price inflation projections). Changes in these assumptions will impact future contribution rates and amounts. Based on current assumptions, the City's contribution rates are not expected to fluctuate significantly however, the UAL contributions are expected to rise due to projected short-falls of investment returns.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 1470 Results					
Normal Cost %	16.09%	16.1%	16.1%	16.1%	16.1%	16.1%
UAL Payment	\$217,158	\$234,000	\$248,000	\$279,000	\$285,000	\$290,000

Historically, Section 115 trusts have primarily been used for prefunding only Other Post-Employment Benefits (OPEB, or retiree health). All of the OPEB prefunding plans, including the City of Live Oak's, are operated under Internal Revenue Code Section 115. In 2017, in a private letter ruling, the Internal Revenue Service (IRS) said that Section 115 trusts could also be used for prefunding pension benefits, creating a new tool for agencies.

A Section 115 Trust offers the following benefits:

- Funds offset unfunded pension liabilities (General Fund reserves do not)
- Agencies control the risk tolerance of the portfolio Greater investment flexibility and risk diversification compared to an agency's General Fund investments
- Assets can be sent directly to CalPERS to offset unexpected contribution rate increases or be used as a rainy-day fund when revenues are impaired based on economic or other conditions
- Improved credit rating
- Flexibility to access assets any time to pay employer pension obligations.

There are currently only two independent retirement plan administrators, Public Agency Retirement Systems (PARS) and CalPERS. Staff evaluated the work done by other agencies in assessing this new service, which included comparisons of services offered and fees to administer the trust (Attachment 3 is City's evaluation by PARS). Staff believes that because of the higher investment returns and the ability to diversify its portfolio, the City would be best served by selecting PARS as its plan administrator. Approval of the Resolution (Attachment 1) would adopt the PARS Public Agencies Pension Obligation Trust and allow for the execution of legal and administrative documents and other related actions required to administer the City's Program. At this time, Staff recommends that the City Council authorize only the establishment of the trust and the authorization to enter into a contract with PARS, actions which have no fiscal impact. A discussion of potential funding levels will be brought to the City Council as part of the year-end reserve designations at a future meeting.

Other Post-Employment Benefits Plan

In 2015, the Government Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires governmental employers that sponsor define other post-employment benefit (OPEB) plans to report costs and obligations for post-employment healthcare and other post-employment benefits much like the current accounting requirement to report pension obligations. Similar to GASB 68, agencies must also report its net OPEB liability (NOL) (difference between the total OPEB liability and assets accumulated in an irrevocable trust) on its financial statements. GASB 75 (which replaces the requirements of GASB 45) became effective for fiscal years beginning after June 15, 2017.

The City currently has a plan with the California Public Employee's Retirement System (CalPERS) relating to funding the City's obligation with providing post-employment benefits. As

of June 30, 2023, the City has \$510,847 reported in that account, whereas the City's Total OPEB Liability was last reported at June 30, 2022, as \$389,367, resulting in a OPEB asset of \$121,480. As a result, the City has met its fiduciary responsibility has fully funded the City's obligation relating to OPEB. Investment earnings in the CalPERS Employees' Retirement Benefit Trust (CERBT) will be sufficient to meet the City's obligations for retiree benefits for the foreseeable future.

As a result, management is not recommending establishing a trust with PARS to fund the City's OPEB obligations.

Fiscal Impact: There is no financial impact associated with establishing the trust to pre-fund retirement obligations, administered by PARS. Contributions to the trust, as determined by the City Council at a future meeting, may impact reserves.

Recommendation: Approve resolution to establish the PARS trust.

Attachments:

Resolution
Sample Agreement
PARS Presentation

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVE OAK, STATE OF CALIFORNIA, APPROVING THE ADOPTION OF
THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT
SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the “Program”) for the purpose of prefunding pension obligations and/or OPEB obligations; and

WHEREAS, the City of Live Oak (“City”) is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City’s adoption and operation of the Program has no effect on any current or former employee’s entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City’s funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective November 6, 2024; and
2. The City Council hereby appoints the City Manager, or his/her designee as the City’s Plan Administrator for the Program; and
3. The City’s Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City to take whatever additional actions are necessary to maintain the City’s participation in the Program and to maintain compliance of any relevant regulation issues or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City’s Program.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA

COUNTY OF SUTTER

Clarissa Menchaca, the City Clerk of the City of Live Oak, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said City at a regular meeting thereof held on the 6th day of November, 2024, and passed by a unanimous vote of said Council.

IN WITNESS WHEREOF I have hereunto set my hand and seal this 6th day of November, 2024.

APPROVED:

Ashley Hernandez, Mayor

ATTEST:

Clarissa Menchaca, City Clerk

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2024, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or Other Post-Employment Benefits ("OPEB") obligations ("Plan") and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
- (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]
- Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2024 and ending _____, 2027 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer _____

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$1	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms
2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)
3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)
4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

WHY PARS/PFM?

1. 115 Trust services for Prefunding Pension and OPEB is our Core business, unlike CalPERS
2. Market pioneer and leader with over 500 115 Trust clients
3. Only IRS-approved Section 115 Combination Trust; CalPERS CERBT & CEPPT are separate trusts
4. We offer mutual indemnification clause in agreements, unlike CalPERS
5. Can reimburse Agency for up to 2 years of OPEB and/or Pension expenses (current year + prior year) vs. CalPERS who only reimburses for 1 year; helpful in an emergency or tough budget year
6. Ongoing Plan Reviews (at minimum annually) with advisement from investment manager
7. Choice of 5 active or 5 passive portfolios or custom option¹ vs. 3 passive options only for CERBT and 2 passive options only for CEPPT
8. No minimum fees, no minimum contributions, no trading fees & no 12b-1 fees
9. Greater Net Performance (6.62%² vs. 5.56%³ for CalPERS; 10-Year Returns as of 6/30/24)

¹Available based on asset size

²Annualized Returns over 1, 3 and 5 years are based on the PARS/115P Capital Appreciation Strategic Blend portfolio, which has not reached 10 years since inception (10-1-17). For illustration purposes, 10-year returns are based on the PARS/PRHCP Capital Appreciation Index portfolio. The returns provided are gross of investment advisory fees and net of mutual fund fees.

³Source: CERBT Strategy 1 quarterly fact sheet. www.calpers.ca.gov as of June 30, 2024.

NET PERFORMANCE FEE ANALYSIS

As of June 30, 2024

Over 1 Year	Over 3 Years	Over 5 Years	Over 10 Years
PARS	PARS	PARS	PARS
Capital Appreciation* (25% Fixed Income/Cash) 15.46% minus weighted PARS administration fee (-) 0.25% minus weighted investment management fee (-) 0.35%	Capital Appreciation* (25% Fixed Income/Cash) 3.17% minus weighted PARS administration fee (-) 0.25% minus weighted investment management fee (-) 0.35%	Capital Appreciation* (25% Fixed Income/Cash) 8.27% minus weighted PARS administration fee (-) 0.25% minus weighted investment management fee (-) 0.35%	Capital Appreciation* (25% Fixed Income/Cash) 7.22% minus weighted PARS administration fee (-) 0.25% minus weighted investment management fee (-) 0.35%
1-Year Net Return 14.86%	3-Year Net Return 2.57%	5-Year Net Return 7.67%	10-Year Net Return 6.62%

CALPERS CERBT	CALPERS CERBT	CALPERS CERBT	CALPERS CERBT
Strategy 1** (28% Fixed Income/Cash) 11.02% minus fees (-) 0.09%	Strategy 1** (28% Fixed Income/Cash) 0.80% minus fees (-) 0.09%	Strategy 1** (28% Fixed Income/Cash) 6.23% minus fees (-) 0.09%	Strategy 1** (28% Fixed Income/Cash) 5.65% minus fees (-) 0.09%
1-Year Net Return 10.93%	3-Year Net Return 0.71%	5-Year Net Return 6.14%	10-Year Net Return 5.56%

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Prior to January 1st, 2024, HighMark Capital Management, Inc. ("HighMark") acted as sub-advisor to the PARS portfolios. HighMark, including clients and investment personnel, was consolidated into its affiliate, PFM Asset Management LLC (PFMAM) on January 1st, 2024. Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets at the end of this presentation.

*Annualized Returns over 1, 3 and 5 years are based on the PARS/115P Capital Appreciation Strategic Blend portfolio, which has not reached 10 years since inception (10-1-17). For illustration purposes, 10-year returns are based on the PARS/PRHCP Capital Appreciation Index portfolio. The returns provided are gross of investment advisory fees and net of mutual fund fees.

Subject to change due to rebalancing; Past performance does not guarantee future results; PARS program fees are illustrated based on assets under \$5.0 Million

**Source: CERBT Strategy 1 quarterly fact sheet. www.calpers.ca.gov as of June 30, 2024.

SECTION 115 TRUST CLIENTS (500+) INCLUDING:

Updated: October 2024

AGENCIES THAT HAVE TRANSFERRED ASSETS FROM CALPERS CERBT TO PARS

CITIES

Bishop	Newport Beach
Fountain Valley	Ontario
Indian Wells	Twentynine Palms
Livermore	Woodside
Lodi	

COUNTIES

Lassen	Riverside
Napa	San Benito
Placer	Shasta

SPECIAL DISTRICTS

California Intergovernmental Risk Authority
Goleta West Sanitary District
Metropolitan Transportation Commission
Three Valleys Municipal Water District

EDUCATION

John Swett USD
West Valley Mission CCD



City of Live Oak Report to City Council

Meeting Date: November 6, 2024

Title: Business Grant Program Update

Contact Information: Mark Scott, Interim City Manager

Background: In late 2023, the City Council approved use of \$572,473 of its American Rescue Act (ARPA) funding to provide Business Grants to local businesses that had been affected by the COVID downturn. Businesses applied for the grants in a process that allowed applications funding of up to \$20,000 for exterior work on their premises and up to \$10,000 for interior work. The work was required to be of a permanent nature (i.e., improvements that are not transferable to another location). Businesses have used the funds for work such as painting, flooring, air conditioning, business signage, parking lot repaving, awnings, canopies and permanent equipment installation. By most measures, the program has resulted in positive upgrades to the community's business inventory.

The program originally anticipated "commitment" of funds by June 30, 2024. However, given the late program start, the date was extended until December 1, 2024. Under ARPA regulations, all funding must be committed by December 31, 2024, but the full expenditure of funds can occur until December of 2025. The City has been asking businesses to have committed to specific project work by December 1.

Analysis:

Attached is a summary of the awards that have been granted and the spending that has occurred to date. As of last week, the City had paid out \$310,203.96 toward grant projects. The chart shows another \$262,264.45 unspent. Of this, staff has had discussions with grantees who have indicated plans to spend probably two-thirds of this balance. That would leave somewhere between \$75,000 and \$100,000 that may remain unspent.

Staff recommends that the City Council provide the following direction:

* Notify all applicants with remaining balances that they must notify the City of their specific project intentions by December 1, 2024. The notifications need to identify the exact funding amount and the anticipated dates of full expenditure. Staff recommends that they be required to fully expend the funds by June 1, 2025.

* There has been some confusion since the beginning of the program relating to the \$10,000 cap on Interior projects. A number of applicants have argued that while their award was for less, they were told they could go up to the \$10,000 limit. Staff has held awardees to the actual award amounts, although we note that the previous City Manager had granted the full \$10,000 to a couple awardees prior to current staff's arrival. There is sufficient funding to allow Interior grant awardees to increase their spending to the full \$10,000 if the Council is willing to make that additional allocation. That would cost the City at most \$22,000 from the unexpended fund balance. (If we made the same concession on the \$20,000 Exterior cap, it could cost an additional \$53,000.)

* Staff also seeks direction relating to two awarded businesses that are vacant. The award required the existence of a business with a valid business license. Two businesses (the old Sunny's Market site and Broadway Lounge) were awarded \$20,000 for exterior improvements, but there is no current tenant. If the City Council is inclined, the award could be made to the landlord as a "business," so that improvements could be made to encourage retail occupancy. Staff needs Council direction on this change in program policy.

Fiscal Impacts:

The City is well-within the financial projections at this time. If there are still funds unpledged by December 1, 2024, the City Council should consider reallocating the unpledged funds rather than lose them. All ARPA funds must be committed to specific projects by December 31, 2024.

Recommendation:

Discuss the status of the Business Grant program and provide staff direction relating to any adjustments in program policy.

Attachments:

[Update Business Grant List](#)

Businesses- Paid In Full

	<u>Exterior</u>	<u>Interior</u>
1 Norcal Truck Parts	\$20,000.00	\$10,000.00
2 Tick Tax	\$0.00	\$8,200.00
3 Martin's Smog & Auto	\$11,387.86	\$7,549.46
4 All Hair Cut Salon	\$0.00	\$10,000.00
5 Dowd Interiors/El Bajio	\$20,000.00	\$0.00
6 Norcal Brokerage	\$0.00	\$10,000.00
7 Tiff's Gas Mart	\$20,000.00	\$0.00
8 Subway	\$20,000.00	\$10,000.00
9 Live Oak Pharmacy	\$0.00	\$10,000.00
10 Penny Candy	\$15,000.00	\$10,000.00
11 El Ranchito Market	\$11,400.00	\$9,900.00
Subtotal	\$117,787.86	\$85,649.46

Businesses- Partially Paid

	<u>Exterior</u>	<u>Interior</u>
12 Interiors by Design	\$17,472.65	\$0.00
13 Esteban's	\$0.00	\$9,998.99
14 Pizza Factory	\$20,000.00	\$0.00
15 J Auto Sales	\$20,000.00	\$5,000.00
16 Hotbox Smoke Shop	\$20,000.00	\$0.00
17 MG Liquor	\$4,000.00	\$3,800.00
18 Lifestyle Club	\$0.00	\$6,300.00
Subtotal	\$81,472.65	\$25,098.99

Businesses- w/ Remaining Balance

	<u>Exterior</u>	<u>Interior</u>
<i>12 Interiors by Design</i>	<i>\$2,527.35</i>	<i>\$10,000.00</i>
<i>13 Esteban's</i>	<i>\$20,000.00</i>	<i>\$0.00</i>
<i>14 Pizza Factory</i>	<i>\$0.00</i>	<i>\$6,900.00</i>
<i>15 J Auto Sales</i>	<i>\$0.00</i>	<i>\$5,000.00</i>
<i>16 Hotbox Smoke Shop</i>	<i>\$0.00</i>	<i>\$10,000.00</i>
<i>17 MG Liquor</i>	<i>\$16,000.00</i>	<i>\$6,200.00</i>
<i>18 Lifestyle Club</i>	<i>\$0.00</i>	<i>\$3,700.00</i>
<i>Subtotal</i>	<i>\$38,527.35</i>	<i>\$41,800.00</i>

Businesses- No Invoice Received

	<u>Exterior</u>	<u>Interior</u>
19 E-Center	\$7,999.00	\$7,999.00
20 Broadway Lounge	\$20,000.00	\$10,000.00
21 Betty's Restaurant	\$16,000.00	\$9,800.00
22 Juarez Auto Repair	\$20,000.00	\$10,000.00
23 Sunny Market	\$20,000.00	\$9,812.50
24 Feather River Health Solutions	\$0.00	\$6,526.10
25 Studio Luxe	\$0.00	\$7,800.00

26 Vee's Beauty Bar	\$0.00	\$10,000.00
27 Crossroads Carrier	\$0.00	\$6,000.00
28 Live Oak Physical Therapy	\$20,000.00	\$0.00
Subtotal	\$103,999.00	\$77,937.60
Total	\$341,786.86	\$341,786.86

