City of South Lake Tahoe
City Council and South Tahoe Joint Powers Financing Authority
Meeting Agenda
Tuesday, August 09, 2022 at 9:00 AM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Devin Middlebrook, Mayor
Cristi Creegan, Mayor Pro Tem
Cody Bass, Councilmember
John Friedrich, Councilmember
Tamara Wallace, Councilmember

Mission of the City Council
The City Council exists to represent the public interest, to oversee the City's operations and to plan for the City's future.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, and via ZOOM at this link https://us06web.zoom.us/j/86562830576.

A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City's Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment:
In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 865 6283 0576 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak.

In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during normal business hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

City Employee Recognition

1. Swearing In Ceremony - Fire Chief
Requested Action / Suggested Motions: The City Clerk will administer the Oath of Office to Fire Chief Jim Drennan
Responsible Staff Member: Susan Blankenship, City Clerk
Item 1 - Executive Summary.pdf

2. City Employee Recognitions
Requested Action / Suggested Motions: Eight new employees will be introduced to City Council. One employee will be recognized for reaching 20 Years-Service, one employee will be recognized for reaching 10 Years-Service and four employees will be recognized for reaching 5 Years-Service.
Responsible Staff Member: Various
Item 2 - Executive Summary.pdf
01-Staff Report Employee Service 08 09 2022.pdf

Public Communications

This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

City Commission Reports

Presentations

3. Climate Action Plan Update and Civic Spark Fellow Close of Service
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member: Sara Letton, Sustainability Coordinator
Item 3 - Executive Summary.pdf
01-Staff Report - Climate Action Plan Annual Update.docx

02-Presentation

Consent Agenda

Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

4. City Council Meeting Minutes
Requested Action / Suggested Motions: Pass a Motion approving the June 7, 2022 Regular City Council meeting minutes and June 21, 2022 City Council and South Tahoe Redevelopment Successor Agency meeting minutes.
Responsible Staff Member: Susan Blankenship, City Clerk
Item 4 - Executive Summary.pdf
06 21 2022 Minutes.pdf
06 07 2022 Minutes.pdf

5. Revised Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Appropriation Limits
Requested Action / Suggested Motions: 1) Pass a Resolution establishing the revised Appropriation Limit for Fiscal Year 2020-2021 in the amount of $83,178,448; and 2) Pass a Resolution establishing the revised Appropriation Limit for Fiscal Year 2021-2022 in the amount of $88,788,841, in compliance with Proposition 111.
Responsible Staff Member: Olga Tikhomirova, Director of Finance
Item 5 - Executive Summary.pdf
01-Staff Report Revised GANN Limits FY 2020-21 and 2021-22.docx
02-Resolution Revised GANN 2020-2021.docx
03-Resolution Revised GANN 2021-2022.docx
04-Revised Appropriation Limit 2020-2021 Worksheets.pdf
05-Revised Appropriation Limit 2021-22 Worksheets.pdf

6. Financial Policy Amendments to Procurement, Travel and Training, and Capital Investments Policies
Requested Action / Suggested Motions: Pass a Resolution Approving Amendments to Financial Policies Regarding Procurement, Travel and Training, and Preserving Capital Investments.
Responsible Staff Members: Lori Marino, Principle Management Analyst and Heather Stroud, City Attorney
Item 6 - Executive Summary.pdf
01-Staff Report - Financial Policy Amendments.docx
02-Resolution Financial Policy Amendments.docx
03-CSLT Procurement Policy Redline.pdf
04 - CSLT Procurment Policy (Exh. A to Reso).pdf
05-CSLT Travel Policy Redline.pdf
06-CSLT Travel Policy (Exh. B to Reso).pdf
07-CSLT Local Training and Meeting Policy Redline.pdf
08-CSLT Local Training and Meeting Policy (Exh. C to Reso).pdf
09-CSLT Preserving Capital Investments Redline.pdf

10-CSLT Preserving Capital Investments (Exh. D to Reso).pdf

7. Purchase of a Loader and Cut-Off Gates for City Snow Operations
Requested Action / Suggested Motions: Pass a Resolution appropriating $454,295 from the Measure S Sales Tax fund and authorizing the purchase of one John Deere Loader (2021) from Pape Machinery, Inc. for $357,794.50 and eight (8) Bolt Type Henke Hi-Gate for Graders from Holt of California for $96,500.40 through Sourcewell Cooperative Purchasing Agreement for City Snow Operations
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Maintenance Manager
Item 7 - Executive Summary.pdf
01-Staff Report - Loader and Cut-Off Gates.docx
02-Loader Quote and Contract.pdf
03-Henke Hi-Gate Quote and Contract.pdf
04-Resolution for Loader and Cut-Off Gates.docx

8. Sole Source Purchase of a Vehicle from Champion Chevrolet
Requested Action / Suggested Motions: Pass a Motion approving a sole source purchase and authorizing and directing the City Manager to sign a Purchase Order with Champion Chevrolet for $51,027.43 to purchase a 2023 Chevrolet Silverado for the Public Works Department.
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Fleet Supervisor
Item 8 - Executive Summary.pdf
01 - Staff Report - Public Works Vehicle Purchase.docx.pdf
02 - GM Cancellation Memo.pdf
03 - Champion Chevrolet Quote.pdf
04 - Additional Quotes.pdf
05 - Sole Source Form.pdf
06 - Original National Auto Fleet Purchase Order.pdf

9. Cost-Sharing Agreement with Tahoe Meadows for the Installation of LED Flashing Stop Signs
Requested Action / Suggested Motions: (1) Pass a Resolution authorizing acceptance of $5000 from Tahoe Meadows for LED flashing stop signs; and (2) Pass a Motion authorizing and directing the Mayor to execute a cost-sharing agreement with Tahoe Meadows for installation of LED flashing stop signs.
Responsible Staff Member: Anush Nejad, Director of Public Works
Item 9 - Executive Summary.pdf
01 - Staff Report - Tahoe Meadows Reimbursement Agreement.docx
02 - Reimbursement Agreement - Tahoe Meadows.docx
03 - Exhibit A - Proposed Location.pdf
04 - Resolution to Accept Funds.doc

10. Lease Agreement with Tahoe Art League for Art Building
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Lease Agreement with Tahoe Art League for a 10-year term for use of the Art Building located at 3062 Lake Tahoe Boulevard.
Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation
Item 10 - Executive Summary.pdf
01-Staff Report - Art League Building Lease.docx
02-2012 Lease Agreement.pdf

03-2022 Lease Agreement.docx

11. Cannabis Community Benefit Grant Program Awards and Payment Authorization
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute grant agreements in the amount of $50,000 with Tahoe Youth and Family Services and Tahoe Coalition for the Homeless, and issue payments to awardees for 2022 Community Benefit Grant Program.
Responsible Staff Member: Olga Tikhomirova, Director of Finance
Item 11 - Executive Summary.pdf
01-Staff Report - Cannabis Grant Awards Authorization.docx
02-TYFS CSLT Cannabis Revenue Grant AGREEMENT.pdf
03-TCH CSLT Cannabis Revenue Grant AGREEMENT.pdf

12. Grant Application to California Public Utilities Commission for Broadband Technical Assistance Program
Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a grant application to the California Public Utilities Commission for pre-construction expenses related to broadband deployment for an amount of $500,000.
Responsible Staff Members: Anush Nejad, Director of Public Works
Item 12 - Executive Summary.pdf
01-Staff Report Broadband Grant Application.docx.pdf
02-Resolution for Broadband Grant Application.doc

13. Ordinance - Ballot Measure to Convert Existing Community Benefit Fee to Comparable Cannabis Business and Professions Tax (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance Amending Chapter 3.35 of Title 3 of the South Lake Tahoe City Code to Add Article III to Impose a Cannabis Business and Professions Tax Upon Approval By Voters.
Responsible Staff Member: Heather Stroud, City Attorney
Item 13 - Executive Summary.pdf
01 - Staff Report.docx
02 - Ordinance.docx
03-Proof of Publication

Public Hearing - City Council and South Tahoe Joint Powers Financing Authority

14. Issuance of 2022 Lease Revenue Bonds Series A for the Multigenerational Recreation and Aquatic Center Construction Financing in a Principal Amount Not to Exceed $52 Million
Requested Action / Suggested Motions: 1) Hold a Public Hearing with the respect to the proposed issuance of bonds by the South Tahoe Joint Powers Financing Authority (Authority) to assist the City with financing the construction of the Recreation Center Complex; 2) Acting as the City Council, Pass a Resolution approving the issuance of the Authority Lease Revenue Bonds, 2022 Series A, and authorizing the City's execution and delivery of related documents and taking related actions; and, 3) Acting as the Authority, Pass a Resolution authorizing the sale, issuance and delivery of Lease Revenue Bonds, 2022 Series A, and authorizing the execution and delivery of an indenture and other documents and taking related actions.
Responsible Staff Member: Olga Tikhomirova, Director of Finance
Item 14 - Executive Summary.pdf
01-Staff Report - 2022 Lease Revenue Bonds for Rec Center.docx
02 - Resolution - 2022 Lease Revenue Bonds Rec Center.docx

03-STJPFA Resolution - 2022 Lease Revenue Bonds Rec Center.docx
04-Lease Agreement SLT 2022 Lease Revenue Bonds.DOCX
05-Sublease Agreement SLT 2022 Lease Revenue Bonds.DOCX
06-Assignment Agreement SLT 2022 Lease Revenue Bonds.DOCX
07-Continuing Disclosure Certificate SLT 2022 Lease Revenue Bonds.pdf
08-Preliminary Official Statement (POS) SLT 2022 LRBs.pdf
09-Bond Purchase Agreement SLT 2022 LRBs.pdf
10-Indenture SLT 2022 Lease Revenue Bonds.DOCX
11-Notice of Public Hearing Proof 2022 LRBs.pdf
12-Presentation.pdf

Regular-Unfinished Business

15. Memorandum of Understanding with Lake Tahoe Unified School District (LTUSD) for Park Ranger Program
Requested Action / Suggested Motions: 1) Pass a Motion authorizing the Mayor to Execute a Memorandum of Understanding with Lake Tahoe Unified School District (LTUSD) to support partial funding for the Park Ranger Program. 2) Pass a Resolution authorizing $67,000 reimbursement grant funding from LTUSD to fund a Park Ranger Coordinator Position.
Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation
Item 15 - Executive Summary.pdf
01-Staff Report - LTUSD MOU Park Ranger Program.docx
02-LTUSD MOU.pdf
03-Resolution_Reimbursement_Grant_from_LTUSD_for_Park_Ranger_Program.docx

16. Tahoe Valley Stormwater and Greenbelt Improvement Project Update and Request for Appropriation of Grant Matching Funds
Requested Action / Suggested Motions: 1) Receive status update on the Tahoe Valley Greenbelt Project; and 2) Pass a Resolution appropriating $706,442 in undesignated General Funds Reserves for the match required to secure $6.9 million in implementation grant funds from the State Water Resources Control Board for the Tahoe Valley Greenbelt and Storm Water Improvement Project.
Responsible Staff Members: Jason Burke, Complete Streets Program Manager, Hilary Roverud, Director of Development Services and Stan Hill, Engineering Manager
Item 16 - Executive Summary.pdf
01-Staff Report - Tahoe Valley Greenbelt SWRCB Matching Grant.docx
02-Project Location Map.pdf
03-Greenbelt Concept Plan.pdf
04-Tahoe Valley Greenbelt Public Survey Results.pdf
05-Resolution-Tahoe Valley Greenbelt SWRCB Grant.docx
06-Presentation.pptx

17. American Rescue Plan Act of 2021 (ARPA) Funding Appropriations
Requested Action / Suggested Motions: Pass a Resolution authorizing transfer of remaining $2,654,997 in American Rescue Plan Act (ARPA) funding to the General Fund under the statutory category C, Revenue Loss, for the provision of government services.
Responsible Staff Member: Joseph Irvin, City Manager
Item 17 - Executive Summary.pdf
01-Staff Report - ARPA Funding Appropriations.docx
02-Resolution_-_ARPA_Appropriations.docx

New Business - City Council and South Tahoe Joint Powers Financing Authority

18. Removal of Fire Station #1 and Police Station from 2016 Lease Revenue Bonds
Requested Action / Suggested Motions: 1) Acting as the City Council, Pass a Resolution authorizing the execution and delivery of documents in connection with the removal of certain properties under the Lease and the Sublease Relating to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A, and taking related actions; and 2) Acting as the South Tahoe Joint Powers Financing Authority, Pass a Resolution authorizing the execution and delivery of documents in connection with the removal of certain properties under the Lease and the Sublease Relating to the Authority's Refunding Lease Revenue Bonds, 2016 Series A, and taking related actions.
Responsible Staff Members: Joe Irvin, City Manager and Authority Executive Director Olga Tikhomirova, Finance Director and Authority Treasurer
Item 18 - Executive Summary.pdf
01-Staff Report - Removal of Properties from Lease Revenue Bonds.docx
02-City Resolution-2022-Removal of Property from 2016 Leases.docx
03-STJPFA Resolution - Removal of Property from 2016 Leases.docx
04-Lease Amendment No. 2 (Exh. A to City and STJPFA Resos).DOCX
05-Sublease Amendment No. 2 (Exh. B to City and STJPFA Resos).DOCX
06-Assignment Agreement Amendment No. 2 (Exh. C to STJPFA Reso).DOCX

Regular-New Business

19. Citizen Appointments to Commissions and Boards – Building & Housing Board of Appeals
Requested Action / Suggested Motions: City Council may either: 1) Pass a Motion appointing Seth Howard to serve a 19-month term (expiring 2/2024) to the Building Board of Appeals; or, 2) Decline to fill the vacancy until additional applications are received.
Responsible Staff Member: Susan Blankenship, City Clerk
Item 19 - Executive Summary.pdf
01-Staff Report - Citizen Commissions and Boards.docx
02-BBOA Howard (Redacted).pdf

20. Road Rehabilitation Program Update
Requested Action / Suggested Motions: Receive and File.
Responsible Staff Member: Mark Frisina, Engineer /Inspector and Randy Carlson, Associate Civil Engineer

Item 20 - Executive Summary.pdf
01-Staff_Report_-_Road_Rehabilitation_Program_Update.docx
02-Presentation_-_Road_Rehabilitation_Program__2_.pptx

21. Purchase Order with SRM-Kodiak America, LLC for Snow Blower Repair
Requested Action / Suggested Motions: Pass a Resolution appropriating $93,915.51, plus a 10% contingency for $9,391.50, from General Fund Undesignated Excess Reserves and authorizing, approving the sole source request, and authorizing and directing the City Manager to execute a Purchase Order with SRM-Kodiak, LLC for the repair of the Snow Blower.
Responsible Staff Members: Anush Nejad, Director of Public Works and Phil Harwood, Fleet Supervisor

Item 21 - Executive Summary.pdf

01-Staff Report - Kodiak Repair.docx
02 - Kodiak Quote.pdf
03 - Sole Source Request.pdf
04-Resolution for Kodiak Repair.docx

22. Agreement with California Governor's Office of Emergency Services for Use of a Type VI Fire Engine
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Fire Chief to execute a Temporary Transfer Agreement with the California Governor's Office of Emergency Services (Cal OES) for a Type VI Engine.
Responsible Staff Member: Jim Drennan, Interim Fire Chief
Item 22 - Executive Summary.pdf
01-Staff Report - Acceptance of Type VI Vehicle from Cal OES.docx
02 - Cal OES Temporary Transfer Agreement Type VI Engine
03 - Type VI photo.jpg
04 - Type VI Wildland for Cal OES Ford Drawing.pdf

23. ABC – Public Convenience or Necessity – Yosemite Axe Throwing
Requested Action / Suggested Motions: Pass a Resolution Approving Issuance of a Letter of Public Convenience or Necessity (PCN) to the California Department of Alcoholic Beverage Control (ABC) for the Issuance of a Type 40 License for the Premises at 3979 Lake Tahoe Boulevard Unit #1 (Yosemite Axe Throwing), APN 029-083-016.
Responsible Staff Member: Madison Dederick, Assistant Planner
Item 23 - Executive Summary.pdf
01-Staff Report - ABC Public Necessity Letter.docx
02-Yosemite Axe Throwing ABC Application 22-086.pdf
03-Resolution PNC 22-086.docx
04-Exhibit A PCN Letter 22-086.docx

24. Review Policy for Publicly Visible Art on Private Property
Requested Action / Suggested Motions: Pass a Resolution adopting a review policy for publicly visible art on private property and amending the master fee schedule to establish no fee for public murals and a $250 fee for all other publicly visible art.
Responsible Staff Member: Madison Dederick, Assistant Planner
Item 24 - Executive Summary.pdf
01-Staff Report-Art Review Policy.docx
02-Resolution-Art Review Policy
03-2003 Planning Department On-Site Private Art Policy.pdf

25. Program Update and Potential Expansion/Modification of "Lease to Locals" Rental Incentive Grant Program
Requested Action / Suggested Motions: Pass a Motion directing staff to prepare an amendment to the Professional Services Agreement with Landing Locals for subsequent City Council approval to allow for continued administration of the program through 2023 and allocate the $214,000 that was set aside for a property management incentive grant to continue funding the existing program.
Responsible Staff Member: Zach Thomas, Housing Manager
Item 25 - Executive Summary.pdf
01-Staff_Report_-_Lease_to_Locals_Expansion.docx
02-Program-Guidelines-12-8-21.pdf
03-PSA C-137-2021 Landing Locals.pdf

04-Res 2021-082 Long Term Rental Grant Pilot Program.pdf

26. An Ordinance Amending City Code Chapter 3.45 (Purchasing) to clarify language regarding Bidding Process and Update Public Contract Procurement Thresholds (First Reading)
Requested Action / Suggested Motions: Pass a Motion to Hold a First Reading (By Title Only) of an Ordinance amending Chapter 3.45 (Purchasing) of the South Lake Tahoe City Code to clarify language regarding bidding process and update Public Contract procurement thresholds, and refer to second reading for an adoption to the September 6, 2022, meeting.
Responsible Staff Member: Lori Marino, Principal Management Analyst
Item 26 - Executive Summary.pdf
01-Staff Report-Ordinance - Amendment Purchasing.docx
02-Ordinance - Amending Chapter 3.45 (Purchasing).docx
03-CSLT City Code_Purchasing_ Chapter 3 Redline Aug 2022.pdf

Agenda Planning Calendar

27. Agenda Planning Calendar
Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member: Joseph Irvin, City Manager
Item 27 - Executive Summary.pdf
APC - 08 04 2022.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment

I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday August 9, 2022 meeting of the City of South Lake Tahoe City Council and South Tahoe Joint Powers Financing Authority was posted and available for review on Thursday, August 4, 2022 at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us.

Signed August 4, 2022
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Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 1

Agenda Item: Swearing In Ceremony - Fire Chief

Executive Summary:

Requested Action / Suggested Motions: The City Clerk will administer the Oath of Office to Fire Chief Jim Drennan
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member:

Reviewed and Approved By:

Attachments:

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 2

Agenda Item: City Employee Recognitions

Executive Summary: New City employees and long-serving City employees who reach the 5, 10, 15, 20, & 25 year service milestone will be recognized at each monthly meeting.

Requested Action / Suggested Motions: Eight new employees will be introduced to City Council. One employee will be recognized for reaching 20 Years-Service, one employee will be recognized for reaching 10 Years-Service and four employees will be recognized for reaching 5 Years-Service.
Responsible Staff Member: Various

Responsible Staff Member: Various Departments

Reviewed and Approved By:
Susan Blankenship, City Clerk

Attachments:

01-Staff Report Employee Service 08 09 2022.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: City Employee Recognition

Location: Citywide

Responsible Staff Member: Various Department Directors

Background: As part of the City's Employee Recognition Program, employees who have reached five, ten, fifteen, twenty and twenty-five years of service are recognized for their achievements and contributions to the City.

New Regular City Employees:

Public Works
Hans Bonnicksen - Maintenance Tech IV
John Dickinson - Airport Manager

Fire Department
Tom Kerley - Fire Captain

Police Department
Mathew Hazelet – Police Officer
Aaron Devine – Community Service Officer

Parks and Recreation
Justin Gomes - Maintenance Tech III
Daniel Youngblood – Maintenance Tech III
Adan Pulido – Maintenance Tech IV

Service Awards:

City Clerk
Joanne McDonough, Assistant City Clerk – 5 Years' Service

Police Department
Jillian Carole Gard, Joint Dispatch – 20 Years' Service
Timothy Peterson, Patrol Operations – 5 Years' Service
Jennifer Canin, Joint Dispatch – 5 Years' Service
Ashley Acker, Records Supervisor – 5 Years' Service

Development Services
David Chapman, Principal Building Inspector - 10 Years' Service

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 3

Agenda Item: Climate Action Plan Update and Civic Spark Fellow Close of Service

Executive Summary: In 2017, the City adopted Resolution 2017-26, which established quantifiable renewable energy and emissions reductions goals. Following this, the City began a partnership with the Sierra Nevada Alliance to support Americorps CivicSpark Fellows to build capacity to reach these goals. CivicSpark Fellows produced a baseline greenhouse gas inventory, a comprehensive Climate Action Plan (CAP), and greenhouse gas inventory updates. This presentation will provide an annual update for CAP implementation progress made between August 2021-August 2022 and will be given by the present CivicSpark Fellow, Zoe Kusnick. She is the fourth Fellow to serve the City.

Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member: Sara Letton, Sustainability Coordinator

Responsible Staff Member: Sara Letton, Sustainability Coordinator, 530-542-6175

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Climate Action Plan Annual Update.docx
02-Presentation

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9th, 2022

Title: Climate Action Plan (CAP) Annual Update

Location: Citywide

Responsible Staff Member: Sara Letton, Sustainability Coordinator

Background: In 2017, the City adopted Resolution 2017-26 and established concrete renewable energy and emissions reductions goals. Since 2018, the City of South Lake Tahoe has partnered with the Sierra Nevada Alliance to host CivicSpark Fellows to. CivicSpark, a statewide Americorps subprogram hosted by Civicwell and Cal Volunteers, aims to partner Fellows with local governments to build capacity to address present and future climate issues. Over the past four years, CivicSpark Fellows have worked with the City to build off of Resolution 2017-26 and build capacity for the City to reach its ambitious sustainability goals. Fellow accomplishments have included conducting a 2015 baseline greenhouse gas inventory, developing a comprehensive Climate Action Plan (CAP) that was adopted unanimously in October of 2020, and producing greenhouse gas inventory updates every three years.

The CAP is an extensive plan that was produced through a lengthy research and community engagement process led by CivicSpark Fellows. Based on the emissions reductions goals set in Resolution 2017-26 and the data collected in the 2015 baseline greenhouse gas inventory, the CAP outlines 14 distinct emissions reductions strategies across key five sectors. The implementation of the CAP has thus far been overseen by CivicSpark Fellows. In February of 2022, the City hired its first Sustainability Coordinator, who will now oversee the CAP implementation.

Issue and Discussion: This presentation will be the second annual CAP implementation update. The current CivicSpark Fellow will provide a greenhouse gas emissions update, highlight major CAP strategy implementation progress made over the past year, and provide recommendations for how the City should move forward towards its sustainability goals according to the CAP and the Fellow's assessment. The Fellow and the Sustainability Coordinator will address any questions from Council members and the public regarding CAP progress and the path forward.

Financial Implications: The City's Contract with the Sierra Nevada Alliance for the CivicSpark Fellows program expired in June 2022. The cost of implementing the Climate Action Plan falls to the new Sustainability Coordinator.

Environmental Considerations: The Climate Action Plan Annual Update is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the

activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: The Fellow will be reporting on implementation progress of the 2020 Climate Action Plan. Progress on the CAP addresses Strategic Priority 1.5, Carbon Neutrality.


City of South Lake Tahoe
Climate Action Plan Update
August 2022

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Relevant City commitments

02 **GHG inventory update**

2018 inventory update

03 **Implementation update**

Active and ongoing strategies

04 **Recommendations**

Actions for sustained progress

Background

Resolution 2018-20

Emissions Reduction Goals

Renewable Energy Goals

Tracking and monitoring

Climate Action Plan

14 Strategies

5 Sectors

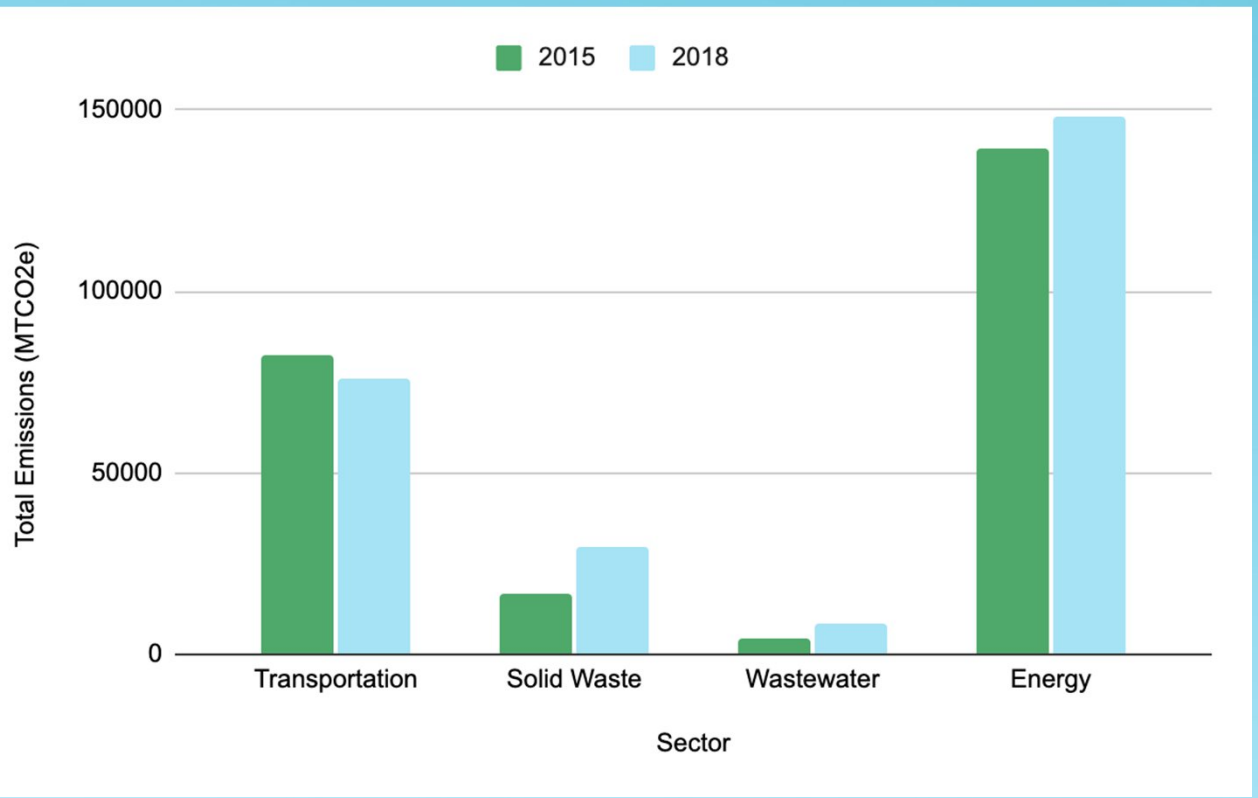
GHG Update & Forecast

2018 Baseline Inventory

243,196 MT CO2e

Natural Gas, On-Road Transportation,

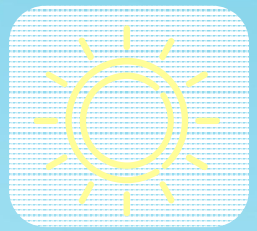
Grid Electricity



- Total emissions increased 8.2%
- Nearly all sectors increased
- Forecast implications
- 2021 inventory in process

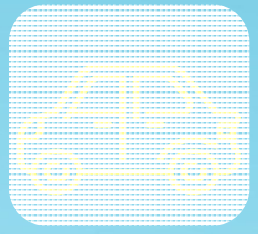
GHG Inventory Update

Implementation Efforts



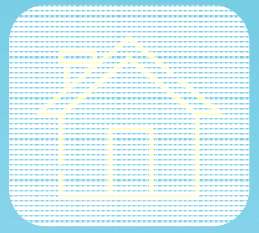
SEED fund

Solar installments



Transportation Electrification

EV Charging plan & microtransit



Reach Code

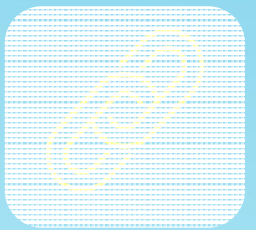
Working with consultants

100/24/7

100% local CFE, 24/7

Sustainability Coordinator

Increased capacity at the City

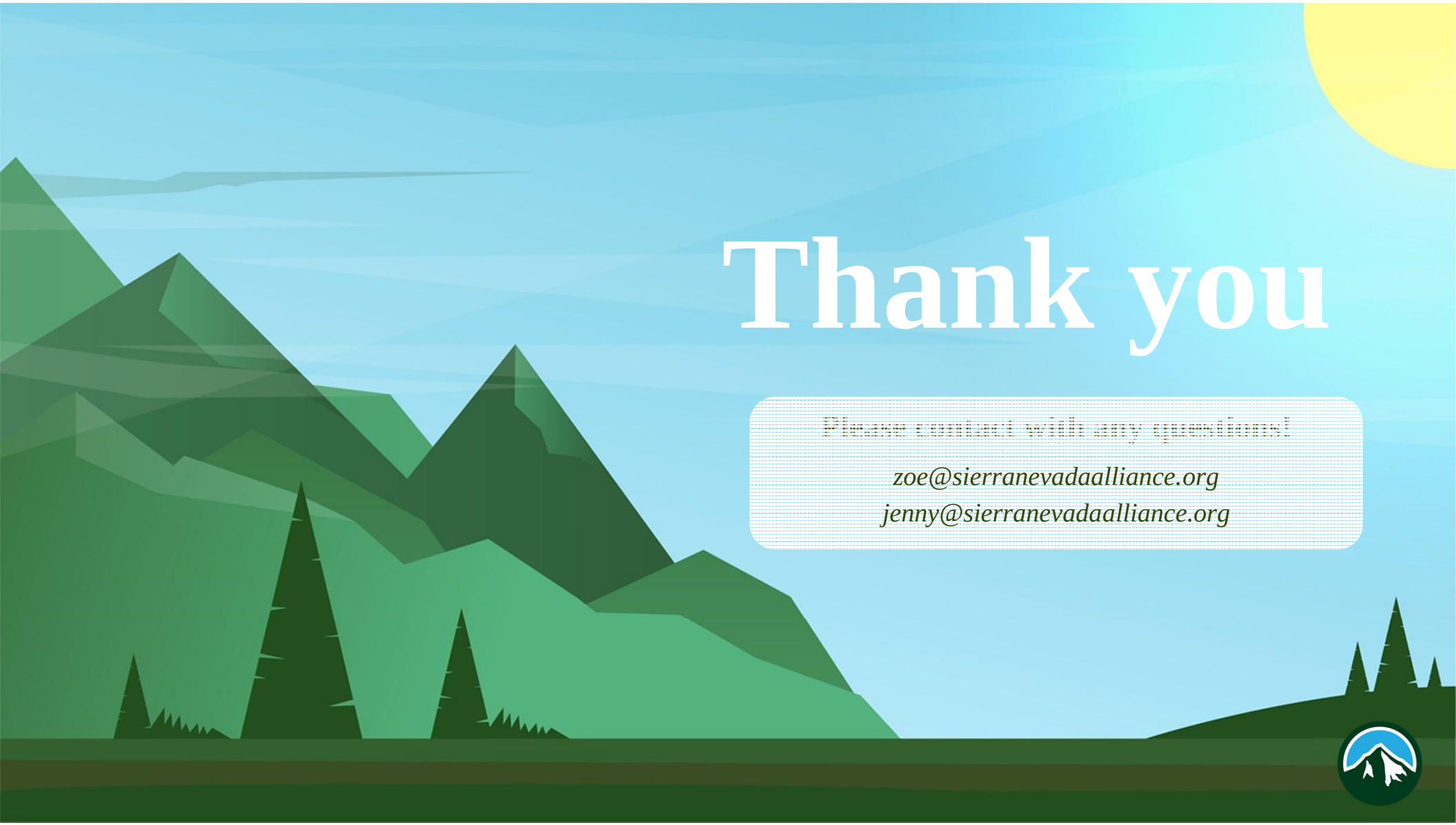


Commute Tahoe

Working group participation

Recommendations

- Expand staffing in the sustainability department
- Establish an annual sustainability budget
- Maximize building electrification
- Create and maintain a public CAP/GHG tracking website
- Continue exploration of local energy control options
- Continue collaboration with Truckee and build other regional partnerships


Thank you
Please contact with any questions!
zoe@sierranevadaalliance.org
jenny@sierranevadaalliance.org

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 4

Agenda Item: City Council Meeting Minutes

Executive Summary: City Council is asked to formally approve the June 7, 2022 Regular City Council meeting minutes and June 21, 2022 City Council and South Tahoe Redevelopment Successor Agency meeting minutes.

Requested Action / Suggested Motions: Pass a Motion approving the June 7, 2022 Regular City Council meeting minutes and June 21, 2022 City Council and South Tahoe Redevelopment Successor Agency meeting minutes.
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Reviewed and Approved By:

Attachments:

06 21 2022 Minutes.pdf
06 07 2022 Minutes.pdf

City of South Lake Tahoe
City Council and South Tahoe Redevelopment Successor Agency
Meeting Minutes
Tuesday, June 21, 2022 at 9:00 AM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Devin Middlebrook, Mayor
Cristi Creegan, Mayor Pro Tem
Cody Bass, Councilmember
John Friedrich, Councilmember
Tamara Wallace, Councilmember

Mission of the City Council
The City Council exists to represent the public interest, to oversee the City's operations and to plan for the City's future.

Call to Order/Pledge of Allegiance
At 9:01 a.m. Mayor Middlebrook called the meeting to order. Middlebrook then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Middlebrook, Councilmembers Bass, Creegan, Friedrich and Wallace.

Also present were City Manager Irvin, City Attorney Stroud, and City Clerk Blankenship.

Closed Session Report
1. **Conference with Real Property Negotiators – Gov. Code section 54956.8**
   Property: Potential acquisition of 3900 and 3908 Lake Tahoe Boulevard (APNs 029-170-01 and 029-170-02)
   Action: No reportable action.

Public Communications
Public Comment was heard from the following people:
1. Sherry Eddie – Pride month crosswalk
2. Jesse Garner – Fuel reduction on City and County property *written comment also recieved
3. Ray Flick – Bijou Golf Course (Item 8)
4. Kenny Curtzweiler – Martin Hollay Memorial, Children's Memorial Tree

City Commission Reports
None.

Consent Agenda
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed Consent Agenda with noted recusals

1. **FY 2022-2023 Direct Charge for Mello-Roos Special Tax for Community Facilities District No. 1995-1**
   Action: Passed **Resolution 2022-083** authorizing certification of FY 2022-2023 direct charge for Mello-Roos Special Tax for Community Facilities District No. 1995-1.

2. **Contract with West Coast Paving, Inc. for 2022 Road Rehabilitation Project**
   Action: Passed **Motion 2022-067** authorizing and directing the Mayor to execute construction contract **C-100-2022** with West Coast Paving, Inc. for an amount of $2,100,000 and 10% contingency for an amount of $210,000 for the 2022 Road Rehabilitation Project.

3. **Agreement with the California Conservation Corps (CCC) for Stormwater System Maintenance Services**
   Action: Passed **Motion 2022-068** authorizing and directing the Mayor to execute a sole source Professional Services Agreement **C-101-2022** with the California Conservation Corps for Storm Drain Maintenance Services for an amount not to exceed $65,000.

4. **Mechanical and Refrigeration Maintenance Services Contract with ACCO Engineered Systems, Inc. for South Lake Tahoe Ice Arena**
   Action: 1) Passed **Motion 2022-069** authorizing and directing the Mayor to execute three-year service agreement **C-102-2022** with ACCO Engineered Systems, Inc. in the amount of $50,952 for the South Lake Tahoe Ice Arena Mechanical and Refrigeration System Maintenance and Inspection; and 2) Passed **Resolution 2022-084** appropriating $16,984 from the General Fund Annually for Ice Arena Refrigeration and Mechanical Systems Inspection and Maintenance Agreement – Three-Year Term.

5. **General Election Consolidation**
   Action: Passed **Resolution 2022-081** requesting the El Dorado County Board of Supervisors consolidate a General Municipal Election with the Statewide General Election to be held on November 8, 2022.

6. **Master Professional Service Contract with Jviation, a Woolpert Company, for Airport Planning Services**
   Action: Passed **Motion 2022-070** authorizing and directing the Mayor to execute a five-year master professional services contract **C-103-2022** to Javiation, a Woolpert Company, San Jose, CA for Airport Planning Services.

7. **Request from Tahoe Art League to Waive Application Fee for Public Art Installation at 1029 Takela Drive**
   Note: Councilmember Bass recused himself from this item due to real property interest.
   Action: Passed **Motion 2022-071** approving a fee waiver request from the Tahoe Art League in the amount of $925 for a public art installation at 1029 Takela Drive.

8. **License Agreement with Bydand Unlimited Trust for the Bijou Golf Course Parking Lot Note:** Councilmembers Bass and Friedrich recused themselves from this item due to real property interest.
Action: Passed **Motion 2022-066** authorizing and directing the Mayor to execute the three-year License Agreement **C-099-2022** with Bydand Unlimited Trust for a parking lot for the Bijou Golf Course with rent of $22,574 for 2022 with an annual increase based on the Consumer Price Index.
The following person addressed Council:
1. Mary McCall, Bydand Unlimited Trust

Consent - South Tahoe Redevelopment Successor Agency

9. **Annual Special Tax for Community Facilities District 2001-1 Series 2015 Special Tax Refunding Bonds for Fiscal Year 2022-2023**
Action: Moved/Seconded: Bass/Creegan
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed **STRSA Resolution 2022-003** Establishing the Annual Special Tax for Community Facilities District 2001-1 (Park Avenue Project) Series 2015 Special Tax Refunding Bonds (Heavenly Village) for Fiscal Year 2022-2023.

Public Hearing

10. **South Tahoe Refuse Delinquent Fees Report**
Action: Moved/Seconded: Bass/Wallace
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-085** confirming the Final Delinquent Fees Report and directing the Finance Department to send a certified copy of the Report to the El Dorado County Auditor-Controller to add the delinquent amounts to the county property tax rolls for collection.

11. **General Plan Housing Element Update**
Action: Moved/Seconded: Friedrich/Bass
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-086** adopting the Addendum to the General Plan EIR for the 2022-2027 Housing Element Update and amending the City General Plan by adopting the City of South Lake Tahoe 2022-2027 Housing Element.
Public Comment was heard from the following people:
1. Ed Mosur
2. Heather Peterson, Leadership Lake Tahoe
3. Fran Falknor, Leadership Lake Tahoe

Regular-Unfinished Business

12. **Appropriation of $29,750 from General Fund Undesignated Excess Reserves for Settlement of Victoria Gessford v. City of South Lake Tahoe**
Action: Moved/Seconded: Bass/Creegan
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-087** appropriating $29,750 from General Fund Undesignated Excess Reserves for payment under the Settlement Agreement and Release with Victoria Gessford regarding injuries allegedly sustained from tripping on a broken sign post.
Public Comment was heard from the following people:
1. Ed Mosur
2. Mary McCall

13. 2022 Cannabis Revenue Grant Awards

Note: Councilmember Bass recused himself from this item due to a financial interest in the industry and left the meeting.

Action: Received and filed. **Council provided direction** to the City Manager to review Grant Award guidelines.

Public Comment was heard from the following people:

1. Ed Mosur
2. Danelle Hanson, Leadership Lake Tahoe

Regular-New Business

14. Ballot Measure to Convert Existing Community Benefit Fee to Comparable Cannabis Business and Professions Tax

Note: Councilmember Bass recused himself from this item due to a financial interest in the industry and left the meeting.

Action: Moved/Seconded: Friedrich/Creegan

Yes: Creegan, Friedrich, Middlebrook and Wallace

Recused (absent): Bass

Action: 1) Passed **Resolution 2022-082** ordering the submission to the qualified electors of the City of South Lake Tahoe a measure to approve a local business and professions tax on commercial cannabis activity in the City of South Lake Tahoe at the general municipal election to be held on November 8, 2022; and 2) Passed **Motion 2022-072** to Hold a First Reading (By Title Only) of an Ordinance amending Chapter 3.35 of Title 3 of the South Lake Tahoe City Code to Add Article III to Impose a Cannabis Business and Professions Tax upon approval by voters, and refer second reading to the August 9, 2022 meeting.

15. New Target for Greenhouse Gas Emissions Reduction by 2030 to Support Sierra Business Council Grant Application for Climate Action Funding to ICLEI Local Governments for Sustainability USA, Inc.

Action: Moved/Seconded: Bass/Friedrich

Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace

Action: (1) Passed **Resolution 2022-088** establishing a science-based target for greenhouse gas emissions reduction by 2030; and (2) Passed **Motion 2022-073** authorizing the City Manager to work with the Sierra Business Council as a project partner/beneficiary in its grant application to ICLEI USA.

Public Comment was heard from the following people:

1. Ben Broché
2. Molly Armanino, Tahoe Climate Change Action Network *written comment also received
3. Luke Schiedler

Written Comment was received from the following person:

4. Jackson Realo, Exline and Company

16. Presentation - Multi-Generational Recreation and Aquatics Center Final Design

Note: Councilmembers Friedrich and Creegan recused themselves due to real estate property interest and left the meeting.

Action: Received Presentation.

The following person addressed Council:

1. Chris Vicencio, JK Architecture Engineering *PowerPoint Presentation

Public Comment was heard from the following person:

2. Nick Speal

17. Contract with McCuen Construction Inc. for Phase 1 of the Multi-Generational Recreation and Aquatics Center and Related Amendments to Agreements with Jordan Knighton Architects and SierraCon/CORE

Note: Councilmembers Friedrich and Creegan recused themselves due to real estate property interest and left the meeting.
Action: Moved/Seconded: Wallace/Bass
Yes: Bass, Middlebrook and Wallace
Recused (absent): Friedrich and Creegan
Action: 1) Passed **Resolution 2022-089** appropriating $3,788,851.53 in Measure P Funds for the construction of the Multi-Generational Recreation and Aquatics Center ("Project") Phase 1 and associated Construction Administration and Construction Engineering Tasks; 2) Passed **Motion 2022-074** authorizing and directing the Mayor to execute Public Works Contract **C-105-2022** with McCuen Construction, Inc. for $2,755,730.53 for construction of Phase 1 of the Project with 10% Construction Contingency of $275,573; 3) Passed **Motion 2022-075** approving Amendment No. 5 to Professional Services Agreement **C-106-2022** with Jordan Knighton Architects for $855,428 for Construction Administration Services for the Project Phase 1 & 2; and, 4) Passed **Motion 2022-076** approving Amendment No. 2 to Professional Services Agreement **C-107-2022** with SierraCon/Core for $330,072 for Construction Engineering Services for the Project Phase 1.
Public Comment was heard from the following people:

1. Jerry Bindel and David Gregorich, Citizen's Independent Oversight Committee members
2. Steve Teshara, Tahoe Chamber
3. Molly Armanino

18. Draft Five-Year Capital Improvement Plan FY22-23 Budget Appropriation Requests and Adoption of Capital Improvement Project Scoring and Ranking Criteria

Action: Moved/Seconded: Wallace/Bass
Yes: Bass**,** Creegan, Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-090** adopting the Capital Improvement Project Scoring and Ranking Criteria.

Agenda Planning Calendar

19. Agenda Planning Calendar

Action: Received.

Updates and Announcements (City Attorney, City Clerk, City Manager)

City Manager:

1. No meeting in July

City Clerk:

1. Proclamation request for Constitution Week (Council consensus)
2. November 8, 2022 Election Nomination period July 18 through August 12

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Councilmember Friedrich:

1. Upcoming Tahoe Regional Planning Agency Governing Board meeting
2. Multi-cultural Festival
3. Flag Day Ceremony at the Legion

Councilmember Creegan:

1. Flag Day Ceremony at the Legion

Mayor Middlebrook:

1. Ribbon Cutting for Dennis Machida Memorial Trail
2. July 4th Parade – Ameca Sister City Delegation
3. July 2 Sister City Plaque - Lake View Commons
4. League of California Cities Sacramento Chapter meeting in South Lake Tahoe

Transit Workshop

20. Transit Visioning Workshop Facilitated by Representatives of Via Mobility, LLC

Note: Staff provided a PowerPoint Presentation

Action: City Council participated in a facilitated Transit Visioning Workshop.

The following people addressed the Council:

1. Josh Allmayer and Miki Takeshita, Via Mobility

Public Comment was heard from the following people:

2. Nick Speal
3. Ed Mosur
4. Jerry Bindel
5. David Gregorich
6. Steve Teshara, South Tahoe Transportation Management Association
7. Molly Armanino

Written Comment was received from the following person

8. Jackson Realo, Exline and Company
9. Tahoe Climate Change Action Network

Adjournment

At 2:44 p.m. Mayor Middlebrook adjourned the meeting.

_____ _____

Devin Middlebrook, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe
City Council
Meeting Minutes
Tuesday, June 07, 2022 at 9:00 AM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Devin Middlebrook, Mayor
Cristi Creegan, Mayor Pro Tem
Cody Bass, Councilmember
John Friedrich, Councilmember
Tamara Wallace, Councilmember

Mission of the City Council
The City Council exists to represent the public interest, to oversee the City's operations and to plan for the City's future.

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council members discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance
At 9:01 a.m. Mayor Middlebrook called the meeting to order. Middlebrook then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Middlebrook, Councilmembers Bass, Creegan, Friedrich and Wallace.

Also present were City Manager Irvin, City Attorney Stroud, and City Clerk Blankenship.

Closed Session Report

1. **Conference with Legal Counsel – Existing Litigation – Government Code section 54956.9(d)(1)**
   Case: Sophie Tetlow v. City of South Lake Tahoe, Workers' Compensation Appeals Board Case No. ADJ10112646
   Action: No reportable action.

2. **Conference with Legal Counsel – Existing Litigation - Government Code section 54956.9(d)(1)**
   Case: Victoria L. Gessford v. City of South Lake Tahoe, El Dorado County Superior Court Case No. SC20200096
   Action: No reportable action.

City Employee Recognition

1. **City Employee Recognitions**
   Action: Dennis Churchill and Stanley Hill, Public Works were recognized for reaching 20 Years-Service, Ben Hannah, Finance Department was recognized for reaching 10 Years-Service and Brian Belser, Public Works was recognized for reaching 5 Years-Service.

Public Communications

Public Comment was heard from the following people:

1. Dan Gill – prescribed burns by the Fire Service
2. Ed Mosur – Lime Scooter hazards
3. Mary McCall – Bijou golf course

Proclamations

2. Proclamation - Recognizing June 2022 as "Pride Month"

Action: Councilmember Bass presented a Proclamation recognizing June 2022, as "Pride Month" to members of the community

3. Proclamation - Recognizing June 16-19 as "El Dorado County Fair Week"

Action: Issued a Proclamation recognizing June 16-19 as "El Dorado County Fair Week". Tom Davis was present to accept the Proclamation.

City Commission and Student Advisory Reports

City Manager Irvin stated that the Student Advisory would address Council during Item 21.

Consent Agenda

Action: Moved/Seconded: Bass/Friedrich
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed Consent Agenda with noted recusals.

4. City Council Meeting Minutes

Action: Passed **Motion 2022-055** approving the May 17, 2022 Regular City Council meeting minutes.

5. Agreement with First Church of Christ for Shared Parking Lot Use for Fire Station 3

Action: Passed **Motion 2022-056** authorizing and directing the City Manager to execute agreement **C-083-2022** with the First Church of Christ for shared use and maintenance of the church parking lot for Fire Station 3.

6. Appropriation of Grant Funds for Pioneer Trail Pedestrian Improvement Project Phase II

Action: Passed **Resolution 2022-064** Authorizing Acceptance and Appropriation of Congestion Mitigation and Air Quality Grant in the Amount of $300,000 and Highway Infrastructure Program Grant in the Amount of $111,000, and Authorizing Appropriation of Grant Match Funding from the General Fund Grant Match Set Aside in the Amount of $53,250 into the Pioneer Trail Pedestrian Improvement Project Phase II Account; Authorizing the Director of Public Works to submit an Active Transportation Grant, and Committing to Local Matching Funds in the amount of $194,341.

7. Professional Services Agreement with Cardno Inc. for Preliminary Planning Studies for the Dennis Machida Memorial Trail Phase 1C

Action: 1) Passed **Resolution 2022-065** authorizing appropriation of $56,037 from the remaining American Rescue Plan Act (ARPA) Funds from the General Fund for Engineering and Design Services for the Dennis Machida Memorial Trail Phase 1C Alignment Analysis; and 2) Passed **Motion 2022-057** authorizing and directing the Mayor to execute Professional Services Agreement **C-084-2022** with Cardno Inc., for an amount not to exceed $243,845 for preliminary studies relating to alignment and environmental documents for the Dennis Machida Memorial Trail Phase 1C.

9. **Purchase of a Vehicle for the Streets Division**
Action: Passed **Motion 2022-059** authorizing and directing the City Manager to execute a purchase order for one Chevrolet Silverado from the National Auto Fleet Group via Cooperative Purchasing Contract **C-086-2022** in an amount of $51,243.44 for use in the Streets Division.

10. **Grant Amendment Application for the Upper Bijou Park Creek Restoration Project**
Action: Passed **Resolution 2022-066** authorizing submittal of a grant amendment application for Lake Tahoe Restoration Act funding from the U.S. Forest Service and appropriation of $120,000 in matching funds from the General Fund Undesignated Excess Reserves and $1,000,000 in grant funds for implementation of stormwater and watershed improvements within the Upper Bijou Park Creek Watershed.

11. **Delegation of Authority of City Traffic Engineer to the Director of Public Works or Designee**
Action: Passed **Resolution 2022-067** delegating authority of City Traffic Engineer to the Director of Public Works or designee.

12. **Senate Bill 1 Road Maintenance and Rehabilitation Account Project List for FY22/23 Action**: Passed **Resolution 2022-068** adopting a List of Projects for the Fiscal Year 2022-23 Funded by SB 1: The Road Repair and Accountability Act of 2017.

13. **Final Subdivision Map Approval for 906 Emerald Bay Road Residential Project**
Action: Pass **Resolution 2022-069** approving Final Subdivision Map for the 906 Emerald Bay Road Residential Project.
Public Comment was heard from the following person:
    1. Ed Mosur

14. **American Rescue Plan Act Appropriation for Ski Run Park ADA Parking and Access Upgrades**
Action: Passed **Resolution 2022-070** appropriating ARPA funds in the amount of $150,000 for civil design and construction of ADA parking and access upgrades along frontage of future Ski Run Park.

15. **Permanent Local Housing Allocation (PLHA) Grant Loan Agreement and Budget Appropriation for the Sugar Pine Village Affordable Housing Project**
Action: 1) Passed **Resolution 2022-071** appropriating $5,000,000 of PLHA funds into the City budget for use in developing the Sugar Pine Village Affordable Housing Project; and
2) Passed **Motion 2022-060** authorizing and directing the City Manager to execute Loan Agreement **C-087-2022**, Promissory Note **C-088-2022**, Lease Hold Deed of Trust **D-017-2022** and Regulatory Agreement **D-019-2022** with Sugar Pine Housing Partners, L.P. to loan $4,750,000 of PLHA funds for use in the construction of Phase 1A of the Sugar Pine Village Affordable Housing Project, all in substantially the form attached hereto including any changes required to comply with the PLHA grant agreement, and to be approved as to form by the City Attorney.

16. **Amendment to Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project**
Action: Passed **Motion 2022-061** authorizing and directing the Mayor to execute Amendment **C-090-2022** to the Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project to make minor changes for consistency with terms and requirements of other lenders.

17. Revised Resolution for the Grant Application to the State Department of Parks and Recreation Rural Recreation and Tourism Program Towards Construction of the City of South Lake Tahoe Recreation and Aquatics Center

Note: Councilmember Creegan and Councilmember Friedrich recused themselves from this item due to real property ownership in the area.

Action: Passed Revised **Resolution 2022-072** approving the grant application to the State Department of Parks and Recreation Rural Recreation and Tourism Program for $3,000,000 towards construction of the City of South Lake Tahoe Recreation and Aquatics Center.

18. Tahoe Resource Conservation District, Tahoe Network of Fire Adapted Communities Sub-Recipient Grant Application

Action: Passed **Resolution 2022-073** authorizing submittal of a sub-recipient grant application to the Tahoe Recourse Conservation District in the amount of $101,693.58 for the hiring of three part-time/grant funded, Defensible Space Inspectors for a term of seven months.

19. Acceptance of Grant Award from CalRecycle for SB 1383 Local Assistance Grant Program

Action: Passed **Resolution 2022-074** accepting a grant award in the amount of $34,005 from CalRecycle's SB 1383 Local Assistance Grant Program to be used towards sustainability education, outreach and related personnel costs.

Regular-Unfinished Business

20. Sugar Pine Village Building Permit Fee Reduction

Note: Hilary Roverud, Director of Development Services, addressed the Council via Zoom.

Action: Moved/Seconded: Wallace/Creegan

Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace

Action: Passed **Resolution 2022-075** approving a 20 percent reduction in building permit fees for the Sugar Pine Village affordable housing project.

Regular-New Business

21. Discussion of Single-Use Plastics Regulations

Action: Received report and provided direction to staff.

The following person addressed the Council:

1. Darby Creegan, South Tahoe High School Senior

Public Comment was heard from the following people:

2. Milo King, South Lake Tahoe High School, Student Advisor
3. Ed Mosur
4. Gavin Feiger, League to Save Lake Tahoe
5. Molly Armanino

22. Feasibility Study for Community Choice Aggregation

Action: Moved/Seconded: Bass/Wallace

Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace

Action: Passed **Motion 2022-064** authorizing staff to begin the Request for Proposals (RFP) process for a Community Choice Aggregation Study.

Public Comment was heard from the following people:

1. Molly Armanino
2. Jackson Realo
3. Nick Exline

23. Request from Ski Run Park, LLC, for Banked Land Coverage from the City to be Transferred to 1195 Ski Run Boulevard at No Cost
Action: Moved/Seconded: Bass/Wallace
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-076** approving a request from Ski Run Park, LLC, for the transfer and distribution of 1,115 square feet of banked land coverage from the City to 1195 Ski Run Boulevard at no cost, for the purpose of community park construction.

24. Appropriation of Funding for Mold Remediation and Asbestos Abatement at 1700 D Street
Action: Moved/Seconded: Friedrich/Creegan
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed **Resolution 2022-077** appropriating $49,000 from General Fund Undesignated Excess Reserve for mold remediation and asbestos abatement at 1700 D Street.

25. Professional Services Agreement with Sosu.TV for Broadcasting, Media, and Video Production Services
Note: Staff provided a PowerPoint presentation.
Action: Moved/Seconded: Bass/Friedrich
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed **Motion 2022-062** authorizing and directing the Mayor to execute Professional Services Agreement **C-093-2022** with Sosu.TV for a 2-year agreement not to exceed $177,000, with the option to renew for one (1), two (2) year term for broadcasting, media, and video production services.
The following people addressed the Council:
1. Mark and Dana Hatjakes, President and Vice President, Sosu.TV

Public Comment was heard from the following person:
2. Ed Mosur

26. Memorandum of Understanding with California Tahoe Conservancy to Exchange Development Rights and Land Coverage
Action: Moved/Seconded: Friedrich/Wallace
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed **Motion 2022-063** authorizing and directing the Mayor to execute Memorandum of Understanding (MOU) **C-094-2022** with the California Tahoe Conservancy and authorizing and directing the City Manager to execute any and all documents necessary to transfer and exchange development rights and land coverage consistent with the MOU
Public Comment was heard from the following person:
1. Ed Mosur

27. Installation of a Painted Crosswalk in the City of South Lake Tahoe to Celebrate Pride Month**
Note: The discussion and Public Comment on this item was divided into Part A "Design" and Part B "Location".
Note: Councilmember Creegan recused herself from Part B due to real property ownership in the area and left the meeting.
Action: City Council provided direction to the City Manager to proceed with installation of a long term painted crosswalk (design B1, location A4) with an evaluation of the project in a year
Part A Public Comment:
None.
Part B Public Comment was heard from the following person:
1. Sherry Eddie

28. Two State Excess Sites Local Government Matching Grants (LGMG) Program Applications for Phases 1A and 2A of the Sugar Pine Village Affordable Housing Project
Substitute Motion removing reference to St. Joseph's Community Land Trust : 1) Pass a Resolution authorizing the joint application with The Related Companies of California, LLC for the Local Government Matching Grants (LGMG) program for Sugar Pine Village Phase 2A in the amount of $5,943,000; 2) Pass a Resolution supporting the application of The Related Companies of California, LLC for $4,000,000 of LGMG program funding and approving the budget for Phase 1A; and 3) Pass a Resolution supporting the application of The Related Companies of California, LLC for $5,943,000 of LGMG program funding and approving the budget for Phase 2A.
Action: Moved/Seconded: Friedrich/Creegan
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: 1) Passed **Resolution 2022-078 2)** Passed Resolution **2022-079** as amended; and 3) Passed **Resolution 2022-080**

29. Travel Authorization – League Annual Conference, Long Beach, CA, Climate Solutions Summit, Breckenridge, CO and Mountain and Resort Town Planners Summit, Aspen, CO
Action: Moved/Seconded: Wallace/Bass
Yes: Bass**,** Creegan**,** Friedrich, Middlebrook and Wallace
Action: Passed **Motion 2022-065** identifying Councilmembers to attend, and authorizing travel and associated expenses pertaining to, the event as follows:
League Annual Conference (September 7-9): Councilmember Creegan as Voting Delegate and Councilmember Friedrich as alternate.
Climate Solutions Summit, Breckenridge, CO (September 20-22): Councilmember Friedrich
Mountain and Resort Town Planners Summit, Aspen, CO (October 12-16, 2022): Councilmember Middlebrook and Councilmember Bass.
Public Comment was heard from the following people:

1. Ed Mosur
2 Sherry Eddie

Agenda Planning Calendar

30. Agenda Planning Calendar
Action: Received.

Updates and Announcements (City Attorney, City Clerk, City Manager)
City Attorney:

1. Support of future High School Senior Class Projects

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions
Councilmember Friedrich:

1. Miss Marcia condolences
2. Options for reducing school gun violence and increasing SRO program (Wallace second)
3. Upcoming Multi-cultural Festival

Councilmember Creegan:

1. Miss Marcia condolences
2. Happy Homestead Memorial Day event
3. Clean Tahoe Board Meeting
4. Upcoming South Tahoe Refuse Dump Day

Councilmember Bass:

1. Tahoe Transportation District meeting
2. LAFCO meeting
3. Thank you for support of Pride Month
4. Protocols for travel reimbursement (Wallace second)

Councilmember Wallace:

1. Recognizing January 20th as Miss Marcia Day (Friedrich second)

Mayor Middlebrook:

1. St. Joseph Riverside ground-breaking ceremony
2. Tahoe Prosperity Center meeting- Upcoming Economic Summit

Adjournment

At 12:51 p.m. Mayor Middlebrook adjourned the meeting.

_____ _____

Devin Middlebrook, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 5

Agenda Item: Revised Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Appropriation Limits

Executive Summary: Proposition 4 passed in 1979 and Proposition 111 passed in 1990, known as the Gann initiative, established a restriction on the amount of tax revenue that can be appropriated in any fiscal year. The limit is based on actual appropriations during the 1978-79 fiscal year (base year), and is allowed to increase each year based upon the calculation using a percentage change in population as of January 1 of each year in conjunction with a change in the cost of living from previous fiscal year. The two resolutions submitted to the City Council in October 2020 and October 2021 establishing the Appropriation Limits for Fiscal year 2020-2021 and 2021-2022 respectively require revisions due to an error in 2020-2021 calculations. The attached resolutions establish the revised appropriation limits. The revised fiscal year 2020-2021 appropriations limit is $83,178,448. The City's FY 2020-2021 appropriation subject to the limit from proceeds of taxes is $31,697,591. Therefore, the City's appropriations is under the legal limit by $51,480,857. The revised fiscal year 2021-2022 appropriations limit is $88,788,841. The City's FY 2021-2022 appropriation subject to the limit from proceeds of taxes is $45,140,522. Therefore, the City's appropriations is under the legal limit by $43,648,319.

Requested Action / Suggested Motions: 1) Pass a Resolution establishing the revised Appropriation Limit for Fiscal Year 2020-2021 in the amount of $83,178,448; and 2) Pass a Resolution establishing the revised Appropriation Limit for Fiscal Year 2021-2022 in the amount of $88,788,841, in compliance with Proposition 111.
Responsible Staff Member: Olga Tikhomirova, Director of Finance

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report Revised GANN Limits FY 2020-21 and 2021-22.docx
02-Resolution Revised GANN 2020-2021.docx
03-Resolution Revised GANN 2021-2022.docx
04-Revised Appropriation Limit 2020-2021 Worksheets.pdf
05-Revised Appropriation Limit 2021-22 Worksheets.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Revised Fiscal Year 2020-2021 and 2021-2022 Appropriation Limits

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance, (530) 542-7431

Background: Proposition 4 passed in 1979 and Proposition 111 passed in 1990, known as the Gann Initiative, created a restriction on the amount of revenue which can be appropriated in any fiscal year. The limit is based on actual appropriations during the 1978-79 fiscal year (base year) and is allowed to increase each year based upon the calculation using a percentage change in population as of January 1 of each year in conjunction with a change in the cost of living from previous fiscal year.

Issue and Discussion: The Finance department previously submitted the appropriations limit calculations for Fiscal Year 2020-2021 and 2021-2022 to City Council on October 20, 2020 and October 19, 2021 respectively. Those calculation required revisions due to an incorrect population factor used in 2020-2021 calculations.

Population estimates by the State Department of Finance as of January 1, 2020 indicate 0.99 percent change in the City and 1.70 percent change County-wide (Attachment 4, Worksheet 5B). The per capita personal income (cost of living factor) changed by a ratio of 1.0373 from fiscal year 2019-2020. Only revenues referred to as “proceeds of taxes” are restricted by the limit. Proceeds of taxes for fiscal year 2020-2021 are calculated at $32,844,009 (Attachment 4, Worksheet 2).

Population estimates by the State Department of Finance as of January 1, 2021 indicate 0.81 percent change in the City and 0.96 percent change County-wide (Attachment 5, Worksheet 5B). The per capita personal income (cost of living factor) changed by a ratio of 1.0573 from fiscal year 2020-2021. Only revenues referred to as “proceeds of taxes” are restricted by the limit. Proceeds of taxes for fiscal year 2021-2022 are calculated at $46,392,095 (Attachment 5, Worksheet 2).

Financial Implications: The fiscal year 2020-2021 appropriations limit was originally incorrectly calculated as $82,761,329. The correct appropriations limit is $83,178,448 (Attachment 4, Worksheet 4) which is $417,119 higher. The City’s appropriation subject to the limit from proceeds of taxes remains at $31,697,591. Therefore, the City’s appropriation is under the legal limit by $51,480,857.

The fiscal year 2021-2022 appropriations limit was originally incorrectly calculated as $88,343,587. The correct appropriations limit is $88,788,841 (Attachment 5, Worksheet 4), which is $445,254 higher. The City’s appropriation subject to the limit from proceeds of taxes

remains at $45,140,522. Therefore, the City's appropriation is under the legal limit by $43,648,319.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Consistent with City's Financial Policies.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Establishing the Revised Appropriations Limit for the Fiscal Year 2020-2021 in Compliance with Proposition 111 in the Amount of $83,178,448

BACKGROUND

A. Article XIIIB of the California Constitution and Section 7910 of the Government Code of the State of California provide that the governing body of each jurisdiction shall by resolution establish its appropriation limit for the following fiscal year;

B. Proposition 111 approved in November 1990 now requires that the limit be calculated using new growth factors;

C. The appropriations limit calculation for the Fiscal Year 2020-2021 submitted on October 20, 2020 contained an error requiring a revision to the appropriations limit;

D. The City Council has reviewed the appropriate growth factors and does hereby choose the population growth within El Dorado County to better reflect the average daily population;

E. The City Council has reviewed the appropriate cost of living factors and does hereby choose the per capita personal income factor;

F. Documentation used in determination of the appropriations limit has been available to the public since July 22, 2022, in the Accounting Division, meeting the required fifteen (15) day period for public inspection as required by law;

G. The City Council of the City of South Lake Tahoe now desires to adopt said revised appropriations limit.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED by the City Council of the City of South Lake Tahoe that the revised appropriations limit for the Fiscal Year 2020-2021 in compliance with Proposition 111 is established as being $83,178,448.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Establishing the Revised Appropriations Limit for the Fiscal Year 2021-2022 in Compliance with Proposition 111 in the Amount of $88,788,841

BACKGROUND

A. Article XIIIB of the California Constitution and Section 7910 of the Government Code of the State of California provide that the governing body of each jurisdiction shall by resolution establish its appropriation limit for the following fiscal year.

B. Proposition 111 approved in November 1990 now requires that the limit be calculated using new growth factors.

C. The appropriations limit calculation for the Fiscal Year 2020-2021 submitted on October 20, 2020 contained an error requiring a revision to the Fiscal Year 2021-2022 appropriations limit;

D. The City Council has reviewed the appropriate growth factors and does hereby choose the population growth within El Dorado County to better reflect the average daily population.

E. The City Council has reviewed the appropriate cost of living factors and does hereby choose the per capita personal income factor.

F. Documentation used in determination of the appropriations limit has been available to the public since July 15, 2022, in the Accounting Division, meeting the required fifteen (15) day period for public inspection as required by law.

G. The City Council of the City of South Lake Tahoe now desires to adopt said appropriations limit.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED by the City Council of the City of South Lake Tahoe that the revised appropriations limit for the Fiscal Year 2021-2022 in compliance with Proposition 111 is established as being $88,788,841.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

APPROPRIATIONS LIMIT 2020-2021

WORKSHEET # 1

	USER FEES	REVENUE BUDGET	DIVISION REVENUE TOTAL	EXPENSE BUDGET
10001730-34180	COPY CHARGES	500		
10001840-34032	IS SERVICES	39,000		
	TOTAL ACCOUNTING		39,500	1,367,155
10003110-34180	COPY CHARGES	50		
10003210-32116	TRANSPORTATION	1,500		
10003210-32120	ENCROACHMENT	90,400		
10003210-32118	OBSTRUCTION	800		
10003210-34135	PARCEL MERGE	6,000		
10003210-34150	ENGINEERING INPECTIONS	500		
10003210-34155	PLAN CHECK	500		
10002240-34230	FIRE PREVENTION SPECIAL INSPECT	60,000		
	TOTAL ENGINEERING		159,750	1,231,034
10003710-34xxx	PLANNING PERMITS	66,100		
	TOTAL PLANNING		66,100	794,943
10002210-34520	SERVICE CHARGES	800		
10002220-34223	FIRE SUPPRESSION FEES	45,000		
10002220-34260	EMS	0	Moved to 236-02262	
10002220-36283	OVERTIME REIMBURS.	75,000		
	TOTAL FIRE DEPARTMENT		120,800	7,126,026
10002110-32114	POLICE PERMITS	300		
10002110-34210	SPECIAL SVC	62,775		
10002110-34211	PD INCIDENTAL	21,000		
10002110-34213	BOOKING FEES	4,000		
10002150-33206	POST	20,000		
	TOTAL POLICE		108,075	10,554,940
10004105-34xxx	RECREATION ADMINISTRATION	0		
10004110-34xxx	GOLF COURSE	0		
10004130-34xxx	CAMPGROUND	880,000		
10004170-34xxx	PARK MAINTENANCE	67,500		
10004220-34xxx	RECREATION PROGRAMS	175,000		
10004225-34xxx	SPECIAL EVENTS	75,000		
10004230-34xxx	SENIOR CNTR	4,900		
	TOTAL PARKS & REC		1,202,400	2,388,006
			Revenues	Expenditures
	TOTAL GENERAL FUND USER FEES		1,696,625	23,462,104

APPROPRIATIONS LIMIT 2020-2021

WORKSHEET # 2

	GENERAL FUND REVENUE (less use of FB)	40,521,415		
	TOTAL GF REVENUES		**40,521,415**	
	TAXES			
Revenue	PROPERTY TAXES	8,442,000		
Summary	SALES TAX	7,830,000		
page	BUSINESS LICENSE	1,406,600		
	TOT Taxes	12,411,409		
31601and 31702	OTHER TAXES	400,000		
	TOTALTAXES		30,490,009	
	REVENUE FROM STATE			
10001511-33201	Motor Vehicle in lieu	2,280,000	includes 33202	
10001511-33207	Off Highway Vehicles	0		
10001511-33204	HOPTR	72,000		
10001511-33208	MANDATES SB Reimburs.	2,000		
	TOTAL REVENUE FROM STATE		2,354,000	
	PROCEEDS OF TAXES			32,844,009
	NON TAX PROCEEDS			7,677,406
	TOTAL PROCEEDS	40,521,415		
	LESS INTEREST INCOME	300,000		
	NET	40,221,415		

	TOTAL	TAXES	NON-TAX
TOTAL	40,521,415	32,844,009	7,677,406
EXCLUSIONS (WORKSHEET # 7)	1,146,418	1,146,418	
INTEREST	300,000		300,000
NET	39,074,997	31,697,591	7,377,406
PERCENT	100%	81%	19%
ALLOCATION OF INTEREST	300,000	243,360	56,640
ADJUSTED TOTAL	39,374,997	31,940,951	7,434,046

APPROPRIATIONS LIMIT 2020-2021

INTEREST EARNINGS
PRODUCED BY TAXES

WORKSHEET # 3

CITY: South Lake Tahoe
FY: 2020-2021
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	32,844,009	(Worksheet # 2)
B. MINUS EXCLUSIONS	1,146,418	(Worksheet # 7)
C. NET INVESTED TAXES	31,697,591	(A - B)
D. TOTAL NON-INTEREST BUDGET	39,074,997	(Worksheet # 2)
E. TAX PROCEEDS AS PERCENT OF BUDGET	0.81120	(C / D)
F. INTEREST EARNINGS	300,000	Budget or Actual
G. AMOUNT OF INTEREST EARNED FROM TAXES	243,360	(E * F)
H. AMOUNT OF INTEREST EARNED FROM NON-TAXES	56,640	(F - G)

I. Take the result of steps G and H
Copy on to worksheet # 2

APPROPRIATIONS SUBJECT

TO LIMITATION (rev.)

WORKSHEET # 4

CITY: South Lake Tahoe
FY: 2020-2021
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	32,844,009	(Worksheet # 2)
B. EXCLUSIONS	1,146,418	(Worksheet # 7)
C. APPROPRIATIONS SUBJECT TO LIMITATION	31,697,591	(A - B)
D. CURRENT YEAR LIMIT	83,178,448	(Worksheet # 6)
E. OVER (UNDER) LIMIT	(51,480,857)	(C - D)

WORKSHEET # 5A

May 2020

Attachment A

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2020-21 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio:	$\frac{3.73 + 100}{100} = 1.0373$	**INFLATION FACTOR**
Population converted to a ratio:	$\frac{0.22 + 100}{100} = 1.0022$	
Calculation of factor for FY 2020-21:	1.0373 x 1.0022 = 1.0396	

WORKSHEET # 5B

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	Percent Change 2019-2020	--- Population Minus Exclusions --- 1-1-19	 1-1-20	Total Population 1-1-2020
El Dorado				
Placerville	1.33	10,836	10,980	10,980
South Lake Tahoe	0.99	22,304	22,525	22,525
Unincorporated	1.83	156,775	159,638	159,722
County Total	1.70	189,915	193,143	193,227

$$\frac{1.70 + 100}{100} = 1.017 \quad \text{POPULATION FACTOR}$$

POPULATION FACTOR:
The City may adjust its appropriations limit by either the percentage change in the City's own population growth, or the percentage change in the population growth for El Dorado County. The above factor represents the annual percentage change in population for El Dorado County.

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

APPROPRIATIONS LIMIT 2020-2021 (rev.)

WORKSHEET # 6

CITY: South Lake Tahoe
FY: 2020-2021
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT (19-20)	78,847,056	
B. ADJUSTMENT FACTORS		
1. Population %	1.0170	(Worksheet # 5B)
2. Inflation %	1.0373	(State Finance (Worksheet # 5A))
Total adjustment %	1.0549	(B1*B2)
C. ANNUAL ADJUSTMENT $	4,331,392	A*((B-1)*1)
D. OTHER ADJUSTMENTS:		
Prior Year Limit Correction (+)	0	
Sub-Total	0	
E. TOTAL ADJUSTMENTS	4,331,392	(C+D)
F. THIS YEAR'S LIMIT (20-21)	83,178,448	(A+E)

APPROPRIATIONS LIMIT 2020-2021

WORKSHEET # 7

EXCLUSIONS

				Budget
FEDERAL MANDATES				
41119	ALL UNEMPLOYMENT INS	92,304		
41128-41129	ALL MEDICARE	268,764		
	TOTAL FEDERAL		361,068	
STATE MANDATES				
10003410-44091	HAZARDOUS WASTE	8,350		
20103510-44091	HAZARDOUS WASTE	2,000		
20703610-44091	HAZARDOUS WASTE	2,000		
	TOTAL HAZ WASTE		12,350	
10002220-41040	FLSA OT (91% OF FIRE OT)	273,000		
20103510-33205	OVERLAY (Gas Tax Funds)	500,000		
	TOTAL STATE		773,000	
	GRAND TOTAL EXCLUSIONS			1,146,418

APPROPRIATIONS LIMIT 2021-2022

WORKSHEET # 1

	USER FEES	REVENUE BUDGET	DIVISION REVENUE TOTAL	EXPENSE BUDGET
10001730-34180	COPY CHARGES	50		
10001840-34032	IS SERVICES	41,000		
	TOTAL ACCOUNTING		41,050	1,459,225
10003110-34180	COPY CHARGES	50		
10003210-32116	TRANSPORTATION	1,500		
10003210-32120	ENCROACHMENT	110,000		
10003210-32118	OBSTRUCTION	800		
10003210-34135	PARCEL MERGE	6,000		
10003210-34150	ENGINEERING INPECTIONS	500		
10003210-34155	PLAN CHECK	500		
10002240-34230	FIRE PREVENTION SPECIAL INSPECT	40,000		
	TOTAL ENGINEERING		159,350	1,231,319
10003710-34xxx	PLANNING PERMITS	111,000		
	TOTAL PLANNING		111,000	753,106
10002210-34520	SERVICE CHARGES	500		
10002220-34223	FIRE SUPPRESSION FEES	20,000		
10002220-34260	EMS	0	Moved to 236-02262	
10002220-36283	OVERTIME REIMBURS.	100,000		
	TOTAL FIRE DEPARTMENT		120,500	8,935,725
10002110-32114	POLICE PERMITS	300		
10002110-34210	SPECIAL SVC	62,775		
10002110-34211	PD INCIDENTAL	21,000		
10002110-34213	BOOKING FEES	4,000		
10002150-33206	POST	20,000		
	TOTAL POLICE		108,075	12,383,177
10004105-34xxx	RECREATION ADMINISTRATION	0		
10004110-34xxx	GOLF COURSE	0		
10004130-34xxx	CAMPGROUND	600,000		
10004170-34xxx	PARK MAINTENANCE	67,500		
10004220-34xxx	RECREATION PROGRAMS	175,000		
10004225-34xxx	SPECIAL EVENTS	75,000		
10004230-34xxx	SENIOR CNTR	4,900		
	TOTAL PARKS & REC		922,400	3,137,589
			Revenues	Expenditures
	TOTAL GENERAL FUND USER FEES		1,462,375	27,900,141

APPROPRIATIONS LIMIT 2021-2022

WORKSHEET # 2

	GENERAL FUND REVENUE (less use of FB)	54,553,910		
	TOTAL GF REVENUES		**54,553,910**	
	TAXES			
Revenue	PROPERTY TAXES	9,175,180		
Summary	SALES TAX	15,877,625		
page	BUSINESS LICENSE	1,647,000		
	TOT Taxes	16,839,290		
31601and 31702	OTHER TAXES	470,000		
	TOTAL TAXES		44,009,095	
	REVENUE FROM STATE			
10001511-33201	Motor Vehicle in lieu	2,285,000	includes 33202	
10001511-33207	Off Highway Vehicles	0		
10001511-33204	HOPTR	78,000		
10001511-33208	MANDATES SB Reimburs.	20,000		
	TOTAL REVENUE FROM STATE		2,383,000	
	PROCEEDS OF TAXES			46,392,095
	NON TAX PROCEEDS			8,161,815
	TOTAL PROCEEDS	54,553,910		
	LESS INTEREST INCOME	300,000		
	NET	54,253,910		

	TOTAL	TAXES	NON-TAX
TOTAL	54,553,910	46,392,095	8,161,815
EXCLUSIONS (WORKSHEET # 7)	1,251,573	1,251,573	
INTEREST	300,000		300,000
NET	53,002,337	45,140,522	7,861,815
PERCENT	100%	85%	15%
ALLOCATION OF INTEREST	300,000	255,501	44,499
ADJUSTED TOTAL	53,302,337	45,396,023	7,906,314

APPROPRIATIONS LIMIT 2021-2022

INTEREST EARNINGS
PRODUCED BY TAXES

WORKSHEET # 3

CITY: South Lake Tahoe
FY: 2021-2022
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	46,392,095	(Worksheet # 2)
B. MINUS EXCLUSIONS	1,251,573	(Worksheet # 7)
C. NET INVESTED TAXES	45,140,522	(A - B)
D. TOTAL NON-INTEREST BUDGET	53,002,337	(Worksheet # 2)
E. TAX PROCEEDS AS PERCENT OF BUDGET	0.85167	(C / D)
F. INTEREST EARNINGS	300,000	Budget or Actual
G. AMOUNT OF INTEREST EARNED FROM TAXES	255,501	(E * F)
H. AMOUNT OF INTEREST EARNED FROM NON-TAXES	44,499	(F - G)

I. Take the result of steps G and H
Copy on to worksheet # 2

APPROPRIATIONS SUBJECT

TO LIMITATION (rev.)

WORKSHEET # 4

CITY: South Lake Tahoe
FY: 2021-2022
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	46,392,095	(Worksheet # 2)
B. EXCLUSIONS	1,251,573	(Worksheet # 7)
C. APPROPRIATIONS SUBJECT TO LIMITATION	45,140,522	(A - B)
D. CURRENT YEAR LIMIT	88,788,841	(Worksheet # 6)
E. OVER (UNDER) LIMIT	(43,648,319)	(C - D)

May 2021

Attachment A

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

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2021-22	5.73

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

2021-22:

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

Per Capita Cost of Living converted to a ratio:	$\frac{5.73 + 100}{100} = 1.0573$	**INFLATION FACTOR**
Population converted to a ratio:	$\frac{-0.46 + 100}{100} = 0.9954$	
Calculation of factor for FY 2021-22:	1.0573 x 0.9954 = 1.0524	

WORKSHEET # 5B

Fiscal Year 2021-22

County City	Percent Change 2020-2021	--- Population Minus Exclusions --- 1-1-20	 1-1-21	Total Population 1-1-2021
El Dorado				
Placerville	-0.69	10,964	10,888	10,888
South Lake Tahoe	0.81	23,210	23,398	23,398
Unincorporated	1.10	159,261	161,011	161,076
County Total	0.96	193,435	195,297	195,362

$$\frac{.96 + 100}{100} = 1.0096 \quad \text{POPULATION FACTOR}$$

POPULATION FACTOR:
The City may adjust its appropriations limit by either the percentage change in the City's own population growth, or the percentage change in the population growth for El Dorado County. The above factor represents the annual percentage change in population for El Dorado County.

APPROPRIATIONS LIMIT 2021-2022 (rev.)

WORKSHEET # 6

CITY: South Lake Tahoe
FY: 2021-2022
BUDGET: ___X___ or ACTUAL: _____

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT (20-21)	83,178,448	
B. ADJUSTMENT FACTORS		
1. Population %	1.0096	(Worksheet # 5B)
2. Inflation %	1.0573	(State Finance (Worksheet # 5A))
Total adjustment %	1.0675	(B1*B2)
C. ANNUAL ADJUSTMENT $	5,610,393	A*((B-1)*1)
D. OTHER ADJUSTMENTS:		
Prior Year Limit Correction (+)	0	
Sub-Total	0	
E. TOTAL ADJUSTMENTS	5,610,393	(C+D)
F. THIS YEAR'S LIMIT (21-22)	88,788,841	(A+E)

APPROPRIATIONS LIMIT 2021-2022

WORKSHEET # 7

EXCLUSIONS

				Budget
FEDERAL MANDATES				
41119	ALL UNEMPLOYMENT INS	96,303		
41128-41129	ALL MEDICARE	278,920		
	TOTAL FEDERAL		375,223	
STATE MANDATES				
10003410-44091	HAZARDOUS WASTE	8,350		
20103510-44091	HAZARDOUS WASTE	2,000		
20703610-44091	HAZARDOUS WASTE	2,000		
	TOTAL HAZ WASTE		12,350	
10002220-41040	FLSA OT (91% OF FIRE OT)	364,000		
20103510-33205	OVERLAY (Gas Tax Funds)	500,000		
	TOTAL STATE		864,000	
	GRAND TOTAL EXCLUSIONS			1,251,573

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 6

Agenda Item: Financial Policy Amendments to Procurement, Travel and Training, and Capital Investments Policies

Executive Summary: Financial policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City's assets and resources. Updates to the Procurement Policy are proposed to increase authorization limits due to the rising increase in cost of goods and services. Annual updates to the Travel and Training policies are necessary to reflect current Federal per diem and mileage rates, while updates to the Capital Investments Policy reflect increases relevant to the Procurement Policy in documenting Capital Assets.

Requested Action / Suggested Motions: Pass a Resolution Approving Amendments to Financial Policies Regarding Procurement, Travel and Training, and Preserving Capital Investments.
Responsible Staff Members: Lori Marino, Principle Management Analyst and Heather Stroud, City Attorney

Responsible Staff Member: Lori Marino, Principal Management Analyst, 530-542-7410

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Financial Policy Amendments.docx
02-Resolution Financial Policy Amendments.docx
03-CSLT Procurement Policy Redline.pdf
04 - CSLT Procurment Policy (Exh. A to Reso).pdf
05-CSLT Travel Policy Redline.pdf
06-CSLT Travel Policy (Exh. B to Reso).pdf
07-CSLT Local Training and Meeting Policy Redline.pdf
08-CSLT Local Training and Meeting Policy (Exh. C to Reso).pdf
09-CSLT Preserving Capital Investments Redline.pdf
10-CSLT Preserving Capital Investments (Exh. D to Reso).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Financial Policy Amendments to Procurement, Travel and Training, and Capital Investments Policies

Location: City-wide

Responsible Staff Member: Lori Marino, Principal Management Analyst (530) 542- 7410

Background: The City Council adopted the City of South Lake Tahoe Financial Policy Amendments to Capital Investments, Grant Funding and Compliance, and Procurement Policies on August 3, 2021, as well as revision to the Procurement Policy to include language for SB1383 requirements on November 02, 2021. Policies are reviewed often, and necessary amendments, updates, or new policies are presented to the City Council for adoption.

Issue and Discussion: This year the following policy amendments are recommended:

- **Procurement Policies and Procedures:** The proposed amendments to the Procurement Policy reflects the current economic climate as it relates to procurement challenges resulting from ongoing pandemic issues, inflationary pressures, supply chain risks, cost of goods, etc. To address these issues, staff is recommending increasing purchase limits and approval authority thresholds to align with increased cost of goods and Federal and State threshold increases. These limits have not been changed since 2014. In addition, clarifications were made to differentiate between Request for Proposals and Requests for Qualifications as well as adding specifics to further explain Public Projects which are subject to Public Contract Code and the Public Construction Cost Accounting Act as noted in the City Code SLTCC § 3.45, Article II. Procedures have been added to address BIDS receiving less than three bid responses, which has been more frequent in the last year. The proposed changes and clarifications should help streamline efficiencies to provide prudent stewardship of public funds and City resources.

Current Purchase Threshold	Current Approval Authority	**Proposed Threshold**	Proposed Approval Authority
$0 - $6,999	Supervisor or Designated Purchaser	**$0 - $9,999**	Supervisor or Designated Purchaser
$7,000 - $19,999	Department Head	**$10,000 - $29,999**	Department Head
$20,000 - $49,999	Department Head and City Manager	**$30,000 - $59.999**	Department Head and City Manager
$50,000 and over	City Council	**$60,000 and over**	City Council

- **Travel Policy and Local Training and Meeting Policy:** The proposed amendments to the Travel and Local Training policies are to increase the current Per Diem and Mileage rates to align with current Federal General Services Administration established rates.

- **Preserving Capital Investments-Fixed Assets, Capitalization, and Inventory Control Policy**: Updates to this policy include changing the threshold for asset classes previously at $7,000, increasing to $10,000 for capitalization. Proposed increases are to align with the proposed increases in the Procurement Policy.

  Financial Implications: Financial Policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City's assets and resources.

Environmental Considerations: These Policy Amendments are exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: The overall impact of financial policies is to strengthen and preserve the City's financial position and fiscal health as well as maintain the highest level of ethics in the stewardship of public funds.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Approving Amendments to Financial Policies Regarding Procurement, Travel and Training, and Preserving Capital Investments

BACKGROUND

A. The City of South Lake Tahoe City Council approves and adopts Financial Policies to support the City's financial operations and ensure its fiscal health; and

B. Financial Policies require amendments from time to time to ensure compliance with the requirements set forth in Federal and State law; Generally Accepted Accounting Principles (GAAP) and City Code; and

C. Amendments to the Procurement Policy have been updated to align with Federal threshold increases as well as rising cost of goods; and

D. Proposed Amendments to the Travel and Local Training Policies are to align the Per Diem and Mileage Reimbursement rates with current Federal General Services Administration established rates; and

E. Amendments to the Preserving Capital Investments- Fixed Assets, Capitalization, and Inventory Control Policy are to increase the threshold for capital expenditures within the asset class set at $7,000 to $10,000 to align with proposed changes in the Procurement Policy; and

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED that the City Council of the City of South Lake Tahoe:

1. Approves the amendments and updates as described in the Financial Policies- Procurement Policies and Procedures (attached hereto as Exhibit A), Travel and Training (attached hereto as Exhibit B), Local Training and Meetings (attached hereto as Exhibit C), and Preserving Capital Investments (attached hereto as Exhibit D).

Adopted by the City of South Lake Tahoe City Council on August 09, 2022 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date: _____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

FINANCIAL MANAGEMENT

PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council August 9~~3~~, 2022~~1~~. Procedures are drafted by the Finance Dept. in coodination~~njunction~~ with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Signing Authority
$0 - ~~$6,999.99~~ $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a City-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. #number ~~or~~ PO for service	Supervisor/ Designated Purchaser
~~$7,000~~ – $19,999 $10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$20,000 - $49,999 $30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$50,000 $60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated**

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facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II) **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

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1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South

Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;
5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

~~1.2~~1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (CUPCCAA) (City Code SLTCC § 3.45, Article II)

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Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be let to contract by informal procedures as set forth in this section. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any ~~of these~~ activit~~yies.~~ considered to be a Public Project per definition above.

~~1.3~~1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

~~1.4~~1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

~~1.5~~1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subjected to competitive bidding, the procurement of materials, supplies, equipment or services from a Sole

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Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects requiring ~~The~~ public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per SLTCC § 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.
3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

~~3.~~

4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

~~1.6~~1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 SB 1383 RECOVERED ORGANIC WASTE PRODUCTS

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

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The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.
2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.~~9~~7 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090).

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.
3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager**- via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council**- via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000~~$7,000~~, the Finance ~~Administrative Services~~ Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $96,999.00

Items and services less than $107,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice, appropriated account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67)*. In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $107,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $~~7,000.00~~$10,000 - $59,999~~$49,999.00~~

Purchases and services between $107,000 and $549,999 are subject to **informal** bidding and proposal processes. In calculating the total amount; include tax, shipping and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$107,000 - $29,99919,999: The Department Head may approve contracts and expenditures up to $2919,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized email approval to Accounts Payable. .

$320,000 - $549,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $320,000 and $549,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$107,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing Federal Funds: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.

3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee*.**

1. Contact at least three individuals, companies and/or entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C))
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate ~~a~~n Request For Proposal (RFP), Request For Qualification (RFQ), ~~-~~or Invitation to Bid (BID).
3. Where three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head , City Manager, City Attorney, and Finance Director. ~~Department Head~~ (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e. Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$107,000 - $219,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$320,000 - $549,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
8. Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and:
    - submits document along with Contract Routing Form (Exhibit D) to the Finance~~Administrative Services~~ Director for budget review, who then forwards document to the City Attorney's Office for review and/or approval
    - City Attorney sends document to City Manager for approval
    - City Manager sends document to City Clerk to attest (where applicable) and for records retention. City Clerk sends executed copy back to the Department and mails copy to the vendor (where applicable).
9. Department sends the following documents to Accounts Payable for payment:
    - Signed invoice and/or PO, Request for Payment with Contract/Agreement
    - Business License #

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- Original Quotes
- Approved Sole source Request Form (if used)
- Proof of Insurance (when required)
- Gov't. cooperative contract information (if used)

3.4 PURCHASE ORDERS

Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the City without a PO
3. For any type of purchase up to $549,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $320,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement
3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $560,000.00 and ABOVE

Purchases and services over $650,000 are subject to formal competitive bidding. Total cost should include tax, shipping and handling; as well as total lease or contract cost over the life of the contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $650,000** must have **City Council approval** and must be signed by the Mayor. or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e. CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)
    - DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.
5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.
    - Can be used to create a pre-qualified list for a future opportunity
    - Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.
5.6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.
    - BIDs are subject to competitive sealed bidding procedures

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- Must use mandatory BID template (Exhibit H)
- DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.
- DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
- Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020)

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet~~Scorecard~~
2. Evaluate proposals individually and/or discuss as a commitee
3. Rank based on highest score to lowerst and/or develop a shortlist
4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head
- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department
- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

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Evaluation Form~~Scorecard~~ - Bids and Proposals shall be evaluated based on an Evaluation Form~~Scorecard~~ which sets forth the total possible points for each category reviewed. (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms~~cards~~ in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the ~~its results to the~~ Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
   - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
   - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.
   - The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid**- If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in section 4.5 above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.

2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to perspective bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

~~2.~~

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4.6 CITY COUNCIL STAFF RECOMMENDATIONS

Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.
4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.
3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**

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4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a~~n~~ Request For Proposal or Request for Qualifications.~~.~~

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Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.
4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records

Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)
11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

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1. Signed invoice and/or Request for Payment, or PO
~~1.~~2. Quotation Form noting bid process and outcome
~~2.~~3. Budgeted/approved account number
~~3.~~4. Copy of Executed Contract/ Agreement
~~4.~~5. Copy of approved Council Resolution (if applicable)
~~5.~~6. Sole Source Justification Form (if applicable)
~~6.~~7. Cooperative Gov't Contract (if applicable)

EXHIBIT A

PAYMENT REQUEST FORM

CITY OF SOUTH LAKE TAHOE

PAYMENT REQUEST

V#_____

Date Prepared: _____

Comments/Notes: _____

_____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION REQUEST FORM

SOLE BRAND/SOLE SOURCE REQUEST
JUSTIFICATION/APPROVAL FORM

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:

_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.

_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____

Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used? Explain:
_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____

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* ~~Requests over $7,000 require **City Manager's** approval.~~ Requests over $650,000 requires City Council's approval.

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including: differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENT/DEED REVIEW ROUTING FORM

STAFF CONTACT INFORMATION	• NAME: • DEPARTMENT: • PHONE: • DATE OF SUBMITTAL:
CONTRACT/ AGREEMENT INFO.	• NAME: • CONTRACTOR/CONSULTANT: • START: END: OPTION TO RENEW: • AMOUNT OF CONTRACT: $
BUDGET INFORMATION	• ACCOUNT NO.: • FUNDING VERIFIED:

TYPE OF CONTRACT

- ☐ PSA
- ☐ PURCHASE
- ☐ LICENSE
- ☐ MOU
- ☐ LEASE
- ☐ EASEMENT
- ☐ CONSTRUCTION
- ☐ DEED

REVIEWING AUTHORITY	SIGNATURE	DATE SIGNED
• FINANCE DEPT.	• _____	• _____
• DEPT. DIRECTOR	• _____	• _____
• CITY ATTORNEY	• _____	• _____
• CITY MANAGER	• _____	• _____
• CITY CLERK	• _____	• _____

City Council Approval Date:

(If Applicable)

Insert new form

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEETSCORECARD TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be ~~no~~ greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- **Identification of Firm, including name, address and telephone number**

- **Name, title, address and telephone number of contact person during period of proposal evaluation**
- **A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal**
- **Signed by person authorized to bind the Firm to the terms of the proposal.**

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the

specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation time-line from the Company is required. Provide description of implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below. Fax and Electronic-mailed (e-mail) submission will not be accepted.

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based

on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address and telephone number
- Name, title, address and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation time-line from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs,

fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 201**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents.
   All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant

for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

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

   b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

   c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

   d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

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

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

    b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services

under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal

injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

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

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:
    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

   i. Will receive a copy of the Consultant's drug-free policy statement; and
   ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

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

31. Time is of the Essence. Time is of the essence for this Agreement.

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

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

CITY OF SOUTH LAKE TAHOE: CONSULTANT:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).

Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand written proposals will be accepted). There are no requirements on font size, type or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on

its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges
- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. <u>Bid Requirements</u> - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address and telephone number
- Name, title, address and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a time-line from the Vendor is required. Provide description of all costs, implementation, including estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. <u>Evaluation Criteria</u>

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 20xx by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

A. Vendor is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Vendor possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

   The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Vendor are employees, agents, contractors or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

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

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

14. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Vendor. Assignments of any or all rights, duties or obligations of the Vendor under this Agreement will be permitted only with the express consent of City. Vendor shall not subcontract any portion of the Agreement without the written authorization of City. If City consents to such subcontract, Vendor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

15. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

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

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

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

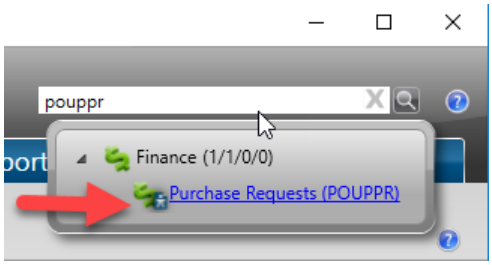
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

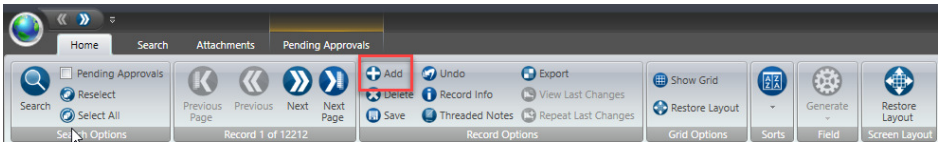
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

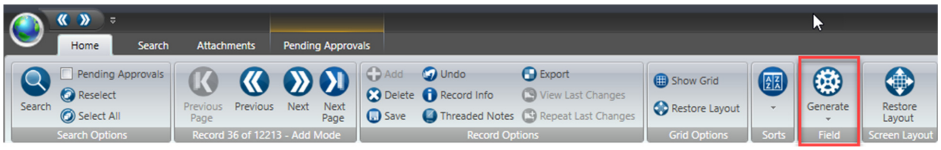
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



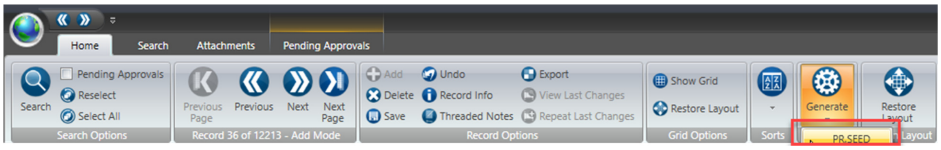
3. Click on “Add”



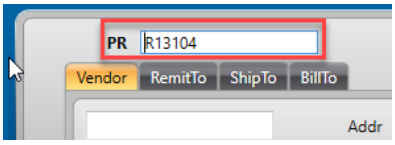
4. Click on Generate



5. Click on PR_SEED

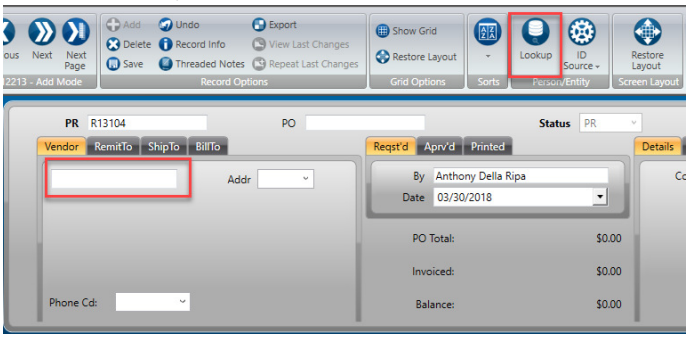


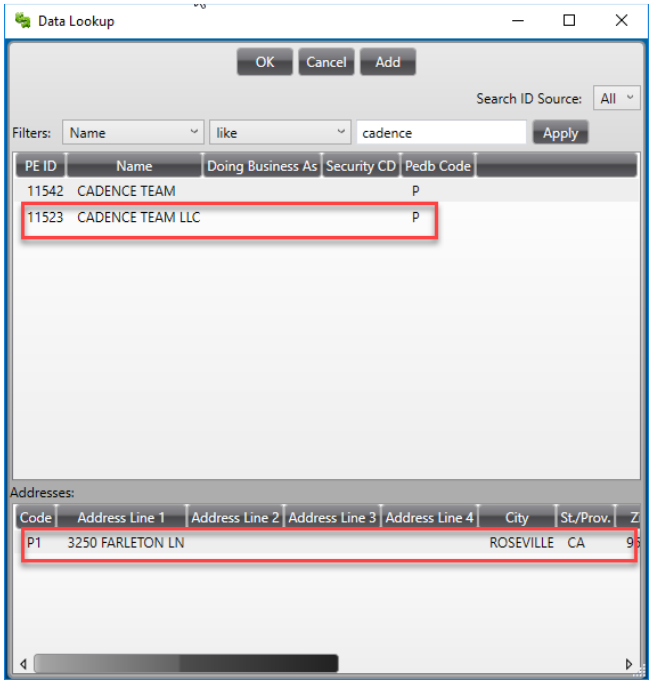
6. Write down the PR Number



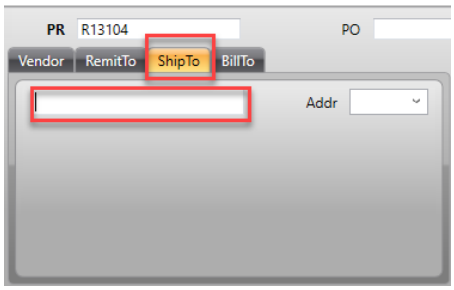
7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

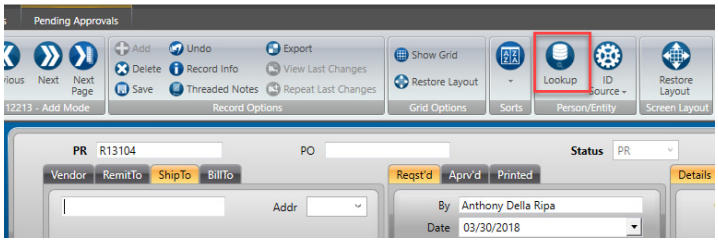
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

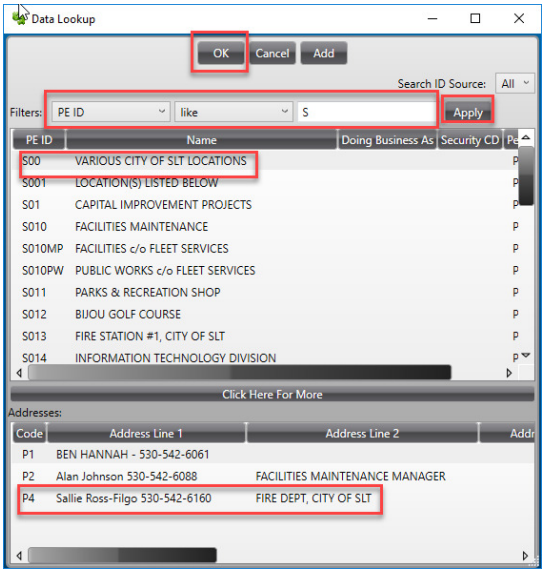




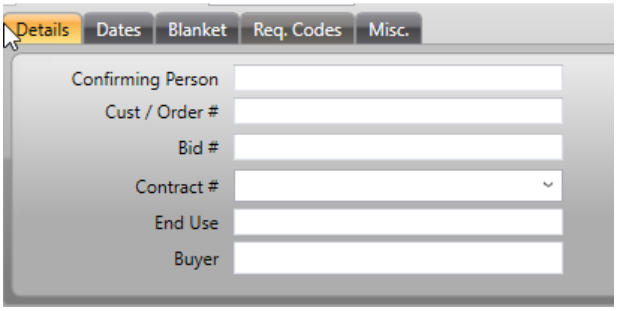
9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type in an "S" and click on "Apply". Look for the city building that it needs to be shipped to and select the correct person at that address.



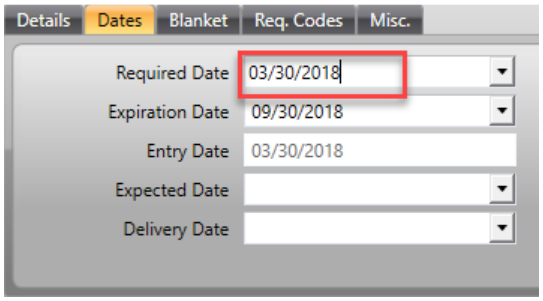




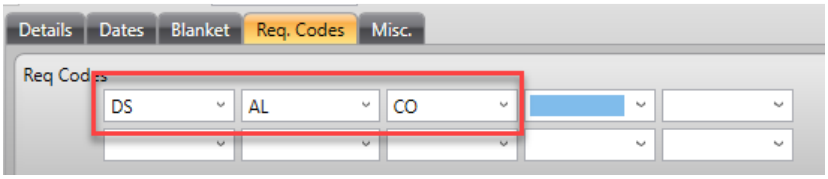
10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service
    b. Cust / Order # - Quote or order number if available
    c. Bid # - If available
    d. Contract # - If available
    e. End Use – The department or division requesting this PR
    f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



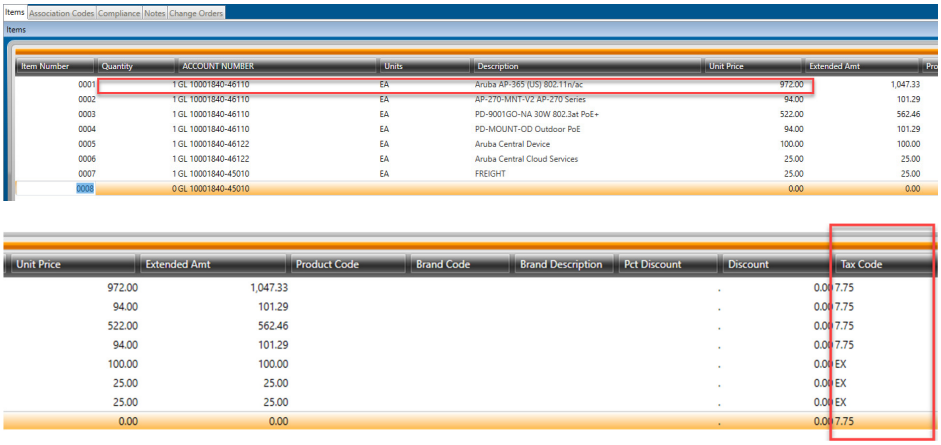
12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



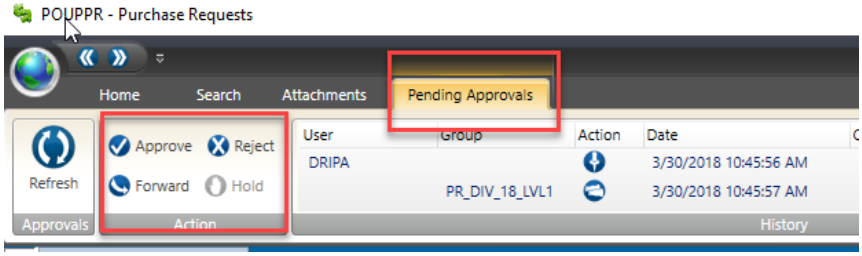
14. Skip "Misc." Tab

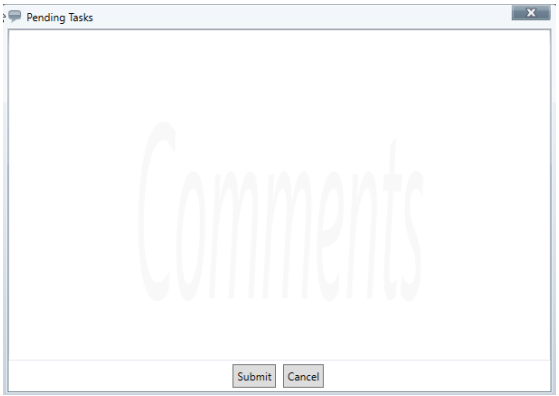
15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.
        i. Quote number
        ii. Delivery instructions
        iii. Etc…
    c. Print After – This will place the note directly after the last line item.
        i. Quote number
        ii. Delivery instructions
        iii. Etc…

16. In the “Items” tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the “Tax Code” column. After entering the data in each filed press the “Enter” to save the item and two add a second item.

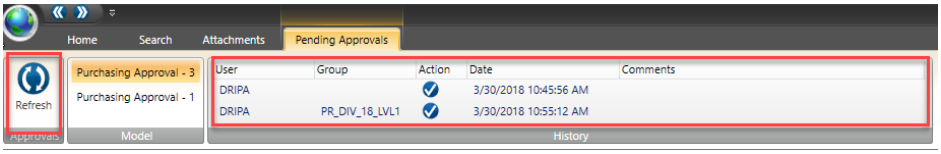


17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have “Pending Approvals” tab; If you don’t, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



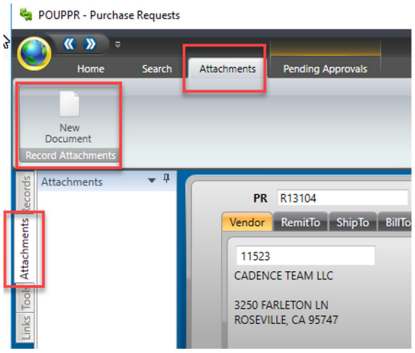


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

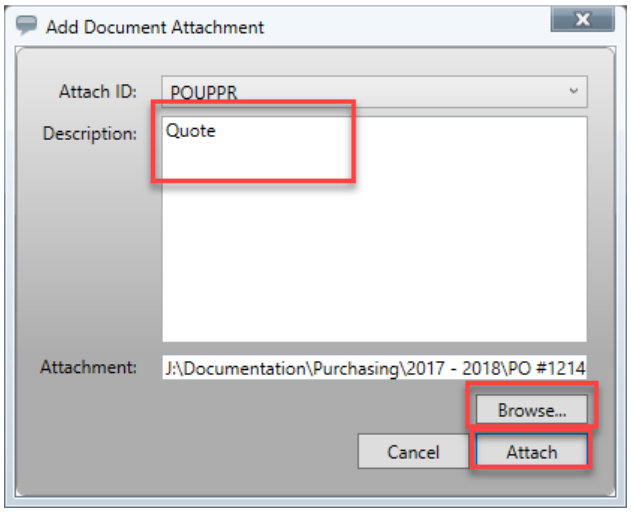


Adding Attachments to the PR

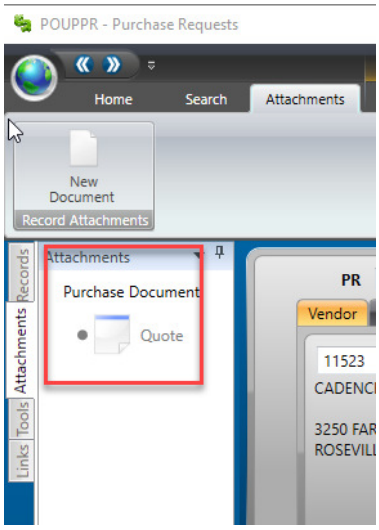
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

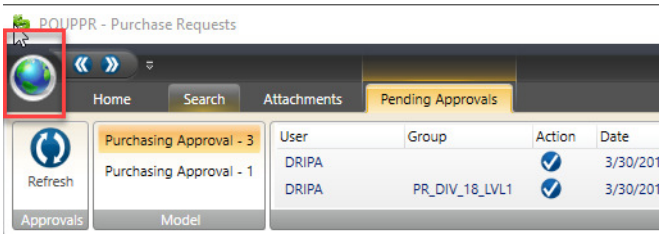


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

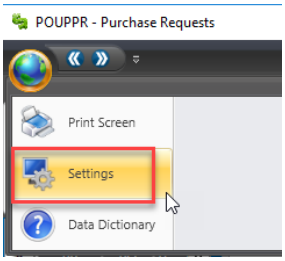


Activating the "Pending Approval" tab and "Attachments" Tab

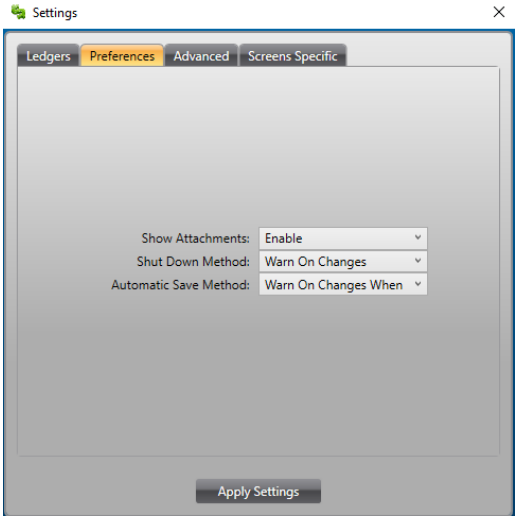
1. Click on the Globe



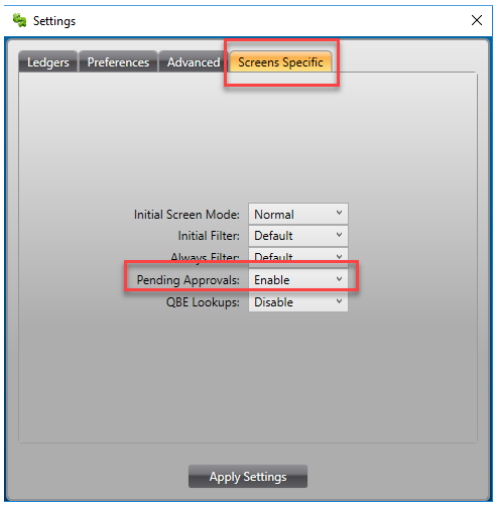
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc.… and the approved PO must be attached to the PR.

FINANCIAL MANAGEMENT PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council August 9, 2022. Procedures are drafted by the Finance Dept. in coordination with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Approval Authority
$0 $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a City-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. number PO for service	Supervisor/ Designated Purchaser
$10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated facility** is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II). **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

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1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services, and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;
5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct, or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services, or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." **(CUPCCAA)** (City Code SLTCC § 3.45, Article II)

Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be let to contract by informal procedures as set forth in this section. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any activity considered to be a Public Project per definition above.

1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subject to competitive bidding, the procurement of materials, supplies, equipment, or services from a Sole Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects requiring public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per SLTCC § 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.

3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.
4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 SB 1383 RECOVERED ORGANIC WASTE PRODUCTS

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.
2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.9 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090).

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.
3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager**- via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council**- via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000, the Finance Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $9,999.00

Items and services less than $10,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice,

appropriated account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67).* In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $10,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $10,000 - $59,999

Purchases and services between $10,000 and $59,999 are subject to **informal** bidding and proposal processes. In calculating the total amount; include tax, shipping, and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$10,000 - $29,999: The Department Head may approve contracts and expenditures up to $29,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized e-mail approval to Accounts Payable.

$30,000 - $59,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $30,000 and $59,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$10,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing <u>Federal Funds</u>: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.
3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee*.**

1. Contact at least three individuals, companies and/or entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C))
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate a Request For Proposal (RFP), Request For Qualification (RFQ), or Invitation to Bid (BID).
3. Where three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head , City Manager, City Attorney and Finance Director (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e., Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$10,000 - $29,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$30,000 - $59,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
8. Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and:
    - submits document along with Contract Routing Form (Exhibit D) to the Finance Director for budget review, who then forwards document to the City Attorney's Office for review and/or approval
    - City Attorney sends document to City Manager for approval
    - City Manager sends document to City Clerk to attest (where applicable) and for records retention. City Clerk sends executed copy back to the Department and mails copy to the vendor (where applicable).
9. Department sends the following documents to Accounts Payable for payment:
    - Signed invoice and/or PO, Request for Payment with Contract/Agreement
    - Business License #
    - Original Quotes
    - Approved Sole source Request Form (if used)
    - Proof of Insurance (when required)
    - Gov't. cooperative contract information (if used)

3.4 PURCHASE ORDERS

Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the City without a PO
3. For any type of purchase up to $59,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $30,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement
3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $60,000.00 and ABOVE

Purchases and services over $60,000 are subject to formal competitive bidding. Total cost should include tax, shipping, and handling; as well as total lease or contract cost over the life of the contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $60,000** must have **City Council approval** and must be signed by the Mayor or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e., CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)
    - DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.
5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.
    - Can be used to create a pre-qualified list for a future opportunity
    - Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.
6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.
    - BIDs are subject to competitive sealed bidding procedures
    - Must use mandatory BID template (Exhibit H)

- DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.
- DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
- Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020).

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet
2. Evaluate proposals individually and/or discuss as a committee
3. Rank based on highest score to lowest and/or develop a shortlist
4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head
- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department

- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

Evaluation Form- Bids and Proposals shall be evaluated based on an Evaluation Form which sets forth the total possible points for each category reviewed (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
    - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
    - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.
    - The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid**- If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in Evaluation section above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.
2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

4.6 CITY COUNCIL STAFF RECOMMENDATIONS

Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.
4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.

3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**
4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a Request For Proposal or Request for Qualifications.

Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.
4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)
11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

1. Signed invoice and/or Request for Payment, or PO
2. Quotation Form noting bid process and outcome
3. Budgeted/approved account number
4. Copy of Executed Contract/ Agreement
5. Copy of approved Council Resolution (if applicable)
6. Sole Source Justification Form (if applicable)
7. Cooperative Gov't Contract (if applicable)

EXHIBIT A

PAYMENT REQUEST FORM

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____ Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ Budget Available: _____

APPROVED: _____ Reimbursable: _____

Project/ Funding Source: _____

Project/ Funding Source: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION REQUEST FORM

SOLE SOURCE JUSTIFICATION REQUEST

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:

_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.

_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____

Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used?
Explain:_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____

* Requests over $60,000 requires City Council's approval

.

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENTAUTHORIZATION ROUTING FORM

STAFF CONTACT INFORMATION	• NAME: • DEPARTMENT: • PHONE: • DATE OF SUBMITTAL:
CONTRACT/ AGREEMENT INFO.	• NAME: • CONTRACTOR/CONSULTANT: • START: END: OPTION TO RENEW: • AMOUNT OF CONTRACT: $
BUDGET INFORMATION	ACCOUNT NO.: BUDGET AVAILABLE: FUNDING VERIFIED: GRANT FUNDING? Source_____ Federal? Yes___ No___
Type of Contract	Professional Services Agreement _____ License_____ MOU ____Lease _____ Purchase Order _____ Purchase Agreement_____ Construction_____ Revenue Contract _____ Operation/Concession Agreement _____ Deed_____ Maintenance Agreement _____ Public Works Contract _____ Vehicle _____ Motorized Equipment _____ IT/Electronic Equipment_____

Brief Description:

Does this contract involve the following: construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and/or repair work involving any publicly owned, leased, or operated facility? Yes_____ No_____ If **yes**, forward to Public Works for review
(Public Works Director authorization required)

Does this contract require special permitting, environmental review, CEQA/NEPA, Planning Dept. review, Commission approval? Yes_____ No_____ If yes, forward to Development Services Department for review ***(Director of Developmental Services authorization required)***

Reviewing Authority	Signature	Date Signed
Department Head	_____	_____
Public Works Director *(where applicable)* Dev. Services Director *(where applicable)*	_____	_____
Finance Director	_____	_____
City Attorney		
City Manager	_____	_____
City Clerk		

City Council Meeting Date ***(over $60K or where applicable)*:** _____

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEET TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description of

implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

.

EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below, Electronic-mailed (e-mail), and/or on-line portal planet bids. xxxxxx submission will not be accepted. (Choose preferred method)

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. xxxxxx submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including

all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the _____ day of _____ 202**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

A. Consultant is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

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

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

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

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands,

actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

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

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the

subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

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

Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

i. The dangers of drug abuse in the workplace;
ii. The person's or organization's policy of maintaining a drug-free workplace;
iii. Any available counseling, rehabilitation, and employee assistance program; and
iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

i. Will receive a copy of the Consultant's drug-free policy statement; and
ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

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

31. Time is of the Essence. Time is of the essence for this Agreement.

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

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

CITY OF SOUTH LAKE TAHOE: CONSULTANT:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).
Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below, and/or on-line Planet Bids Portal. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no handwritten proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the

City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract, or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment, and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders' security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges

- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. <u>Bid Requirements</u> - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a timeline from the Vendor is required. Provide description of all costs, implementation, including

estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. <u>Evaluation Criteria</u>

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

riteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202x by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

A. Vendor is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Vendor possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Vendor are employees, agents, contractors, or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates, and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all

applicable laws, ordinances, regulations, and codes of federal, state, and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

13. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such

notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

14. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Vendor. Assignments of any or all rights, duties or obligations of the Vendor under this Agreement will be permitted only with the express consent of City. Vendor shall not subcontract any portion of the Agreement without the written authorization of City. If City consents to such subcontract, Vendor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

15. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid, nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

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

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

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees, and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review, and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

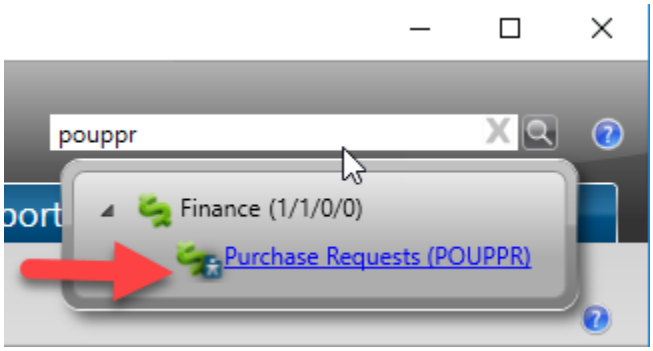
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

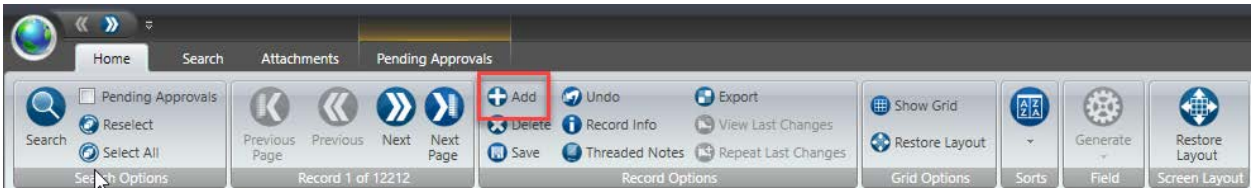
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

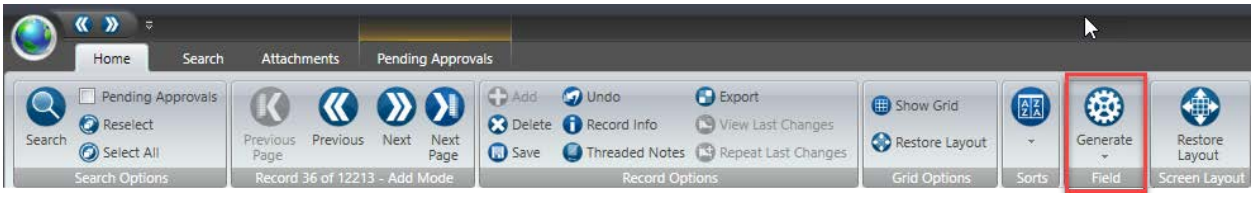
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



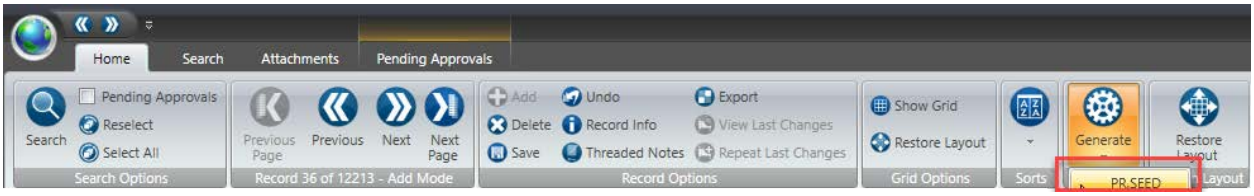
3. Click on “Add”



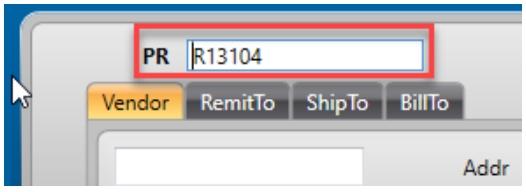
4. Click on Generate



5. Click on PR_SEED



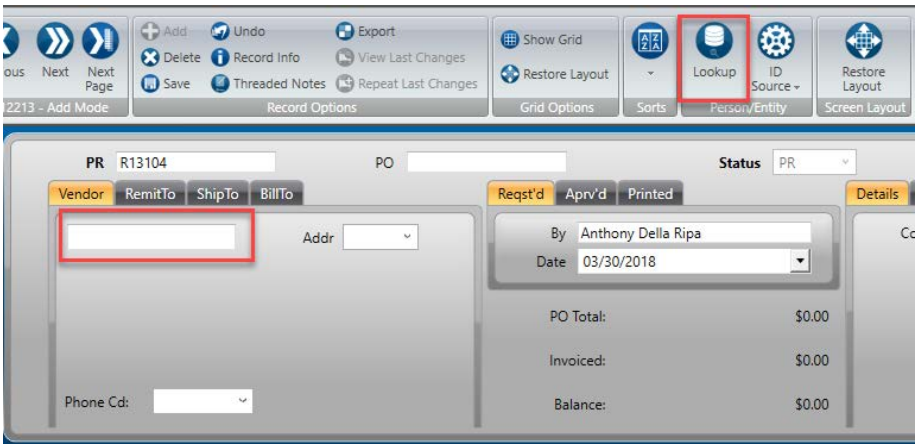
6. Write down the PR Number

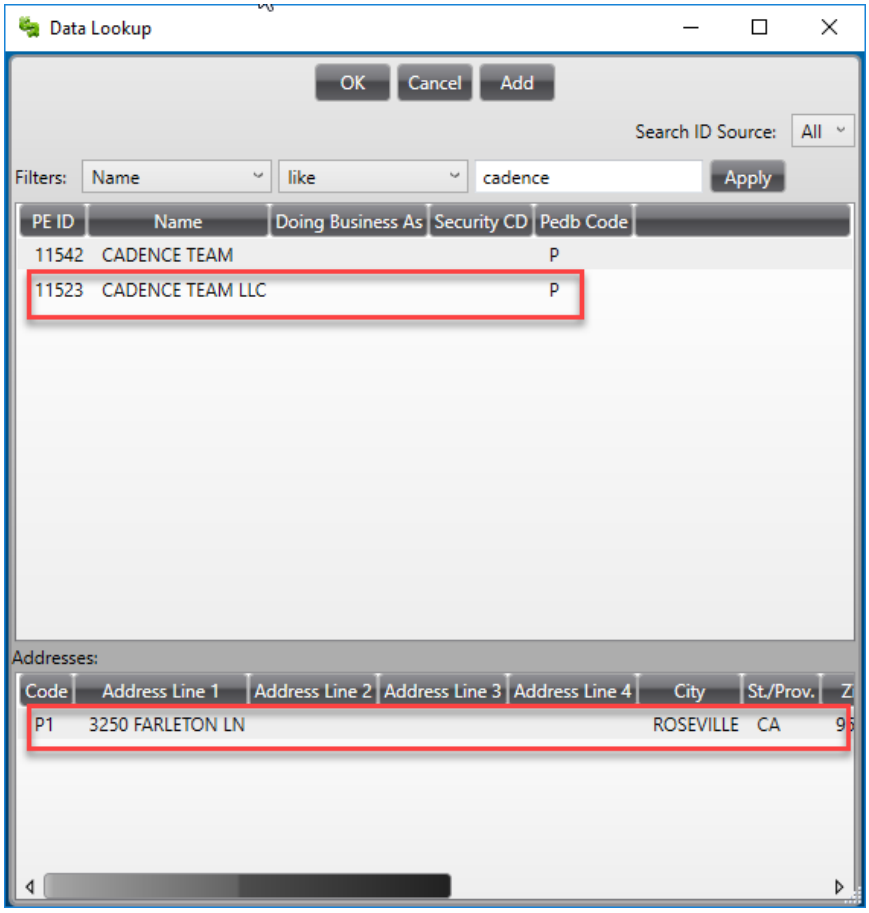


7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new

vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

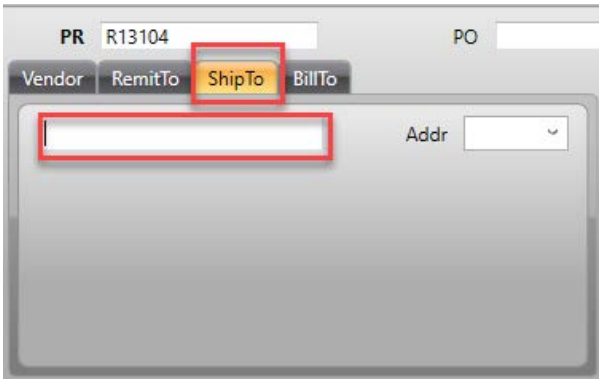
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

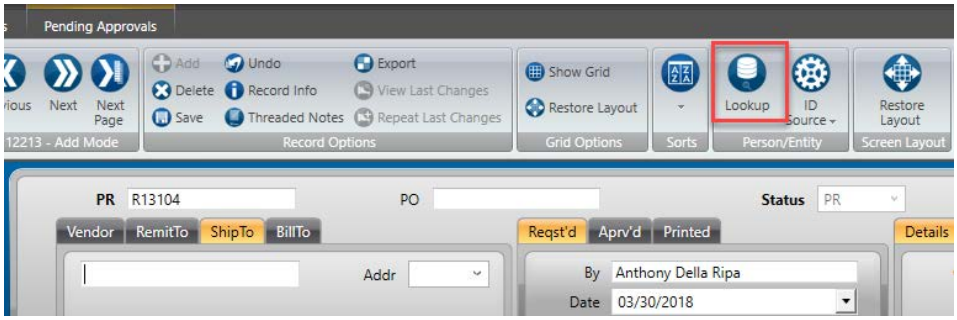


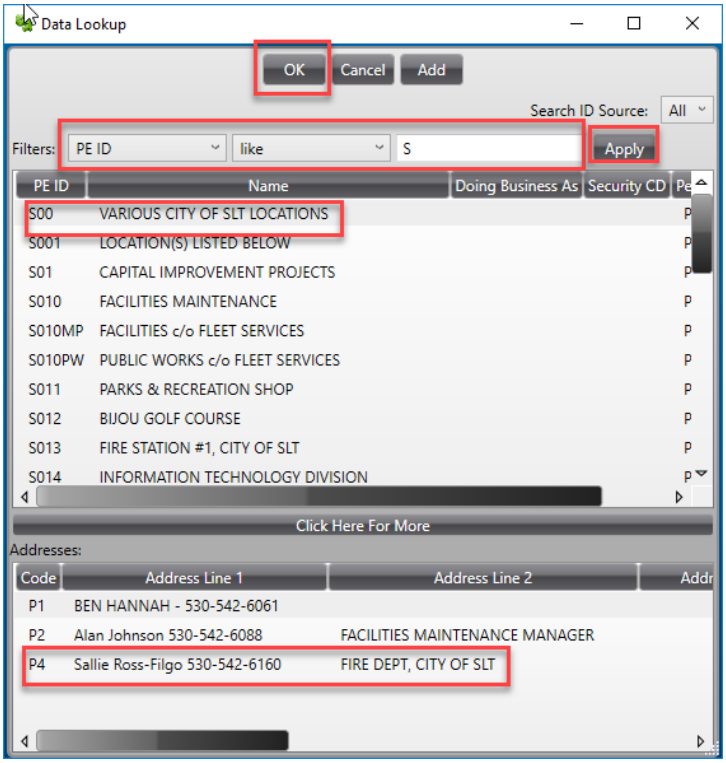


9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type

in an “S” and click on “Apply”. Look for the city building that it needs to be shipped to and select the correct person at that address.

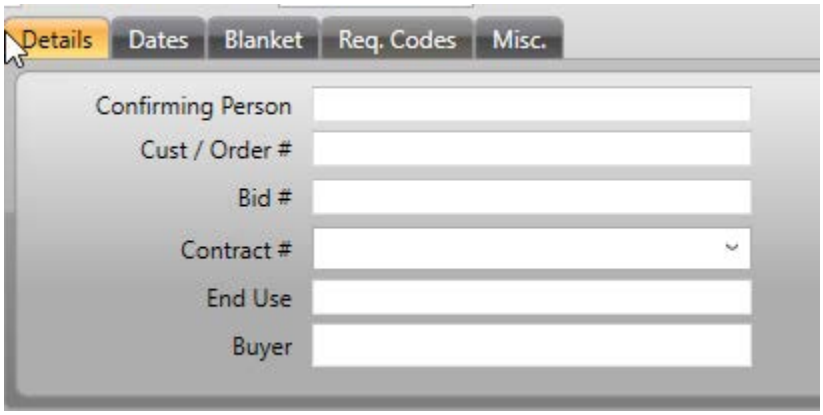




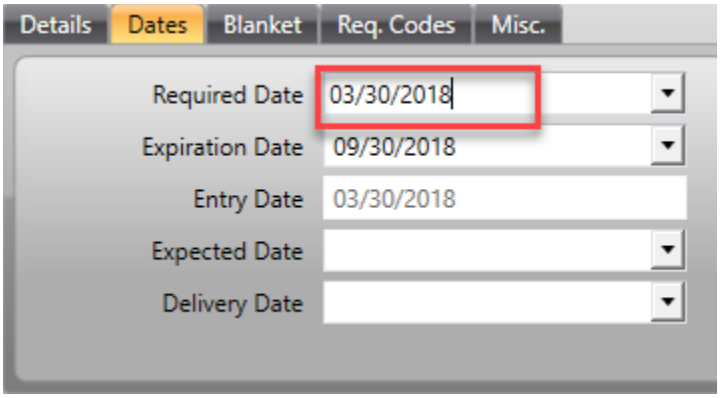


10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service

b. Cust / Order # - Quote or order number if available
c. Bid # - If available
d. Contract # - If available
e. End Use – The department or division requesting this PR
f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



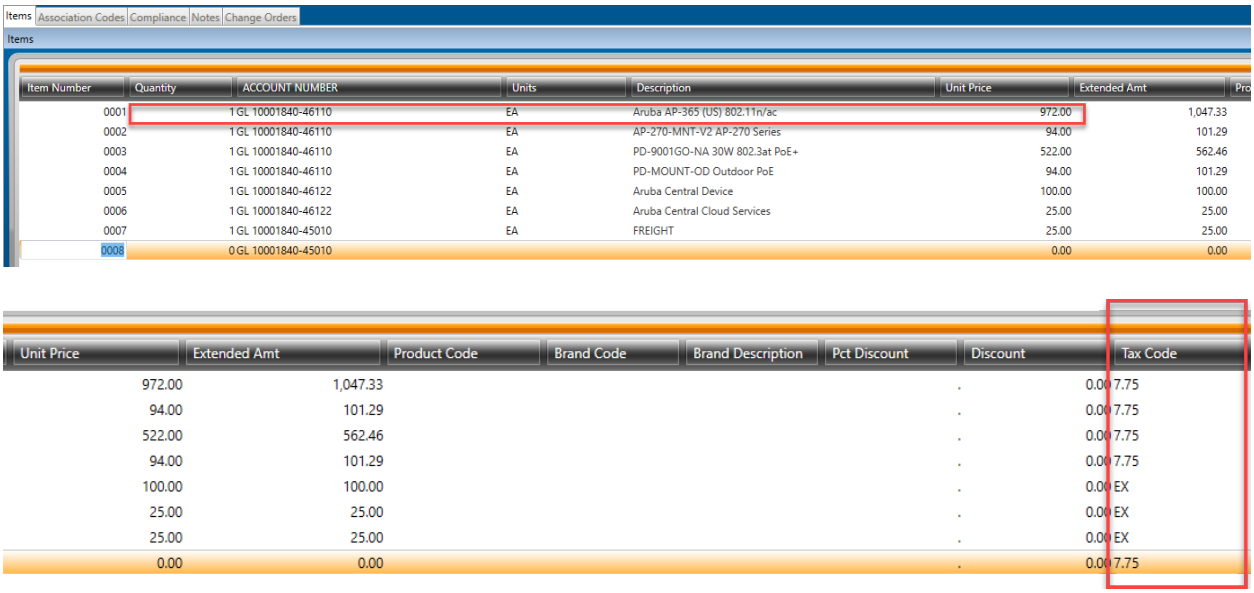
14. Skip "Misc." Tab

15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.

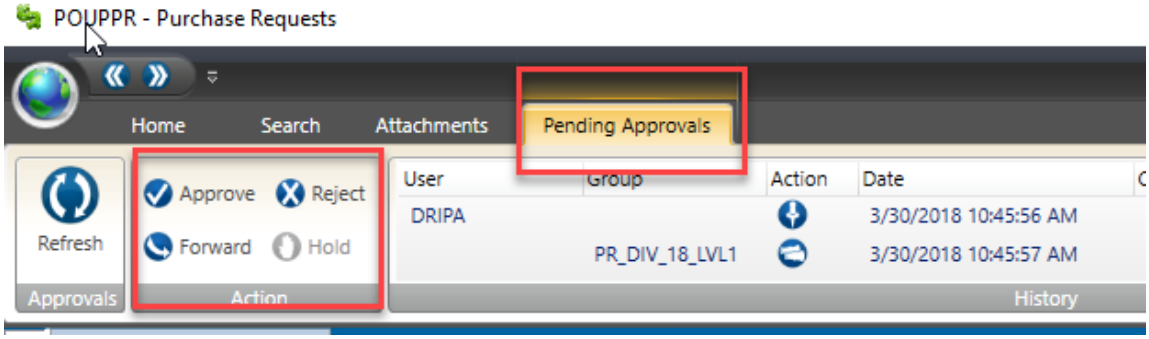
i. Quote number
ii. Delivery instructions
iii. Etc…

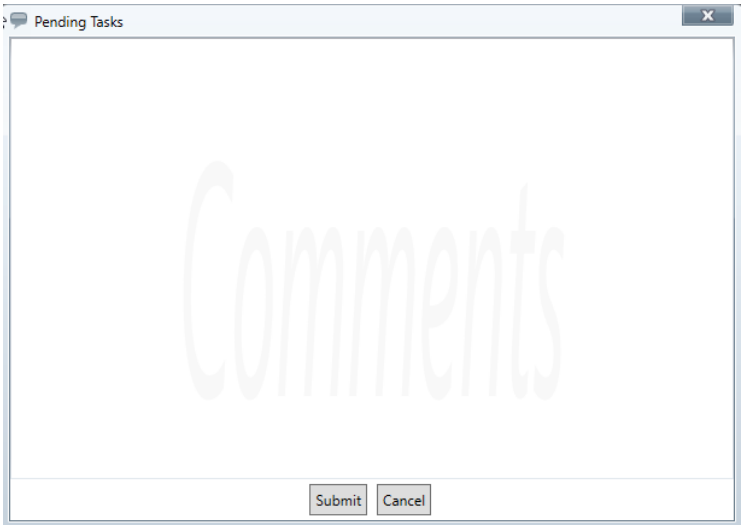
c. Print After – This will place the note directly after the last line item.
i. Quote number
ii. Delivery instructions
iii. Etc…

16. In the "Items" tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the "Tax Code" column. After entering the data in each filed press the "Enter" to save the item and two add a second item.

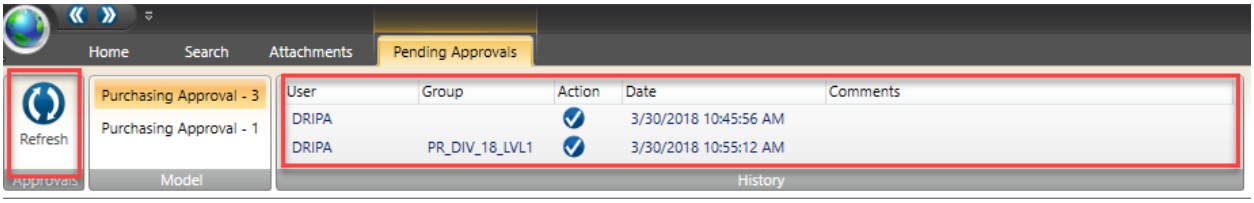


17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have "Pending Approvals" tab; If you don't, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



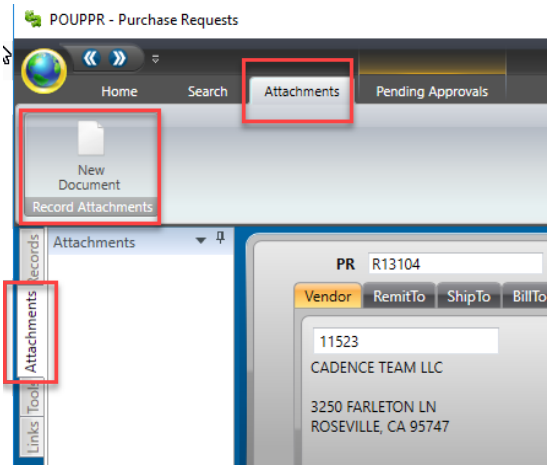


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

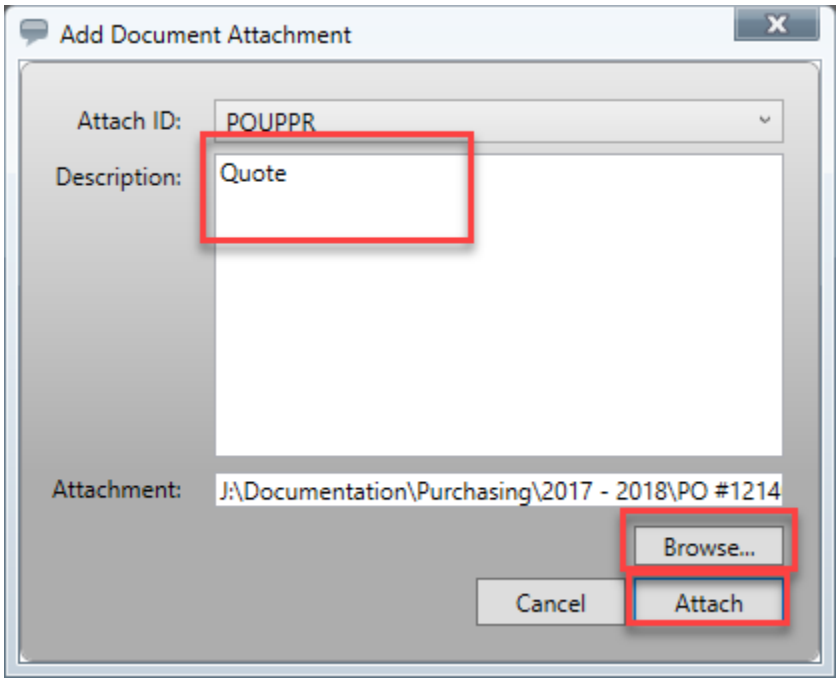


Adding Attachments to the PR

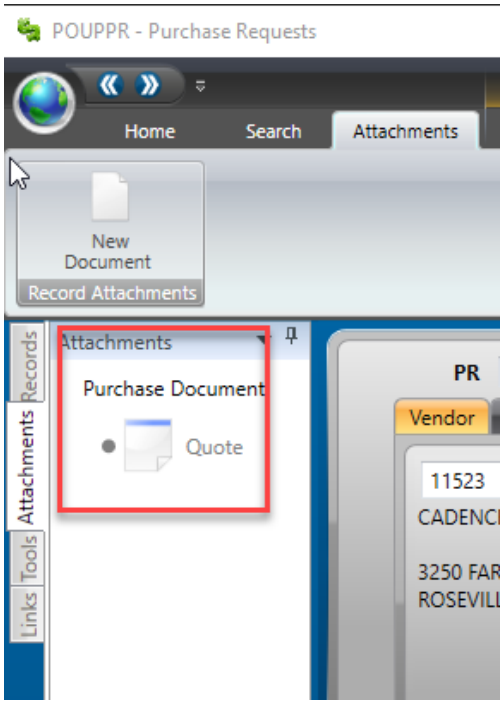
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

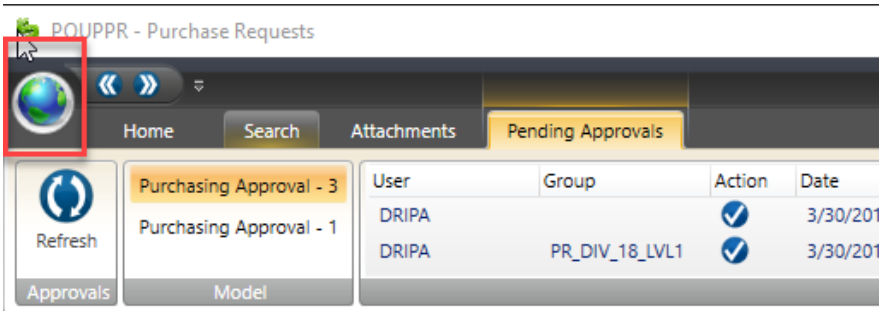


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

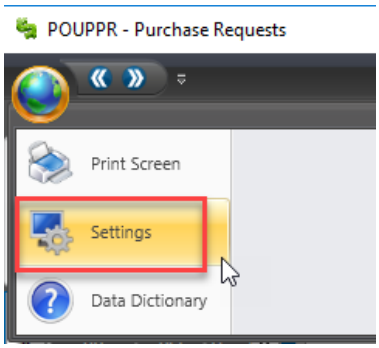


Activating the "Pending Approval" tab and "Attachments" Tab

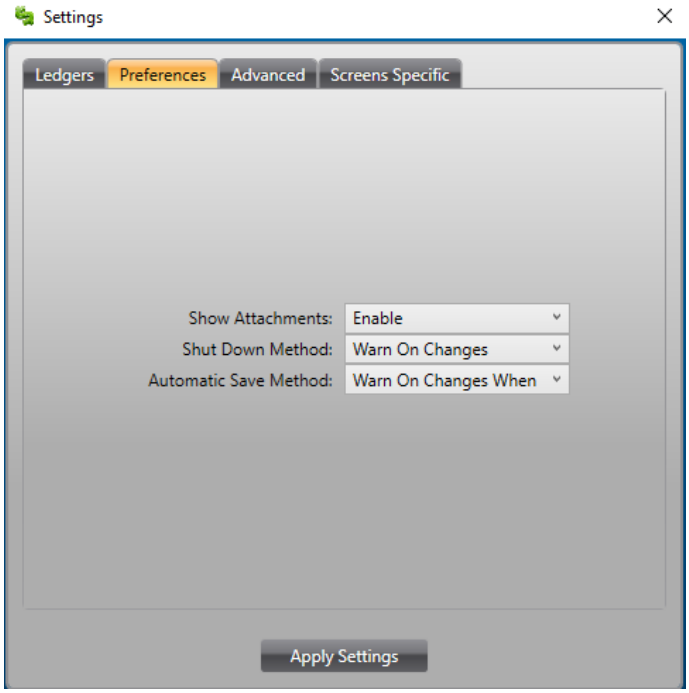
1. Click on the Globe



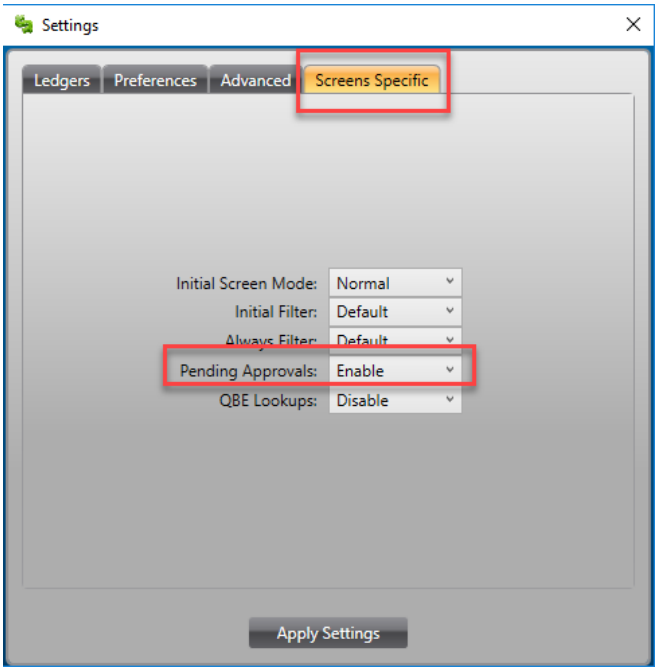
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc…. and the approved PO must be attached to the PR.

FINANCIAL MANAGEMENT:
TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

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This policy is organized into the following seven sections: Page

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2. **Travel Authorization**..... 2
   2.1. Delegation of Authority..... 2-3
   2.2. Allowable Expenses.....3

3. **Planning an Official Trip**..... 3-4
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   3.2. Registration..... 4
   3.3. Transportation.....4- 5
   3.4. Lodging.....5
   3.5. Meals..... 5-6
   3.6. Prohibited Expenses.....6-~~7~~
   3.7. Personal Travel..... 6~~7~~
   3.8. Illness While Traveling..... 6~~7~~

4. **Payments and Reimbursements**..... 7
   4.1. Payment Options.....7-~~8~~

5. **Final Accounting and Reconciliation**..... 7-8
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   5.2. Expense Reporting~~.....~~.....8-~~9~~

6. **Falsification of Expenses**.....8-~~9~~

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   7.1. IRS Publications.....9

1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal work-place or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A.) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. In addition, all requests for ***out-of-state*** travel must be approved by the City Manager prior to taking the trip. Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head prior to booking or paying for travel.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director ~~of Admin. Services~~ for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees

Division Managers approve for: Direct Report Employees
The Authorized Signor is responsible for determining the cost to be reasonable and justified ~~by the trip's purpose,~~ assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
5. The traveler understands and follows these guidelines.
6. There is enough budget in the appropriate travel line item to cover the costs.
7. A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.

2.2. ALLOWABLE EXPENSES

Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

1. Communicating with representatives of regional, state, and national government on City adopted policy positions.
2. Serving on professional organizational/governmental committees, boards, or task forces.
3. Attending educational seminars, conferences, or organized educational activities designed to improve skill levels or provide information on topics important to City policy and operations.
4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
6. Attending events where the City is a formal sponsor or participant, or in performance of official duties for the City.
7. Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the City.
8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

3. PLANNING AN OFFICAL TRIP:

3.1 COMPENSATION

When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends, or evenings.

3.2 REGISTRATION

Fees charged for registration at any convention, meeting, or training are reimbursable with prior approval. Registration fees can be paid with a Cal-Card, requested as an advance with documentation of published rate, or reimbursed with itemized receipt if the employee pays for the registration on their own.

3.3 TRANSPORTATION

Transportation at the Destination- Use of public transit such as intercity trains, buses, streetcars, or ridesharing etc. is appropriate. If a car rental is required, attach a quote from the most reasonably priced rental car company for an advance check, use your Cal Card for payment, or attach an itemized receipt for reimbursement.

Air Travel- All air travel on City business should be coach class. Compare airline carriers prior to making reservations to ensure the most competitive rates are available to the City.

Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

Personal Vehicle: When using a personal vehicle for travel; reimbursement at the current approved IRS Mileage rate (2022~~1~~ rate of 62.5~~.56~~cents ~~-~~per mile) will be provided. "Google Maps" or other mapping sites must be used in determining mileage reimbursements. The City will not reimburse for non-business-related mileage such as a personal stop or an indirect route taken for personal reasons.

Mileage in-lieu of Commercial Carrier Costs: In the event a commercial carrier such as an airplane would otherwise be the preferred mode of transportation, but a personal car is preferred (subject to the approval guidelines set forth above), mileage will be reimbursed up to the cost of a commercial carrier.

To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.

2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

3.4 LODGING

Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

Canceling a Reservation- Cancel any reservation that cannot be used. If the City is charged for an unused reservation, the employee will pay the charge unless circumstances requiring cancellation were reasonably beyond control and approved by the Authorized Signor.

3.5 MEALS

Please note: Procurement cards (CAL-Card) cannot be used for meals while traveling. Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook.

To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.
3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (requires submittal of receipts).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy. **Employee is responsible for meal costs above current approved per diem rate.**
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. All reimbursed meal expenses require attached receipts.

Current Per Diem rates for 2022~~FY 2019/2020~~ for South Lake Tahoe are as follows:

Breakfast: $176.00
Lunch: $187.00
Dinner: $3428.00
Incidental Expenses: $5.00 (payable full day)
Total M&IE allowable payment for a full day (excess of 12 hours): $7466
First & Last Day of Travel (less than 12 hours): $5549.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE.
** rates subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto
- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home. Employees are required to notify the supervisor or Authorized Signor as soon as possible of

becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A form. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. ***Payment for travel meals on a Cal Card is prohibited***.

Cash Advances: Advance payments can be provided to an employee prior to travel to cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.

- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in denial of reimbursement.
- In the event receipts are not available, provide a written explanation, description and cost of the expense to your Authorized Signor for approval, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense

Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when travelling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.)
2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.)
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2022.
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7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

EXAMPLE FORMS ADDED

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FINANCIAL MANAGEMENT
TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

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1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal workplace or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. In addition, all requests for ***out-of-state*** travel must be approved by the City Manager prior to taking the trip. Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head prior to booking or paying for travel.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
5. The traveler understands and follows these guidelines.
6. There is enough budget in the appropriate travel line item to cover the costs.
7. A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.

2.2. ALLOWABLE EXPENSES

Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

1. Communicating with representatives of regional, state, and national government on City adopted policy positions.
2. Serving on professional organizational/governmental committees, boards, or task forces.
3. Attending educational seminars, conferences, or organized educational activities designed to improve skill levels or provide information on topics important to City policy and operations.
4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
6. Attending events where the City is a formal sponsor or participant, or in performance of official duties for the City.
7. Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the City.
8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

3. PLANNING AN OFFICAL TRIP:

3.1 COMPENSATION

When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time

should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends, or evenings.

3.2 REGISTRATION

Fees charged for registration at any convention, meeting, or training are reimbursable with prior approval. Registration fees can be paid with a Cal-Card, requested as an advance with documentation of published rate, or reimbursed with itemized receipt if the employee pays for the registration on their own.

3.3 TRANSPORTATION

Transportation at the Destination- Use of public transit such as intercity trains, buses, streetcars, or ridesharing etc. is appropriate. If a car rental is required, attach a quote from the most reasonably priced rental car company for an advance check, use your Cal Card for payment, or attach an itemized receipt for reimbursement.

Air Travel- All air travel on City business should be coach class. Compare airline carriers prior to making reservations to ensure the most competitive rates are available to the City.

Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

Personal Vehicle: When using a personal vehicle for travel; reimbursement at the current approved IRS Mileage rate (2022 rate of 62.5 cents per mile) will be provided. "Google Maps" or other mapping sites must be used in determining mileage reimbursements. The City will not reimburse for non-business-related mileage such as a personal stop or an indirect route taken for personal reasons.

Mileage in-lieu of Commercial Carrier Costs: In the event a commercial carrier such as an airplane would otherwise be the preferred mode of transportation, but a personal car is preferred (subject to the approval guidelines set forth above), mileage will be reimbursed up to the cost of a commercial carrier.

To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.
2. Carry liability insurance limits required by Human Resources with the City named as additional insured.

3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

3.4 LODGING

Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

Canceling a Reservation- Cancel any reservation that cannot be used. If the City is charged for an unused reservation, the employee will pay the charge unless circumstances requiring cancellation were reasonably beyond control and approved by the Authorized Signor.

3.5 MEALS

Please note: Procurement cards (CAL-Card) cannot be used for meals while traveling. Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook.

To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.
3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (requires submittal of receipts).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy. **Employee is responsible for meal costs above current approved per diem rate.**
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. All reimbursed meal expenses require attached receipts.

Current Per Diem rates for 2022 for South Lake Tahoe are as follows:

Breakfast: $17.00

Lunch: $18.00

Dinner: $34.00

Incidental Expenses: $5.00 (payable full day)

Total M&IE allowable payment for a full day (excess of 12 hours): $74
First & Last Day of Travel (less than 12 hours): $55.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE, this amount is only allowed on first and last travel days.

Rates are subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem.

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto
- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home. Employees are required to notify the supervisor or Authorized Signor as soon as possible of becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A from. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. ***Payment for travel meals on a Cal Card is prohibited***.

Cash Advances: Advance payments can be provided to an employee prior to travel to cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.
- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in denial of reimbursement.
- In the event receipts are not available, provide a written explanation, description and cost of the expense to your Authorized Signor for approval, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the

right to require additional approval of the City Manager, where necessary or deny the reimbursement.

5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when traveling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.).

2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.).
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2022.

7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

Financial Management - Travel Policy

CITY OF SOUTH LAKE TAHOE

TRAVEL AUTHORIZATION AND ADVANCE FORM

PRE TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template prior to booking or paying for travel.

EXAMPLE

PURPOSE OF TRAVEL

Attend the 2022 Annual ABC Conference in San Francisco, CA to learn of recent developments in xxxxxxxxx to assist my derpartment in xxxxxxx. Conference begins 9:00 AM on Juned 2nd and ends 12:00 AM on June 4th.

Employee	Department	Position
First & Last Name	City Department	Employee Title

Destination	No. of Days (including first/last)	Total Cost of Travel
San Fransico, CA	3	**$ 1,290.72**

ITINERARY

Departure From:	Date/Time	Arrival To:	Date/Time
City Offices, address	6/1/2022 12:30	San Francisco, ABC Hotel	6/1/2022 16:30

ESTIMATED COST SUMMARY

Description	Vendor	Payment Method*	Account Number	Paid/ Reimb	Advance
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare	N/A				
Lodging	C Hotel (3 nights + park	R (Reimbursement)	100 xxxxx 44050	$ 735.84	
Rental Car	N/A				
Mileage- Personal Vehicle	5.6 miles (188.3 each w	A (Advance)	100 xxxxx 44051		**235.38**
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 835.84	**$ 235.38**

** **D**= Direct Vendor Payments, **A**= Advance, **R**= Reimbursement*

*** **2022 IRS rate is 62.5 cents ($0.625)** per mile. Attach documentation used in determining anticipated mileage.*

ESTIMATED COST SUMMARY CONT. (MEALS)

***Note:** Calculation of daily meal per-diem must be in compliance with IRS regualtions using Federal GSA rates. Follow the calculation below to request proper amounts. If meals are included with registration or hotel fees make sure to deduct them from the calculation.*

Account Number:	100 xxxxx 44050			
	Instructions	**Date/ Meal Type**		**Amount**
First Day of Travel:	If two meal periods will be incurred put $55.50:			
	If only one meal period will be incurred use individual meal rates:	6/1/22 Dinner		**34.00**
Full Day of Travel:	Put number of full calendar travel days x $74.00 or deduct meals	6/2/22 Full Day		**74.00**
	included in registration, hotel, or provided by event	6/3 (breakfst/dinner) lunch incl		**56.00**
Last Day of Travel:	If two meal periods will be incurred put $55.50:	6/4 2 meal periods (Breakfast & Lunch)		**55.50**
	If only one meal period will be incurred use rates below:			
***Individual Meal Rates:** Breakfast $17.00, Lunch $18.00, Dinner $34.00, $5.00 incidentals ($74.00 full day)*				**$ 219.50**
***First & Last Day of Travel:** Calculated at 75% of total daily meals & incidentals.*				
		SUM OF ADVANCES AND PER DIEM OWED TO EMPLOYEE:		**$ 454.88**

APPROVALS

Employee	Date	Authorized Signor	Date
printed employee name	date submitted	Supervisor or Dept Head	date signed

CITY OF SOUTH LAKE TAHOE
TRAVEL EXPENSE AND REIMBURSEMENT FORM
POST TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template.

EXAMPLE

RECAP OF TRAVEL

Employee Name	Department	Location	Date Left	Date Returned	Total Cost of Travel
First & Last Name	City Department	ABC Conf. San Francisco, CA	6/1/2022	6/4/2022	**$ 1,290.72**

ACTUAL COSTS INCURRED

Description	Vendor	Payment Method*	Account Number	Amount Paid	Amount Due- Attach Itemized Receipts
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare					
Lodging	ABC Hotel	R- Personal Credit Card	100 xxxxx 44050		**$ 735.84**
Rental Car					
Meals**		A- Advanced Per Diem	100 xxxxx 44050	$ 219.50	
Mileage- Personal Vehicle***	376.6 miles (188.3 each way)	A (Advance)	100 xxxxx 44051	$ 235.38	
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 554.88	**$ 735.84**

* ***D*** *= Direct Vendor Payments,* ***A*** *= Advance,* ***R*** *= Reimbursement*

** *If a per diem was received prior to travel, fill in total received in the amount column.*

*** *2022 IRS rate is .625 per mile. Attach documentation used in determining mileage reimbursement.*

**** *All Reimbursements require itemized receipts attached.*

ACTUAL MEAL COSTS INCURRED: If meal Per Diem was received as an Advance, leave the section below blank.

Note: *If requesting reimbursement for meals, attach itemized receipts for all meal periods. The City will only reimburse up to the Federal G.S.A Per Diem amounts. $5.00 Per Diem Incidental rate not applicable for Reimbursement.*

DATE	BREAKFAST	LUNCH	DINNER
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00*			$ -

SUM OF REIMBURSEMENTS OWED TO EMPLOYEE: **$ 735.84**

APPROVALS

Employee	Date	Authorized Signor	Date

FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

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1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees

Division Managers approve for: Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed with receipt upon return.
- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

- **Parking** will be reimbursed at the lowest rate available. Receipts for parking, should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

- ❖ City employees shall be expected to provide their own meals and refreshments while working offsite or attending meetings, trainings, and conferences for which no overnight travel is required. ***One day travel meals will not be reimbursed.***

4. LOCAL TRAINING , BUSINESS AND MEETING EXPENSES:

This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card) cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook.

The ONLY exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain on-site throughout a meal period.

2) De Minimis (Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

3) Meals for employees required to perform their job duties in **excess of 12 hours providing direct benefit to the City,** in Emergency operations or protection of human life or property. The Finance Director and the City Manager may authorize Cal-Card payment, reimbursement or Per Diem expenses for employees in this circumstance (Federal OAS 5770.1). The City Manager must

authorize in writing the need to incur this type of expense along with documentation and receipts as required in this policy.

4.1 SPECIAL EVENTS

The City will reimburse expenses incurred for such meetings and hospitality as determined by the City Council to be appropriate. Costs for such special occasions will be determined by specific Council action authorizing such events (ex: July 4th Parade, Business Expo., etc.)

Employee Appreciation – Occasional parties, picnics, events, or meals to promote goodwill is allowable via direct payment or reimbursement, subject to available budget, Finance Director authorization, and the following criteria:

- The offer is extended to all employees/guests in the Department/ Division requesting the event.
- Authorized Payment Request form and all substantiated receipts must be submitted for reimbursement detailing date, time, location, reason for celebration, number of employees and meals provided.
- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
- Alcohol is not an allowable city expense and will not be reimbursed or paid for with City funds.

4.2 STAFF MEETINGS

On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

- Meals must not exceed current Federal Per Diem rates per person.
- Meals must be provided to more than half (50%) of the Department and attended by the staff member conducting the meeting.

- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Director of Administrative Services and including the following information:
    1) date, time and location of the meeting
    2) describe the need/purpose for the off-site meeting
    3) reason the meal had to be served during the meeting
    4) names of staff members present

4.3 INTERAGENCY BUSINESS MEETINGS AND TRAINING

On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

- Printed materials, general office supplies, required training materials and supplies.
- De Minimis (light) snacks and refreshments (coffee, soft drinks, doughnuts, snacks).

Off-Site Business/ Interagency Meeting: Public funds should only be used for business activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose. In general, the use of public funds for business meeting meals should be kept to a minimum.

"Off-Site" includes any facility, restaurant, food and beverage establishment, conference room, or location in lieu of a City owned facility.

"Interagency Meetings" are beneficial meetings used to discuss items of mutual interest between agencies, to promote cooperative efforts that not only benefit the agencies involved but the City as a whole.

- Cost of renting conference or meeting space while hosting a local meeting or training is allowable with Department Head approval and reasonable explanation as to why off-site accommodations are necessary.

- Employees may be reimbursed for "off-site" interagency business meeting meals when **all** the following criteria is met:

    1. The main purpose of the combined business and meal is directly related to the active conduct of business regarding the City of South Lake Tahoe and business is conducted throughout the meal period.

2. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a meal time.

3. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

4. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:
   a) date, time, location, names of those present at the meeting
   b) describe the need/purpose for the off-site meeting
   c) reason the meal had to be served during the meeting

- **Elected City Officials** attending "off-site" business meetings, or events at the expense of the City, are subject to the requirements in ***California Government Code Article 2.3 Section 53232.3*** and must adhere to the following:

1. Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

2. Members of a legislative body requesting reimbursement for actual and necessary expenses incurred in the performance of official duties, must submit a detailed Reimbursement Request form subject to the requirements and documentation noted above.

4.4 UNALLOWABLE BUSINESS EXPENSES

- Expenses personal in nature, not related to conducting business for the City of South Lake Tahoe.
- Purchasing meals or entertainment for Vendors, Consultants, Suppliers, or Service Providers.
- Alcoholic Beverages
- Entertainment Expenses
- Meals purchased with a Cal Card is prohibited (see above for exceptions).
- Unauthorized expenses or those not documented on an approved Payment Request Form.

4.5 CURRENT PER DIEM RATES

Current Per Diem rates in 2022 are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Mileage: 62.5 cents ~~$.585~~ per mile

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** rates subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem

5. ACCOUNTING FOR EXPENSES:

Upon return from official function, a final accounting of all expenses must be approved by your approving official and submitted to Accounts Payable within ten working days.
A detailed Reimbursement Request Form with substantiated receipts and/or mileage documentation is required in all cases. ~~; including~~ Eexpenses paid with a Cal Card must be detailed on the Monthly Bank Card Purchase Report with itemized receipts attached.

Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

- The business purpose of the meeting, training or conference (where applicable; attach meeting agenda, training registration, conference invitation etc.)
- The date, time, and location
- Receipts for registration, parking and applicable meal expenses
- Mileage documentation or gas receipts
- All other required documentation outlined in this policy
- Submit detailed Payment Request Form to Accounts Payable signed by authorized signor within 10 days of Meeting or Event when requesting reimbursement and/or
- Submit detailed Monthly Bank Card Purchase Report with Cal Card Statement for allowable expenses paid with a Cal Card.

Authorized Signor approving expense reports are responsible to ensure:

- All expenses are reasonable, necessary and consistent with this policy.
- All required itemized receipts are attached.
- The final reconciliation is correct (balance due employee; balance due City).
- Amounts due to the City are reimbursed within 10 days.
- Final accounting on appropriate form is submitted to Finance.

Failure to provide the required documentation on the appropriate authorized forms necessitates the payments be taxable to the employee; therefore, the city will NOT reimburse any expenses without submittal of documentation in accordance with this policy.

5.1 FALSIFICATION OF EXPENSES

California Government Code

53232.4 Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.
(b) Restitution to the local agency.
(c) Civil penalties for misuse of public resources pursuant to Section 8314.
(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a detailed Reimbursement Request Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director and City Manager.

6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
- Monthly Bank Card Purchasing Report (Cal Card)

6.1 INTERNAL REVENUE SERVICE (IRS)/ CA Gov't Code

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

CITY OF SOUTH LAKE TAHOE

PAYMENT REQUEST

Vendor#_____

Date Prepared:_____ Comments/Notes:_____

Pay To:_____

Due Date:_____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ Budget Available: _____

APPROVED: _____ Reimbursable: _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

Name: - Card #: *####

Dept / Div: - Statement Date: -

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1	-	-	-	-	-	-	-	$ -	-
2	-	-	-	-	-	-	-	$ -	-
3	-	-	-	-	-	-	-	$ -	-
4	-	-	-	-	-	-	-	$ -	-
5	-	-	-	-	-	-	-	$ -	-
6	-	-	-	-	-	-	-	$ -	-
7	-	-	-	-	-	-	-	$ -	-
8	-	-	-	-	-	-	-	$ -	-
9	-	-	-	-	-	-	-	$ -	-
10	-	-	-	-	-	-	-	$ -	-
11	-	-	-	-	-	-	-	$ -	-
12	-	-	-	-	-	-	-	$ -	-
						$ -	$ -	$ -	

I certify that all purchases listed on this statement, unless noted in the "√ Disputed Item" column, are true and correct and were made for official City of South Lake Tahoe use. All goods or services have been received & payment is authorized. I.M.P.A.C. has been notified of all disputed items and a copy of the Cardholder Statement of Questioned Items is attached.

Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

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CITY OF SOUTH LAKE TAHOE

Name: -

Card #: *####

Dept / Div: -

Statement Date: -

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1	-	-	-	-	-	-	-	$ -	-
3	-	-	-	-	-	-	-	$ -	-
4	-	-	-	-	-	-	-	$ -	-
5	-	-	-	-	-	-	-	$ -	-
6	-	-	-	-	-	-	-	$ -	-
7	-	-	-	-	-	-	-	$ -	-
8	-	-	-	-	-	-	-	$ -	-
9	-	-	-	-	-	-	-	$ -	-
10	-	-	-	-	-	-	-	$ -	-
11	-	-	-	-	-	-	-	$ -	-
12	-	-	-	-	-	-	-	$ -	-
						$ -	$ -	$ -	

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Cardholder signature: - Date: -

Approving official signature: - Date: -

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FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

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This policy is organized into the following seven sections: Page

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2. Delegation of Authority …….…….. …2

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3.2. Transportation Costs …….……..3
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1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite, or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.
- If a Cal Card is used as payment, a Monthly Cal Card Purchase Report must be used with description/explanation of expenses and itemized receipts attached.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed with receipt upon return.
- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

- **Parking** will be reimbursed at the lowest rate available. Receipts for parking, should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

- City employees shall be expected to provide their own meals and refreshments while working offsite or attending meetings, trainings, and conferences for which no overnight travel is required. ***One day travel meals will not be reimbursed.***

4. LOCAL TRAINING , BUSINESS AND MEETING EXPENSES:

This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card) cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook.

The ONLY exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain on-site throughout a meal period.

2) De Minimis **(**Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

3) Meals for employees required to perform their job duties in **excess of 12 hours providing direct benefit to the City,** in Emergency operations or protection of human life or property. The Finance Director and the City Manager may authorize Cal-Card payment, reimbursement or Per Diem expenses for employees in this circumstance (Federal OAS 5770.1). The City Manager must authorize in writing the need to incur this type of expense along with documentation and receipts as required in this policy.

4.1 SPECIAL EVENTS

The City will reimburse expenses incurred for such meetings and hospitality as determined by the City Council to be appropriate. Costs for such special occasions will be determined by specific Council action authorizing such events (ex: July 4th Parade, Business Expo., etc.)

Employee Appreciation – Occasional parties, picnics, events, or meals to promote goodwill is allowable via direct payment or reimbursement, subject to available budget, Finance Director authorization, and the following criteria:

- The offer is extended to all employees/guests in the Department/ Division requesting the event.
- Authorized Payment Request form and all substantiated receipts must be submitted for reimbursement detailing date, time, location, reason for celebration, number of employees and meals provided.
- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
- Alcohol is not an allowable city expense and will not be reimbursed or paid for with City funds.

4.2 STAFF MEETINGS

On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

- Meals must not exceed current Federal Per Diem rates per person.
- Meals must be provided to more than half (50%) of the Department and attended by the staff member conducting the meeting.
- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Finance Director and include the following information:
    1) date, time and location of the meeting
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    3) reason the meal had to be served during the meeting
    4) names of staff members present

4.3 INTERAGENCY BUSINESS MEETINGS AND TRAINING

On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

- Printed materials, general office supplies, required training materials and supplies.
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- Cost of renting conference or meeting space while hosting a local meeting or training is allowable with Department Head approval and reasonable explanation as to why off-site accommodations are necessary.

- Employees may be reimbursed for "off-site" interagency business meeting meals when **all** the following criteria is met:

    1. The main purpose of the combined business and meal is directly related to the active conduct of business regarding the City of South Lake Tahoe and business is conducted throughout the meal period.

    2. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a meal time.

    3. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

    4. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:
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- **Elected City Officials** attending "off-site" business meetings, or events at the expense of the City, are subject to the requirements in ***California Government Code Article 2.3 Section 53232.3*** and must adhere to the following:

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- Expenses personal in nature, not related to conducting business for the City of South Lake Tahoe.
- Purchasing meals or entertainment for Vendors, Consultants, Suppliers, or Service Providers.
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- Unauthorized expenses or those not documented on an approved Payment Request Form.

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Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

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- Mileage documentation or gas receipts.
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Authorized Signor approving expense reports are responsible to ensure:

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California Government Code

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6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
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- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ Budget Available: _____

APPROVED: _____ Reimbursable: _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

Name: | Card #: *#####

Dept / Div: | Statement Date:

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)		USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1									$ -	
2									$ -	
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4									$ -	
5									$ -	
6									$ -	
7									$ -	
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9									$ -	
10									$ -	
11									$ -	
12									$ -	
						$ -		$ -	$ -	

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Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$107~~7~~,000
Improvements Other Than Buildings	$107~~7~~,000
Vehicles, Machinery, Specialty and Office Equipment	$107~~7~~,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees
- Capitalized interest should be included in the cost of a proprietary fund asset when it meets the criteria of Financial Accounting Standards Board No. 34.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

Construction in Progress

This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $10~~7~~,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic devices such as laptops and iPhones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external

requirement. For example, the Finance Department (may wish to) tracks all computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est.) after the data. It is understood that logistically some items cannot be tagged. These items still need to be inventoried and the information maintained in a department file.

Capital Assets Purchased with Federal Funds
Equipment (Capital Assets) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439.
These guidelines can be found at the following link: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

   - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
   - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

- Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, eliminated from the fixed asset accountability list and sold at auction or to any organization or non-employee willing to pay fair market price, Alternatively, the city council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions the city council may, in its discretion, elect.

In the event any single item of property is less than $10~~7~~,000, the finance director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company, Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Disposal of any real property shall be conducted in accordance with all applicable requirements of the Government Code, including but not limited to Government Code sections 50569, 65402, and 54220, et seq. Before disposing of any surplus property, the applicable department head shall ascertain the source of funds used to purchase the property and ensure that disposal will not violate any grant conditions or other applicable restrictions.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $10~~7~~,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements
Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($7,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles
Object code # 46140 – Furniture and Fixtures

For items costing less than $10~~7~~,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $10~~7~~,000.

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

EXHIBIT I - SAMPLE OF FIXED ASSET ADDITION FORM

FIXED ASSET ADDITION FORM

TAG# ITEM DESCRIPTION

MANUFACTURER/MODEL SERIAL #

P.O. # ITEM COST VENDOR

DEPARTMENT LOCATION

DATE RECEIVED CLASS CODE Additional Comments:

PROPERTY CONTACT

FINANCE CONTACT

DATE TAGGED

DATE RECEIVED BY FINANCE DEPARTMENT

--- FILL IN ALL MISSING BLANKS, MAKE COPY FOR YOUR RECORDS AND RETURN TO FINANCE/ACCOUNTING---

ATTACH THIS STICKER TO NEW ASSET ITEM:

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$10,000
Improvements Other Than Buildings	$10,000
Vehicles, Machinery, Specialty and Office Equipment	$10,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees
- Capitalized interest should be included in the cost of a proprietary fund asset when it meets the criteria of Financial Accounting Standards Board No. 34.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

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This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $10,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic devices such as laptops and iPhones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external requirement. For example, the Finance Department (may wish to) tracks all

computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est.) after the data. It is understood that logistically some items cannot be tagged. These items still need to be inventoried and the information maintained in a department file.

C. Capital Assets Purchased with Federal Funds

Equipment (Capital Assets) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439.
These guidelines can be found at the following link: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:
    - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
    - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

- Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, eliminated from the fixed asset accountability list and sold at auction or to any organization or non-employee willing to pay fair market price, Alternatively, the city council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions the city council may, in its discretion, elect.

In the event any single item of property is less than $10,000, the finance director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company, Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Disposal of any real property shall be conducted in accordance with all applicable requirements of the Government Code, including but not limited to Government Code sections 50569, 65402, and 54220, et seq. Before disposing of any surplus property, the applicable department head shall ascertain the source of funds used to purchase the property and ensure that disposal will not violate any grant conditions or other applicable restrictions.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $10,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements
Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($7,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles
Object code # 46140 – Furniture and Fixtures

For items costing less than $10,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $10,000.

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

EXHIBIT I - SAMPLE OF FIXED ASSET ADDITION FORM

FIXED ASSET ADDITION FORM

TAG# _____ ITEM DESCRIPTION _____

MANUFACTURER/MODEL _____ SERIAL # _____

P.O. # _____ ITEM COST _____ VENDOR _____

DEPARTMENT _____ LOCATION _____

DATE RECEIVED _____ CLASS CODE _____

Additional Comments:

PROPERTY CONTACT _____

FINANCE CONTACT _____

DATE TAGGED _____

DATE RECEIVED BY FINANCE DEPARTMENT _____

--- FILL IN ALL MISSING BLANKS, MAKE COPY FOR YOUR RECORDS AND RETURN TO FINANCE/ACCOUNTING---

ATTACH THIS STICKER TO NEW ASSET ITEM:

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 7

Agenda Item: Purchase of a Loader and Cut-Off Gates for City Snow Operations

Executive Summary: Staff was planning to include the recommended purchase of a large loader and cut-off gates to improve the snow operations for the FY 22-23 budget cycle. However, due to the supply chain issues and timeline in procurement and delivery of the proposed vehicle and equipment, the staff is recommending the purchase of this essential equipment now. The front loader is a large front loader that would aid snow operations. New bolted cut-off gates will improve the snow operation and application of gates to reduce snow berms.

Requested Action / Suggested Motions: Pass a Resolution appropriating $454,295 from the Measure S Sales Tax fund and authorizing the purchase of one John Deere Loader (2021) from Pape Machinery, Inc. for $357,794.50 and eight (8) Bolt Type Henke Hi-Gate for Graders from Holt of California for $96,500.40 through Sourcewell Cooperative Purchasing Agreement for City Snow Operations
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Maintenance Manager

Responsible Staff Member: Anush Nejad, Director of Public Work (530) 542-6031
Phil Harwood, Maintenance Manager (530) 542-6085

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Loader and Cut-Off Gates.docx
02-Loader Quote and Contract.pdf
03-Henke Hi-Gate Quote and Contract.pdf
04-Resolution for Loader and Cut-Off Gates.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Purchase of a Loader and Cut-Off Gates for Snow Operations

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Work – (530) 542-6031
Phil Harwood, Fleet Supervisor – (530) 542-6086

Background: Staff was planning to include the purchase of a large loader and cut-off gates to improve the snow operations for the FY 22-23 budget cycle. However, due to the supply chain issues and timeline in procurement and delivery of the proposed vehicle and equipment, the staff is recommending the purchase of this essential equipment now.

Issue and Discussion: The proposed vehicle and equipment will greatly enhance the Streets Snow Operational process. The front loader is a large vehicle that has the capacity to push snow to the snow-storage areas and reduce the grader options. With this purchase, one of the existing loaders will be transferred to the Airport to allow airport snow removal operations which will offset and eliminate rental of equipment costs. The cut-off gates are new bolted types and will replace the existing welded units. The welded units often break down and result in the loss of the unit to reduce the berms left from the snow plowing operations. In addition, re-welding requires a significant staff time for repairs.

The purchase of the loader and gates will be sourced through the cooperative purchasing agreement with the respective manufacturers/dealers. The financial Implications section below outlines the purchase cost and funding source.

The loader is essential equipment for the streets division to move snow to designated snow storage areas and street operations. The gates will improve operational performance and reduce maintenance workload, reducing the need for additional staff.

Financial Implications: The proposed loader will be purchased from Pape Machinery, Inc, Sparks, NV, through Sourcewell cooperative purchasing contract, for $357,794.50. See Attachment 2. The Cut-Off gates will be purchased from Holt of California for $96,500.40, also through Sourcewell cooperative purchasing contract. See Attachment 3. Funding for the purchase of the loader and the cut-off gates will be secured through the available Measure “S” fund balance resulted from fiscal year 2020-2021 surplus, into account 210-03010-46130 (Vehicles) – a total of $454,294,90. This request amends the Annual Budget request as stated in the attached resolution (Attachment 4) and was eliminated from the FY 22-23 budget request.

Environmental Considerations: This purchase is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: The purchase of the vehicle and cut-off gates will improve the Snow Operational Plan for the City.

The purchase of the vehicle and equipment contemplated herein will be via Cooperative Purchasing Contract. City Code Section 3.45.090 allows for Cooperative Purchasing: “Where another governmental agency performs a solicitation and/or bid process for the city and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies, and equipment is based on an agreement or cooperative purchasing program pursuant to authority granted by statute or ordinance, pursuant to a contractual arrangement between the city and said the governmental agency, or pursuant to a determination by the city manager that the governmental agency conducted a competitive bidding process, the city may purchase materials, supplies and equipment based upon the governmental agency’s solicitation and/or bid process without complying with the bidding requirements of this chapter. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-8)”

JOHN DEERE

PAPÉ MACHINERY

Quote Id: 26973876

Prepared For:

CITY OF SOUTH LAKE TAHOE



Prepared By: **AARON LANKA**

Pape Machinery, Inc.
1255 Spice Island Drive
Sparks, NV 89431

Tel: 775-353-0440
Fax: 775-353-0448
Email: alanka@papemachinery.com

Date: 27 June 2022

Offer Expires: 27 July 2022

JOHN DEERE

PAPÉ MACHINERY

Quote Summary

Prepared For:
CITY OF SOUTH LAKE TAHOE
1700 D ST
SOUTH LAKE TAHOE, CA 96150
Business: 530-542-6086

Prepared By:
AARON LANKA
Pape Machinery, Inc.
1255 Spice Island Drive
Sparks, NV 89431
Phone: 775-353-0440
alanka@papemachinery.com

This sale is subject to Papé's Terms and Conditions of Sale effective on the date hereof, which are incorporated in full by this reference. The Terms and Conditions of Sale are available at www.pape.com/terms , and will also be sent by mail or e-mail to the purchaser upon request.

Loader comes with Extended Power Train & Hydraulics warranty through 4/11/2024 or 3,000 Hours (whichever comes first).
Price includes dealer prep, delivery to South Lake Tahoe, and training.
Sourcewell ID# 032119-JDC

Quote Id:	26973876
Created On:	27 June 2022
Last Modified On:	01 July 2022
Expiration Date:	27 July 2022

Equipment Summary	Selling Price	Qty	Extended
2021 JOHN DEERE 744L WHEEL LOADER - 1DW744LXKMF710383	$ 329,000.00 X	1 =	$ 329,000.00
Equipment Total			**$ 329,000.00**

Quote Summary	
Equipment Total	$ 329,000.00
CA Tire Fee	$ 7.00
SubTotal	$ 329,007.00
Sales Tax - (8.75%)	$ 28,787.50
Total	$ 357,794.50
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	**$ 357,794.50**

Salesperson : X _____ **Accepted By : X** _____

JOHN DEERE

Selling Equipment

PAPÉ MACHINERY

Quote Id: 26973876 **Customer:** CITY OF SOUTH LAKE TAHOE

2021 JOHN DEERE 744L WHEEL LOADER - 1DW744LXKMF710383

Hours: 1351
Stock Number: MF710383

Code	Description	Qty
7680DW	JOHN DEERE 744L WHEEL LOADER	1
	Standard Options - Per Unit	
W170C	JDLINK ULTIMATE TELEMATICS - 5 YEARS SERVICE	1
W0810	STANDARD GATHERING GROUP	1
W0924	JD POWERTECH FT4 DIESEL ENGINE - 316 NET HP	1
W1010	STANDARD WHEEL LOADER	1
W1120	5 SPD POWERSHIFT TRANSMISSION	1
W1220	150 AMP ALTERNATOR	1
W1330	CHROME CURVED STACK	1
W1430	AIR INTAKE WITH PRECELANER	1
W1520	AUTO REVERSING HYDRAULIC FAN	1
W1610	FUEL FILTER & STD FUEL FILL	1
W1910	PREMIUM CAB W/ HEAT AND A/C	1
W1940	7 INCH MONITOR	1
W1970	HYDRAU HYDRAULIC FLUID	1
W2010	STANDARD Z-BAR	1
W2120	STEERING WHEEL ONLY	1
W2240	PREMIUM SEAT	1
W2350	SINGLE AXIS LEVER CONTROLS	1
W2403	THREE FUNCTION HYDRAULICS	1
W2605	ENGLISH DECALS AND MANUALS	1
W2730	30 AMP CONVERTER	1
W3056	AXLE W/ STD REAR & HYD FRONT LOCKING DIFF	1
W3120	MANUAL AXLE DIFF LOCK	1
W4811	26.5R25 L3 2 STAR MICHELIN TIRES - 5PC RIMS	1
W5550	FULL WIDTH FRONT & REAR FENDERS	1
W5700	AUTOLUBE	1
W7120	HALOGEN WORK & DRIVE LIGHTS	1
W8110	MAIN COUNTERWEIGHT W/ SLAB	1
W8240	REAR CAMERA	1
W8296	SEAT BELT IND & DUAL BEACON BRACKETS	1

JOHN DEERE

Selling Equipment

PAPÉ MACHINERY

Quote Id: 26973876 **Customer:** CITY OF SOUTH LAKE TAHOE

W8350	EXTERIOR MIRRORS - HEAT & POWER	1
W8370	PREMIUM RADIO	1
W8558	HYD COUPLER-JRB 420 PATTERN	1
W8881	5.25YD GP BUCKET W/ BOLT ON CUTTING EDGE	1

Notice: When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board website at:

http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm.

DocuSign Envelope ID: [illegible]

FORM E

CONTRACT ACCEPTANCE AND AWARD

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 032119-JDC

Proposer's full legal name: John Deere Construction Retail Sales

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 13, 2019 and will expire on May 13, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by: Jeremy Schwartz
C0ED2A139D08489...
SOURCEWELL DIRECTOR OF OPERATIONS AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by: Chad Coauette
7E42B8F817A84CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on May 10, 2019

Sourcewell Contract # 032119-JDC

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name John Deere Construction Retail Sales

Authorized Signatory's Title Manager, Contract Sales

Mark Oliver

VENDOR AUTHORIZED SIGNATURE

MARK Oliver
(NAME PRINTED OR TYPED)

Executed on 10 May, 2019

Sourcewell Contract # 032119-JDC

HOLT of California CAT

July 5, 2022

CITY OF SOUTH LAKE TAHOE
Account # 5373500
ATTN ACCOUNTS PAYABLE
1901 AIRPORT ROAD SUITE 210
SOUTH LAKE TAHOE, California 96150 7048
Attention: PHIL HARWOOD

New Caterpillar Model: WT-MG Work Tools with all standard equipment in addition to the additional specifications listed below:

STOCK NUMBER: **Special order** 8units SERIAL NUMBER: YEAR: SMU:

ADDITIONAL SPECIFICATIONS

Reference #	Description of Material and Equipment	Reference #	Description of Material and Equipment
0P-0674	MOTOR GRADER WORK TOOLS		8 units x $11,240.00list =$89,920.00
	Quantity of 8	63402	Henke Hi-Gate for Grader Moldboards

WARRANTY INFORMATION

Standard Warranty: 12 months / unlimited hours

LIST PRICE	$89,920.00
SOURCEWELL SNOW REMOVAL SVCS CONTRACT 080818-HEN	($10,784.00)
PACKAGING AND DELIVERY FOR 8 UNITS	$9,600.00
NET BALANCE DUE	$88,736.00
SALES TAX (8.75%)	$7,764.40
AFTER TAX BALANCE	$96,500.40

F.O.B/TERMS: South Lake Tahoe Yard

Henke Hi-Gate For Grader Moldboards
Designed to interrupt the material windrow for clearing driveways, intersections of snow in winter and reclaiming aggregate during summer operations
55" long and 33" tall
Fast, responsive hydraulic action
Floating road contact strip w/ continuous spring down-pressure
Designed to run parallel to road shoulder when moldboard angled to 35 degrees
Structural reinforcements throughout to prevent bending
US Patent 6,347,465

Hi-Gate fixture to ensure correct installation
Paint: CAT yellow

Hydraulic Requirements
Your machine will require 1 hydraulic functions

This quote is good for (30) days. Any machine quoted outside of HOLT of CALIFORNIA's inventory is subject to revision All quotes are subject to credit approval and prior sale. Any quoted interest rates are subject to change without notice. Quote is void unless machine is delivered, and remains, within HOLT of CALIFORNIA's Dealership territory for two years or unless the machine has at least 1000 hours if delivered outside of Holt's territory.

Accepted by _____ Date,_____
(Please Print)

Signature _____

Sincerely,
Erick Munson
Machine Sales Representative
Holt of California
emunson@holtca.com
916-719-8041

Please Fill in Required Information Below for Hi-Gate Orders On Grader Moldboards

Grader Model:_____

Moldboard Thickness:
7/8"_____ 1"_____ Other (specify)_____

Moldboard Length:
12'_____ 14'_____ Other (specify)_____

Cutting edge height:
6"_____ 8"_____ Other (specify)_____

Cutting edge bolt size:
5/8"_____ 3/4"_____ Other (specify)_____

End bit bolt size:
5/8"_____ 3/4"_____ Other (specify)_____

Mounting Location:
Curbside"_____ Streetside"_____ Both____

FORM E

CONTRACT ACCEPTANCE AND AWARD

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 080818-HEN

Proposer's full legal name: Henke Manufacturing

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be October 29, 2018 and will expire on October 29, 2022 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:
Jeremy Schwartz
78144D620E884E3...
SOURCEWELL DIRECTOR OF OPERATIONS AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coauette
3F75E028A547446...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on October 22, 2018

Sourcewell Contract # 080818-HEN

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Henke Manufacturing

Authorized Signatory's Title Contract Administrator

VENDOR AUTHORIZED SIGNATURE

M.J. DuBois
(NAME PRINTED OR TYPED)

Executed on October 22 2018

Sourcewell Contract # 080818-HEN

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Appropriating $454,295 from the Measure S Sales Tax Fund and Authorizing the Purchase of one John Deere Loader from Pape Machinery, Inc. for $357,794.50 and eight Henke Hi-Gate from Holt of California for $96,500.40, through Sourcewell Cooperative Purchasing Agreement

BACKGROUND

A. Staff was planning to include the purchase of a large loader and cut-off gates to improve the snow operators for the FY 22-23 budget cycle.

B. Due to the supply chain issues and timelines in procurement and delivery of the proposed vehicle and the equipment, it is essential to order these items now.

C. The equipment will be used by the Streets and Airport Divisions to improve snow operations.

D. With the purchase of the front loader will offset and eliminate the need for rental of equipment costs, estimated at about $100,000 per year.

E. Funding for the purchase of the loader and cut-off gates will be secured through the available Measure "S" fund balance resulting from the fiscal year 2020-2021 surplus.

F. The loader is essential equipment for the streets division to move snow to designated snow storage areas and street operations. The gates will improve operational performance and reduce maintenance workload, reducing the need for additional staff.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Does hereby authorize the purchase of one (1), John Deere Loader, from Pape Machinery, Inc. for $357,794.50 and eight (8) Bolt-Type Henke Hi-Gate from Holt of California for $96,500.40 through Sourcewell Cooperative Purchasing Agreement.

2. Authorizes an amendment to the FY 21-22 budget transferring $454,295 from the Measure "S" Sales Tax fund into account 208-03610-46110 (Snow Removal Equipment Replacement) to fund the purchase of the loader and cut-off gates.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 8

Agenda Item: Sole Source Purchase of a Vehicle from Champion Chevrolet

Executive Summary: On June 7, 2022, the City Council authorized the purchase of a hauling and work truck for the Public Works Department for $51,243.44 through the Cooperative Purchasing Contract. Since the approval of the purchase, General Motors, the manufacturer of the vehicle, has canceled all orders for this vehicle due to supply chain issues. The staff has requested informal bids from three local Chevrolet dealers. Champion Chevrolet has submitted the lowest bid for the same vehicle for $51,027.43, which is slightly lower than the original Cooperative Purchasing Contract cost.

Requested Action / Suggested Motions: Pass a Motion approving a sole source purchase and authorizing and directing the City Manager to sign a Purchase Order with Champion Chevrolet for $51,027.43 to purchase a 2023 Chevrolet Silverado for the Public Works Department.
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Fleet Supervisor

Responsible Staff Member: Anush Nejad, Director of Public Work 530) 542-6031
Phil Harwood, Fleet Supervisor (530) 542-6086

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Public Works Vehicle Purchase.docx
02 - GM Cancellation Memo.pdf
03 - Champion Chevrolet Quote.pdf
04 - Additional Quotes.pdf
05 - Sole Source Form.pdf
06 - Original National Auto Fleet Purchase Order.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Sole Source Purchase of a Vehicle from Champion Chevrolet

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Work – (530) 542-6031
Phil Harwood, Fleet Supervisor – (530) 542-6086

Background: On June 7, 2022, the City Council authorized the purchase of a hauling and work truck for the Public Works Department for $51,243.44 through Sourcewell Cooperative Purchasing Contract with National Auto Fleet Group. Since the approval of the purchase, General Motors, the manufacturer of the vehicle, has canceled all orders for this vehicle due to supply chain issues (Attachment 2). Due to delays in manufacturing and shipping, and very limited supply readily available on dealership lots, staff has expedited a request of informal bids from three local Chevrolet dealers. Champion Chevrolet has submitted the lowest bid for the same vehicle for $51,027.43, which is slightly lower than the original Cooperative Purchasing Contract cost.

Issue and Discussion: The proposed vehicle (work truck) is essential equipment for the Streets division for a multitude of road maintenance and operation needs. It would allow the Streets Division to carry heavy equipment and materials to the job site for maintenance work throughout the city.

City staff requested informal bids from three local Chevrolet dealers and was able to find the same vehicle for a slightly lower cost of $51,027.03 (Attachment 3). Other bids are included as Attachment 4. A sole-source justification is attached to record the informal bidding process (Attachment 5).

Financial Implications: The purchase of the vehicles and equipment will be secured through account 210-03010-46130 (Vehicles). The current available unencumbered budget in this account is $87,024.26. The proposed equipment's total cost is $51,027.43, which is within the current available account budget balance.

Environmental Considerations: This purchase is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Strategy EV-2 in the Climate Action Plan adopted by City Council on October 20, 2020, states that the city will "convert public agency fleets to electric vehicles (EV) or alternative fuels." City staff conducted extensive research on options and availability of Electric Vehicles for the vehicle contemplated herein. With the original purchase request, staff contacted six vehicle manufacturers were contacted. Although the vehicle manufacturers have truck EV

vehicles, currently none of the manufacturers have vehicles available on the marketplace for purchase.

With the original purchase request, staff also researched the vehicles availability list in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), which plays a crucial role in the deployment of zero-emission and near-zero-emission technologies. HVIP accelerates commercialization by providing point-of-sale vouchers to make advanced vehicles more affordable. The current list of eligible vehicles for point-of-sale incentives can be found here: https://californiahvip.org/vehiclecatalog/

The HVIP website identified one vehicle that meets the required specifications: EV FORD F450 Truck. The Fleet Division contacted the manufacturer representative: Ms. Bee Shiraz at SEA Electric and found that the truck is not in production and not sure if they will start next year. Since this truck is time-sensitive and essential for the Streets Division operations, staff recommends purchasing the proposed equipment at the present time.

All internal combustion vehicles and equipment contemplated for purchase herein will meet the California Air Resources Board (CARB) requirements.

Anush Nejad

From: Anush Nejad
Sent: Tuesday, July 19, 2022 2:38 PM
To: Anush Nejad
Subject: Chev Truck Orders Cancellation

From: Rich Patterson <rich.h.patterson@gm.com>
Sent: Thursday, June 30, 2022 6:18 AM
To: Jesse Cooper (jcooper@nationalautofleetgroup.com) <jcooper@nationalautofleetgroup.com>; buzzard5150@gmail.com; Yesenia Covarrubias <yesenia@watsonvillefleetgroup.com>
Subject: Chev of Watsonville Gov Truck Orders

Jesse, Kevin, Yesenia,

As you are aware, the automotive industry as a whole continues to be impacted by microchip shortages, as well as supply chain stoppages as a result of Covid in various countries. These factors have limited production capacity and product availability for all OEMs, including GM.

In addition, there is significant pent-up demand in all segments of the fleet market, specially for several of our most popular products such as Tahoe, and Silverado Light and Heavy Duty trucks.

As a result of the above, our ordering system was overwhelmed with a number of orders, in a very short period of time, that significantly exceeded our production capacity for the 2023 model year for all of our main products.

In line with our normal practice of being transparent, and addressing this issue immediately so our customers can plan accordingly, unfortunately we will need to cancel some of your orders.

Once we have reviewed all the numbers we will determine if the cancellation process is complete.

We know this is not an easy task and that it will impact our customers, but based on past experience we know they will appreciate the timely communication.

Thank you in advance for your support as always.

Fleet Primary FAN	Fleet Primary FAN Name	Division	Allocation Group Code	Merchandising Model Designator	Order Number
421879	LAKESIDE FIRE PROTECTION DISTRICT	Chevrolet	CHDCRW	CK20743	BRTBHR
421879	LAKESIDE FIRE PROTECTION DISTRICT	Chevrolet	CHDCRW	CK20743	BRTBHS
460064	CITY OF MENIFEE (CA)	Chevrolet	CHDCRW	CC30743	BRSX3Q
815789	CITY OF HUNTINGTON BEACH (CA)	Chevrolet	CHDCRW	CC31043	BRSVV5
815789	CITY OF HUNTINGTON BEACH (CA)	Chevrolet	CHDCRW	CK20743	BRST6P
817334	CITY OF COLTON (CA)	Chevrolet	CHDCRW	CK20743	BRSZWK
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK30743	BRZVSN

975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK20743	BRSW03
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK20743	BRSWT8
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CC20743	BRZVVX
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK20743	BRSV8C
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK30743	BRZVSQ
975962	COUNTY OF ORANGE COUNTY	Chevrolet	CHDCRW	CK30743	BRZVSP
803422	CITY OF SOUTH LAKE TAHOE (CA)	Chevrolet	CHDDBL	CK20953	BRMJ9N
815789	CITY OF HUNTINGTON BEACH (CA)	Chevrolet	CHDDBL	CC30953	BRJRDT
816638	CITY OF CORONA (CA)	Chevrolet	CHDDBL	CC20753	BRKH5D
917777	CITY OF PALOS VERDES ESTATES	Chevrolet	CHDDBL	CC30953	BRMDKK
815789	CITY OF HUNTINGTON BEACH (CA)	Chevrolet	CLDDBL	CC10753	BRRDG0
815789	CITY OF HUNTINGTON BEACH (CA)	Chevrolet	CLDDBL	CC10753	BRRDGZ
421784	CITY OF OAKLEY (CA)	Chevrolet	TAHOE	CC10706	BQTRQC
421784	CITY OF OAKLEY (CA)	Chevrolet	TAHOE	CC10706	BQTRQD
421784	CITY OF OAKLEY (CA)	Chevrolet	TAHOE	CC10706	BQTRP9
421784	CITY OF OAKLEY (CA)	Chevrolet	TAHOE	CC10706	BQTRQB
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRD98
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRFBD
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRFBB
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRFBC
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRD99
460064	CITY OF MENIFEE (CA)	Chevrolet	TAHOE	CC10706	BQRF3C
802878	CITY OF CHICO (CA)	Chevrolet	TAHOE	CC10706	BQRKHC
802878	CITY OF CHICO (CA)	Chevrolet	TAHOE	CC10706	BQRKG9
802878	CITY OF CHICO (CA)	Chevrolet	TAHOE	CC10706	BQRKHB
802878	CITY OF CHICO (CA)	Chevrolet	TAHOE	CC10706	BQRKHD
802878	CITY OF CHICO (CA)	Chevrolet	TAHOE	CC10706	BQRKHF
803305	CITY OF PASADENA (CA)	Chevrolet	TAHOE	CC10706	BQPXNV
803305	CITY OF PASADENA (CA)	Chevrolet	TAHOE	CC10706	BQPXNS
803305	CITY OF PASADENA (CA)	Chevrolet	TAHOE	CC10706	BQPXNT
803305	CITY OF PASADENA (CA)	Chevrolet	TAHOE	CC10706	BQPXNR
803396	CITY OF SAN MATEO	Chevrolet	TAHOE	CC10706	BQSCGJ
803422	CITY OF SOUTH LAKE TAHOE (CA)	Chevrolet	TAHOE	CK10706	BQQH6W
803422	CITY OF SOUTH LAKE TAHOE (CA)	Chevrolet	TAHOE	CK10706	BQQH6X
804158	COUNTY OF KAUAI	Chevrolet	TAHOE	CK10706	BQWBB1
804158	COUNTY OF KAUAI	Chevrolet	TAHOE	CK10706	BQVXK1
804158	COUNTY OF KAUAI	Chevrolet	TAHOE	CK10706	BQWBZT
815752	CITY OF MONTEREY PARK	Chevrolet	TAHOE	CC10706	BQQT5N
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC9
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC3
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC2
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDJ
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDG
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDQ
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC1

852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC7
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDC
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDH
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPCZ
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC8
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDN
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDR
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDP
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDB
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDK
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC4
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPCX
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC6
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDM
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDF
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPDD
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC0
852592	COUNTY OF LOS ANGELES (CA)	Chevrolet	TAHOE	CC10706	BQTPC5
860254	CITY OF REDONDO BEACH	Chevrolet	TAHOE	CC10706	BQXBT4
860254	CITY OF REDONDO BEACH	Chevrolet	TAHOE	CC10706	BQXBT3
875916	TOWN OF TRUCKEE	Chevrolet	TAHOE	CK10706	BQQWSV
946280	LOS GATOS UNIFIED SCHOOL DISTRICT	Chevrolet	TAHOE	CC10706	BQRCC1
946280	LOS GATOS UNIFIED SCHOOL DISTRICT	Chevrolet	TAHOE	CC10706	BQRCHK
958079	FEDERAL RESERVE BANK OF SAN FRANCISCO	Chevrolet	TAHOE	CC10706	BQQQNJ
958079	FEDERAL RESERVE BANK OF SAN FRANCISCO	Chevrolet	TAHOE	CC10706	BQQPQ5
975962	COUNTY OF ORANGE COUNTY	Chevrolet	TAHOE	CC10706	BQRVBM
975962	COUNTY OF ORANGE COUNTY	Chevrolet	TAHOE	CC10706	BQRPQ3
975962	COUNTY OF ORANGE COUNTY	Chevrolet	TAHOE	CC10706	BQRVBK

Rich Patterson
General Motors Fleet
Regional Fleet Account Executive - Gov't
Western Region
M: (602) 228-1286
rich.h.patterson@gm.com | www.gmfleet.com

Nothing in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message.

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GM Vehicle Locator

Detail Report for Customer

CHAMPION CHEVROLET
800 KIETZKE, RENO, NV, 89502
775-786-3111

ON ORDER

Customer/Company:
Address:

Sales Consultant: KYLE OUTLAND

Vehicle #1: 2023 Chevrolet 2500HD Silverado	VIN/Order #	MSRP	Stock #
	BVCHWP	$49,505.00	N/A

Body Style: CK20953-LWB, 4WD, Double Cab Pickup
PEG: 1WT-Work Truck Preferred Equipment Group
Primary Color: GAZ-Summit White
Trim: H1T-1WT/1FL-Cloth, Jet Black, Interior Trim
Engine: L8T-Engine: 6.6L, V-8, SIDI
Transmission: MYD-6-Speed Automatic

YOUR COST
$46,905 00/XX
+ TAX / DRIVE OUT PERMIT
$8.25

Options:
1WT-Work Truck Preferred Equipment Group
AE7-Seats: Front 40/20/40 Split-Bench, Uplevel
AKO-Glass, Deep Tinted
AQQ-Keyless Remote Entry
AU3-Power Door Locks
BG9-Floor Covering: Rubberized Vinyl, Black
C49-Defogger, Rear Window, Electric
C7G-GVW Rating 10,500 Lbs
DBG-Mirrors, O/S: Man. Ext & Folding, Heat, Turn Indicator
E63-Durabed
G80-Auto Locking Differential, Rear
GAZ-Summit White
GT4-Rear Axle: 3.73 Ratio
H1T-1WT/1FL-Cloth, Jet Black, Interior Trim
IOR-Chevrolet Infotainment, 7" Color Screen
JL1-Integrated Trailer Brake Controller
K34-Cruise Control
K47-Heavy Duty Air Filter
KC4-Cooler, Engine Oil
KNP-Transmission Cooling System
KW7-Alternator, 170 AMP
L8T-Engine: 6.6L, V-8, SIDI
MYD-6-Speed Automatic
NC7-Emissions Override, Federal
NQF-Transfer Case: w/ Rotary Dial Control, Electronic Shift
NZZ-Skid Plate
PCV-1WT Convenience 1 Package
PYN-Wheels: 17" Steel, Painted
QK1-Standard Tailgate
QT5-Tailgate Function--EZ Lift, Power Lock & Release
QXT-Tires: LT265/70 R17 All Terrain, Blackwall
SAF-Spare Tire Lock
UVC-Rear Vision Camera
V76-Recovery Hooks
VK3-Front License Plate Mounting Provisions
YF5-California Emissions
Z82-Trailering Package
ZXT-Tire, Spare: LT265/70 R17 Blackwall

Disclaimer:

GM has tried to make the pricing information provided in this summary accurate. Please refer to actual vehicle invoice, however, for complete pricing information. GM will not make any sales or policy adjustments in the case of inaccurate pricing information in this summary.

$46,905
Tax 8.75% $4,104.18
$51,009.18
8.25 Drive permit
$51,027.43

QUOTE

Maita Chevrolet

9650 Auto Center Dr, Elk Grove, CA 95757
Phone 916-691-2800 Fax 916-691-6215

QUOTE #60246
DATE: 7/19/2022

QUOTE IS GOOD UNTIL 7/31/2022 OR OF THE VEHICLE SELLS BEFORE THEN

TO PHILLIP
CITY OF SOUTH LAKE TAHOE

SALESPERSON	STOCK #	PAYMENT TERMS	DUE DATE
ROBERT GALA	N0353	1	

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	2022 Chevrolet Silverado 4wd CREW CAB Standard Bed	$55,665.00	$55,665.00
	2500HD		
1	Fleet Discount	-$7,200.00	$7,200.00
1	Doc Fee	$85.00	$85.00
1	CA Tire Fee	$8.75	$8.75
1	AVRS Title Fee	$30.00	$30.00

SUBTOTAL		$48,588.75
SALES TAX		$4,248.13
TOTAL		$52,836.88



New 2022 Chevrolet Pickup Truck

Silverado 2500HD

135 Miles # 220370

$51,615

Folsom Chevrolet

Folsom, CA

Popularity Stats

- You are the first user to view this listing
- Be the first user to .
- The price recently **decreased by $10,000**

Description

220370 135 Miles

2022 Chevrolet Silverado 2500HD, 4D Crew Cab, Northsky Blue Metallic 2022 Chevrolet Silverado 2500HD Custom 4WD 6-Speed Automatic 6.6L V8 6-Speed Automatic, 4WD, Black Cloth.

Recent Arrival!

SOLE BRAND/SOLE SOURCE REQUEST
JUSTIFICATION/APPROVAL FORM

SOLE SOURCE VENDOR: CHAMPION CHEVROLET

ADDRESS: 800 KIETZKE RENO NV 89502 PHONE NO. 775-786-3111

ITEM TO BE PURCHASED: CHEVROLET 2500 WT COST: $ 51,027.43

1. Check reasons for sole source request:

_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.

_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_X_ Sole **Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ Federal **Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____

Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: 2023 Chevrolet 2500 work truck. GM has canceled are last order do to supply chain shortages.

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. Champion Chevrolet ordered these vehicles about 6 months ago. I contacted three different dealers for pricing and Champion Chevrolet is the lowest price and they will be available late August this year.

5. Can your requirements be modified to allow competitive products or services be used? Explain: With the used market for vehicles at such a high level they are priced higher than a newer model. And the availability for new is very low. I contacted many Chevrolet dealers with no availability or a wait list with no time line.

REQUESTOR NAME/ DEPARTMENT: Phil Haswood Fleet Services

DEPARTMENT HEAD SIGNATURE: _____ DATE: 7/18/22

FINANACE DEPT. _____ DATE: _____

CITY MANAGER SIGNATURE: _____ DATE: _____

City of South Lake Tahoe

Purchase Order No.
12556

Vendor: NATIONAL AUTO FLEET GROUP
490 AUTO CENTER DR.
WATSONVILLE, CA 95076

Deliver To: FLEET SERVICES (MOTOR POOL)
Greg Fisk (530) 542-6087
1700 D ST
SOUTH LAKE TAHOE, CA
96150-6227

PR No R13580 **Status** PO **Requested By:** Phillip Harwood **Date Required:**06/08/22 **Date Issued:** 06/13/22
Vendor Primary Phone: **Vendor Fax:** **Terms:** FOB

#	Description	Account Number:	Quantity	Unit Price	Tax/Other	Extended Amt
	****** AS OF 4/01/2021 ******* OUR SALES TAX RATE IS 8.75% TO EXPEDITE PAYMENT BE SURE TO INCLUDE CORRECT TAX ON INVOICE **********					
0001	2023 CHEVY 4WD DOUBLE CAB 162"	21003010-4613 0 (100%) VEHICLES	1.00	$46,625.92	4,079.77	$50,705.69
0003	TWO EXTRA KEYS	21003010-4613 0 (100%) VEHICLES	1.00	$450.00	39.38	$489.38
0004	TRANSPORTATION TO SLT	21003010-4613 0 (100%) VEHICLES	1.00	$529.00	0.00	$529.00
0005	TIRE TAX	21003010-4613 0 (100%) VEHICLES	1.00	$8.75	0.00	$8.75

****
** CONFIRMING ORDER **
****
** DO NOT DUPLICATE **
****

PO TOTAL: $51,732.82

Approved By: O. Tikhomirova

Olga Tikhomirova

X Joseph Tsai

6/14/2022

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 9

Agenda Item: Cost-Sharing Agreement with Tahoe Meadows for the Installation of LED Flashing Stop Signs

Executive Summary: City staff has been working with Tahoe Meadows Homeowner's Association for safety measures on the bike trails at the entrance and exit to the Tahoe Meadows property. A number of alternatives have been explored and both the City and Tahoe Meadows have agreed on an LED Flashing Stop sign to improve visibility for bicyclists and scooters at this location. Tahoe Meadows has agreed to a cost-sharing agreement for the purchase, installation, and maintenance of these signs.

Requested Action / Suggested Motions: (1) Pass a Resolution authorizing acceptance of $5000 from Tahoe Meadows for LED flashing stop signs; and (2) Pass a Motion authorizing and directing the Mayor to execute a cost-sharing agreement with Tahoe Meadows for installation of LED flashing stop signs. Responsible Staff Member: Anush Nejad, Director of Public Works

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Tahoe Meadows Reimbursement Agreement.docx
02 - Reimbursement Agreement - Tahoe Meadows.docx
03 - Exhibit A - Proposed Location.pdf
04 - Resolution to Accept Funds.doc

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Cost-Sharing Agreement with Tahoe Meadows for the Installation of LED Flashing Signs

Location: Tahoe Meadows Driveway (Lake Road) and South Lake Tahoe Bikeway Facility

Responsible Staff Member: Anush Nejad, Director of Public Works – (530) 542-6031

Background: City Staff has been working with Tahoe Meadows Homeowner's Association to address the safety concerns at the entrance and exit to the Tahoe Meadows Property. Several design options were considered, and a solution has been identified to improve visibility and safety at this location. Tahoe Meadows has agreed to a cost-sharing agreement to implement the project.

Issue and Discussion: Tahoe Meadows Homeowners Association has requested the City to install additional safety measures to enhance the visibility of the scooters and bicyclists at the entrance and exit to the property, located on Lake Road at the South Lake Tahoe Bikeway facility. The concern has arisen due to visibility as this driveway, which is gate-controlled, and the vehicles may not be visible to the bicyclists and scooters. There is an existing Stop Sign at the Bicycle Pathway and an exit from the Driveway.

The proposed safety measure is to replace the existing 18" Stop Sign with a 24" Flashing LED sign to improve visibility. The LED flashing sign has two modes of operation: Flashing when a bicyclist and scooters approach the driveway and the time of day of operation (6 AM to 9 PM). Tahoe Meadows has agreed to pay for the LED signs and the City will install and maintain the signs. This upgrade will provide additional safety benefits for both the Tahoe Meadows homeowners and visitors, as well as the bicyclists and scooters.

Financial Implications: The estimated cost of LED is $3,500, with $1,500 for staff labor for installation, and calibration of the unit. The proposed Cost Sharing Agreement will cover the cost of equipment and installation. Future maintenance of the Stop Sign will be City's responsibility, which can be covered through routine annual budgets. Through the attached resolution (attachment 04), staff is requesting budget appropriations of $5,000 for the purchase and reimbursement of the LED flashing sign into the Miscellaneous Traffic Safety Projects expenditures and revenue accounts 301-50043-48030 and 301-50043-36284 respectively.

Environmental Considerations: Installation of the Stop Sign is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies) if the type of installation complies with the CA-MUTCD guidance.

Policy Implications: This action supports public safety and traffic upgrades in the City of South Lake Tahoe.

CITY OF SOUTH LAKE TAHOE

COST-SHARING AGREEMENT FOR LED FLASHING STOP SIGNS AT TAHOE MEADOWS

This Agreement is made and entered into as of the _____day of _____ by and between the **City of South Lake Tahoe**, a municipal corporation ("City"), and Tahoe Meadows, a California Common Interest Development Corporation ("Tahoe Meadows").

RECITALS

A. Tahoe Meadows (that is, the Tahoe Meadows Homeowner's Association) manages and owns property with access to U.S. 50 and Lake Road ("Property").

B. Tahoe Meadows has requested safety measures on the bike trail at the entrance and exit to the Tahoe Meadows property to improve visibility and bicycle safety.

C. The City has reviewed this request and has found that the installation of LED Flashing Stop Signs may provide additional safety benefits for bicyclists and other mobility devices, as well as the entering and exiting traffic to the Tahoe Meadows; however this is not a priority City project because of other more pressing needs.

D. The City Traffic Engineer, with the discretion delegated by City Council Resolution No. 2022-067, has reviewed the plans for the installation of the LED Flashing Stop Signs which are attached hereto as Exhibit "A." The City Traffic Engineer finds based on substantial evidence that the design in Exhibit "A" is reasonable.

E. Tahoe Meadows has offered and agrees to a cost-sharing agreement with the City to accommodate this LED Flashing Stop Sign and expedite its installation.

F. In order to accomplish this upgrade, the City will take the lead in implementing the project with City forces.

AGREEMENT

1. General City Obligations. The City will procure and install the LED Flashing Stop Sign project. The LED Flashing Stop Signs will be installed at the entrance to Tahoe Meadows at the U.S. 50 and Lake Road and the Bicycle trail crossing. The LED flashing lights will be 24-inch and will include a time-of-day timer for LED flashing operation. The flashing operation will be activated automatically during day hours. During the nighttime, the flashing operation will be turned off. Initially, the LED Flashing Stop Sign will be activated daily between 6 AM and 10 PM. The City will have sole authority to adjust the timing of the operation, adjustment of the sign, or the maintenance functions. The City will

own and reasonably maintain the LED Flashing Stop Signs. The City will also have the sole authority to remove the LED lights due to safety issues or other traffic engineering concerns.

2. Tahoe Meadows Obligations. Tahoe Meadows shall pay the City in the amount of $5,000 for the proposed upgrades. Tahoe Meadows shall make the payment in full at the start of construction, via a cashier's check.

3. Term/Time of Performance. This Agreement shall be effective as of the date written above and shall terminate five years after the installation of the LED Flashing Stop Signs by the City.

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

If to City:	Public Works Director City of South Lake 1740 D Street South Lake Tahoe, CA 96150
Provide a copy to:	City Attorney's Office City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 300 South Lake Tahoe, CA 96150
If to Tahoe Meadows:	Ronald Yank President of Tahoe Meadows 5598 Lawton Avenue Oakland, CA 94618

5. Assignment. Tahoe Meadows shall not assign this Agreement or any part thereof.

6. No Third-Party Beneficiaries. This Agreement shall not be deemed to confer any rights upon any individual or entity which is not a party hereto, and the Parties hereto expressly disclaim any such third-party benefit.

7. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

8. Dispute Resolution. Any disputes concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, the parties to the Agreement agree to mediate any future disputes. Only if discussions with the City Manager (or designee) and mediation fail to resolve the dispute, can the City or Tahoe Meadows commence litigation.

9. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement

shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

10. Amendments. This Agreement may be modified or amended only by a written document executed by both Tahoe Meadows and City and approved as to form by the City Attorney.
11. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
12. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Tahoe Meadows. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.
13. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the Parties when at least one copy hereof shall have been signed by both Parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
14. Authority to Enter Agreement. Tahoe Meadows has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

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

CITY OF SOUTH LAKE TAHOE:

By_____ Devin Middlebrook, Mayor

TAHOE MEADOWS

By _____ Ronald Yank

APPROVED AS TO FORM:

By_____ Heather Stroud, City Attorney

ATTEST:

By_____ Susan Blankenship, City Clerk

Exhibit A

Tahoe Meadows Driveway on US 50

Bike Path Stop Sign (Change to 24” LED)







Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Authorizing Acceptance of Funds from Tahoe Meadows for Cost-Sharing Agreement for LED Flashing Stop Signs

BACKGROUND

A. Tahoe Meadows (that is, the Tahoe Meadows Homeowner's Association) manages and owns property with access to U.S. 50 and Lake Road ("Property"); and

B. Tahoe Meadows has requested safety measures on the bike trail at the entrance and exit to the Tahoe Meadows property to improve visibility and bicycle safety; and

C. The City has reviewed this request and has found that the installation of LED Flashing Stop Signs may provide additional safety benefits for bicyclists and other mobility devices, as well as the entering and exiting traffic to the Tahoe Meadows; and

D. Tahoe Meadows has offered and agrees to a cost-sharing agreement with the City to accommodate this LED Flashing Stop Sign and expedite its installation in the amount of $5,000 for the proposed upgrades, at the start of construction, via a cashier's check.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes acceptance of $5,000 payment from Tahoe Meadows for the purchase and installation of the LED flashing sign.
2. Authorizes an increase to the FY22 Miscellaneous Traffic Safety Projects expenditure (301-50043-48030) and revenue (301-50043-36284) budget by said amount to accomplish this project.

Adopted by the City Council of the City of South Lake Tahoe on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date: _____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk
The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 10

Agenda Item: Lease Agreement with Tahoe Art League for Art Building

Executive Summary: City Council is asked to authorize a new ten year lease agreement with Tahoe Art League (TAL) for the use of the Art Building located within the 56 Acre Property. The previous Agreement expired in May 2022 at which time TAL requested in writing to renew the term for another ten years. The Tahoe Art League has successfully occupied, maintained, and operated the Art Building for the purposes outlined in the Agreement since May 2012. TAL is an established non-profit corporation. TAL board and members have demonstrated success as responsible tenants and good stewards of the surrounding property. Consistent with the previous Agreement TAL has invested resources to maintain and improve the building including: Exterior paint, installed new track lighting, made improvements to exterior lighting, painted and lighted exterior signage, and installed an interior privacy wall. Additionally, TAL members continue to provide numerous art programs and exhibits to the community on an ongoing basis. The Agreement supports the City Strategic Plan Priority 3 - Community for All - Arts and Culture Program.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Lease Agreement with Tahoe Art League for a 10-year term for use of the Art Building located at 3062 Lake Tahoe Boulevard.
Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation

Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation (530) 542-6197

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Art League Building Lease.docx
02-2012 Lease Agreement.pdf
03-2022 Lease Agreement.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Lease Agreement with Tahoe Art League for Use of Art Building

Location: 3062 Lake Tahoe Blvd

Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation
530-542-6197

Background: The premises at 3062 Lake Tahoe Blvd. have been leased by the Tahoe Art League (TAL) since 2002. The last lease was executed on May 15, 2012 (Attachment 02) and was for a ten year term including an option to extend the lease upon mutual consent by both parties. The Art Building sits on land owned by El Dorado County and leased to the City under a recently adopted fifty year lease agreement which terminates in 2072. TAL has requested to exercise the option to extend the lease as outlined in the terms of the May 15, 2012 Agreement (Attachment 02).

During the term of occupancy TAL has proven to be good stewards of the property and invested resources in minor improvements and upgrades to the facility as permitted in the Agreement. Some examples of improvements implemented and funded by TAL include; exterior paint and lighting, improvements to signage, interior privacy wall, interior track lighting and paint. The cost of improvements is estimated to be approximately $8,000. Additionally, TAL continues to provide a variety of programs and community art events creating memorable experiences for residents and visitors alike. TAL submits a report to City Council and the Parks and Recreation Department annually.

Issue and Discussion: As per the 2012 Agreement, TAL has submitted in writing a request to extend the Agreement. At the time of the written request the City was wrapping up negotiations with El Dorado County to renew and update the 56 Acre Lease Agreement including the portion of land occupied by the Art Building. Once the 56 Acre Lease Agreement was adopted, executed, and land transfers completed, City staff proceeded to move forward with TAL's request to renew the Lease Agreement for the Art Building.

Both the expired lease and the new lease are contained herein for reference as attachments 02 and 03 respectively. There are no substantive changes with the new lease. The following is a summary of key lease terms:

- Ten year term with option to extend based on mutual agreement by both parties
- The lease may be terminated by either party by written notice 180 days prior to termination date.
- The Lessee will be responsible for all utilities, janitorial and minor building maintenance to interior and exterior of the building.

- In the event major maintenance or repairs are required the parties will meet and confer in good faith to determine need, costs and best course of action.
- The lease allows use of the building without payment of rent.

Financial Implications: In lieu of rent fees, the Art League agrees to administer classes, offer displays of local art, conduct workshops and sponsor art demonstrations that will enhance and expand the cultural experiences of the community. In addition, they will maintain the facility in a clean and safe condition. As noted above, Lessee shall be responsible for all utilities associated with the facility.

Environmental Considerations: The proposal action is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301 (Existing Facilities) because the work done under the Agreement would consist of program provision and light maintenance, repair or minor alteration of existing public facilities involving negligible or no expansion of existing or former use.

Policy Implications: Entering into a Lease Agreement with The Tahoe Art League for the purpose of providing a public space for art and culture exhibits and programs supports the City Strategic Plan Priority 3 – Community for All – Arts and Culture Program.

LEASE AGREEMENT

BETWEEN

THE CITY OF SOUTH LAKE TAHOE AND

THE TAHOE ART LEAGUE

This Lease Agreement is entered into this 7th day of May, 2012 between the City of South Lake Tahoe, a municipal corporation, (hereinafter "CITY") and the Tahoe Art League, a California non-profit corporation, (hereinafter "LESSEE").

1. **Leased Premises** City hereby leases to LESSEE, the real property and improvements commonly known as the Art Building located at 3062 Lake Tahoe Boulevard, South Lake Tahoe, California (hereinafter "the Premises").

2. **Term** This lease shall be for a term of ten (10) years, commencing May 1, 2012, which term shall be renewable upon mutual consent of the parties provided however, that said lease may be terminated by either party with or without cause, by written notice one hundred and eighty (180) days prior to the termination date specified in said notice to the non-terminating party. Parties understand and agree that termination may be necessary as a result of ongoing and changing developments relative to the 56 Acres Project located in the vicinity of the Premises. Neither the creation nor termination of this Lease Agreement creates a duty or obligation of CITY to relocate or incur any cost to relocate LESSEE to another facility.

3. **Use** LESSEE shall have exclusive use of the above described premises as an art center, but shall accommodate requests by CITY for its occasional use. The City shall not request occasional uses that are disruptive to LESSEE's day to day operations. LESSEE, as part of its operation, may hold meetings, conduct classes, offer displays, conduct workshops and sponsor art demonstrations at said location.

   Use of the premises shall be limited to art exhibits for the purpose of displaying art and selling, or promoting the sale of, the artistic products of Art League members and related events and uses.

4. **Utilities and Services** LESSEE shall pay all utilities supplied to the leased premises, including, but not limited to, gas, water, electricity, telephone and janitorial services. CITY shall provide snow removal services at the same times and in the same manner, as such services are provided to the Senior Center.

CENTRAL RECORDS
FILE No.: 1047
C-48-12

5. **Maintenance** LESSEE shall maintain premises in good, clean, and safe condition, as an Art Center, to provide public information pertaining to year-round arts activities occurring at the South Shore of Lake Tahoe, public art education, and an art gallery. LESSEE shall perform maintenance and beautification improvements to the premises.

   LESSEE shall provide all necessary minor building maintenance and repair to the interior and exterior of the building. In the event major maintenance, repair and improvements, including but not limited to, all heating, cooling, equipment and fixtures, and roofing become necessary, the parties shall meet and confer in good faith to determine whether or not such repairs and/or improvement should be completed and if so, how the costs of such repairs and/or improvements are to be paid. In the event it is determined, LESSEE is to make such repairs and/or improvements. LESSEE shall be entitled to a mutually agreed upon pro-rata share of the costs of any expenses incurred in making such repairs and/or improvements, to be calculated based upon the remainder of the term of the lease.

6. **Indemnification** In consideration of LESSEE's occupancy of the leased premises without payment of rent, LESSEE agrees to defend, indemnify, release and hold harmless the City from and against any and all loss, damage, liability, claims, demands, costs, charges and expenses (including, without limitation, attorney's and expert witness fees and other expenses of litigation) and causes of action of whatsoever character which the City may incur, sustain, or be subjected to on account of loss or damage to the Premises and loss of use thereof, or for bodily injury to or death of any persons (including, without limitation, property, employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected with the occupancy, operation, maintenance, use or enjoyment of the Premises under this license or lands adjacent to the Premises, whether owned by the City or others, if any such person's use of such adjacent lands is related to the use of the Premises, and arising from any cause whatsoever, including any passive negligence of the City and excepting only, and in direct proportion to, the active negligence of the City which is the proximate cause of the event giving rise to the claim or liability. LESSEE agrees to indemnify and hold harmless the City from and against any and all loss, damage, liability, claims, costs, changes and expenses, and causes of action of whatsoever arising from the creation nor termination of this Lease Agreement

   LESSEE waives any and all rights to any type of express or implied indemnity or right of contribution from The City for any liability, claims, demands, costs, charges and expenses (including, without limitation, attorney's and expert witness fees and other expenses of litigation) and causes of action of whatsoever character on account of loss or damage to the Premises and loss of use thereof, or for bodily injury to or death of any persons (including, without limitation, property, employees, subcontractors, agents, and invitees of each party hereto) arising out of or in any way connected with the occupancy, operation, maintenance, use or enjoyment of the Premises under this license or lands adjacent to the Premises, whether owned by The City or others, if any such person's use of such adjacent lands is

related to the use of the Premises, and arising from any cause whatsoever, including any passive negligence of The City and excepting only, and in direct proportion to, the active negligence of The City which is the proximate cause of the event giving rise to the claim or liability.

It is agreed by the parties that "active negligence of The City" shall not be construed to include a failure or failures to act unless The City has a legal obligation to act and fails to do so following written notice from LESSEE of the existence of conditions and circumstances alleged to give rise to The City's obligation to act. It is further agreed that "active negligence of The City" does not include The City's approval of plans or execution by The City of any document or instrument, including this license and any supplement or modification thereto.

7. **Insurance** LESSEE shall obtain and maintain continuously in effect at all times during the terms hereof, at LESSEE's sole expense, a minimum of $1,000,000 comprehensive general liability insurance per occurence for bodily injury and property damage liability combined, insuring against all liability of LESSEE and its authorized representatives arising out of and connected with LESSEE'S use or occupancy of the property. All such policies of insurance shall be primary insurance, and shall include the following provisions: The City of South Lake Tahoe, its officers, agents, employees, and servants are included as additional insured, but only insofar as the operations under this contract are concerned; the Certificate of Insurance shall contain an endorsement requiring 30 days prior written notice from the insurance company to the City before cancellation or change in the coverage; scope or amount of the policy and each policy shall provide that any right of subrogation against the City is waived. A copy of LESSEE's insurance policy together with all endorsements shall be submitted to the City for review and approval prior to the commencement of this lease and use of the property.

8. **LESSEE further agrees that:**

   a. **Condition of Premises** Upon the expiration of the Lease, it shall return possession of the leased premises in its present condition, reasonable wear and tear, fire casualty excepted. LESSEE shall commit no waste to the leased premises. In the event the Art Building is rendered unusable due to acts of LESSEE or any other cause, including but not limited to fire, CITY shall have no obligation to restore or rebuild the Art Building.
   b. **Assignment or Subletting** LESSEE shall not assign or sublet said premises or allow any other person to occupy the leased premises.
   c. **Alterations** LESSEE shall not make any material or structural alterations to the leased premises without CITY's prior written consent. LESSEE is responsible for landscaping.
   d. **Compliance with Law** LESSEE shall comply with all building and zoning and health codes and other applicable laws for the use of said premises.
   e. **Prior Agreement Superseded** This agreement constitutes the only agreement of the parties and supersedes any prior written or oral agreements between the parties respecting the leasing of the premises known as the Art Building.

IN WITNESS WHEREOF, CITY AND LESSEE have executed this lease the date and year first hereinabove written.

CITY OF SOUTH LAKE TAHOE

Claire Fortier, Mayor 5/15/12

TAHOE ART LEAGUE

BY: Juanita Gibbs Brock
Juanita Gibbs Brock
May 30, 2012

ATTEST:

SUSAN ALESSI, City Clerk

CITY OF SOUTH LAKE TAHOE 19 65 CALIFORNIA

APPROVED AS TO FORM:

Patrick Enright, City Attorney

LEASE AGREEMENT

BETWEEN

THE CITY OF SOUTH LAKE TAHOE AND

THE TAHOE ART LEAGUE

This Lease Agreement is entered into this 9th day of August, 2022 between the City of South Lake Tahoe, a municipal corporation, (hereinafter "CITY") and the Tahoe Art League, a California non-profit corporation, (hereinafter "LESSEE").

1. **Leased Premises** City hereby leases to LESSEE, the real property and improvements commonly known as the Art Building located at 3062 Lake Tahoe Boulevard, South Lake Tahoe, California (hereinafter "the Premises").

2. **Term** This lease shall be for a term of ten (10) years, commencing August 9, 2022, which term shall be renewable upon mutual consent of the parties provided however, that said lease may be terminated by either party with or without cause, by written notice one hundred and eighty (180) days prior to the termination date specified in said notice to the non-terminating party. Parties understand and agree that termination may be necessary as a result of ongoing and changing developments relative to the 56 Acres Project located in the vicinity of the Premises. Neither the creation nor termination of this Lease Agreement creates a duty or obligation of CITY to relocate or incur any cost to relocate LESSEE to another facility.

3. **Use** LESSEE shall have exclusive use of the above described premises as an art center, but shall accommodate requests by CITY for its occasional use. The City shall not request occasional uses that are disruptive to LESSEE's day to day operations. LESSEE, as part of its operation, may hold meetings, conduct classes, offer displays, conduct workshops and sponsor art demonstrations at said location.

   Use of the premises shall be limited to art exhibits for the purpose of displaying art and selling, or promoting the sale of, the artistic products of Art League members and related events and uses.

4. **Utilities and Services** LESSEE shall pay all utilities supplied to the leased premises, including, but not limited to, gas, water, electricity, telephone and janitorial services. CITY shall provide snow removal services at approximately the same times and in the same manner, as such services are provided to other facilities on the 56 Acres Property.

5. **Maintenance** LESSEE shall maintain premises in good, clean, and safe condition, as an Art Center, to provide public information pertaining to year-round arts activities occurring at the South Shore of Lake Tahoe, public art education, and an art gallery. LESSEE shall perform maintenance and beautification improvements to the premises.

   LESSEE shall provide all necessary minor building maintenance and repair to the interior and exterior of the building. In the event major maintenance, repair and improvements, including but not limited to, all heating, cooling, equipment and fixtures, and roofing become necessary, the parties shall meet and confer in good faith to determine whether or not such repairs and/or improvement should be completed and if so, how the costs of such repairs and/or improvements are to be paid. In the event it is determined, LESSEE is to make such repairs and/or improvements. LESSEE shall be entitled to a mutually agreed upon pro-rata share of the costs of any expenses incurred in making such repairs and/or improvements, to be calculated based upon the remainder of the term of the lease.

6. **Indemnification** In consideration of LESSEE's occupancy of the leased premises without payment of rent, LESSEE agrees to defend, indemnify, release and hold harmless the City from and against any and all loss, damage, liability, claims, demands, costs, charges and expenses (including, without limitation, attorney's and expert witness fees and other expenses of litigation) and causes of action of whatsoever character which the City may incur, sustain, or be subjected to on account of loss or damage to the Premises and loss of use thereof, or for bodily injury to or death of any persons (including, without limitation, property, employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected with the occupancy, operation, maintenance, use or enjoyment of the Premises under this license or lands adjacent to the Premises, whether owned by the City or others, if any such person's use of such adjacent lands is related to the use of the Premises, and arising from any cause whatsoever, including any passive negligence of the City and excepting only, and in direct proportion to, the active negligence of the City which is the proximate cause of the event giving rise to the claim or liability. LESSEE agrees to indemnify and hold harmless the City from and against any and all loss, damage, liability, claims, costs, changes and expenses, and causes of action of whatsoever arising from the creation nor termination of this Lease Agreement

   LESSEE waives any and all rights to any type of express or implied indemnity or right of contribution from The City for any liability, claims, demands, costs, charges and expenses (including, without limitation, attorney's and expert witness fees and other expenses of litigation) and causes of action of whatsoever character on account of loss or damage to the Premises and loss of use thereof, or for bodily injury to or death of any persons (including, without limitation, property, employees, subcontractors, agents, and invitees of each party hereto) arising out of or in any way connected with the occupancy, operation, maintenance, use or enjoyment of the Premises under this license or lands adjacent to the Premises, whether owned by The City or others, if any such person's use of such adjacent lands is

related to the use of the Premises, and arising from any cause whatsoever, including any passive negligence of The City and excepting only, and in direct proportion to, the active negligence of The City which is the proximate cause of the event giving rise to the claim or liability.

It is agreed by the parties that "active negligence of The City" shall not be construed to include a failure or failures to act unless The City has a legal obligation to act and fails to do so following written notice from LESSEE of the existence of conditions and circumstances alleged to give rise to The City's obligation to act. It is further agreed that "active negligence of The City" does not include The City's approval of plans or execution by The City of any document or instrument, including this license and any supplement or modification thereto.

7. **Insurance** LESSEE shall obtain and maintain continuously in effect at all times during the terms hereof, at LESSEE's sole expense, a minimum of $1,000,000 comprehensive general liability insurance per occurrence for bodily injury and property damage liability combined, insuring against all liability of LESSEE and its authorized representatives arising out of and connected with LESSEE'S use or occupancy of the property. All such policies of insurance shall be primary insurance, and shall include the following provisions: The City of South Lake Tahoe, its officers, agents, employees, and servants are included as additional insured, but only insofar as the operations under this contract are concerned; the Certificate of Insurance shall contain an endorsement requiring 30 days prior written notice from the insurance company to the City before cancellation or change in the coverage; scope or amount of the policy and each policy shall provide that any right of subrogation against the City is waived. A copy of LESSEE's insurance policy together with all endorsements shall be submitted to the City for review and approval prior to the commencement of this lease and use of the property.

8. **LESSEE further agrees that:**

   a. **Condition of Premises** Upon the expiration of the Lease, it shall return possession of the leased premises in its present condition, reasonable wear and tear, fire casualty excepted. LESSEE shall commit no waste to the leased premises. In the event the Art Building is rendered unusable due to acts of LESSEE or any other cause, including but not limited to fire, CITY shall have no obligation to restore or rebuild the Art Building.
   b. **Assignment or Subletting** LESSEE shall not assign or sublet said premises or allow any other person to occupy the leased premises.
   c. **Alterations** LESSEE shall not make any material or structural alterations to the leased premises without CITY's prior written consent. LESSEE is responsible for landscaping.
   d. **Compliance with Law** LESSEE shall comply with all building and zoning and health codes and other applicable laws for the use of said premises.
   e. **Prior Agreement Superseded** This agreement constitutes the only agreement of the parties and supersedes any prior written or oral agreements between the parties respecting the leasing of the premises known as the Art Building.

IN WITNESS WHEREOF, CITY AND LESSEE have executed this lease the date and year first hereinabove written.

CITY OF SOUTH LAKE TAHOE

_____
Devin Middlebrook, Mayor

TAHOE ART LEAGUE

BY:_____
Rebecca Bryson, President

ATTEST:

_____
Susan Blankenship, City Clerk

APPROVED AS TO FORM:

_____
Heather Stroud, City Attorney

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 11

Agenda Item: Cannabis Community Benefit Grant Program Awards and Payment Authorization

Executive Summary: City Council Allocated $400,000 of cannabis revenue towards the community benefit grant program for 2022. The grant committee awarded grants to fourteen projects that were most consistent with the program criteria. Five organizations were awarded grants in the amount of $50,000 which require City Council approval. Staff is requesting authorization to execute grant agreements with two grantees that submitted all required documentation.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute grant agreements in the amount of $50,000 with Tahoe Youth and Family Services and Tahoe Coalition for the Homeless, and issue payments to awardees for 2022 Community Benefit Grant Program.
Responsible Staff Member: Olga Tikhomirova, Director of Finance

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530)542-7431

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Cannabis Grant Awards Authorization.docx
02-TYFS CSLT Cannabis Revenue Grant AGREEMENT.pdf
03-TCH CSLT Cannabis Revenue Grant AGREEMENT.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Cannabis Community Benefit Grant Program Awards and Payment Authorization for Tahoe Youth and Family Services and Tahoe Coalition for the Homeless

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance, (530) 542-7431

Background: On May 18, 2021, City Council adopted Resolution No. 2021-039, establishing the Cannabis Community Benefit Fee Revenue Allocation Policy. Under this policy, City Council committed to allocate up to 50 percent of the previous year's cannabis revenue to a community benefit grant program. On March 15, 2021, the City Council adopted Resolution No. 2022-030 establishing the Cannabis Revenue Grant Program Process and Guidelines. During the FY21/22 mid-year budget review process, City Council allocated $400,000 of cannabis revenue towards 2022 grant program. The grant committee, consisting of the Mayor, one City Council Finance Committee member, the City Manager and the City's Finance Director, reviewed twenty-three (23) applications submitted to the current year's grant program and awarded grants to fourteen (14) projects that were most consistent with the program criteria, as was reported to the City Council at the June 21, 2022 city council meeting.

Issue and Discussion: The committee awarded grants of $50,000 to five organizations out of total fourteen. The City Council authorization to execute grant agreements by the City Manager and issue payments to awardees once all conditions are met, is required per the City's Procurement Policy. The organizations awarded $50,000 grant are:

Tahoe Alliance for Safe Kids (TASK)	50,000
Family Resource Center	50,000
Tahoe Coalition for the Homeless	50,000
Lake Tahoe Unified School District (LTUSD)	50,000
Tahoe Youth and Family Services	50,000

The following two organizations submitted the required documentation and met all conditions of the grant program: Tahoe Youth and Family Services (TYFS) and Tahoe Coalition for the Homeless (TCH). Staff will bring the remaining grant agreements to City Council for authorization of payment once documentation is received from the grantees.

Financial Implications: $400,000 was designated for this program in the current fiscal year 2021-22 budget in the account 223-02120-44032 Cannabis Program Contributions/Sponsorships. Execution of grant agreements and payments in the amount of $50,000 require City Council

approval. Staff is requesting approval of two grant agreements and payments to grantees that submitted all required documentation.

Environmental Considerations: This is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative activities).

Policy Implications: Consistent with City’s Financial Policies – Procurement Policy.

GRANT AGREEMENT BETWEEN THE CITY OF SOUTH LAKE TAHOE AND Tahoe Youth and Family Services

Cannabis Revenue Grant Program

This Grant Agreement ("Agreement") is dated for reference this [____] of [_____], 2022, by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation, hereinafter referred to as "City" and Tahoe Youth and Family Services, a California 501(c)(3) organization / type of government agency hereinafter referred to as "Grantee," who agree as follows:

1. Grant Funds. The City agrees to provide Grantee with a sum not to fifty thousand dollars ($50,000) ("Grant Funds") to be used solely for the services described in Grantee's application, attached hereto as Exhibit A, and Scope of Work, attached hereto as Exhibit B ("Grant Services") in accordance with the terms and conditions set forth in this Agreement. Grantee shall expend the Grant Funds in accordance with the Budget, attached hereto as Exhibit C, by Closing Date specified on the Scope of Work, and shall obtain the written approval of City at least fifteen (15) days before transferring expenditures from one line item to another within the Budget. At the termination of the Agreement, Grantee must return to City any unexpended Grant Funds.

2. Disbursement Procedures. Grant Funds shall be disbursed to Grantee as follows:

   A. The City shall make all disbursements of Grant Funds pursuant to this Section by check payable to Grantee, sent via U.S. mail. The City shall make disbursements of the first 90 percent (90%) of Grant Funds upon receipt of this executed Agreement.

   B. Ten percent (10%) of Grant Funds will be withheld until completion of Grant Services and receipt, review, and approval by City of the Closeout Report, due by Closing Date. The City will disburse the remaining ten percent (10%) of Grant Funds within 30 days of receipt of a Closeout Report meeting the requirements of this Agreement.

3. Grant Services.

   A. Grantee shall perform the services described in the Grant Application, and the Scope of Work. Grantee shall obtain the written approval of City at least fifteen (15) days before making changes to the services to be provided pursuant to this Agreement.

   B. Grantee shall provide a project Budget, Exhibit C, detailing the proposed use of Grant Funds that will support the performance of the project.

   C. Grantee shall use Grant Funds only to provide the Grant Services authorized by this Agreement and any Grant Funds used for any other purpose must be returned

to the City.

D. Any costs incurred by Grantee in excess of the authorized Grant Funds shall be at its sole cost and expense.

4. Grant Term. This Agreement shall commence on the date it is fully executed and shall continue in full force and effect for a term as defined in the Scope of Work.

5. Termination. In event of Grantee's noncompliance with any provisions of this Agreement, the City may cancel, terminate, or suspend this Agreement and withhold any disbursement of remaining Grant Funds.

6. Hold Harmless: Grantee hereby irrevocably and unconditionally agrees to defend, indemnify, and hold harmless the City and its officials, employees, agents, and volunteers from and against any and all claims, losses, damages, expenses (including reasonable attorneys' fees and costs), and liabilities directly, indirectly, wholly, or partially arising from or related to any act or omission of Grantee or its officers, directors, trustees, employees, or agents in applying for or accepting the Grant, in expending or applying the Grant, in furtherance of the Grant Services, or in carrying out the program to be funded or financed by this Grant. This provision shall survive termination of this Agreement.

7. Official Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City:	If to Grantee:
Joe Irvin City Manager City of South Lake Tahoe 1901 Lisa Maloff Way South Lake Tahoe, CA 96150	Brian Conway Executive Director Tahoe Youth and Family Services 1021 Fremont Ave South Lake Tahoe, CA 96150

Either party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section.

8. Mid-Year Report. Starting November 31, 2022, Grantee shall provide the City with a Mid-Year report summarizing all expenditures of the Grant Funds to date, including any deviations from the Scope of Work and Budget, and a concise narrative report stating accomplishments to date. Every six months thereafter, Grantee shall submit a Mid-Year Report. Mid-Year Report Template is provided in Exhibit D.
9. Closeout Report. Grantee shall provide the City with a Closeout Report summarizing all expenditures of the Grant Funds during the entirety of the grant term, including any deviations from the Scope of Work and Budget and a detailed narrative report stating what was accomplished with the Grant Funds. The Closeout Report should include copies of

proof of expenditures as attachments. Closeout Report Template is provided in Exhibit E.

10. Record Retention and Access. The City, or any of its duly authorized representatives, shall have access to any books, documents, papers, and records of Grantee that are directly pertinent to this Agreement for undertaking an audit and/or examination, and/or for preparing excerpts, and/or transcriptions. Grantee shall maintain all required records for five (5) years after City makes final payments and all other pending matters are closed.

11. Relationship of the Parties. It is understood that this is an Agreement by and between independent entities and is not intended to, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever.

12. Conflict of Interest. Grantee warrants and represents that no persons under its employ who presently exercise any functions or responsibilities in connection to this Agreement have any personal financial interests with the City and will not enter into any contract or agreement during the performance of this Agreement that will create a conflict of interest with Grantee's duties to City under this Agreement.

13. Non-discrimination. Grantee will provide its services without regard to race, religion, color, national origin, ancestry, disability, medical status, age, sex or sexual orientation of any person.

14. Acknowledgement of City. Grantee shall acknowledge the support of City, where appropriate, in written documents, outreach materials, and informational materials regarding the receipt of funds under this Agreement.

15. Successors and Assigns. Grantee shall not, either directly or indirectly assign, transfer, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement.

16. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of El Dorado County, South Lake Tahoe Division, in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

17. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

18. Compliance with Laws. Grantee will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

19. Entire Agreement. This Agreement, including all Exhibits, constitutes the sole agreement of the parties hereto with regard to the matters covered in this Agreement, and correctly states the rights, duties and obligations of each party as of the date of this Agreement. Any prior agreements, promises, negotiations or representations between the parties not expressly stated in this Agreement are not binding.

20. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

21. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsels and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

22. Organization Authorization. Grantee is a nonprofit grantee, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed. Grantee has established and maintains valid nonprofit status under Section 501(c) (3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such section. Grantee has been duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms of this Agreement.

23. California Public Records Act. Grantee acknowledges and agrees that this Agreement, including any attachments and/or exhibits thereto, is a public record and subject to the disclosure requirements of the California Public Records Act, California Government Code Section 6250 et. seq.

24. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

    Exhibit A, “Grant Application”
    Exhibit B, “Scope of Work”
    Exhibit C, “Budget”
    Exhibit D, “Mid-Year Report Template”
    Exhibit E, “Closeout Report Template”.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year shown below the name of each of the parties.

CITY OF SOUTH LAKE TAHOE, a municipal corporation

By:_____
Joe Irvin
City Manager

Date:_____

TAHOE YOUTH AND FAMILY SERVICES

By:_____
Brian Conway
Executive Director

Date:_____

APPROVED AS TO FORM:

_____
Heather L. Stroud
City Attorney

ATTEST:

_____
Susan Blankenship
City Clerk

EXHIBIT A:
GRANT APPLICATION

CITY OF SOUTH LAKE TAHOE

CANNABIS REVENUE GRANT PROGRAM

Application

Funded by City of South Lake Tahoe's Cannabis Community Benefit Fee Revenue

Applicant Organization's Legal Name:	**Check one:** *(note: opportunity is not open to for-profit businesses)*
Tahoe Youth and Family Services	☒ Nonprofit organization ☐ Local School ☐ Government Agency ☐ Other: _____

Applicant Principal Place of Business:	**Physical Location within the city of South Lake Tahoe:**
1021 Fremont Ave. South Lake Tahoe, CA 96150	1021 Fremont Ave. South Lake tahoe, CA 95150
Primary Contact Name:	**Primary Contact Email Address:**
Brian Conway	bconway@tahoeyouth.org
Primary Contact Title/Role:	**Primary Contact Phone Number:**
Executive Director	(530)541-2445

City of South Lake Tahoe Strategic Priority Addressed by the Project:	**Grant Amounts.** The City of South Lake Tahoe Cannabis Revenue Grant Program will offer grants of $1,000 to $50,000. Awarded grant amounts may depend on the number of applications received and the total grant amounts requested.
☐ Built Environment ☐ Recreation & Equitable Access ☐ Economic Development ☐ Continuous Improvement ☒ Community For All	**I am seeking a grant in the amount of** $50,000.00

Application Questions:

Please refer to the *City of South Lake Tahoe Cannabis Revenue Grant Program Process & Guidelines* for additional details.

1. Please provide a description of how this funding would be used. (up to 500 characters)

This funding would allow Tahoe Youth and Family Services to fund a full time Substance Use Disorder Prevention & Treatment Specialist. The Specialist would provide outreach, engagement, education, and prevention services to the entire community, as well as treatment services to those in need of treatment. We currently partner with many agencies, including schools to provide these services and this funding would allow us to dramatically increase the reach of these efforts in the community.

2. The City's Strategic Priorities are Built Environment, Recreation and Equitable Access, Community for All, Economic Development and Continuous Improvement. Please describe how funding could help the City advance one or more of its strategic priorities (mark N/A for priorities that not applicable). The Strategic Plan can be found here: https://www.cityofslt.us/DocumentCenter/View/15828/City-of-SLTStrategic-Plan-web-version.

a. Built Environment (up to 1000 characters)

N/A

b. Recreation and Equitable Access (up to 1000 characters)

N/A

c. Community for All (up to 1000 characters)

Our proposed program will help the City in reaching its goal of assisting those suffering from mental health issues, substance use disorders, and or experiencing homelessness by directly treating those with a substance use disorder and referring those with mental health issues or who are experiencing homelessness to other TYFS programs and or to other agencies providing those services. The program would not only provide treatment services but would also provide outreach, engagement, education, and prevention services to the entire community through presentations designed to raise awareness and to identify individuals and or families in need of services and support. We believe, if the community is better informed about

d. Economic Development (up to 1000 characters)

N/A

e. Continuous Improvement (up to 1000 characters)

3. Please describe how this funding could be used to help mitigate the potential impacts of the cannabis industry. (up to 1250 characters)
For some individuals, cannabis is a gateway drug to more extensive drug use and or addiction. If we are able to increase available treatment services for those with a substance use issue and raise the level of awareness, education, and engagement of the community, and increase the knowledge of available services for those who need treatment, then the community can become a healthier safer place. The community presentations will be designed to engage and educate the community. Some presentations may focus on substance use and disorders and the availability of treatment services and supports in the community while other presentations, may focus on prevention. It is our belief that if the community is better informed about the potential risks of cannabis use we can mitigate some of the potential harm. Likewise if our youth have prevention services available to them we can further mitigate the potential impacts of the cannabis industry. Also, increased awareness of the treatment

Certifications and Authorizations: Applicant must certify in good faith to all the below by initialing the box next to each one. By initialing the box to the left of the statement, I certify that:	
X	I have read the statements included in this form, together with the document titled *City of South Lake Tahoe Cannabis Revenue Grant Program Process & Guidelines*, and I understand them.
X	My organization is a local school, non-profit organization, or government agency that conducts activities within South Lake Tahoe city limits and/or that directly serves the South Lake Tahoe community.
X	I will be using the Cannabis Revenue Grant Funds for projects/initiatives focused on mitigating the potential impacts of the cannabis industry in South Lake Tahoe and promoting the priorities of the City's Strategic Plan.
X	I recognize that I may be required to provide additional documentation.
X	I accept that, in the interest of transparency, the City of South Lake Tahoe will post a list on the City's website showing all grant recipients and the amount received.

Program Compliance:	
No	Is your organization a past year recipient of this funding?
	If yes, have you complied with the annual reporting requirement?

Supporting Documentation: Please check the box to indicate if you have attached:	
✓	An IRS Form W-9 showing your taxpayer ID?
✓	An IRS letter showing tax exempt status?
✓	A screen shot of the Secretary of State Business Search Website showing ACTIVE status (not required for public agencies)?

By Signing Below, You Make the Following Representations:

- I have read the statements included in this form and in the Process & Guidelines, and I understand them.
- I am not engaged in any activity that is illegal under federal, state or local law.
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects.

Brian Conway	Brian Conway
Name of Applicant (Print Name)	*Signature of Applicant*
Executive Director	
Title of Applicant	*Date Signed* 5-12-22

Additional Information:

Please print, sign, scan, upload and email the application form with the supporting documentation, to:

Grantprogram@cityofslt.us

OR

Bring to the Finance drop-box at the City Hall building or mail to the listed address:
City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

To be considered in the annual round of Grant Applications, your materials must be in by 5:00 p.m. on May 15. Please know that the City's intent is to consider grants for as many businesses as possible who provided a complete packet before the submittal deadline. **The grant committee will make recommendations to the City Council no later than June 30th annually.**

Funding for the City of South Lake Tahoe Cannabis Revenue Grant Program was approved by the City of South Lake Tahoe City Council on March 15th, 2022. The purpose of the Cannabis Revenue Grant Program is to support South Lake Tahoe-based organizations who work to mitigate potential impacts of the cannabis industry in South Lake Tahoe and to promote the priorities of the City Strategic Plan.

EXHIBIT B:
SCOPE OF WORK

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

AWARDEE SCOPE OF WORK

Please submit this Scope of Work detailing the timeline and tasks as described in the Grant Application, providing additional detail as appropriate. Please be concise.

Project Title:

Awardee Organization:

Award Date: June 2022

Closing Date: March 31, 2023

1. **Please provide a description of the project, in alignment with the project as described in the Grant Application. (Complexity will vary among projects. Please keep to around one page).**

The project will fund a full time Substance Use Disorder Prevention & Treatment Specialist who will engage the community through public information events, provide substance use prevention services to youth through a collaborative partnership with Lake Tahoe Unified School District, provide treatment services to youth and adults who are identified as needing treatment, and make referrals to other substance use treatment and behavioral health treatment providers as needed.

2. **Please insert a project implementation schedule by month, noting activities and relevant milestones. This may be a table or a bulleted list.**

July – Develop prevention curriculum for use with adolescents and develop community education and engagement materials for quarterly community presentation. Develop database for tracking services provided and outcomes if appropriate.

August – September Hold first quarterly community education and engagement presentation/meeting and work with schools to develop schedule for presentations and prevention groups. Begin referring anyone identified as needing behavioral health services to behavioral health providers for services.

October – December Host second quarterly community education and engagement presentation/meeting. Provide ongoing prevention services in schools. Begin providing treatment services to those identified as needing treatment who have been screened and assessed. Continue to refer those individuals identified as needing behavior health services to behavioral health providers.

January – March Host third quarterly community education and engagement presentation/meeting. Continue providing ongoing prevention services to youth. Continue to provide treatment services to adolescents and adults who have been identified, screened, and assessed as needing treatment services.

Continue to refer those individuals identified as needing behavior health services to behavioral health providers.

3. Please describe up to five high-level tasks necessary for completing the project.

1) Develop materials for community presentations, schedule for presentation, and communications plan for announcing/advertising the presentations
2) Select the curriculum to be used for prevention work and develop delivery implementation plan for curriculum.
3) Work with Lake Tahoe Unified School District to develop plan for roll out of prevention services, including identifying students who may benefit from prevention services and a schedule for each campus. Additionally develop a system for identification and referral of students who may need treatment services.
4) Develop data tracking system for the project.
5) Engage other collaborative partners to help promote the project and identify opportunities to engage those that they serve in the project as appropriate. Partners may include agencies such as Boys and Girls Club, Family resource Center, Live Violence Free etc...

4. Please describe the expected outcomes of your project. Outcomes are the observable effects of your activities on the beneficiaries of the project.

Community members who attend the quarterly presentation/meetings will be more aware of substance use issues and services available in the community.

Students who participate in prevention program will be less likely to use drugs, including alcohol.

Those who enroll in treatment will complete their treatment and remain clean and sober for at least six months.

EXHIBIT C:
BUDGET

City of South Lake Tahoe
Cannabis Revenue Grant Program, Individual Project Budget

Organization Name: Tahoe Youth and Family Services
Project Title: CSLT Cannabis Revenue Grant
Contact Name at Organization:

	Estimated Expenditures	Description/Explanation of Expense
Salaries and wages	$ 37,004.40	Subtance Abuse Counselor salary (9 mos July 1, 2022 - March 31, 2023) and C
Fringe Benefits	$ 11,600.88	Agency benefit percententage of 31.35%
Subtotal	$ 48,605.28	
Equipment	0	
Travel	$394.72	1500 Mileage @ .625 for outreach, presentation, etc. $542.78 from co
Materials and Supplies/Training	$1,000.00	Program supplies as needed, training as necessary
Contractual	0	
Other	0	
Subtotal	$ 1,394.72	
Indirect costs		
TOTAL	$ 50,000.00	

EXHIBIT D:
MID-YEAR REPORT TEMPLATE

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

MID-YEAR REPORT

Due each **November 31 and April 31** during the Grant Term until within six months of Closeout Date, when a Closeout Report will be due.

Project Name:	
Grant Recipient Organization:	
Amount Awarded:	
Amount Expensed to date:	
Year Awarded:	
Closeout Date:	
Primary Contact Name:	
Primary Contact Title/Role:	
Primary Contact Email Address:	
Date of Submission of Report:	

1. **What percent of funds have been expended?**
2. **Please provide a narrative description of where you are at in expending the grant award.**

3. **Please list any challenges you are encountering with the project as originally described in the Application, Scope of Work and Budget line item descriptions.**

4. **If possible, please provide digital photos of the project, which can be used in city promotional or outreach opportunities, with descriptive captions and attributions.**

Email your report to Grantprogram@cityofslt.us

Or send to:

City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150
Or bring to the Finance drop box at the above address.

EXHIBIT E:
CLOSEOUT REPORT TEMPLATE

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

CLOSEOUT REPORT

Due one month after Closeout Date, specified on the Scope of Work

OR

Due by March 31 following a previous year's award if seeking a new grant.

Project Name:	
Grant Recipient Organization:	
Amount Awarded:	
Amount Expensed:	
Year Awarded:	
Closeout Date:	
Primary Contact Name:	
Primary Contact Title/Role:	
Primary Contact Email Address:	
Date of Submission of Report:	

1. **Please describe how your project was impactful to our community (up to about half a page, single spaced).**

2. **Please provide a narrative description of how the previous year's award was spent by your organization and if cost share or match was used to complete the project. In addition, please provide an Excel spreadsheet with your original budget and actual expenses, and provide backup documentation of listed expenses as one PDF attachment to this report (e.g. copies of receipts, timecards, etc.).**

3. **Please list any changes to the project as approved by the Grant Manager, with dates.**

4. **Please summarize how the project was successful at mitigating the potential negative impacts of the cannabis industry. Include numerical metrics/measurable impacts where possible.**

5. **Please describe how the project was able to advance one or more of the City's Strategic Priorities. Include numerical metrics/measurable impacts where possible.**
   https://www.cityofslt.us/DocumentCenter/View/15828/City-of-SLT- Strategic-Plan-web-version

6. **If possible, please provide digital photos of the project, which can be used in city promotional or outreach opportunities, with descriptive captions and attributions**.

Submission Checklist:

- ✓ Closeout Report in MS Word
- ✓ Budget and Actual Expenses in MS Excel
- ✓ Backup documentation of expenses in one PDF
- ✓ Individual photos files, or photos pasted into an MS Word doc, with descriptive captions and attributions

Email your report to Grantprogram@cityofslt.us

Or send to:

City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

Or bring to the Finance drop box at the above address.

GRANT AGREEMENT BETWEEN THE CITY OF SOUTH LAKE TAHOE AND TAHOE COALITION FOR THE HOMELESS

Cannabis Revenue Grant Program

This Grant Agreement ("Agreement") is dated for reference this [_____] of [_____], 2022, by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation, hereinafter referred to as "City" and Tahoe Coalition for the Homeless a California 501(c)(3) organization hereinafter referred to as "Grantee," who agree as follows:

1. Grant Funds. The City agrees to provide Grantee with a sum not to exceed Fifty Thousand Dollars ($50,000) ("Grant Funds") to be used solely for the services described in Grantee's application, attached hereto as Exhibit A, and Scope of Work, attached hereto as Exhibit B ("Grant Services") in accordance with the terms and conditions set forth in this Agreement. Grantee shall expend the Grant Funds in accordance with the Budget, attached hereto as Exhibit C, by the Closing Date specified on the Scope of Work, and shall obtain the written approval of City at least fifteen (15) days before transferring expenditures from one line item to another within the Budget. At the termination of the Agreement, Grantee must return to City any unexpended Grant Funds.

2. Disbursement Procedures. Grant Funds shall be disbursed to Grantee as follows:

   A. The City shall make all disbursements of Grant Funds pursuant to this Section by check payable to Grantee, sent via U.S. mail. The City shall make disbursements of the first 90 percent (90%) of Grant Funds upon receipt of this executed Agreement.

   B. Ten percent (10%) of Grant Funds will be withheld until completion of Grant Services and receipt, review, and approval by City of the Closeout Report, due by Closing Date. The City will disburse the remaining ten percent (10%) of Grant Funds within 30 days of receipt of a Closeout Report meeting the requirements of this Agreement.

3. Grant Services.

   A. Grantee shall perform the services described in the Grant Application, and the Scope of Work. Grantee shall obtain the written approval of City at least fifteen (15) days before making changes to the services to be provided pursuant to this Agreement.

   B. Grantee shall provide a project Budget, Exhibit C, detailing the proposed use of Grant Funds that will support the performance of the project.

   C. Grantee shall use Grant Funds only to provide the Grant Services authorized by this Agreement and any Grant Funds used for any other purpose must be returned

to the City.

D. Any costs incurred by Grantee in excess of the authorized Grant Funds shall be at its sole cost and expense.

4. Grant Term. This Agreement shall commence on the date it is fully executed and shall continue in full force and effect for a term as defined in the Scope of Work.

5. Termination. In event of Grantee's noncompliance with any provisions of this Agreement, the City may cancel, terminate, or suspend this Agreement and withhold any disbursement of remaining Grant Funds.

6. Hold Harmless: Grantee hereby irrevocably and unconditionally agrees to defend, indemnify, and hold harmless the City and its officials, employees, agents, and volunteers from and against any and all claims, losses, damages, expenses (including reasonable attorneys' fees and costs), and liabilities directly, indirectly, wholly, or partially arising from or related to any act or omission of Grantee or its officers, directors, trustees, employees, or agents in applying for or accepting the Grant, in expending or applying the Grant, in furtherance of the Grant Services, or in carrying out the program to be funded or financed by this Grant. This provision shall survive termination of this Agreement.

7. Official Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City:	If to Grantee:
City Manager 1901 Lisa Maloff Way South Lake Tahoe, CA 96150	Cheyenne Purrington Executive Director Tahoe Coalition for the Homeless 1137 Emerald Bay Road South Lake Tahoe, CA 96150

Either party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section.

8. Mid-Year Report. Starting November 31, 2022, Grantee shall provide the City with a Mid-Year report summarizing all expenditures of the Grant Funds to date, including any deviations from the Scope of Work and Budget, and a concise narrative report stating accomplishments to date. Every six months thereafter, Grantee shall submit a Mid-Year Report. Mid-Year Report Template is provided in Exhibit D.
9. Closeout Report. Grantee shall provide the City with a Closeout Report summarizing all expenditures of the Grant Funds during the entirety of the grant term, including any deviations from the Scope of Work and Budget and a detailed narrative report stating what was accomplished with the Grant Funds. The Closeout Report should include copies of

proof of expenditures as attachments. Closeout Report Template is provided in Exhibit E.

10. Record Retention and Access. The City, or any of its duly authorized representatives, shall have access to any books, documents, papers, and records of Grantee that are directly pertinent to this Agreement for undertaking an audit and/or examination, and/or for preparing excerpts, and/or transcriptions. Grantee shall maintain all required records for five (5) years after City makes final payments and all other pending matters are closed.

11. Relationship of the Parties. It is understood that this is an Agreement by and between independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever.

12. Conflict of Interest. Grantee warrants and represents that no persons under its employ who presently exercise any functions or responsibilities in connection to this Agreement have any personal financial interests with the City and will not enter into any contract or agreement during the performance of this Agreement that will create a conflict of interest with Grantee's duties to City under this Agreement.

13. Non-discrimination. Grantee will provide its services without regard to race, religion, color, national origin, ancestry, disability, medical status, age, sex or sexual orientation of any person.

14. Acknowledgement of City. Grantee shall acknowledge the support of City, where appropriate, in written documents, outreach materials, and informational materials regarding the receipt of funds under this Agreement.

15. Successors and Assigns. Grantee shall not, either directly or indirectly assign, transfer, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement.

16. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of El Dorado County, South Lake Tahoe Division, in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

17. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

18. Compliance with Laws. Grantee will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

19. Entire Agreement. This Agreement, including all Exhibits, constitutes the sole agreement of the parties hereto with regard to the matters covered in this Agreement, and correctly states the rights, duties and obligations of each party as of the date of this Agreement. Any prior agreements, promises, negotiations or representations between the parties not expressly stated in this Agreement are not binding.

20. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

21. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsels and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

22. Organization Authorization. Grantee is a nonprofit grantee, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed. Grantee has established and maintains valid nonprofit status under Section 501(c) (3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such section. Grantee has been duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms of this Agreement.

23. California Public Records Act. Grantee acknowledges and agrees that this Agreement, including any attachments and/or exhibits thereto, is a public record and subject to the disclosure requirements of the California Public Records Act, California Government Code Section 6250 et. seq.

24. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

    Exhibit A, “Grant Application”
    Exhibit B, “Scope of Work”
    Exhibit C, “Budget”
    Exhibit D, “Mid-Year Report Template”
    Exhibit E, “Closeout Report Template”.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year shown below the name of each of the parties.

CITY OF SOUTH LAKE TAHOE,

a municipal corporation

By:_____
Joe Irvin
City Manager

Date:_____

TAHOE COALITION FOR THE HOMELESS

By:_____
Cheyenne Purrington
Executive Director

Date:_____

APPROVED AS TO FORM:

_____
Heather L. Stroud
City Attorney

ATTEST:

_____
Susan Blankenship
City Clerk

EXHIBIT A:
GRANT APPLICATION

CANNABIS REVENUE GRANT PROGRAM

Application

Funded by City of South Lake Tahoe's Cannabis Community Benefit Fee Revenue

Applicant Organization's Legal Name:	**Check one**: *(note: opportunity is not open to for-profit businesses)*
Tahoe Coalition for the Homeless	■ Nonprofit organization ☐ Local School ☐ Government Agency ☐ Other: _____

Applicant Principal Place of Business:	**Physical Location within the city of South Lake Tahoe**:
1137 Emerald Bay Rd.	1137 Emerald Bay Rd.
Primary Contact Name:	**Primary Contact Email Address**:
Cheyenne Purrington	cheyenne@tahoehomeless.org
Primary Contact Title/Role:	**Primary Contact Phone Number**:
Executive Director	(510) 501-5235

City of South Lake Tahoe Strategic Priority Addressed by the Project:	**Grant Amounts.** The City of South Lake Tahoe Cannabis Revenue Grant Program will offer grants of $1,000 to $50,000. Awarded grant amounts may depend on the number of applications received and the total grant amounts requested.
■ Built Environment ☐ Recreation & Equitable Access ☐ Economic Development ■ Continuous Improvement ■ Community For All	**I am seeking a grant in the amount of** $ 50000

Application Questions:

Please refer to the *City of South Lake Tahoe Cannabis Revenue Grant Program Process & Guidelines* for additional details.

1. Please provide a description of how this funding would be used. (up to 500 characters)

TCH will fund personnel costs for the following programmatic activities: Housing - Commitments in our Operating Agreement with the City Mental Health and Homelessness - Connections to Continuum of Care (CoC) and Coordinated Entry System (CES) - Ongoing coordination with STACS partners - Referrals to housing and stabilization services Public Safety - Develop emergency evacuation plans for our vulnerable clients - Conduct annual fire safety inspections and property cleanups

2. The City's Strategic Priorities are Built Environment, Recreation and Equitable Access, Community for All, Economic Development and Continuous Improvement. Please describe how funding could help the City advance one or more of its strategic priorities (mark N/A for priorities that not applicable). The Strategic Plan can be found here: https://www.cityofslt.us/DocumentCenter/View/15828/City-of-SLTStrategic-Plan-web-version.

a. Built Environment (up to 1000 characters)

TCH will use a portion of our grant funding to support the agreements outlined in our MOU and Operating Agreement with the City of South Lake Tahoe, as referenced in Housing Action Item #6. These activities include provision of street outreach and services to unhoused clients, on-site services to tenants in our supportive housing properties, regulatory and program compliance, routine property management and maintenance, and major renovation of properties as necessary. Our team coordinates closely with City staff members in order to comply with the expectations outlined in the Operating Agreement and MOU. We completed a major renovation at Bird's Nest, and passed the SRO inspections standards for Bird's Nest and Red Lodge. These activities require significant resources in order for TCH to fulfill and are currently unfunded by the City. Grant funding from the Cannabis Revenue program will offset about 5% of our expenses associated with the City's Operating Agreement expectations.

b. Recreation and Equitable Access (up to 1000 characters)

N/a

c. Community for All (up to 1000 characters)

TCH will use some grant funding to support activities outlined in Mental Health and Homelessness Action Items #2 and #3. These include TCH's participation in the Continuum of Care (CoC), our role as the lead agency for the Coordinated Entry System (CES) in El Dorado County, and our ongoing partnership in the STACS program, which are all currently unfunded by the City. TCH is the primary provider of shelter, housing, and services in South Lake Tahoe, and is actively developing a robust system of coordination among local partners addressing mental health crises, substance use disorders, and homelessness. We work closely with SLT Police, Fire, and Medical responders, and the County's Behavioral Health team to prevent and resolve mental health crises experienced by vulnerable unhoused community members. Our interventions have reduced overall homelessness, emergency calls for service, and avoidable hospitalizations, which significantly lowers the City's costs associated with homelessness

d. Economic Development (up to 1000 characters)

N/a

e. Continuous Improvement (up to 1000 characters)

TCH will utilize funds to help fulfill Public Safety Action Item #2. We will conduct annual wildfire safety inspections and cleanups at our Homekey properties, and prepare evacuation plans for our tenants and clients, in coordination with local emergency personnel. We'll also train local partners to develop their own plans, in order to strengthen our community's overall resilience to emergencies. Our team played an important role during Caldor Fire, helping to evacuate over 150 vulnerable residents and providing critical services to evacuees and those who remained. We gained invaluable knowledge about how to improve future emergency response efforts for vulnerable residents. The City and its residents will experience several positive outcomes: reducing the likelihood of emergencies occurring, decreasing the cost of emergency response efforts, increasing operational capacity of emergency responders during emergencies, and preventing negative outcomes such as injury, illness and death

3. Please describe how this funding could be used to help mitigate the potential impacts of the cannabis industry. (up to 1250 characters)
Our proposed grant activities indirectly mitigate potential impacts of the cannabis industry, providing benefits to vulnerable residents and the community as a whole. Our work produces numerous positive outcomes to community health, public safety, and the environment. TCH works closely with local partners to reduce avoidable hospitalizations and emergency calls for service. We help divert unhoused patients into our stabilization suite for recover from illness and injury. We also connect clients with preventative care, health insurance, primary care, medication management, and transportation. TCH offers harm reduction services and supplies, including drug test kits to identify fentanyl, Narcan to prevent overdose deaths, smoking cessation tools, alcohol and substance use counseling, safe sex supplies, and referrals to rehab. These interventions improve overall health and reduce impacts to the emergency health system. Our work also positively impacts the environment. We have helped place more than 70 individuals in supportive housing, which reduced homelessness by nearly 80%. These efforts result in fewer encampments in sensitive areas, less waste accumulation and contamination, and lower wildfire risk to the community.

Certifications and Authorizations: Applicant must certify in good faith to all the below by initialing the box next to each one. By initialing the box to the left of the statement, I certify that:	
CP	I have read the statements included in this form, together with the document titled *City of South Lake Tahoe Cannabis Revenue Grant Program Process & Guidelines*, and I understand them.
CP	My organization is a local school, non-profit organization, or government agency that conducts activities within South Lake Tahoe city limits and/or that directly serves the South Lake Tahoe community.
CP	I will be using the Cannabis Revenue Grant Funds for projects/initiatives focused on mitigating the potential impacts of the cannabis industry in South Lake Tahoe and promoting the priorities of the City's Strategic Plan.
CP	I recognize that I may be required to provide additional documentation.
CP	I accept that, in the interest of transparency, the City of South Lake Tahoe will post a list on the City's website showing all grant recipients and the amount received.

Program Compliance:	
No	Is your organization a past year recipient of this funding?
N/a	If yes, have you complied with the annual reporting requirement?

Supporting Documentation: Please check the box to indicate if you have attached:	
✔	An IRS Form W-9 showing your taxpayer ID?
✔	An IRS letter showing tax exempt status?
✔	A screen shot of the Secretary of State Business Search Website showing ACTIVE status (not required for public agencies)?

By Signing Below, You Make the Following Representations:

- I have read the statements included in this form and in the Process & Guidelines, and I understand them.
- I am not engaged in any activity that is illegal under federal, state or local law.
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects.

Cheyenne Purrington	Cheyenne Purrington
Name of Applicant (Print Name)	*Signature of Applicant*
Executive Director	May 15, 2022
Title of Applicant	*Date Signed*

Additional Information:

Please print, sign, scan, upload and email the application form with the supporting documentation, to:

Grantprogram@cityofslt.us

OR

Bring to the Finance drop-box at the City Hall building or mail to the listed address:
City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

To be considered in the annual round of Grant Applications, your materials must be in by 5:00 p.m. on May 15. Please know that the City's intent is to consider grants for as many businesses as possible who provided a complete packet before the submittal deadline. **The grant committee will make recommendations to the City Council no later than June 30th annually.**

Funding for the City of South Lake Tahoe Cannabis Revenue Grant Program was approved by the City of South Lake Tahoe City Council on March 15th, 2022. The purpose of the Cannabis Revenue Grant Program is to support South Lake Tahoe-based organizations who work to mitigate potential impacts of the cannabis industry in South Lake Tahoe and to promote the priorities of the City Strategic Plan.

DocuSign

Certificate Of Completion

Envelope Id: B6E8A1D19B1545EC8890F1F6622D4478
Status: Completed
Subject: Cannabis Revenue Grant Application - TCH.pdf
Source Envelope:
Document Pages: 6
Signatures: 1
Certificate Pages: 1
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Disabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Cheyenne Purrington
cheyenne@tahoehomeless.org
IP Address: 20.84.212.79

Record Tracking

Status: Original
5/15/2022 10:10:40 AM
Holder: Cheyenne Purrington
cheyenne@tahoehomeless.org
Location: DocuSign

Signer Events	Signature	Timestamp
Cheyenne Purrington cheyenne@tahoehomeless.org Executive Director Tahoe Coalition for the Homeles Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Signed by link sent to cheyenne@tahoehomeless.org Using IP Address: 184.53.49.31	Sent: 5/15/2022 10:10:40 AM Viewed: 5/15/2022 10:11:04 AM Signed: 5/15/2022 10:12:05 AM Freeform Signing

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/15/2022 10:10:40 AM
Certified Delivered	Security Checked	5/15/2022 10:11:04 AM
Signing Complete	Security Checked	5/15/2022 10:12:05 AM
Completed	Security Checked	5/15/2022 10:12:05 AM

Payment Events	Status	Timestamps

DocuSign

Certificate Of Completion

Envelope Id: 363B1A7D72A940A3A470404969146119
Status: Completed
Subject: fw9.pdf
Source Envelope:
Document Pages: 6
Signatures: 1
Envelope Originator:
Certificate Pages: 1
Initials: 0
Cheyenne Purrington
AutoNav: Enabled
cheyenne@tahoehomeless.org
EnvelopeId Stamping: Disabled
IP Address: 20.99.133.47
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Record Tracking

Status: Original
5/15/2022 10:22:56 AM
Holder: Cheyenne Purrington
cheyenne@tahoehomeless.org
Location: DocuSign

Signer Events	Signature	Timestamp
Cheyenne Purrington cheyenne@tahoehomeless.org Executive Director Tahoe Coalition for the Homeles Security Level: Email, Account Authentication (None)	Cheyenne Purrington Signature Adoption: Pre-selected Style Signed by link sent to cheyenne@tahoehomeless.org Using IP Address: 184.53.49.31	Sent: 5/15/2022 10:22:57 AM Viewed: 5/15/2022 10:23:14 AM Signed: 5/15/2022 10:23:35 AM Freeform Signing

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/15/2022 10:22:57 AM
Certified Delivered	Security Checked	5/15/2022 10:23:14 AM
Signing Complete	Security Checked	5/15/2022 10:23:35 AM
Completed	Security Checked	5/15/2022 10:23:35 AM

Payment Events	Status	Timestamps

EXHIBIT B:
SCOPE OF WORK

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

AWARDEE SCOPE OF WORK - *Revision #2*

Please submit this Scope of Work detailing the timeline and tasks as described in the Grant Application, providing additional detail as appropriate. Please be concise.

Project Title:

Awardee Organization: Tahoe Coalition for the Homeless (TCH)

Award Date: June 2022

Closing Date: February 1, 2023

1. **Please provide a description of the project, in alignment with the project as described in the Grant Application. (Complexity will vary among projects. Please keep to around one page).**

   TCH will use ~50% of our direct costs (~$20,833) to support the activities outlined in our MOU and Operating Agreement with the City of South Lake Tahoe, as referenced in *Housing Action Item #6*. These activities include provision of street outreach, navigation, and supportive services to unhoused clients and on-site services to tenants in our supportive housing properties.

   Our team coordinates closely with City staff members in order to comply with the expectations outlined in the Operating Agreement and MOU. We completed a major renovation at Bird's Nest, and passed the SRO inspections standards for Bird's Nest and Red Lodge. These activities require significant resources in order for TCH to fulfill and are currently unfunded by the City. Grant funding from the Cannabis Revenue program will offset about 5% of our expenses associated with the City's Operating Agreement expectations.

   TCH will use ~25% of our direct funds (~$10,416) to support activities outlined in *Mental Health and Homelessness Action Items #2* and *#3*. These include TCH's participation in the Continuum of Care (CoC) and our ongoing partnership in the STACS program, which are all currently unfunded by the City.

   TCH is the primary provider of shelter, housing, and services in South Lake Tahoe, and is actively developing a robust system of coordination among local partners addressing mental health crises, substance use disorders, and homelessness. We work closely with SLT Police, Fire, and Medical responders, and the County's Behavioral Health team to prevent and resolve mental health crises experienced by vulnerable unhoused community members.

TCH will utilize ~25% of our direct funds (~$10,416) to help fulfill *Public Safety Action Item #2*. We will conduct annual wildfire safety inspections and cleanups at our Homekey properties, and prepare evacuation plans for our tenants and clients, in coordination with local emergency personnel. We'll also train local partners to develop their own plans, in order to strengthen our community's overall resilience to emergencies.

2. Please insert a project implementation schedule by month, noting activities and relevant milestones. This may be a table or a bulleted list.

- August: Conduct wildfire cleanups at all three (3) TCH properties
- September: Develop emergency evacuation plans for vulnerable residents
- October: Develop partner training schedule, begin trainings
- November: Ongoing coordination with partners in as outlined in grant application
- December: Ongoing coordination, outreach, and trainings
- January: Ongoing coordination, outreach, and trainings
- February: Final project activities completed, reporting prepared
- March: Final reporting completed and submitted to City

3. Please describe up to five high-level tasks necessary for completing the project.

- Staff participation in key partnerships, including STACS, CoC, MDT, etc.
  - Administrative staff attendance at major partner meetings.
  - Follow up on any specific action items, assignments, reporting, etc.
  - Staff time to schedule and conduct trainings, respond to questions, follow up
- Conducting street outreach, providing referrals and navigation services, etc.
  - Staff time spent on outreach, assessment, navigation, supportive services, etc.
- Develop Emergency Evacuation Plan and Guidelines for Vulnerable Residents
  - Administrative staff time to develop Emergency Evacuations plans/guidelines
  - Staff time training local partners and agencies on the plans/guidelines
- Conduct annual wildfire safety debris clean ups at all three (3) TCH properties
  - Administrative staff time to coordinate volunteers from local partners
  - Maintenance staff time to clear debris, landscaping, dump run, etc.

4. Please describe the expected outcomes of your project. Outcomes are the observable effects of your activities on the beneficiaries of the project.

The City and its residents will experience several positive outcomes from our projects:

- Our ongoing coordination interventions have reduced overall homelessness, emergency calls for service, and avoidable hospitalizations, which significantly lowers the City's costs associated with homelessness.
- Our harm reduction interventions improve overall health and reduce impacts to the emergency health system, including reducing overdoses, emergency calls, hospitalizations, and deaths.

- Our street outreach work positively impacts the environment. We have helped place more than 70 individuals in supportive housing, which reduced homelessness by nearly 80%. These efforts result in fewer encampments in sensitive areas, less outdoor waste accumulation and contamination, and lower wildfire risk to the entire community.
- Through our emergency planning efforts, we expect to reduce the likelihood of emergencies occurring, decrease the cost of emergency response efforts, increase operational capacity of emergency responders during emergencies, and prevent negative outcomes such as injury, illness and death.
- Our fire prevention cleanups will reduce the risk of fire or other wildfire at our properties.

EXHIBIT C:
BUDGET

City of South Lake Tahoe
Cannabis Revenue Grant Program, Individual Project Budget

Organization Name: Tahoe Coalition for the Homeless (TCH)
Project Title: Connections and Care
Contact Name at Organization: Cheyenne Purrington, Executive Director

	Estimated Expenditures	Description/Explanation of Expense	Directions
Salaries and wages	33,333	Portion of salaries and wages for paid TCH staff to support the activities outlined in our application. Does not include overtime.	Total base wages of all employees that may bill to this grant. Not to include overtime without approval from City's Grant Manager. Add rows as necessary.
Fringe Benefits	8,333	Fringe benefits calculated at 25%, based on actuals.	Total compensation based on percent fringe benefits offered by the organization, based on actuals. Note the percent in the description.
Subtotal	$41,666.66		An item of non-expendable, tangible personal property, having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the recipient organization for financial statement purposes, or $5,000.
Equipment		N/a	Add rows as necessary to describe purchases in reasonable detail that can be matched to backup documentation.
Travel		N/a	Use federally reimburseable mileage rates ($0.625/mile effective July 1, 2022). Add rows as necessary to describe purchases in reasonable detail that can be matched to backup documentation.
Materials and Supplies		N/a	Add rows as necessary to describe purchases in reasonable detail that can be matched to backup documentation.
Contractual		N/a	Add rows as necessary to describe purchases in reasonable detail that can be matched to backup documentation.
Other		N/a	Add rows as necessary to describe purchases in reasonable detail that can be matched to backup documentation.
Subtotal	0		
Indirect costs	$8,333.33	Calculated as 20% of direct. Used for administrative costs of supporting and managing the grant, including timekeeping, payroll, bookkeeping, compliance, reporting, insurance, etc.	Please use this box (or an attachment) to further explain how your total indirect costs were calculated. If the total indirect costs are a cumulative amount of more than one calculation or rate application, the explanation and calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total).
TOTAL	$50,000.00		

EXHIBIT D:
MID-YEAR REPORT TEMPLATE

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

MID-YEAR REPORT

Due each **November 31 and April 31** during the Grant Term until within six months of Closeout Date, when a Closeout Report will be due.

Project Name:	
Grant Recipient Organization:	
Amount Awarded:	
Amount Expensed to date:	
Year Awarded:	
Closeout Date:	
Primary Contact Name:	
Primary Contact Title/Role:	
Primary Contact Email Address:	
Date of Submission of Report:	

1. **What percent of funds have been expended?**
2. **Please provide a narrative description of where you are at in expending the grant award.**

3. **Please list any challenges you are encountering with the project as originally described in the Application, Scope of Work and Budget line item descriptions.**

4. **If possible, please provide digital photos of the project, which can be used in city promotional or outreach opportunities, with descriptive captions and attributions.**

Email your report to Grantprogram@cityofslt.us

Or send to:

City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150
Or bring to the Finance drop box at the above address.

EXHIBIT E:
CLOSEOUT REPORT TEMPLATE

City of South Lake Tahoe

CANNABIS REVENUE GRANT PROGRAM

CLOSEOUT REPORT

Due one month after Closeout Date, specified on the Scope of Work

OR

Due by March 31 following a previous year's award if seeking a new grant.

Project Name:	
Grant Recipient Organization:	
Amount Awarded:	
Amount Expensed:	
Year Awarded:	
Closeout Date:	
Primary Contact Name:	
Primary Contact Title/Role:	
Primary Contact Email Address:	
Date of Submission of Report:	

1. **Please describe how your project was impactful to our community (up to about half a page, single spaced).**

2. **Please provide a narrative description of how the previous year's award was spent by your organization and if cost share or match was used to complete the project. In addition, please provide an Excel spreadsheet with your original budget and actual expenses, and provide backup documentation of listed expenses as one PDF attachment to this report (e.g. copies of receipts, timecards, etc.).**

3. **Please list any changes to the project as approved by the Grant Manager, with dates.**

CITY OF
SOUTH LAKE TAHOE

4. **Please summarize how the project was successful at mitigating the potential negative impacts of the cannabis industry. Include numerical metrics/measurable impacts where possible.**

5. **Please describe how the project was able to advance one or more of the City's Strategic Priorities. Include numerical metrics/measurable impacts where possible.**
   https://www.cityofslt.us/DocumentCenter/View/15828/City-of-SLT- Strategic-Plan-web-version

6. **If possible, please provide digital photos of the project, which can be used in city promotional or outreach opportunities, with descriptive captions and attributions**.

Submission Checklist:

- ✓ Closeout Report in MS Word
- ✓ Budget and Actual Expenses in MS Excel
- ✓ Backup documentation of expenses in one PDF
- ✓ Individual photos files, or photos pasted into an MS Word doc, with descriptive captions and attributions

Email your report to Grantprogram@cityofslt.us

Or send to:

City of South Lake Tahoe City Hall
Attn: Grant Program
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

Or bring to the Finance drop box at the above address.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 12

Agenda Item: Grant Application to California Public Utilities Commission for Broadband Technical Assistance Program

Executive Summary: The Local Agency Technical Assistance (LATA) grant program provides funding to assist California's local agencies and tribes in their efforts to provide high-speed broadband to unserved Californians. Grantees may receive up to 100 percent of technical assistance project costs of up to $500,000 per local agency or tribe per fiscal year. The program has a budget of $50 million.

Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a grant application to the California Public Utilities Commission for pre-construction expenses related to broadband deployment for an amount of $500,000.
Responsible Staff Members: Anush Nejad, Director of Public Works

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report Broadband Grant Application.docx
02-Resolution for Broadband Grant Application.doc

City of South Lake Tahoe
Report to City Council

Meeting Date: August 9, 2022

Title: Authorization to Submit a Grant Application to California Public Utilities Commission for Broadband Technical Assistance Program

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031

Background: The City Council approved a Professional Services Agreement to begin the Broadband Feasibility Study on May 3, 2022. Neo-Connect was selected for the Feasibility Study and the study is underway. It is expected the study will be completed by November 2022 with a set of recommendations for the future direction of Broadband deployment. The funding for the Feasibility Study was through the American Rescue Plan Act (ARPA) funding.

On February 24, 2022, the California Public Utilities Commission (PUC) approved Decision (D.) 22-02-0261 which established The Local Agency Technical Assistance (LATA) grant program. The purpose of the LATA is to provide technical assistance grants to agencies for pre-construction expenses related to Broadband deployment.

In accordance with City policies, the Public Works staff is requesting authorization to pursue the grant mentioned above.

Issue and Discussion: Local Agency Technical Assistance grants provide reimbursement for Tribes and local agencies for pre-construction expenses that facilitate the development of broadband network deployment projects to areas in need. Grants may be used to reimburse eligible costs such as environmental, feasibility, and engineering design studies or reports; needs assessments, market studies, broadband strategic plans, and business plans; forming a joint powers authority; and consultant and community-based organization services.

Grantees may receive up to 100 percent of technical assistance project costs of up to $500,000 per local agency or tribe per fiscal year. The program has a budget of $50 million and is available on a first-come-first-served basis. Requests up to $500,000 will be handled at an administrative level.

Staff is planning to submit a request for $500,000 for follow-up actions including environmental clearance, design, community outreach, and staff support costs.

Financial Implications: The Technical Assistance Program requires no matching funds. If awarded, the City will engage appropriate consultants for follow-up work and also use some of the funding for staff time and effort.

Environmental Considerations: The appropriation of funds for the projects mentioned above is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines (existing facilities).

Policy Implications: This project advances the City Council Strategic Priorities and Goals, specifically:

- Action Item 1.1 (Broadband For All) to connect the community via high-speed internet to serve the needs of local businesses, and residents, and attract remote workers to the Region. Develop a broadband infrastructure deployment plan that identifies fiber hubs, last-mile transit, relay points, and redundancy. The city should explore innovative broadband models and funding opportunities to implement projects.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe City Council

August 9, 2022

Approval of Grant Application for California Public Utilities Commission Local Agency Technical Assistance (LATA) Program

BACKGROUND

A. On February 24, 2022, the California Public Utilities Commission (PUC) approved Decision (D.) 22-02-0261 which established The Local Agency Technical Assistance (LATA) grant program; and

B. The purpose of the LATA is to provide technical assistance grants to agencies for pre-construction expenses related to Broadband deployment; and

C. Grantees may receive up to 100 percent of technical assistance project costs of up to $500,000 per local agency or tribe per fiscal year; and

D. The City of South Lake Tahoe has embarked on a Feasibility Study and upon the completion of this study, additional funds will be required to complete environmental studies, design, public outreach, preparation of construction grants, and staff time to advance the project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes and Directs the Director of Public Works to file with the PUC a LATA grant application for $500,000.
2. If awarded, authorizes acceptance of grant funds up to $500,000 into Broadband Infrastructure project revenue and expense accounts 301-60076-33229 Other State Grants and 301-60076-42020 Professional Services.
3. Appoints the Director of Public Works as an agent to submit all documents, including but not limited to Applications, agreements, amendments, payment requests, and so on, which may be necessary to complete the Project.
4. Agrees to comply with all applicable federal, state, and local laws, ordinances, rules, regulations, and guidelines.

Adopted by the City Council of the City of South Lake Tahoe on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date: _____
Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 13

Agenda Item: Ordinance - Ballot Measure to Convert Existing Community Benefit Fee to Comparable Cannabis Business and Professions Tax (Second Reading)

Executive Summary: On June 21, 2022, City Council adopted a resolution placing a measure on the ballot for November 8, 2022, to convert the existing community benefit fee to a comparable business and professions tax. City Council is asked to hold a second reading of the ordinance that would, if approved by voters, implement this administrative change. The proposed measure would maintain the current rates in the development agreements of 6 percent of gross receipts for cannabis businesses and $20 per square foot of canopy for commercial cultivation. The proposed measure would reduce the administrative burden of implementing the development agreements on staff and cannabis businesses, and would create certainty for the businesses by setting the tax at a rate that could be lowered, but not raised, but the City without voter approval.

Requested Action / Suggested Motions: Pass an Ordinance Amending Chapter 3.35 of Title 3 of the South Lake Tahoe City Code to Add Article III to Impose a Cannabis Business and Professions Tax Upon Approval By Voters.
Responsible Staff Member: Heather Stroud, City Attorney

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director

Attachments:

01 - Staff Report.docx
02 - Ordinance.docx
03-Proof of Publication

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Ordinance - Ballot Measure to Convert Existing Community Benefit Fee to Comparable Cannabis Business and Professions Tax (Second Reading)

Location: Citywide

Responsible Staff Member: Heather L. Stroud, City Attorney (530) 542-6046

Background:
In 2019, the City Council adopted its Cannabis Ordinance, which provided regulation on businesses and established parameters of operation. As part of the Cannabis Ordinance, the City entered into development agreements with businesses to collect community benefit fees, inclusive of funding set aside for community grants. These development agreements have a limited term and are required under state law to undergo an annual review.

The City's cannabis regulations have been working. Since the first new business opened in 2020, several retail stores with delivery and one microbusiness with a large indoor cultivation operation have been operating legally in South Lake Tahoe, in addition to the existing medical dispensary that had been operating previously. These businesses have not attracted crime and there have been very few problems for residents.

Additionally, cannabis businesses have generated funding for the local economy and grants for local non-profit organizations. Over the past year, the City has formalized a community grant funding process which are funded by, but administratively separate from, the development agreements themselves.

While the regulations have been working, the annual review of the development agreements has been identified as time-intensive for both businesses and City staff, and alternate solutions which would allow for the same cost to businesses, without this annual administrative need, have been explored. There is also a desire on the part of the City to provide stability to local cannabis businesses, setting a tax that cannot be increased without voter approval, but which could be adjusted downward if City needs and economic conditions warrant. An administrative conversion from a community benefit fee under a development agreement to a comparable business and professions tax for cannabis business has been identified as a potential solution that could meet these goals.

On May 18, 2021, the Cannabis Subcommittee presented its recommendations for amendments to the Cannabis Ordinance and for establishing a cannabis tax, which would take the place of the community benefit fee, to City Council. Since then, staff has been outreaching stakeholder organizations for their input, and preparing documents for City Council to consider placing on the

ballot on November 8, 2022. The cannabis business and professions tax would be an excise tax on cannabis products and would eventually take the place of the community benefit fees provided under development agreements with the cannabis businesses, when the current terms in the development agreements expire. Establishing a tax is an administrative change be more streamlined and efficient than keeping the development agreements in place indefinitely and would reduce the staff resources necessary to oversee and manage the development agreements including collection of the community benefit fee.

On June 21, 2022, City Council adopted a resolution placing a measure on the ballot for November 8, 2022, to convert the existing community benefit fee to a comparable business and professions tax. City Council is asked to hold a second reading of the ordinance that would, if approved by voters, implement this administrative change.

Issue and Discussion:
This measure requires a majority vote of the electorate to pass. The revenue collected from the tax would be available for general City expenditures, including the service priorities that residents have identified as important, including maintaining fire protection and fast emergency response, reducing the threat of wildfires, repairing streets and potholes, and maintaining snow removal, as well as nonprofit community benefit grants and other services that are critical to our neighborhoods and residents' health and safety. Under the development agreements currently in place, if the voters pass a cannabis tax, the community benefit fees due would be offset by the amount of the tax, and the development agreements would expire at the end of their initial term.

Based on community outreach done earlier in 2022, staff recommends keeping the tax rate the same as the community benefit fees currently being paid under the development agreements, which is six percent of gross receipts on retail, distribution, and manufacturing, and $20 per square foot of canopy for cultivation. If adopted by the voters of the City of South Lake Tahoe, this tax rate would be a maximum rate that could be adjusted lower, but not higher, by a resolution of City Council.

Financial Implications:
If a cannabis tax is adopted by voters at the current community benefit fee rate set forth in the development agreements, staff anticipates it would generate approximately $950,000 per year. If adopted, the cannabis tax will replace the business and professions tax collected under Article II of Chapter 3.35 of Title 3 of the South Lake Tahoe City Code for businesses engaged in commercial cannabis activity – an estimated reduction of $26,000 per year.

Environmental Considerations:
This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq.*, because it can be seen with certainty that there is no possibility that its enactment would have a significant effect on the environment (Pub. Resources Code 21065, CEQA Guidelines 15378(b)(4), 15061(b)(3) and because the Ordinance involves the approval of government revenues to fund existing services (Pub. Resources Code 21080, subd. (b)(8); CEQA Guidelines 15273(a)(4). It does not make any commercial activity lawful nor commit the City to fund any particular activity.

Policy Implications:
This action is consistent with City Council Strategic Plan 2021-2026 Priority 5 (Continuous Improvement), Goal 5.5 (Fiscal Sustainability and Resiliency).

Ordinance 2022-XXX

Adopted by the City of South Lake Tahoe City Council

August 9, 2022

An Ordinance Amending Chapter 3.35 of Title 3 of the South Lake Tahoe City Code to Add Article III to Impose a Cannabis Business and Professions Tax

FINDINGS

A. The City of South Lake Tahoe imposes business and profession taxes upon businesses in the City, which are imposed to raise revenue and not for regulation.

B. Currently, the City enters into development agreements with permitted local cannabis businesses, under which businesses pay a community benefit fee. These development agreements are required to undergo an annual review under state law and create an administrative burden on local businesses and City staff.

C. This Ordinance would impose a business and professions tax on persons engaged in commercial activity in the City involving cannabis products (the "Measure"). This business and professions tax would apply to persons engaged in commercial cannabis activity instead of the business and professions tax rates set forth in Article II of Chapter 3.35 of Title 3 of the South Lake Tahoe City Code. All other regulations, which have been working, would be unaffected.

D. Since the first new business opened in 2020, several retail stores with delivery and a microbusiness with a large indoor cultivation operation have been operating legally in South Lake Tahoe, in addition to the existing medical dispensary that had been operating previously. These businesses have not attracted crime, there have been very few problems for residents, and the businesses have generated funding for the local economy and grants for local non-profit organizations.

E. The Measure would allow the City to continue to address the service priorities that residents have identified as important, including maintaining fire protection and fast emergency response, reducing the threat of wildfires, repairing streets and potholes, and maintaining snow removal, as well as nonprofit community benefit grants and other services that are critical to our neighborhoods and residents' health and safety.

F. South Lake Tahoe residents benefit from the hundreds of thousands of dollars paid by visitors to our community who shop at local cannabis businesses. This Measure ensures that we continue to make sure visitors are contributing to the local services they use and impacts they have on residents.

G. The Measure includes fiscal accountability provisions including an annual independent financial audit to enhance accountability and transparency. No Measure funds could be taken

by the county, state, or federal government and funds must be used exclusively in South Lake Tahoe to address local needs.

H. The City Council may submit the Ordinance directly to the voters pursuant to Section 9222 of the California Elections Code.

I. The tax must be approved by a majority of the electorate to be effective.

J. At a properly noticed meeting on June 21, 2022, the City Council adopted a resolution to call a general election for November 8, 2022.

K. On the general election on November 8, 2022, the City will submit to the qualified voters of the City the Ordinance to impose a general tax on commercial cannabis activity in the City.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. Article III of Chapter 3.35 of Title 3 of the South Lake Tahoe City Code is hereby adopted to read as follows:

Article III. Cannabis Business and Professions Tax

3.35.350 - Title.

This article shall be referenced as the “South Lake Tahoe Cannabis Business and Professions Tax.”

3.35.360 - Purpose.

This article is adopted for the following purposes and shall be interpreted to accomplish them:

A. To impose a tax on the privilege of conducting cannabis business in the city, under the state Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code section 26000, Proposition 64, approved by the voters in November 2016 and as amended to date (“MAUCRSA”), which legalized and regulates adult use of cannabis in California, and other applicable law as it now exists or may hereafter be adopted;

B. To impose a general tax to generate revenues which may be used in the discretion of the city council for any lawful purpose of the city;

C. To specify the type of tax and rate of tax to be levied and the method of collection; and

D. To comply with all requirements for imposition of a general tax.

This article is enacted solely to raise revenue, not for regulation. It shall apply to all persons engaged in cannabis business in the City. The tax imposed by this article is a general tax under Article XIII C of the California Constitution.

3.35.370 - Definitions.

For the purposes of this article, the following words shall have the meanings ascribed to them by this section unless the context makes apparent another meaning was intended.

“Cannabis” has the meaning stated in section 6.55.710 of this code.

“Cannabis business“ means the activity of any natural or legal person, business, or collective in the City relating to cannabis, including but not limited to cultivation (including nurseries), transportation, distribution, manufacture, compounding, conversion, processing, preparation, testing, storage, packaging, delivery and sales (including both wholesale and retail sales) of cannabis, cannabis products, or cannabis accessories, whether or not carried on for gain or profit, whether for medical or adult use, and whether or not such business is licensed by the State. A cannabis business does not include any business the only relationship of which to cannabis or cannabis products is the production or sale of cannabis accessories.

“Cannabis product” has the meaning stated in section 6.55.710 of this code.

“Canopy” has the meaning stated in section 6.55.710 of this code. The city manager may, but is not required, to determine canopy from the area described in a cultivation license issued by the city whether or not the licensee actually cultivates that entire area.

“City manager” means the city manager or designee.

“Collector” means the city manager or a person charged by the city manager to administer this article.

“Commercial cannabis cultivation” means cultivation conducted by, for, or as part of a cannabis business. Commercial cannabis cultivation does not include personal medical cannabis cultivation, or cultivation for personal adult use as authorized by the MAUCRSA, including Health & Safety Code section 11362.1 et seq., for which the individual receives no compensation whatsoever.

“Cultivation” has the meaning stated in section 6.55.710 of this code.

“Delivery” has the meaning stated in section 6.55.710 of this code.

“Retailer” has the meaning stated in section 6.55.710 of this code.

“Distributor’’ has the meaning stated in section 6.55.710 of this code.

“Gross receipts,” except as otherwise specifically provided in this article or by regulation authorized by this article, has the meaning stated in section 3.00.010 of this code.

“Manufacturer” has the meaning stated in section 6.55.710 of this code.

“Person” means any individual, firm, partnership, corporation, company, association, joint stock association; city, county, state, or district; and includes any trustee, receiver, assignee, or other similar representative thereof.

3.35.380 - Cannabis Business and Professions Tax.

A. There is hereby imposed on every person who engages in cannabis business in the city an annual cannabis business and professions tax in the amounts stated in this section or such lesser amounts as the City Council may from time to time establish by resolution.

B. Section 3.35.280 notwithstanding, the initial rate of the cannabis business and professions tax shall be as follows:

1. For every cannabis business engaged in commercial cannabis cultivation in the city:
    a. Twenty dollars ($20.00) annually per square foot of canopy.
2. For every cannabis business that engages in any other cannabis business in the City whether or not that cannabis business is lawful under this code or other law:
    a. Six percent (6%) of gross receipts annually.

Should a city cannabis use permit be issued to a business which cultivates only for certain months of the year, the collector shall prorate the tax as to sufficiently reflect the time in which cultivation occurs. In no case shall any portion of the canopy authorized by a city cannabis use permit but not used for cultivation be deducted from the tax base unless the taxpayer informs the collector in writing before the canopy or portion thereof is disused and the collector provides written evidence of relief from tax.

C. The city council may, by resolution, implement a tax rate lower than the maximum rate established in subsection (B) of this section for all persons engaged in cannabis business, or establish differing tax rates for different categories of cannabis business. The city council may, by resolution, decrease or increase such tax rates without further voter approval provided the tax rate is not above the maximum tax rate established in subsection (B) of this section.

3.35.390 - Payment obligations.

Each person subject to a tax under this article shall pay that tax regardless of any rebate, exemption, incentive, or other reduction elsewhere in this code, except as required by state or federal law. Failure to pay such a tax shall be subject to penalties, fines and interest charges established under section 3.35.200 of this code, and the city may resort to any or all other remedies available at law or in equity to enforce this article. No provision of this article shall be interpreted to reduce a tax rate established under this article or otherwise reduce the taxes paid hereunder unless the provision specifically requires that reduction.

3.35.400 - Tax payment does not authorize activity.

The payment of a tax imposed under this article does not authorize the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this article authorizes or implies the lawfulness of any activity connected with the distribution or possession of cannabis unless otherwise authorized and allowed in strict and full conformance with this code. Nothing in this article is intended to authorize commercial cannabis activity.

3.35.410 - Cannabis tax is not a sales tax.

The tax imposed by this article is upon the privilege of doing business in the city. It is not a sales or use tax.

3.35.420 - Returns and remittances.

The tax imposed by this article shall be due and payable as follows:

A. Each person owing tax under this article shall provide a tax return to the city manager on or before the last business day of each month stating the tax owed for the preceding month and the basis of its calculation. The taxpayer shall remit the tax owed to the city manager when the return is due.

B. The city manager may establish a form for tax returns submitted under this section and, if so, use of that form shall be mandatory.

C. Tax returns and payments for all outstanding taxes, penalties and interest owed the city are immediately due upon cessation of business for any reason.

D. Postmarks are not accepted and payments, statements, reports, requests, or other communications must be physically in the office of the collector when due. If the due date falls on a day when city offices are not open for business, the due date shall be the next following business day.

E. Unless otherwise provided by this article, the tax imposed by this article is delinquent if not paid by the due date specified in subsection (A) of this section.

F. The city manager need not send a bill or delinquency or other notice to any person subject to a tax imposed by this article and failure to send such bill or notice shall not affect the validity of any tax, interest or penalty due under this article.

3.35.430 - Audits.

The city manager shall arrange for an annual independent audit of the receipts and expenditures of the taxes imposed by this article. He or she shall share that audit report with the city council and make it available for public inspection.

3.35.440 - Refunds.

A. No refund shall be made of any tax collected pursuant to this article, except as provided in this section.

B. No refund of any tax collected pursuant to this article shall be made because of the discontinuation, dissolution, or other termination of a cannabis business.

C. If a tax, penalty, or interest imposed under this article has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the city, such amount shall be refunded to the person who paid it upon a written claim for refund filed with the collector within one year of the payment sought to be refunded, and all such claims for refund of the amount of overpayment must be filed with the collector on forms furnished by the collector.

D. Any person entitled to a refund of sums paid under this article may ask the city to apply it as a credit against future obligations under this article.

E. The collector may examine and audit all the books and business records of a refund claimant to determine entitlement to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of the claimant's books and business records.

3.35.450 - Tax administration.

A. It shall be the duty of the city manager to collect the taxes, penalties, and interests, and perform the duties this article requires.

B. The city manager may from time to time promulgate such administrative rules and procedures consistent with the purpose, intent, and terms of this article as the city manager deems necessary to implement or clarify it or to aid in its enforcement. The city manager shall give notice of those regulations as required for ordinances of the city council and such regulations shall take effect upon such notice unless a particular regulation provides otherwise.

C. The city manager may take such administrative actions as needed to administer the tax, including but not limited to:

1. Provide information about this article to any taxpayer;

2. Receive and record all taxes remitted to the city under this article;

3. Maintain records of taxpayer reports and taxes collected under this article;

4. Assess penalties, fines and interest charges to taxpayers under this article;

5. Determine amounts owed and enforce collection under this article; and

6. Take such other reasonable steps as he or she deems appropriate to enforce this article.

D. The penalties, fines, and interest for delinquent payments in section 3.35.200 of this code shall apply to this article. The city council may establish by ordinance or resolution additional penalties, fines and interest charges related to this article.

3.35.460 - Appeals.

Any person aggrieved by any decision of the city manager or collector under this article may appeal to the city council pursuant to the procedures described in Section 2.35 of this code.

3.35.470 - Consistency with business license tax.

The city council intends this article to be enforced consistently with the balance of chapter 3.35 of this code and any rule or regulation promulgated under chapter 3.35 except as this article expressly requires to the contrary.

3.35.480 - Constitutionality and legality.

A. The tax imposed under this article is intended to be applied consistently with the United States and California Constitutions and applicable law. The tax shall not be applied to cause an undue burden upon interstate or inter-city commerce, a violation of the equal protection or due process clauses of those Constitutions, to constitute a special tax, or to violate any other provision of applicable law.

B. Notwithstanding section 3.35.410 of this article, a cannabis business may separately identify the tax on invoices, receipts and other evidences of transactions.

SECTION 2. To the extent Article XIII C of the California Constitution allows, the City Council may amend this Ordinance without a vote of the people, except that voter approval shall be required for any amendment that would increase, within the meaning of Government Code section 53750, subdivision (h), the tax rate beyond the maximum rates this Ordinance authorizes.

SECTION 3. This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq.*, because it can be seen with certainty that there is no possibility that its enactment would have a significant effect on the environment (Pub. Resources Code 21065, CEQA Guidelines 15378(b)(4), 15061(b)(3) and because the Ordinance involves the approval of government revenues to fund existing services (Pub. Resources Code 21080, subd. (b)(8); CEQA Guidelines 15273(a)(4). It does not make any commercial activity lawful nor commit the City to fund any particular activity.

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The People of the City of South Lake Tahoe declare that they would have adopted this Ordinance, and each section, subsection, sentence, clause, phrase or portion of it, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions might be declared invalid or unconstitutional.

SECTION 5. This ordinance shall take effect, under Elections Code sections 9217 and 9122, 10 days after certification of its approval by a majority of those voting on the measure at the November 8, 2022 general municipal election.

SECTION 6. Upon approval by the voters, the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be published according to law.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

LEGAL PUBLICATION

CITY OF SOUTH LAKE TAHOE
SUMMARY OF PROPOSED ORDINANCE

NOTICE IS HEREBY GIVEN that on June 21, 2022, the City of South Lake Tahoe City Council waived first reading, read by title and referred to second reading and adoption at the August 9, 2022, City Council meeting the following ordinance:

"An Ordinance Amending Chapter 3.35 of Title 3 of the South Lake Tahoe City Code to Add Article III to Impose a Cannabis Business and Professions Tax"

City Attorney's Summary of Ordinance:

"This ordinance, if passed by voters of South Lake Tahoe my majority vote at the election on November 8, 2022, would amend the South Lake Tahoe City Code to establish a cannabis business and professions tax. This tax would replace the existing community benefit fee collected under agreements with the cannabis businesses. The ordinance would set the tax rate at six percent of gross receipts for retail, distribution, and manufacturing, and $20 per square foot of canopy for cultivation, which is the same rate as the current community benefit fees. If adopted by voters, this tax rate would be a maximum rate that could be adjusted lower, but not higher, by a resolution of City Council. The revenue collected from the tax would be available for general City expenditures, including maintaining fire protection and fast emergency response, reducing the threat of wildfires, repairing streets and potholes, and maintaining snow removal, as well as nonprofit community benefit grants."

A copy of the proposed ordinance in its entirety is available for review in the City Clerk's Office located at 1901 Lisa Maloff Way, South Lake Tahoe, California.

Susan Blankenship, City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 206
South Lake Tahoe, CA 96150
(530) 542-6005
sblankenship@cityofslt.us

426

Published: July 1, 2022

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 14

Agenda Item: Issuance of 2022 Lease Revenue Bonds Series A for the Multigenerational Recreation and Aquatic Center Construction Financing in a Principal Amount Not to Exceed $52 Million

Executive Summary: The City contemplates a bond financing to help fund the proposed construction of the Multigenerational Recreation and Aquatic Center ("Recreation Center Complex"), currently estimated to be approximately $60 million. The bonds will be issued by the South Tahoe Joint Powers Financing Authority. Pursuant to Government Code Section 6586.5, the City must make a finding of significant benefit before the Authority's issuance of the bonds, after the noticed public hearing. Notice of the public hearing was published on July 29th, 2022. Staff recommends that the City Council hold the public hearing and adopt a resolution to make a finding of significant benefit, approve the issuance of the bonds and authorize the execution of related documents. Pursuant to the resolution to be adopted by the Authority, the principal amount of the bonds will not exceed $52 million, and the true interest cost will not exceed 6.0 percent.

Requested Action / Suggested Motions: 1) Hold a Public Hearing with the respect to the proposed issuance of bonds by the South Tahoe Joint Powers Financing Authority (Authority) to assist the City with financing the construction of the Recreation Center Complex; 2) Acting as the City Council, Pass a Resolution approving the issuance of the Authority Lease Revenue Bonds, 2022 Series A, and authorizing the City's execution and delivery of related documents and taking related actions; and, 3) Acting as the Authority, Pass a Resolution authorizing the sale, issuance and delivery of Lease Revenue Bonds, 2022 Series A, and authorizing the execution and delivery of an indenture and other documents and taking related actions.
Responsible Staff Member: Olga Tikhomirova, Director of Finance

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director
Olga Tikhomirova, Finance Director and Authority Treasurer

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report - 2022 Lease Revenue Bonds for Rec Center.docx
02 - Resolution - 2022 Lease Revenue Bonds Rec Center.docx
03-STJPFA Resolution - 2022 Lease Revenue Bonds Rec Center.docx
04-Lease Agreement SLT 2022 Lease Revenue Bonds.DOCX
05-Sublease Agreement SLT 2022 Lease Revenue Bonds.DOCX
06-Assignment Agreement SLT 2022 Lease Revenue Bonds.DOCX
07-Continuing Disclosure Certificate SLT 2022 Lease Revenue Bonds.pdf
08-Preliminary Official Statement (POS) SLT 2022 LRBs.pdf

09-Bond Purchase Agreement SLT 2022 LRBs.pdf
10-Indenture SLT 2022 Lease Revenue Bonds.DOCX
11-Notice of Public Hearing Proof 2022 LRBs.pdf
12-Presentation.pdf

City of South Lake Tahoe
Report to **City Council** and
South Tahoe Joint Powers Financing Authority

Meeting Date: August 9, 2022

Title: Proposed Issuance of 2022 Lease Revenue Bonds Series A for the Recreation Center Construction Financing

Location: Citywide

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director (530) 542-6043; Olga Tikhomirova, Director of Finance and Authority Treasurer, (530) 542-7431

Background: The City contemplates a bond financing to help fund the proposed construction of a new Recreation Center Complex (currently estimated to be approximately $60.8 million).

The Bonds will be issued by the South Tahoe Joint Powers Financing Authority ("Authority"). Pursuant to Government Code Section 6585.5, the City must make a finding of significant benefit before the Authority's issuance of the Bonds, after the noticed public hearing. Notice of the public hearing was published on July 29, 2022.

Staff recommends that the Council hold the public hearing and adopt a Resolution (attachment #2) to make a finding of significant benefit, approve the issuance of the Bonds and authorize the execution of related documents. Pursuant to the resolution to be adopted by the Authority, the principal amount of the Bonds will not exceed $52 million, and the true interest cost will not exceed 6.0 percent.

Issue and Discussion: The City is undertaking to build a new Recreation Center Complex. The current estimated cost is approximately $60.8 million. A bond financing is proposed to fund the project. A portion of the project will be financed by the Bonds and the City will finance the rest of the project.

The Bonds will be in the form of "lease revenue bonds" to be issued by the Authority. Based on market estimates as of July 27, 2022, the principal amount of the Bonds will be approximately $43.2 million. The principal and interest payments, together, on the bonds will be approximately $2.8 million each fiscal year until final maturity for the 30-year term of the Bonds. The City anticipates paying 100% of debt service on the Bonds from Measure P revenues; however, if Measure P revenues are insufficient for such purpose in a particular year, the City may use any other legally available sources, including General Fund revenues, for such payments. For Fiscal Years 2016-17 through 2020-21, Measure P revenues were $2,507,719, $3,307,933, $3,435,411, $2,764,825, and $3,234,866, respectively. There is no sunset date for Measure P.

Financing Structure

The proposed financing will involve a "lease-lease back" arrangement. The Bonds will be issued pursuant to an Indenture (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Trustee"). The Bonds will be payable from "Revenues" of the Authority which primarily consist of lease payments (the "Lease Payments") to be made by the City to the Authority pursuant to the Sublease for the leasing the following properties (collectively, the "Leased Properties"): (1) 1252 Ski Run Boulevard - Fire Station #1; (2) 1352 Johnson Boulevard - Police Station; (3)1176 Rufus Allen - Skating Rink; (4) 1201 Al Tahoe - Bijou Park; and (5) 1176 Rufus Allen - the Recreation Center Complex Property. It is contemplated that once the Recreation Center Complex is completed, the other Leased Properties may be released pursuant to the terms of the Lease and Sublease. The City will agree to annually appropriate sufficient moneys to satisfy the Lease Payments.

Financing Documents

City Council Resolution: By adopting the Resolution (attachment #2), the City Council will authorize the issuance of the Bonds and approve the execution and delivery of the following documents. Each of the documents are presented in substantial final form and will be completed after the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined).

(i) Lease Agreement (the "Lease"),
(ii) Sublease Agreement,
(iii) Continuing Disclosure Certificate,
(iv) Preliminary Official Statement, and
(v) Bond Purchase Agreement.

Authority Resolution: By adopting the Resolution (attachment #3), the Authority Board will authorize the issuance of the Bonds and approve the execution and delivery of the following documents. Each of the documents are presented in substantial final form and will be completed after the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined).

(i) Indenture,
(ii) Lease Agreement,
(iii) Sublease Agreement,
(iv) Assignment Agreement,
(v) Preliminary Official Statement, and
(vi) Bond Purchase Agreement.

Below are brief descriptions of these documents:

(i) Lease Agreement: (Attachment 4)

Under the Lease Agreement, the City will lease the Leased Properties to the Authority in consideration for the application of the bond proceeds for the project.

(ii) Sublease Agreement: (Attachment 5)

Under the Sublease, the Authority will sublease the Leased Properties to the City and the City will pay the Lease Payments. The scheduled Lease Payments will correspond, in amounts and due dates, to the scheduled principal and interest payments of the Bonds. The City will also covenant to maintain certain insurance coverage with respect to the Leased Properties.

(iii) Assignment Agreement: (Attachment 6)

Under this agreement, the Authority will assign its right to receive the Lease Payments from the City pursuant to the Sublease and certain other rights under the Lease and Sublease to the Trustee, for the benefit of the owners of the Bonds.

(iv) Continuing Disclosure Certificate: (Attachment 7)

Under the Continuing Disclosure Certificate, the City will agree to provide a copy of its audited financial statements and a report of other information relevant to the security of the Bonds for filing each year, to make this information available to the investors. The City will also agree to disclose and make filings upon the occurrence of certain enumerated events (such as material default by the City on its financial obligations).

(iv) Preliminary Official Statement:(Attachment 8)

In connection with a public offering, the Preliminary Official Statement (the "POS") will be distributed by the underwriter to potential investors. The POS provides a summary of the proposed terms of the Bonds, the sources of repayment and certain risks relating to the investment in the Bonds. As permitted by federal securities laws, some of the terms relating to the Bonds (such as interest rates and redemption schedule), will appear as blanks or be footnoted as "preliminary; subject to change" in the POS and will not be determined until the pricing of the Bonds. After the pricing of the Bonds, these terms will be inserted, and the POS will be converted into a final Official Statement. The underwriter will then distribute the Official Statement to buyers of the Bonds and cause it to be uploaded onto the Electronic Municipal Market Access website (known as EMMA), the official repository for information pertaining municipal securities issued in the United States.

The Official Statement is the "offering document" for the Bonds, required to be made available to investors pursuant to federal securities laws. The Official Statement must include all information that would be material to a prospective investor's decision whether to purchase the Bonds. While the various members of the financing team have contributed to the preparation of the POS

and the Official Statement, the City and the Authority are ultimately responsible for ensuring that the POS is accurate, contains no misleading information and does not omit any information necessary to make the POS not misleading to investors.

(v) Bond Purchase Agreement: (Attachment 9)

In connection with a public offering, this agreement will be executed on the day that the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined, a few weeks before the closing date). Under this agreement, the underwriter will agree to buy the Bonds from the Authority on the issuance date of the Bonds upon satisfaction of the closing conditions specified in the Bond Purchase Agreement, including the execution and delivery of applicable documents by the Authority and the City.

(vi) Indenture: (Attachment 10)

The Indenture contains provisions pertaining to the terms of the Bonds, including maturity schedule, interest rates and redemption provisions. It also provides for the establishment and maintenance of certain funds and accounts (including a debt service reserve account) and the rights and duties of the Trustee. Under the Indenture, the Authority will pledge "Revenues" derived from the City's Lease Payments under the Sublease to pay debt service on the Bonds.

Financing Team

PFM Financial Advisors LLC is the City's Municipal Advisor, Richards, Watson & Gershon, A Professional Corporation, serves as Bond Counsel, Jones Hall, A Professional Law Corporation, serves as Disclosure Counsel, and Stifel is the Underwriter.

RECOMMENDED ACTION

- Hold a public hearing pursuant to Government Code Section 6586.5 with respect to the proposed issuance of the Bonds and the financing of the Recreation Center Complex project.

- Adopt Resolution of the City Council of the City of South Lake Tahoe Approving the Issuance of the South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, 2022 Series A, Authorizing the City's Execution and Delivery of Related Documents and Taking Related Actions

- Adopt Resolution of the South Tahoe Joint Powers Financing Authority Authorizing the Sale, Issuance and Delivery of Lease Revenue Bonds, 2022 Series A, Authorizing the Execution and Delivery of an Indenture and Other Documents and Taking Related Actions

Financial Implications: Stifel, Nicolaus & Company, Incorporated ("Stifel"), the Underwriter, has provided estimates regarding certain financial aspects of the proposed financing based on market conditions as of July 27, 2022, which estimates have been reviewed by PFM Financial Advisors LLC, the Municipal Advisor.

The estimates indicate that the principal amount of the Bonds will be approximately $43.2 million. The principal and interest payments, together, on the Bonds will be approximately $2.8 million each fiscal year until final maturity. The term of the Bonds will be 30 years.

Pursuant to Government Code Section 5852.1, the following good faith estimates (obtained from the Underwriter and the Municipal Advisor) must be disclosed at a public meeting before the authorization of the Bonds. The estimates are based on market estimates as of July 27, 2022:

Information to be disclosed per Government Code Section 5852.1:	*Estimates as of July 27, 2022**
True interest cost of the Bonds (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds)	4.602%
Finance charge of the Bonds (the sum of fees and charges paid to third parties):	$254,664
Amount of proceeds received by the public body from the sale of the Bonds, less the finance charge of the bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds	$45,000,000
The total payment amount (the sum total of all debt service payments on the Bonds, plus the finance charge of the Bonds not paid from bond proceeds)	$84,149,715

* *These are good faith estimates only. Final results will likely differ based on market conditions as of the actual sale date and other factors*.

Environmental Considerations: An Initial Study/Mitigated Negative Declaration (IS/MND) under the California Environmental Quality Act (CEQA) for the 56 Acres Master Plan and Recreation Center Complex was adopted by the City Council on January 18, 2022, and the Notice of Determination was filed with the El Dorado County Clerk on January 19, 2022. The issuance of bonds for the Recreation Center Complex is within the scope of the IS/MND and no further environmental review is required under CEQA Guidelines section 15162.

Policy Implications: Consistent with City's Financial Policies and City Council Strategic Priority 1 – Built Environment, Goal 1.2 Mid-Town Revitalization.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Approving the Issuance of the South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, 2022 Series A, Authorizing the City's Execution and Delivery of Related Documents and Taking Related Actions

BACKGROUND

A. The South Tahoe Joint Powers Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements.

B. The Authority proposes to issue and sell lease revenue bonds (the "Bonds"), to be secured pursuant to an Indenture (the "Indenture"), to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

C. Proceeds of the Bonds will used to assist the City with financing the cost of construction of a new recreation center (the "Project").

D. In connection with the issuance of the Bonds, it is proposed that the Authority will enter into a Lease Agreement (the "Lease"), under which the Authority will lease certain real properties, including the land and the improvements thereon (collectively, the "Leased Properties") from the City, and a Sublease (the "Sublease"), under which the City will sublease the Leased Properties from the Authority and make base rental payments, calculated to be sufficient to allow the Authority to pay principal and interest payments on the Bonds.

E. For the benefit of the holders of the Bonds, the Authority will enter into the Assignment Agreement (defined below) under which the Authority will assign its right to receive the base rent and certain other rights of the Authority under the Lease and Sublease to the trustee for the Bonds.

F. There has been presented to the Authority and the City a Bond Purchase Agreement (the "Bond Purchase Agreement"), to be entered into by and among the Authority, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), pursuant to which the Underwriter will purchase the Bonds, upon their issuance, from the Authority

G. Pursuant to Section 6586.5 of the California Government Code, after notice duly published in accordance with law, the City Council held a public hearing on this date with respect to the

proposed issuance of the Bonds and the related financing and received evidence concerning the public benefits therefrom.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe hereby finds, determines, resolves and orders as follows:

1. Recitals. The above recitals are true and correct and are a substantive part of this Resolution.

2. Finding of Public Benefit; Approval of Bond Issuance. The City Council hereby finds that the Authority's issuance of the Bonds to finance the Project will result in significant public benefit to the constituents of the City, including more efficient delivery of local agency services to residential and commercial development. The City Council hereby approves the issuance of the Bonds.

3. Lease. The Lease Agreement (the "Lease"), proposed to be entered into by and between the City, as lessor, and the Authority, as lessee, in the form on file with the City Clerk, is hereby approved. Each of the Mayor (or in the Mayor's absence, the Mayor Pro Tem) and the City Manager (together, the "Authorized Officers"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Lease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

4. Sublease. The Sublease (the "Sublease"), proposed to be entered into by and between the Authority, as sublessor, and the City, as sublessee, in the form on file with the City Clerk, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Sublease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

5. Bond Purchase Agreement. The Bond Purchase Agreement, in the form on file with the City Clerk, is hereby approved. Subject to the satisfaction of the parameters set forth in the resolution of the Authority authorizing the issuance of the Bonds (the "Authority Resolution"), each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the City, execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

6. Preliminary Official Statement. The Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in the form on file with the City Clerk, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Bonds is hereby approved.

7. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the City, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's

execution and delivery thereof). The distribution and use of the Official Statement by the Underwriter in connection with the sale of the Bonds are hereby approved.

8. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, in the form attached as Appendix D to the form of Preliminary Official Statement on file with the City Clerk, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

9. In connection with the issuance of the 2022 Bonds, the appointment of the following firms is hereby approved: (i) PFM Financial Advisors LLC, as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as bond counsel, and (iii) Jones Hall, a Professional Law Corporation, as disclosure counsel.

10. In accordance with Government Code Section 5852.1, there has been presented to this City Council in the Staff Report accompanying this Resolution certain good faith estimates provided to the City by its municipal advisor with respect to the Bonds. The City Council hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

11. The Authorized Officers and all other officers of City, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution, the documents approved hereby, and to assist the Authority with respect to the issuance, sale and delivery of the Bonds (including, but not limited to, obtaining reserve fund surety bonds, bond insurance policies or other types of credit enhancement, as necessary or appropriate) and any such actions previously taken by such officers are hereby ratified and confirmed.

Adopted by the City of South Lake Tahoe City Council at a duly noticed regular meeting of the City Council held on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2022-XXX

Adopted by the South Tahoe Joint Powers Financing Authority

August 9, 2022

Authorizing the Sale, Issuance and Delivery of Lease Revenue Bonds, 2022 Series A, Authorizing the Execution and Delivery of an Indenture and Other Documents and Taking Related Actions

BACKGROUND

A. The South Tahoe Joint Powers Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvement.

B. The Authority proposes to issue and sell lease revenue bonds (the "Bonds"), to be secured pursuant to an Indenture (the "Indenture"), to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

C. Proceeds of the Bonds will used to assist the City with financing the cost of construction of a new recreation center (the "Project").

D. In connection with the issuance of the Bonds, it is proposed that the Authority will enter into a Lease Agreement (the "Lease"), under which the Authority will lease certain real properties, including the land and the improvements thereon (collectively, the "Leased Properties") from the City, and a Sublease (the "Sublease"), under which the City will sublease the Leased Properties from the Authority and make base rental payments, calculated to be sufficient to allow the Authority to pay principal and interest payments on the Bonds.

E. For the benefit of the holders of the Bonds, the Authority will enter into the Assignment Agreement (defined below) under which the Authority will assign its right to receive the base rent and certain other rights of the Authority under the Lease and Sublease to the trustee for the Bonds.

F. There has been presented to the Authority and the City a Bond Purchase Agreement (the "Bond Purchase Agreement"), to be entered into by and among

the Authority, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), pursuant to which the Underwriter will purchase the Bonds, upon their issuance, from the Authority.

G. The City Council of the City, has made a finding, after a duly noticed public hearing pursuant to Section 6586.5 of the Government Code, that the issuance of the Bonds will result in significant public benefit.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the Governing Board of the South Tahoe Joint Powers Financing Authority hereby finds, determines, resolves and orders as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. Acknowledgement of City Finding; Authorization of Bond Issuance. The Authority hereby acknowledges and concurs with the City Council's finding of significant public benefit. The Authority hereby authorizes the issuance and sale of the Bonds, subject to the parameters set forth below.

3. Indenture. Subject to the parameters set forth below, the issuance of the Bonds is hereby approved and authorized. The Indenture (the "Indenture"), proposed to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the "Trustee"), in the form on file with the Authority Secretary, is hereby approved. Each of the Chairperson, the Vice Chairperson and the Executive Director of the Authority, and any officer of the Authority designated by any of them in writing (each, an "Authorized Officer"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

4. Lease. The Lease Agreement (the "Lease"), proposed to be entered into by and between the City, as lessor, and the Authority, as lessee, in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

5. Sublease. The Sublease (the "Sublease"), proposed to be entered into by and between the Authority, as sublessor, and the City, as sublessee, in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Sublease in substantially said form, with such

changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

6. Assignment Agreement. The Assignment Agreement (the "Assignment Agreement"), proposed to be entered into by and between the Authority and the Trustee, in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

7. Bond Purchase Agreement. The Bond Purchase Agreement, in the form on file with the Authority Secretary, is hereby approved. Subject to the parameters set forth below, each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the Authority, execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

8. Bonds. The Executive Director is hereby authorized to act on behalf of the Authority to establish and determine: (i) the aggregate principal amount of the Bonds, which shall not exceed $52,000,000; (ii) the purchase price of the Bonds and the interest rates thereon, provided that the true interest cost shall not exceed 6.0%; and (iii) the Underwriter's compensation (discount) which shall not exceed one percent of the principal amount of the Bonds, exclusive of any original issue discount.

9. Preliminary Official Statement. The Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Bonds is hereby approved.

10. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the Authority, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof). The distribution and use

of the Official Statement by the Underwriter in connection with the sale of the Bonds are hereby approved.

11. In connection with the issuance of the 2022A Bonds, the appointment of the following firms is hereby approved: (i) PFM Financial Advisors LLC, as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as bond counsel, and (iii) Jones Hall, a Professional Law Corporation, as disclosure counsel.

12. In accordance with Government Code Section 5852.1, there has been presented to this Board of Directors in the Staff Report accompanying this Resolution certain good faith estimates provided to the Authority by its municipal advisor with respect to the Bonds. The Board of Directors hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

13. The Authorized Officers, the Assistant to the City Manager of the City (who is hereby appointed the Assistant Executive Director of the Authority) and all other officers of Authority, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution, the documents approved hereby, and the issuance, sale and delivery of the Bonds (including, but not limited to, obtaining reserve fund surety bonds, bond insurance policies or other types of credit enhancement, as necessary or appropriate) and any such actions previously taken by such officers are hereby ratified and confirmed.

Adopted by the South Tahoe Joint Powers Financing Authority at a duly noticed regular meeting of the Governing Board held on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Chair

Attest:

_____
Susan Blankenship, Authority Secretary

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Tahoe Joint Powers Financing Authority.

Recording requested by and when recorded mail to: City of South Lake Tahoe c/o Richards, Watson & Gershon, A Professional Corporation 350 South Grand Avenue, 37th Floor Los Angeles, California 90071 Attention: Lolly Enriquez, Esq.	RWG Draft 7/25/22

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

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LEASE AGREEMENT

by and between

the

CITY OF SOUTH LAKE TAHOE,

as lessor

and the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY,

as lessee

Dated as of October 1, 2022

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EXHIBIT A DESCRIPTION OF LEASED PROPERTY

LEASE AGREEMENT

This Lease Agreement, dated as of October 1, 2022 (this "Lease"), is made by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as lessor, and the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority duly formed and existing under the laws of the State of California (the "Authority"), as lessee.

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority is issuing its Lease Revenue Bonds, Series 2022A (the "Bonds"), pursuant to the Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and [Name of Trustee], as trustee.

C. Proceeds from the sale of the Bonds will be used to (i) finance the cost of construction of the City's new recreation center, and (ii) pay cost of issuance.

D. In connection with the issuance of the Bonds, the City and the Authority desire to enter into this Lease, whereby the Authority will lease certain real property from the City (the "Leased Property").

E. Pursuant to the Sublease, dated as of even date herewith, by and between the City and the Authority, the Authority will sublease the Leased Property to the City.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. DEFINITIONS.

Terms used and not otherwise defined herein but which are defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings specified in this Section (the following definitions to be equally applicable to both the singular and plural forms of such defined terms):

"Bonds" means the Authority's Lease Revenue Bonds, Series 2022A.

"Commencement Date" means the Closing Date with respect to the Bonds.

"Expiration Date" means October 1, 2052; provided, however, if the City is in default with respect to any Base Rental payment on October 1, 2052, then the Expiration Date shall be automatically extended to October 1, 2062.

"Indenture" means the Indenture, dated as October 1, 2022, by and between the Authority and the Trustee, relating to the Bonds, as the same may be amended, supplemented or otherwise modified from time to time, pursuant to the terms thereof.

"Lease" means this Lease, and as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms hereof.

"Leased Property" means the real property in the City described in Exhibit A of this Lease, and incorporated herein by reference, including improvements thereon, including the following: (1) 1252 Ski Run Boulevard - Fire Station #1; (2) 1352 Johnson Boulevard - Police Station; (3) 1176 Rufus Allen - Skating Rink; (4) 1201 Al Tahoe - Bijou Park; and (5) 1176 Rufus Allen - the Recreation Center Complex Property.

"Sublease" means the Sublease, dated as of October 1, 2022, with respect to the Leased Property, by and between the Authority, as lessor, and the City, as lessee, and as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof.

"Trustee" means [Name of Trustee], its successors and assigns, acting as the Trustee under the Indenture.

SECTION 2. LEASE OF LEASED PROPERTY.

The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

SECTION 3. TERM.

The term of this Lease shall commence on the Commencement Date and shall end on the last day of the term of the Sublease; which is the earliest of: (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under the provisions of the Sublease; or (iii) the date of discharge of the Indenture.

SECTION 4. RENTAL.

The Authority agrees to pay to the Trustee on the Closing Date the proceeds of the Bonds as advance rental for the use and right to possession of the Leased Property for the term of this Lease. The rental shall be applied by the Trustee as provided in the Indenture.

SECTION 5. TITLE.

In accordance with the Sublease, the City shall obtain one or more CLTA (or at the City's sole discretion, ALTA) policies of title insurance at the time of and dated as of the Commencement Date in an amount not less than the aggregate principal amount of the Outstanding Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of this Lease and the Sublease, issued by a title insurance company qualified to do business in the State of California and acceptable to the Authority. To the extent permitted under the Indenture, the costs of obtaining such title insurance policy or policies may be paid out of the sale proceeds of the Bonds.

SECTION 6. DEFAULT.

If -

(a) the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or

(b) the Authority's interest in this Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in Section 11 hereof, or

(c) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within 30 days, or

(d) the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or

(e) the Authority shall make, in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar events a general assignment or any assignment for the benefit of the Authority's creditors,

then the Authority shall be deemed to be in default hereunder and it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law; provided, however, that: (i) no merger of this Lease and the Sublease shall be deemed to occur as a result thereof and (ii) so long as any Bonds remain outstanding, the City shall have no power to terminate this Lease by reason of any default on the part of the Authority.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligation within 30 days

after notice by the Authority or the City (as the case may be) to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

SECTION 7. EMINENT DOMAIN.

If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and any condemnation award shall be applied as provided in Section 9 of the Sublease.

SECTION 8. RIGHT OF ENTRY.

The City and its assignees shall have the right to enter any of the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Lease and (c) for all other lawful purposes.

SECTION 9. SURRENDER OF PROPERTIES UPON TERMINATION.

The Authority agrees upon the termination of this Lease to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority and the City agree that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Lease shall remain thereon and title thereto shall be vested in the City.

SECTION 10. QUIET ENJOYMENT BY THE AUTHORITY.

The Authority shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the real property leased hereunder without suit, trouble or hindrance from the City, subject to the rights granted to the City under the Sublease, and subject to the Authority's compliance with the terms and provisions hereof.

SECTION 11. ASSIGNMENTS AND SUBLEASES.

The parties understand that this Lease and the rights of the Authority hereunder (except the Authority's rights to give approvals and consents hereunder and to indemnification and payment or reimbursement for any costs or expenses of the Authority hereunder) will be assigned to the Trustee pursuant to the Assignment Agreement for the benefit of the Owners of the Bonds. Except as provided in the foregoing sentence, the Authority shall not assign, mortgage, hypothecate or otherwise encumber this Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Leased Properties without the written consent of the City except as provided by the Sublease and as security for the Bonds.

SECTION 12. WAIVER OF PERSONAL LIABILITY.

All liabilities hereunder on the part of the Authority shall be solely liabilities of the Authority as a separate legal entity, and no member, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority under this Lease.

SECTION 13. TAXES.

The City shall be responsible for the payment of any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property.

SECTION 14. GOVERNING LAW.

This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California.

SECTION 15. NOTICES.

Any notice, request, demand, or other communication under this Lease shall be governed by Section 9.14 of the Indenture, which is hereby incorporated.

SECTION 16. VALIDITY AND SEVERABILITY.

If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the City or by the Authority, or if for any reason it is held by such a court that any of the covenants and conditions of the Authority hereunder is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease from year to year and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 17. PURPOSE OF LEASE.

The Authority covenants that during the term of this Lease, except to the extent that other uses may be permitted under the Sublease, it will use, or cause the use of, the Leased Property to be consistent with the descriptions set forth in the Sublease or related public purposes.

SECTION 18. WAIVER OF DEFAULT.

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant

or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease.

SECTION 19. SECTION HEADINGS.

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 20. AMENDMENTS.

This Lease may not be amended unless such amendment is agreed upon in writing by the parties hereof; provided that, no such amendment shall materially affect the interests and rights of the Owners of the Bonds under the Indenture or the Sublease unless: (i) there shall have been delivered to the Trustee an opinion of Bond Counsel that such amendment will not adversely affect the tax-exempt status of any Bonds, or (ii) the Trustee shall have obtained written consent of the Owners of at least a majority in aggregate principal amount of the affected Bonds then Outstanding to such amendment. A substitution or release of any portion of the Leased Properties under this Lease and the Sublease, or an amendment to delete of a portion of the Leased Properties in connection with a partial prepayment of Base Rental under the Sublease from insurance or condemnation proceeds, shall not be considered as materially affecting the interests and rights of the Owners of the Bonds if such substitution, release or deletion complies with the provisions of the Sublease. The Authority shall provide copies of all amendments to the Trustee promptly after execution of any such amendment.

SECTION 21. EXECUTION.

This Lease may be executed in any number of counterparts, each of which shall be deemed to an original, but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Authority have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF SOUTH LAKE TAHOE

By:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin, Executive Director

Attest:

_____
Susan Blankenship, Secretary

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1252 Ski Run Boulevard - Fire Station #1: (APN: 027-323-17-100)

Lot 41, as shown on the Official Map of Keller Park Subdivision, filed in the Office of the County Recorder of said County on July 19, 1951 in Map Book A, Map No. 202.

Excepting therefrom the following: Beginning at the most Northerly corner of Lot 41 as shown and so delineated on that certain Map of Keller Park Subdivision, recorded in Map Book "A" at Page 102, Official Records of El Dorado County, California; thence from said point of beginning South 29°45' East along the Northeasterly line of said Lot 41, 125.03 feet; thence leaving said line South 60°15' West, 336.18 feet to a point on the Southwesterly line of said Lot 41; thence North 40°49' West along said line 127.40 feet to the most Westerly corner of said Lot 41; thence North 60°15' East along the Northwesterly line of said Lot 41; 360.63 feet to the point of beginning.

Also excepting therefrom that portion conveyed to Margaret R. Keller, in the instrument recorded October 6, 1972 in Book 1151 of Official Records, Page 262.

Also excepting therefrom that portion conveyed to the City of South Lake Tahoe, in the instrument Recorded March 20, 1974 in Book 1252 of Official Records, Page 185.

PARCEL 2 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-21-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26'11" West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11'22" West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42'14" an arc distance 287.12 feet; thence tangent to said curve South 34°06'24" East, 108.00 feet; thence North 89°26'11" East, 617.42 feet; thence North 18°37'15" East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26'11" West, 287.86 feet to the point of beginning.

PARCEL 3 - 1201 Al Tahoe - Bijou Park (APNs: 025-010-051, 025-041-009)

[legal description to come]

PARCEL 4 - 1176 Rufus Allen - Skating Rink (APN: 026-050-004) [APN may change with land swap but a new one has not been assigned yet]

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said Proposed Parcel 1 contains 3.820 acres of land, more or less.

PARCEL 5 - 1176 Rufus Allen - Recreation Center Complex (APN: ___)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet;

Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning and containing 10.211 acres of land, more or less.

The Basis of Bearings for this description is the aforementioned Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder.

See Exhibit "K-1", Plat to Accompany Description, attached hereto and made a part hereof.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Recording requested by and when recorded mail to: City of South Lake Tahoe c/o Richards, Watson & Gershon, A Professional Corporation 350 South Grand Avenue, 37th Floor Los Angeles, California 90071 Attention: Lolly Enriquez, Esq.	RWG Draft 7/2__/22

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SUBLEASE

by and between

the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY,

as lessor,

and the

CITY OF SOUTH LAKE TAHOE,

as lessee

Dated as of October 1, 2022

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SUBLEASE

This Sublease, dated as of October 1, 2022 (this "Sublease"), is made by and between the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority duly formed and existing pursuant to the laws of the State of California (the "Authority"), as lessor, and the CITY OF SOUTH LAKE TAHOE, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as lessee.

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority is issuing its Lease Revenue Bonds, Series 2022A (the "Bonds"), pursuant to the Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and [Name of Trustee], as trustee.

C. Proceeds from the sale of the Bonds will be used to assist the City with the financing the cost of construction of a new recreation center complex.

D. In connection with the issuance of the Bonds, the City and the Authority are entering into the Lease Agreement, dated as of October 1, 2022 (the "Lease"), whereby the Authority will lease certain properties from the City (the "Leased Property").

E. Pursuant to this Sublease, the Authority will sublease the Leased Property to the City.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

Terms used and not otherwise defined herein but which are defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Sublease, have the meanings specified in this Section (the following definitions to be equally applicable to both the singular and plural forms of any of such defined terms):

"Additional Rental" has the meaning assigned to that term in Section 3(b) hereof.

"Assignment Agreement" means the Assignment Agreement, dated as of October 1, 2022, by and between the Authority and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Base Rental" has the meaning assigned to that term in Section 3(a) hereof.

"Bonds" means the Authority's Lease Revenue Bonds, Series 2022A.

"Commencement Date" means the Closing Date with respect to the Bonds.

"Expiration Date" means October 1, 2052; provided, however, if on such date, the City is in default with respect to any Base Rental payment or an abatement event has occurred such that all Base Rental payments have not been made, then the Expiration Date shall be automatically extended to October 1, 2062.

"Leased Property" means the real property in the City described in Exhibit A of this Sublease, and incorporated herein by reference, including improvements thereon, including the following: (1) 1252 Ski Run Boulevard - Fire Station #1; (2) 1352 Johnson Boulevard - Police Station; (3) 1176 Rufus Allen - Skating Rink; (4) 1201 Al Tahoe - Bijou Park; and (5) 1176 Rufus Allen - the Recreation Center Complex Property

"Indenture" means the Indenture, dated as October 1, 2022, by and between the Authority and the Trustee relating to the Bonds, as the same may be amended and supplemented from time to time in accordance with the terms thereof.

"Net Proceeds" means any insurance or condemnation proceeds, paid with respect to the Leased Property remaining after payment therefrom of all expenses in the collection thereof.

"Payment Date" means, with respect to a Base Rental payment, the date listed as its related "Payment Date" in Exhibit B of this Sublease.

"Permitted Encumbrances" means (a) liens for general *ad valorem* taxes, special taxes and assessments, if any, not then delinquent, or which the City may, pursuant to this Sublease, permit to remain unpaid; (b) liens created pursuant to or permitted under the Lease or this Sublease; (c) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Commencement Date; (d) utility, access and other easements and rights of way, restrictions and exceptions that do not interfere with or impair the use intended to be made of the relevant Leased Property; (e) the City's right to access and exclusive right to use and maintain facilities essential to the City's utilities systems; (f) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law after the Commencement Date; (g) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the relevant Leased Property and as do not materially impair the use intended to be made of property affected thereby; and

(h) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Commencement Date which do not materially impair the City's use of the Leased Property and to which the Authority and the City consent in writing.

"Recreation Center Project" means the project to construct the City's new recreation center, to be located at 1176 Rufus Allen Boulevard, South Lake Tahoe, California together with improvements thereon.

"Rental Payments" means, together, Base Rental and Additional Rental.

"Sublease" means this Sublease, as the same may be amended and supplemented from time to time in accordance with the terms hereof.

SECTION 2. TERM.

(a) The Authority hereby subleases to the City and the City hereby leases from the Authority, the Leased Property on the terms and conditions set forth in this Sublease.

(b) The term of this Sublease shall commence on the Commencement Date, and shall end on the earliest of: (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under the provisions the Sublease; or (iii) the date of discharge of the Indenture.

(c) Throughout the term of this Sublease, fee title to the Leased Property shall remain in the City. While any Bonds remain Outstanding under the Indenture, there shall be no merger of the subleasehold estate in the Leased Property created by this Sublease, the leasehold estate in the Leased Property created by the Lease, and the fee estate in the Leased Property merely because such estates, or any of them, have been acquired or become vested in the same person or entity.

SECTION 3. RENTAL.

Subject to the provisions of Sections 8(c) and 17 hereof, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property, the following amounts at the following times:

(a) The City shall pay as "Base Rental" to the Authority or to the Trustee, as hereinafter provided, semiannually, the rental payments in accordance with the Base Rental payment Schedule attached hereto as Exhibit B, less any amount credited against Base Rental pursuant to Section 4.02(d) of the Indenture. Each Base Rental payment shall be payable in arrears five days before its Payment Date, and shall be made in consideration for the City's use and possession of the Leased Property for the six month period preceding the Payment Date of such payment.

(b) The City shall also pay, as "Additional Rental" hereunder, in addition to the Base Rental, to the Authority or to the Trustee, as hereinafter provided, such amounts in each year as shall be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of this Sublease or the assignment hereof, the Indenture, or the Authority's or the Trustee's respective interests in the Leased Property, including, but not limited to, all fees, costs and expenses, all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), [amount (if any) required to be deposited by the Trustee under the Indenture to restore the balance in the Reserve Account to the full amount of the Reserve Requirement]. fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or of the Indenture. The Authority or the Trustee shall bill such Additional Rental to the City from time to time. The City shall pay amounts so billed within 30 days after receipt of the bill by the City.

(c) Such payments of Base Rental and Additional Rental for each rental payment period shall constitute the total rental for said rental payment period, and shall be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental does not exceed the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to other obligations of the parties under this Sublease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public. The determination of fair rental value of the Leased Property pursuant to this paragraph shall not be deemed to be controlling in connection with a determination of fair value of the Leased Property by the parties hereto for any other purpose.

(d) Each installment of Base Rental payable hereunder shall be paid in lawful money of the United States of America to the order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee may designate.

(e) Notwithstanding any dispute between the City and the Authority, the City shall make all Rental Payments when due, without deduction or offset of any kind, and shall not withhold any Rental Payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, at the option of the City, shall be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

(f) The City covenants to take such action as may be necessary to include all such Rental Payments due hereunder in its annual budget and to make the necessary annual appropriations for all such Rental Payments. If the City's adopted annual budget for any fiscal year fails to include sufficient appropriation for the scheduled Rental Payments for the such fiscal year, the City shall give written notice to the Authority and the Trustee of such failure as soon as practical, but in any event within ten Business Days of the adoption of such annual budget. The covenants on the part of the City contained in this Sublease shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Sublease agreed to be carried out and performed by the City; provided, the obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental or Additional Rental payments constitutes an indebtedness of the City, the State or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 4. USE OF PROCEEDS.

The Authority and the City agree that the proceeds of the Bonds will be used to: (i) finance the Projects, and (ii) pay the costs of issuing the Bonds and incidental and related expenses, as more fully set forth in the Indenture.

SECTION 5. MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS.

(a) During such time as the City or any assignee or sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of: (i) all utility services supplied to the Leased Property, (ii) the cost of operation of the Leased Property, and (iii) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City shall, at the City's sole cost and expense, keep and maintain the Leased Property clean and in a safe and good condition and repair. The Authority shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the parties hereto affirm that the Authority has made no representations or warranties to the City respecting the condition of the Leased Property.

(b) The City shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property.

(c) The parties hereto contemplate that the City will use the Leased Property for public purposes and, therefore, that the Leased Property will be exempt from all taxes

presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the Authority or the City of any of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to such Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to such Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect.

SECTION 6. CHANGES TO THE LEASED PROPERTY.

(a) The City shall have the right during the term of this Sublease to acquire and construct improvements or to attach fixtures, structures or signs to any of the Leased Property if the improvements, fixtures, structures or signs are necessary or beneficial for the use of such Leased Property by the City; provided, however, that no such acquisition or construction shall result in a material reduction in the aggregate value of the Leased Property or reduce the aggregate fair rental value thereof or result in an abatement of the Rental Payments.

(b) Upon termination of this Sublease, the City may remove any fixture, structure or sign added by the City, but such removal shall be accomplished so as to leave the Leased Property, except for ordinary wear and tear and damage by casualty, in substantially the same condition as they were in before the fixture, structure or sign was attached.

SECTION 7. TITLE INSURANCE.

The City shall obtain one or more California Land Title Association insurance policies (or, at the City's sole discretion, American Land Title Association insurance policies) at the time of and dated as of the Commencement Date in an aggregate amount not less than the aggregate principal amount of the Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of this Sublease, subject only to Permitted Encumbrances, naming the Trustee as an insured thereunder, issued by a title insurance company qualified to do business in the State of California and acceptable to the Trustee. To the extent permitted under the Indenture, the costs of obtaining such title insurance policy or policies may be paid out of the sale proceeds of the Bonds.

SECTION 8. OTHER INSURANCE.

(a) Fire and Extended Coverage Insurance. The City shall maintain or cause to be maintained fire, lightning and extended coverage insurance on the Leased Property in an amount equal to (i) 100 percent of the then current replacement cost of the Leased Property, excluding the then fair market value of the land as unimproved or (ii) the principal amount of all

outstanding Bonds, whichever is less (except that such insurance may be subject to a deductible clause not to exceed 10 percent of the amount of such policy). Earthquake insurance shall be maintained on the Leased Property only if available on the open market from reputable insurance companies at a reasonable cost. The extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, malicious mischief, dumping or other deposit of any pollutant or other debris and such other hazards as are normally covered by such endorsement. Each such policy of insurance shall be in form reasonably satisfactory to the Authority, and shall contain a clause naming the Trustee as an additional insured and making all losses payable to the Trustee, and all proceeds thereof shall be paid over to the party contractually responsible for making repairs of casualty damage.

In the event of any damage to or destruction of the Leased Property caused by the perils covered by such insurance, the proceeds of such insurance shall be utilized to repair, reconstruct or replace the Leased Property to the end that the project shall be restored to at least the same condition that it was in prior to such damage or destruction. Any balance of such proceeds not required for such repair, reconstruction or replacement shall be transferred to the Authority and treated as Revenues and applied in the manner provided in the Indenture.

(b) Liability Insurance. The City shall maintain or cause to be maintained public liability insurance with limits of not less than $3,000,000 for one person and $5,000,000 for more than one person involved in one accident to protect the Authority and the Trustee from all direct or contingent loss or liability for damages for bodily injury or death occasioned by reason of the construction, condition or operation of the Leased Property. The City will also maintain or cause to be maintained insurance against liability for property damage resulting from any casualty attributable to the operation of the project in an amount not less than $1,000,000 for each accident. The public liability insurance and property damage insurance may be subject to a deductible clause for anyone accident of not to exceed $250,000. The insurance coverage required by this subsection may be effected by blanket policies covering the Leased Property issued to the party contractually responsible for the maintenance and operation of the project and such insurance policy or policies shall name the Trustee as an additional insured.

(c) Rental Interruption Insurance. The City will maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property as a result of any of the hazards covered by the insurance required by subsection (a) of this section in an amount not less than the greatest of the aggregate Base Rental payable by the City under this Sublease for a period of any future 24 months. Any such insurance policy shall be in form satisfactory to the Authority and shall contain a clause naming the Trustee as an additional insured and making any loss thereunder payable to the Trustee as its interests may appear. Any proceeds of such insurance shall be used by the Trustee to pay Annual Debt Service on the Outstanding Bonds for the period during which the payment of rental under the Sublease is abated, and any proceeds of such insurance

not so used shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property.

(d) Self-Insurance; Alternative Plan of Protection. As an alternative to providing the insurance required by paragraph (b) above, the City may provide or cause to be provided a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee, its directors, officers, agents and employees in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the City; provided that the obligation of the Authority or City to make payments under such self-insurance shall be limited to money in a designated fund balance established by the Authority or City and that the Authority or City shall not be obligated to replenish such designated fund balance from the General Fund or be otherwise obligated to make payments except from such designated fund balance. After the Commencement Date, before any substitute method or plan may be provided by the City, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford adequate protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee and its directors, officers, agents and employees against loss and damage from the hazards and risks covered thereby; provided, however, that in the event the City provides a self-insurance method or plan of protection for the insurance required by paragraph (c) above, the designated fund balance established by the City shall be funded in an amount at least equal to the greatest of the aggregate Base Rental payable by the City under this Sublease for a period of any future 24 months.

Moreover, as an alternative to providing the insurance required by paragraph (b) above, the City may provide a self-insurance method or plan of protection through the California Insurance Pool Authority (or another insurance risk sharing pool joint powers authority formed in the State) or any successor entity as the City may reasonably determine.

(e) Evidence of Insurance. The City shall deliver to the Trustee each year a Certificate of the City stating that all requirements of this Sublease related to insurance have been complied with. Each such insurance policy shall require that the Trustee be given 30 days' notice of any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall have no responsibility as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the City shall also deliver to the Trustee duplicate originals or certified copies of each insurance policy described in such schedule.

(f) Advances. If the City shall fail to perform any of its obligations under this Section, then the Authority may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the City, and

the City shall be obligated to repay all such advances as soon as possible, as Additional Rental under Section 3(b).

(g) Waivers of Subrogation. Each of the parties hereby waives any and all rights to recovery against the other or against any other tenant or occupant of the Leased Property, or against the officers, employees, agents, representatives, customers, and business visitors of such other party or of such other tenant or occupant of the Leased Property, for loss or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under the standard form of property damage insurance policy with all permissible extensions and endorsements covering extended perils or under any other policy of insurance carried by such waiving party in lieu thereof, to the extent such policies then in force permit such waiver.

SECTION 9. DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS.

If: (i) the whole, or any portion, of the Leased Property is destroyed (in whole or in part) or is damaged by fire of other casualty or taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), or (ii) the leasehold title in all or a portion of the Leased Property is materially impaired by reason of a defect in title, then

(a) the City, but only to the extent permitted by law, shall substitute other property for the portion of the Leased Property that has been destroyed, or taken, or affected by the defective title in accordance with Section 19 hereof; or

(b) the City shall require the Net Proceeds of any insurance payment (other than the Net Proceeds of rental interruption insurance which shall be applied pursuant to Section 8(c)) or any condemnation award to be held by the Trustee in a special trust fund to be applied and disbursed by the Trustee as follows:

(i) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is usable, then this Sublease shall continue in full force and effect as to such remainder and (A) if the portion taken or destroyed is replaced by one or more properties of equal or greater fair market value (as demonstrated by an MAI fair market appraisal), the Trustee upon written direction of the City shall disburse such proceeds to the party that incurred the expense of making such replacement and there shall not be any abatement of the Base Rental under this Sublease; or (B) failing the making of such replacement, there shall be a partial abatement of the Base Rental under this Sublease (in accordance with Section 17) and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds in accordance with Sections 4.03 and 2.03(a) of the Indenture.

(ii) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is not usable, or if all of the

Leased Property shall have been so destroyed or taken or affected by the defective title, then the term of this Sublease shall cease as of the day that possession shall be so taken; and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds in accordance with Sections 4.03 and 2.03(a) of the Indenture.

SECTION 10. DEFAULT.

(a) If default shall be made by the City in the observance or performance of any agreement, condition, covenant or term contained herein required to be observed or performed by it (including, without limitation, the payment of any Base Rental or Additional Rental due hereunder), subject to the provisions of subsection (c) below, the Authority may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority may have) recover rent and other monetary charges as they become due hereunder without terminating the City's right to possession of the Leased Property (regardless of whether or not the City has abandoned the Leased Property). Furthermore, upon the occurrence of such a default, the Authority shall have the right, and the City hereby irrevocably appoints the Authority as its agent and attorney-in-fact for such purpose, to attempt to relet the Leased Property at such rent, upon such conditions and for such term (subject to then existing Permitted Encumbrances, including but not limited to the City's right to access and exclusive right to maintain and use facilities essential to the City's utilities systems), and to do all other acts to maintain or preserve the Leased Property, including the removal of persons or property therefrom or taking possession thereof, as the Authority deems desirable or necessary. The City hereby waives any and all claims for any damages that may result to the Leased Property upon any action taken by the Authority under this Section 10(a). No action taken by the Authority under this Section 10(a) shall be deemed to terminate the Lease or the Sublease and the City shall continue to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Authority due to such reletting, payable at the same time and manner as provided for Base Rental in Section 3(a).

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

Each and all of the remedies given to the Authority hereunder or by any law now existing or hereafter enacted are cumulative and the exercise of any one remedy shall not impair the right of the Authority to any or all other remedies.

(b) In addition to any default resulting from breach by the City of any agreement, condition, covenant or term hereof, if –

(i) the City's interest herein or any part thereof is assigned or transferred, either voluntarily or by operation of law, except as provided in Section 16; or

(ii) the City shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or

insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City shall make a general or any assignment for the benefit of its creditors in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar event; or

(iii) the City shall abandon the Leased Property or any portion thereof, then in each and every such case the City shall be deemed to be in default hereunder.

(c) Neither the Authority nor the City shall be in default in the performance of any of its obligations hereunder (except for the obligation of the City to pay Base Rental when due pursuant to Section 3(a)) unless and until it shall have failed to perform such obligation within 30 days after notice by the Authority or the City, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

SECTION 11. PREPAYMENT AND CREDITS.

(a) In the event that, pursuant to Section 9, the City determines that Base Rental shall be abated and Net Proceeds from insurance or any condemnation award shall be used to redeem Bonds, the City shall provide the Authority and the Trustee an amended Exhibit B reflecting the new schedule of Base Rental payments.

(b) The City may, at its option, prepay from any source of available moneys, Base Rental then unpaid, in whole or in part, for the redemption of Bonds, which redemption date(s) shall be on or after [October 1, 2032]. In such event, the Bonds shall be redeemed pursuant to Section 2.03(b) of the Indenture. A prepayment under this Section 11(b) shall be deemed made upon the occurrence of either of the following:

(i) The City shall have deposited with the Trustee an amount equal to the sum of (A) the principal components of Base Rental being so prepaid, plus (B) the interest components with respect thereto accrued to the related redemption date(s) of the Bonds, plus (C) a premium, if any, in an amount equal to the redemption premium applicable to the Bonds being so redeemed; or

(ii) There shall have been deposited, on behalf of the Authority, with the Trustee or another fiduciary, Federal Securities in a sufficient amount to satisfy the requirements of Section 9.03 of the Indenture to discharge the Bonds to be redeemed in connection with such prepayment.

Except in the case of a prepayment of Base Rental to redeem all of the then Outstanding Bonds, a prepayment of principal components of Base Rental pursuant to this Section 11(b) shall: (1) apply only to Base Rental previously unpaid and not yet due, and (2) be

applied to reduce Base Rental so that, after such prepayment (and the related redemption of Bonds), (A) each annual installment of principal components of Base Rental due hereunder shall be an integral multiple of $5,000 and (B) the principal components of Base Rental due in any year shall correspond with the principal amount of Bonds due and payable in such year.

(c) Before making any prepayment pursuant to this Section 11, the City shall give written notice to the Trustee specifying the date on which the prepayment will be made. Such notice by the City shall be given at least 45 days before the prepayment date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The City shall have the right to rescind an optional prepayment (exercised under Section 11(b)) by written notice to the Authority and the Trustee prior to the corresponding redemption date of the Bonds, and the Trustee, upon receipt of such notice, shall promptly send notices of rescission of such optional redemption of the Bonds pursuant to Section 2.03(e) of the Indenture.

(d) In the event of a partial prepayment of Base Rental under this Section 11, the City shall provide the Trustee with an amended Exhibit B reflecting the new schedule of Base Rental payments. A prepayment made pursuant to this Section 11 shall not cause a defeasance of Bonds unless the requirements of Section 9.03 of the Indenture are satisfied.

(e) In the event of a prepayment in full of the principal component of Base Rental under this Section 11, such that this Sublease shall be terminated by its terms as provided in Section 2, all amounts then on deposit under the Indenture which are to be credited to the City's obligations to make Base Rental payments shall be credited towards the amounts then required to be so prepaid.

SECTION 12. RIGHT OF ENTRY.

The Authority and its assignees shall have the right to enter any of the Leased Property during reasonable business hours (and in emergencies at all times), subject to the City's reasonable security measures, (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Sublease, and (c) for all other lawful purposes.

SECTION 13. MECHANICS' LIENS.

In the event the City shall at any time before or during the term of this Sublease cause any improvements or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other liens against the Leased Property or the Authority's interest therein, and will cause any such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien it may do so. If any such

lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall promptly pay and discharge said judgment.

SECTION 14. QUIET ENJOYMENT.

The parties hereto mutually covenant that the City, so long as it keeps and performs the covenants and agreements herein contained, shall at all times during the term of this Sublease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

SECTION 15. INDEMNIFICATION.

The City shall, to the full extent then permitted by law, indemnify, defend, protect and hold harmless the Authority and its members, officers and employees and the Trustee and its officers, directors or employees from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof (except for any liability, obligation, loss, claim or damage arising out of the negligent or intentional act or omission of the Trustee, its officers, directors or employees), and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Sublease and the Indenture, or the payment of costs of (including any accident in connection with) the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all rent obligations hereunder or the termination hereof for any reason, and with regard to the Trustee, the resignation or removal of the Trustee. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property. The Authority and the City mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

SECTION 16. ASSIGNMENT TO TRUSTEE; SUBLETTING BY CITY.

(a) The parties understand that this Sublease and the rights of the Authority hereunder (except for the Authority's rights with respect to approvals or consents hereunder, and indemnification and payment or reimbursement for any costs or expenses of the Authority hereunder) will be assigned to the Trustee pursuant to the Assignment Agreement and the Indenture, and accordingly, the City agrees to make all Rental Payments due to the Authority hereunder directly to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may have from time to time against the Authority, except as provided in Section 17.

(b) Neither this Sublease nor any interest of the City hereunder shall be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise; provided, subject to Section 18, that the City may sublease all or any portion of

the Leased Property, and may grant concessions to others involving the use of any portion of the Leased Property, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Leased Property. The City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing contained herein shall be construed to relieve the City from its obligation to pay Base Rental and Additional Rental as provided in this Sublease or to relieve the City from any other obligations contained herein.

(c) Without limiting the foregoing, to the extent that this Sublease or the Assignment Agreement confer upon or grants the Trustee any right, remedy or claim under or by reason of this Sublease, the Trustee is hereby further recognized as being a third party beneficiary hereunder and may enforce such right, remedy or claim conferred, given or granted hereunder.

SECTION 17. ABATEMENT OF RENTAL.

(a) The obligation of the City to pay Base Rental and Additional Rental shall be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement shall be in an amount agreed upon by the City and the Authority such that the resulting Base Rental in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement shall continue for the period commencing with the date of such interference and ending with the restoration of the relevant Leased Property to tenantable condition. For clarification purposes, to the extent that any Base Rental is to be paid or prepaid from insurance or condemnation proceeds deposited with the Trustee pursuant to Section 8(c) of this Sublease, such Base Rental shall not be reduced or abated pursuant to this Section.

(b) Upon the cessation of the occurrence of any abatement event during the term of this Sublease, the City and the Authority shall, in good faith, determine the current fair rental value of the Leased Property. If such fair rental value is greater than the fair rental value of the Leased Property determined under Section 3 as of the Commencement Date, the Base Rental shall be increased by the lesser of (i) such incremental value or (ii) the amount needed to recoup all amounts abated during the remaining term of this Sublease.

(c) Except as set forth herein, in the event of any damage, destruction of condemnation, this Sublease shall continue in full force and effect and the City hereby waives any right to terminate this Sublease by virtue of such damage, destruction or condemnation. The City further waives the benefit of Sections 1932(1), 1932(2), 1933(4), 1941 and 1942 of the California Civil Code.

SECTION 18. ADDITIONAL COVENANTS REGARDING TAX-EXEMPT BONDS.

The City covenants that during the term of this Sublease it shall not use or permit the use of the Leased Property or any proceeds of the Bonds, directly or indirectly, in any manner, and shall not take or omit to take any action, that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. The City shall comply with the provisions of the Tax Certificate, which is incorporated in this Sublease.

SECTION 19. SUBSTITUTION OR RELEASE OF PROPERTY.

(a) Notwithstanding anything herein to the contrary, the Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from this Sublease, at the option of the City; provided, that the following conditions shall have been satisfied:

(i) such substitution or release does not, in the opinion of Bond Counsel, adversely affect the Tax-Exempt status of the Bonds;

(ii) The City shall have provided certification to the Authority and the Trustee that the fair market value of the Leased Property, after the proposed substitution or release, shall be equal to or greater than the aggregate amount of the principal component of the Base Rental (*i.e.,* the principal amount of the Outstanding Bonds);

(iii) the City certifies to the Authority and the Trustee that, based on the City's determination, the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of this Sublease, and the expected useful life of the Leased Property, after such substitution or release, extends at least to the Expiration Date;

(iv) Except as provided in Section 19(b), the City shall notify the rating agency (or agencies) then rating the Bonds regarding such substitution or release;

(v) in the event that the substituted property consists in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted real property has been obtained, along with evidence that, other than Permitted Encumbrances, no prior liens exist as to the substituted property;

(vi) the City shall provide to the Authority and the Trustee evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution or release is not affected; and

(vii) the parties hereto shall amend this Sublease to properly reflect such substitution or release.

(b) In addition to the release and substitution of property pursuant to Section 19 hereof, upon completion of the Recreation Center Project, the portions of the Leased Property other than the Recreation Center Project and the related real property upon which the Recreation Center Project is located (all as described in Exhibit A to this Sublease) may be released from the Lease and this Sublease; provided, however, that no such release shall occur until there is delivered to the Trustee a Written Certificate of the City that the conditions set forth in Section 19(a)(v), (vi) and (vii) have been satisfied and that the City has received a certificate of occupancy for, and has beneficial use and occupancy of, the Recreation Center Project.

SECTION 20. WAIVER.

Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may be established between the parties in the course of administering this Sublease be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Sublease.

SECTION 21. NET LEASE.

Subject to the provisions of Section 17 ("Abatement of Rental"), this Sublease shall be deemed and construed to be a "Triple Net Lease" and the City hereby agrees that rental provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or setoffs whatsoever.

SECTION 22. AMENDMENTS.

This Sublease may only be amended to the extent permitted by Section 5.07 of the Indenture.

SECTION 23. GOVERNING LAW.

This Sublease shall be governed exclusively by the provisions hereof and by the laws of the State of California.

SECTION 24. NOTICES.

Any notice, request, demand, or other communication under this Sublease shall be governed by Section [9.14] of the Indenture, which is hereby incorporated.

SECTION 25. VALIDITY AND SEVERABILITY.

If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Sublease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the City monthly in consideration of the right of the City to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this Sublease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 26. SECTION HEADINGS.

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Sublease.

[Remainder of this page intentionally left blank.]

SECTION 27. EXECUTION; RECORDATION.

This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the City have caused this Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By: _____
Joe Irvin, Executive Director

ATTEST:

_____
Susan Blankenship, Secretary

CITY OF SOUTH LAKE TAHOE

By: _____
Devin Middlebrook, Mayor

ATTEST:

_____
Susan Blankenship, City Clerk

EXHIBIT A

Description of Leased Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1252 Ski Run Boulevard - Fire Station #1: (APN: 027-323-17-100)

Lot 41, as shown on the Official Map of Keller Park Subdivision, filed in the Office of the County Recorder of said County on July 19, 1951 in Map Book A, Map No. 202.

Excepting therefrom the following: Beginning at the most Northerly corner of Lot 41 as shown and so delineated on that certain Map of Keller Park Subdivision, recorded in Map Book "A" at Page 102, Official Records of El Dorado County, California; thence from said point of beginning South 29°45' East along the Northeasterly line of said Lot 41, 125.03 feet; thence leaving said line South 60°15' West, 336.18 feet to a point on the Southwesterly line of said Lot 41; thence North 40°49' West along said line 127.40 feet to the most Westerly corner of said Lot 41; thence North 60°15' East along the Northwesterly line of said Lot 41; 360.63 feet to the point of beginning.

Also excepting therefrom that portion conveyed to Margaret R. Keller, in the instrument recorded October 6, 1972 in Book 1151 of Official Records, Page 262.

Also excepting therefrom that portion conveyed to the City of South Lake Tahoe, in the instrument Recorded March 20, 1974 in Book 1252 of Official Records, Page 185.

PARCEL 2 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-21-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26'11" West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11'22" West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42'14" an arc distance 287.12 feet; thence tangent to said curve South 34°06'24" East, 108.00 feet; thence North 89°26'11" East, 617.42 feet; thence North 18°37'15" East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26'11" West, 287.86 feet to the point of beginning.

PARCEL 3 - 1201 Al Tahoe - Bijou Park (APNs: 025-010-051, 025-041-009)

[legal description to come]

PARCEL 4 - 1176 Rufus Allen - Skating Rink (APN: 026-050-004) [APN may change with land swap but a new one has not been assigned yet]

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said Proposed Parcel 1 contains 3.820 acres of land, more or less.

PARCEL 5 - 1176 Rufus Allen - Recreation Center Complex (APN: ___)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet;

Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning and containing 10.211 acres of land, more or less.

The Basis of Bearings for this description is the aforementioned Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder.

See Exhibit "K-1", Plat to Accompany Description, attached hereto and made a part hereof.

EXHIBIT B

Base Rental Payment Schedule

Payment Date*	Principal Component	Interest Component	Total
4/1/2021			
10/1/2021			
4/1/2022			
10/1/2022			
4/1/2023			
10/1/2023			
4/1/2024			
10/1/2024			
TOTAL			

* Payable five days before each payment date.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Recording requested by and when recorded mail to: City of South Lake Tahoe c/o Richards, Watson & Gershon, A Professional Corporation 350 South Grand Avenue, 37th Floor Los Angeles, California 90071 Attention: Lolly Enriquez, Esq.	RWG Draft 7/25/22

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1of the California Government Code.

==========

ASSIGNMENT AGREEMENT

by and between the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as Trustee

Dated as of October 1, 2022

==========

ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement"), dated as of October 1, 2022, is made by and between the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers agency duly organized and existing pursuant to the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, duly organized and existing under and by virtue of the laws of the United States of America, as Trustee (the "Trustee").

RECITALS:

A. The Authority is issuing its $[principal amount] in aggregate principal amount of its Lease Revenue Bonds, Series 2022A (the "Bonds") pursuant to an Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and the Trustee.

B. In connection with the Bonds, the Authority and the City of South Lake Tahoe, California (the "City"), are entering into a Lease Agreement, dated as of October 1, 2022 (the "Lease"), whereby the City leases to the Authority leases certain real property, including improvements thereon, described in Exhibit A, attached hereto and incorporated by reference, and improvements thereon (collectively, the "Leased Property").

C. The Authority and the City are also entering into a Sublease Agreement, dated as of October 1, 2022 (the "Sublease"), whereby the Authority subleases to the City the Leased Property.

D. Pursuant to the Sublease, the City is obligated to make certain rental payments to the Authority for the subleasing of the Leased Property.

E. The Authority desires to assign to the Trustee, without recourse, all of the Authority's rights to receive "Base Rental" payments scheduled or required to be paid by the City under and pursuant to the Sublease.

F. The Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Definitions.

Unless context clearly requires otherwise, all capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

Section 2. Assignment.

The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the right, title and interest of the Authority in (but not of its obligations under) the Lease and the Sublease (except the Authority's rights to give approvals and consents under the Lease and the Sublease and to indemnification and payment or reimbursement for any costs or expenses thereunder), including the Authority's rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Sublease, and any and all of the other rights of the Authority under the Lease and the Sublease as may be necessary to enforce payment of such Base Rental Payments when due or otherwise to protect the interest of the Owners of the Bonds.

Section 3. Acceptance.

The Trustee hereby accepts the foregoing assignment for the benefit of the Bond Owners, subject to the conditions and terms of the Indenture, and all such Base Rental Payments shall be applied and all such rights so assigned shall be exercised by the Trustee under and pursuant to the Indenture. Excepting only the assignment and transfer of rights to the Trustee pursuant to Section 2 hereof, this Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture. In executing and performing under this Agreement, the Trustee shall be entitled to all of the rights, protections, immunities and indemnities granted to it under the Indenture.

Section 4. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(b) This Agreement shall be binding on and inure to the benefit of the parties hereto, and their successors and assigns.

(c) This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same instrument. It shall be necessary to account for only one set of such counterparts in proving this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Agreement by their authorized signatories thereunto duly authorized as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin
Executive Director

ATTEST:

_____
Susan Blankenship, Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

By:_____

Name: _____

Title: _____

EXHIBIT A

Description of Leased Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1252 Ski Run Boulevard - Fire Station #1: (APN: 027-323-17-100)

Lot 41, as shown on the Official Map of Keller Park Subdivision, filed in the Office of the County Recorder of said County on July 19, 1951 in Map Book A, Map No. 202.

Excepting therefrom the following: Beginning at the most Northerly corner of Lot 41 as shown and so delineated on that certain Map of Keller Park Subdivision, recorded in Map Book "A" at Page 102, Official Records of El Dorado County, California; thence from said point of beginning South 29°45' East along the Northeasterly line of said Lot 41, 125.03 feet; thence leaving said line South 60°15' West, 336.18 feet to a point on the Southwesterly line of said Lot 41; thence North 40°49' West along said line 127.40 feet to the most Westerly corner of said Lot 41; thence North 60°15' East along the Northwesterly line of said Lot 41; 360.63 feet to the point of beginning.

Also excepting therefrom that portion conveyed to Margaret R. Keller, in the instrument recorded October 6, 1972 in Book 1151 of Official Records, Page 262.

Also excepting therefrom that portion conveyed to the City of South Lake Tahoe, in the instrument Recorded March 20, 1974 in Book 1252 of Official Records, Page 185.

PARCEL 2 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-21-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26'11" West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11'22" West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42'14" an arc distance 287.12 feet; thence tangent to said curve South 34°06'24" East, 108.00 feet; thence North 89°26'11" East, 617.42 feet; thence North 18°37'15" East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26'11" West, 287.86 feet to the point of beginning.

PARCEL 3 - 1201 Al Tahoe - Bijou Park (APNs: 025-010-051, 025-041-009)

[legal description to come]

PARCEL 4 - 1176 Rufus Allen - Skating Rink (APN: 026-050-004) [APN may change with land swap but a new one has not been assigned yet]

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said Proposed Parcel 1 contains 3.820 acres of land, more or less.

PARCEL 5 - 1176 Rufus Allen - Recreation Center Complex (APN: ___)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet;

Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning and containing 10.211 acres of land, more or less.

The Basis of Bearings for this description is the aforementioned Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder.

See Exhibit "K-1", Plat to Accompany Description, attached hereto and made a part hereof.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of South Lake Tahoe (the "City") in connection with the issuance by the Authority of the bonds captioned above (the "Bonds"). The Bonds are being issued under an Indenture of Trust dated as of October 1, 2022 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means June 1 of each year.

"*Dissemination Agent*" means the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Stifel Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing June 1, 2023, with the report for Fiscal Year 2021-22 (which ends on September 30, 2022), provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(1) The following tables in substantially the format displayed in the Official Statement: General Fund Balance Sheet (Table 11), Statement of General Fund Revenues, Expenditures and Balances (Table 10), and General Fund Revenues by Revenue Source (Table 2).

(2) Assessed valuation of all taxable property (Table 6).

(3) Statement of Teeter Plan applicability to property tax revenues received by the City.

(4) Statement or table setting forth outstanding balance of long-term obligations payable from the General Fund, showing information similar to that set forth in the Official Statement.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (f)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (f)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(f) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the state of California.

Date: _____, 2022

CITY OF SOUTH LAKE TAHOE

By_____
Name:_____
Title:_____

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2022

NEW ISSUE - FULL BOOK-ENTRY **RATING: S&P: "AA"**
See "RATING"

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds may be subject to certain federal income taxes imposed only on certain corporations. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$_____*
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

Dated: Date of Delivery **Due: October 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "**Bonds**") are being issued by the South Tahoe Joint Powers Financing Authority (the "**Authority**") pursuant to an Indenture of Trust dated as of October 1, 2022 (the "**Indenture**") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") and a resolution adopted by the Board of Directors of the Authority. See "THE BONDS – Authority for Issuance."

Use of Proceeds. The Bonds are being issued to finance the construction and acquisition of a recreation center, establish a debt service reserve account and pay issuance costs. See "FINANCING PLAN."

Security for the Bonds. Under the Indenture, the Bonds are payable from and secured by a first pledge of and lien on revenues ("**Revenues**") (as defined in this Official Statement) received by the Authority under a Sublease, dated as of October 1, 2022, by and between the Authority, as lessor, and the City, as lessee (the "**Sublease**"), consisting primarily of semi-annual lease payments (the "**Base Rental**") made by the City under the Sublease with respect to the lease of certain real property, as further described in this Official Statement. The Bonds are also secured by certain funds on deposit under the Indenture. See "SECURITY FOR THE BONDS."

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2023, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – General Provisions."

[Reserve Account. The Authority will establish a debt service reserve account for the Bonds from proceeds of the Bonds, as described herein. See "SECURITY FOR THE BONDS."]

[Bond Insurance For; Reserve Account Surety. The Authority has applied for municipal bond insurance; a determination regarding the use of bond insurance will be made at the time of pricing of the Bonds. If bond insurance is purchased, the Authority may also purchase a reserve surety policy in lieu of making a cash deposit to the Reserve Account.]

Redemption. The Bonds are subject to redemption prior to maturity. See "THE BONDS – Redemption."

NEITHER THE BONDS, NOR THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, as Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Quint & Thimming LLP, Larkspur, California. It is anticipated that the Bonds will be delivered in book-entry form through the facilities of DTC on or about October [18], 2022.

[Stifel logo]

The date of this Official Statement is: _____, 2022.

MATURITY SCHEDULE

$_____ Serial Bonds
(Base CUSIP†: _____)

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds due October 1, 20___; Price: _____%; Yield: _____;
CUSIP†: _____

_____
* Preliminary, subject to change.

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SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
South Lake Tahoe, California

AUTHORITY BOARD / CITY COUNCIL

Devin Middlebrook, *Chair/Mayor*
Cristi Creegan, *Vice Chair/Vice Mayor*
Cody Bass, *Authority Member/Councilmember*
John Friedrich, *Authority Member/Councilmember*
Tamara Wallace, *Authority Member/Councilmember*

CITY / AUTHORITY STAFF

Joe Irvin, *City Manager/Executive Director*
David Olivo, *City Treasurer*
Olga Tikhomirova, *Finance Director/Authority Treasurer*
Susan Blankenship, *City Clerk/Secretary*
Heather Stroud, *City Attorney/Authority Counsel*

PROFESSIONAL SERVICES

Bond Counsel
Richards, Watson & Gershon, A Professional Corporation
Los Angeles, California

Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor
Public Financial Management, Inc.
San Francisco, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Official Statement, or in the condition of the security for the Bonds since the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds. Prospective investors should not construe the contents of this Official Statement as legal, tax or investment advice.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the level of optimism communicated in the information. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

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OFFICIAL STATEMENT

**$_____*
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Authority for Issuance. The South Tahoe Joint Powers Financing Authority (the "**Authority**") is issuing the bonds captioned above (the "**Bonds**") under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the "**Bond Law**"), resolutions adopted by the Board of Directors (the "**Board**") of the Authority on August 9, 2022 (the "**Authority Resolution**"), and by the City Council (the "**City Council**") of the City of South Lake Tahoe (the "**City**") on August 9, 2022 (the "**City Resolution**"), and an Indenture of Trust (the "**Indenture**") dated as of October 1, 2022, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

Purpose of the Bonds. The Bonds are being issued to finance the construction and acquisition of a recreation center, establish a debt service reserve account, and to pay issuance costs. See "FINANCING PLAN."

The Authority and the City. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City and the Parking Authority of the City of South Lake Tahoe. The City Council serves as the Governing Board of the Authority. See "THE AUTHORITY" herein.

The City is located at the South Shore of Lake Tahoe, which is the country's largest alpine lake, in El Dorado County, California (the "**County**"), and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 21,199 as of January 1, 2022. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6260 ft. As the only

* Preliminary; subject to change.

incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-Nevada state line, is mainly geared towards tourism, with shops, restaurants, hotels, and the Heavenly Ski Resort, with the Nevada casinos just across the State line. The western end of town is mainly residential. For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B.

***Bond Terms; Book-Entry Only*.** The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2023. The Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company ("**DTC**"), or its nominee, which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the Bonds that are purchased. See "THE BONDS – Book-Entry Only System" and "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Security for the Bonds. The City and the Authority will enter into a Lease Agreement, dated as of October 1, 2022 (the "**Lease**"), under which the City will lease certain real property to the Authority, consisting of (1) the Police Station, (2) Fire Station #1, (3) South Lake Tahoe Ice Arena, (4) Bijou Park and (5) the Recreation Center Property (described herein) and improvements to be built thereon (collectively, the "**Leased Property**"), to the Authority as further described herein under the caption "THE LEASED PROPERTY." Proceeds of the Bonds are used by the Authority to fund the payment obligation under the Lease.

In order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Sublease, dated as of October 1, 2022 (the "**Sublease**"), under which the City is obligated to pay semi-annual lease payments (the "**Base Rental**") as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Sublease to The Bank of New York Mellon Trust Company, N.A. as trustee for the Bonds. The Bonds are payable from and secured by a first pledge of and lien on the Revenues (defined herein), consisting primarily of the Base Rental. To provide an additional source of funds for payment of the Bonds, the Authority will establish a debt service reserve account for the Bonds from proceeds of the Bonds, as described herein. See "SECURITY FOR THE BONDS."

Base Rental payments are payable from any legally available sources of funds of the City, and are anticipated to be paid by the City from a 2% Transient Occupancy Tax revenue measure (Measure P). See "FINANCING PLAN – 2% TOT (Measure P) Funding Source" and "CITY FINANCIAL INFORMATION – Transient Occupancy Taxes."

Abatement. The Base Rental payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City's use and possession of the Leased Property or any portion thereof. If the Base Rental payments are abated under the Sublease, the Bond Owners may receive less than the full amount of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS – Abatement" and "BOND OWNERS' RISKS – Abatement."

Additional Obligations. Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds. See "SECURITY FOR THE BONDS – Additional Obligations."

[Bond Insurance; Reserve Surety. The Authority has applied for municipal bond insurance; a determination regarding the use of bond insurance will be made at the time of pricing of the Bonds. If bond insurance is purchased, the Authority may also purchase a reserve surety policy in lieu of making a cash deposit to the Reserve Account.]

***Redemption*.** The Bonds are subject to redemption prior to their stated maturity dates. See "THE BONDS – Redemption."

Risks of Investment. Debt service on the Bonds is payable only from Base Rental Payments and other amounts payable by the City to the Authority under the Sublease. The Base Rental payments are payable from revenues available in the City's General Fund, which revenues may be materially adversely affected by numerous factors outside the City's control, including the ongoing COVID-19 pandemic and the governmental responses to the pandemic. For a discussion of some of the risks associated with the purchase of the Bonds, see "BOND OWNERS' RISKS."

NEITHER THE BONDS, THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

FINANCING PLAN

The Project

The Bonds are being issued to finance various capital improvement projects being undertaken in the City known as the "Multigenerational Center Project," including the construction of a new South Lake Tahoe Recreation and Aquatics Center – A Multigenerational Center. The project is a collaboration between the City and County.

The project is located in the vicinity of the City's existing Recreation and Swim Complex (which will be removed), South Lake Tahoe Ice Arena, Campground by the Lake, and Lakeview Commons. US 50 is located in the northern portion of the project area and separates Lakeview Commons and Champions Plaza from the rest of the project area. The project site comprises eight parcels totaling approximately 56 acres; approximately 42 acres is owned by the County and controlled by the City pursuant to a long-term lease, the remainder is owed by the City. Part of the City owned portion (the **"Recreation Center Property"**) is the site of the new Recreation and Aquatic Center Complex and comprises a portion of the Leased Property.

Existing features in the area that would be upgraded or reconfigured as part of the project include:

- Recreation and Swim Complex, which is being removed and replaced with the new Multigenerational Center
- Campground by the Lake, a 22.5-acre campground with 172 campsites for RV and tent camping and seven tent cabins
- Lakeview Commons/El Dorado Beach

- New additional parking (321 parking stalls)

The new Multigenerational Center would be the first facility to be built as part of the project, and would replace the existing Recreation and Swim Complex (constructed in 1971), although at a location in the northern part of the plan area west of the existing library. The new location will provide a closer connection to the main highway and Lakeview Commons and offer views of the lake. The approximately 64,220-square-foot Multigenerational Center is designed to include a variety of recreational and community uses described below and would be designed to meet Leadership in Energy and Environmental Design (LEED) standards. Design of the building will be characteristic of mountain modern style and use a mixture of metal, wood, stone, and concrete. The building height is anticipated to be up to 38 feet, and offer space and services for all ages, including a commercial kitchen and dining space for the purpose of accommodating the County Senior Nutrition Program.

The new aquatic facilities are designed to include a lap pool and activity pool. The 2,500-square-foot activity pool could include spray features and a lazy river. The six-lane, 25-yard lap pool would accommodate swim meets and a variety of recreation and fitness uses. The deck around the pool would include space to accommodate tip-and-roll bleachers for approximately 80 spectators.

The proposed multi-purpose gymnasium space is planned to include two high school-sized courts and four middle school-sized courts. Court striping would also include two volleyball courts and four pickleball/badminton courts. Circulation around the courts would be appropriately sized to accommodate tip-and-roll bleachers for approximately 320 spectators. A three-lane suspended walk/jog track located above the circulation area of the gym would be sized at approximately 12 laps per mile. An aerobics/dance studio would be provided as well as outside spaces for fitness and small group events.

As a community facility, the Multigenerational Center is anticipated to provide an arts and crafts classroom, wet classroom by the pools, rooftop event space, rooftop outdoor patio, and a commercial kitchen for community use, including for the County Senior Nutrition Program. Senior programs are anticipated to be provided at the Multigenerational Center, including both active recreation uses as well as passive, social spaces. The spaces programmed for senior activities would also be made available to other user groups to maximize facility use in the multi-purpose design. The existing senior center located at 3050 Lake Tahoe Blvd would remain accessible to senior groups. Additional services for senior patrons beyond the lunch program include arts and craft classes, gardening (which seniors may teach), as well as various recreational exercise activities. A child watch service is being considered for this facility as part of the flexible space design. Specifically, the party room may serve as a location for children requiring supervision while their parents participate in fitness programs. Other multi-use spaces may also be activated for child watch as identified through the final design process. The Multigenerational Center would include several offices to support the various uses, including the commercial kitchen, aquatics, and fitness uses.

The Multigenerational Center is anticipated to be constructed by late 2024 at a total cost of $60.8 million for both Phases (I and II). Of this amount, $48 million will be financed through the Bonds. Other portions of the project will follow later and will have separate funding. Final timing and amounts related to the project will not be known until a construction bid is awarded, which is anticipated to occur in late September 2022.

2% TOT (Measure P) Funding Source

In November 2016, voters in the City approved Measure P, which increased the Transient Occupancy Tax (TOT) levied on room nights in the City by an additional 2%. Measure P was approved as a special tax measure, which means the revenues must be used solely for the construction, operation and maintenance of the Multigenerational Center Project. The City anticipates paying 100% of the Base Rental payments due under the Sublease from Measure P revenues; however, if Measure P revenues are insufficient for such purpose in a particular year, the City may use any other legally available sources, including General Fund revenues, for such payments.

Measure P is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2016-17 through 2020-21, Measure P revenues were $2,507,719, $3,307,933, $3,435,411, $2,764,825, and $3,234,866, respectively. There is no sunset date for Measure P. For additional information on Measure P and the City's General Fund revenues sources, see "CITY FINANCIAL INFORMATION."

Estimated Sources and Uses

The estimated sources and uses of funds relating to the Bonds are as follows:

Sources:	
Principal Amount of Bonds	$
TOTAL SOURCES	$
Uses:	
Deposit to Project Fund	
Deposit to Reserve Account[(1)]	
Costs of Issuance[(2)]	
TOTAL USES	$

(1) Represents the initial Reserve Requirement for the Bonds.
(2) Represents funds to be used to pay Costs of Issuance, which include rating agency fees, bond counsel, disclosure counsel, Trustee fees, Underwriter's discount and other costs of issuing the Bonds.

THE LEASED PROPERTY

General

Base Rental payments will be made by the City under the Sublease for the use and occupancy of the Leased Property. The Leased Property consists of the following:

Fire Station #1, 1252 Ski Run Boulevard. Fire Station #1 is approximately 5,216 square feet and was built in 1994. The insured value for Fiscal Year 2022-23, not including the land on which the building sits, was $2,258,595.

Police Station, 1352 Johnson Boulevard. The Police Station is approximately 17,500 square feet and was built in 1972. The insured value for Fiscal Year 2022-23, not including the land on which the building sits, was $5,139,388.

Lake Tahoe Ice Arena, 1176 Rufus Allen. The Lake Tahoe Ice Arena, is approximately 37,000 square feet and was built in 2022. Lake Tahoe Ice Arena is owned by the City and managed by Tahoe Sports Entertainment. The arena is the only indoor, year-round ice arena in the region. Offering comprehensive programming, the arena facilitates the recreation and exercise of local athletes. The insured value for Fiscal Year 2022-23, not including the land on which the building sits, was $11,463,023. The land value of the skating rink is estimated at $2,880,000.

Bijou Park, 1201 Al Tahoe. Bijou Community Park is South Lake Tahoe's only true community park. Constructed in 1992, the park offers diverse recreation opportunities to both residents and visitors alike. Some highlights include a basketball court, bike park, fenced dog park, historic railroad exhibit, disc golf course, open meadow, restroom / concession facility, skateboard park, two covered gazebos with barbecue pits, and volleyball courts. The land value of Bijou Park is $33,903,000. The insured value for the structures in the park (including restrooms and picnic gazebo) for Fiscal Year 2022-23, not including the land on which the building sits, was $543,871. The land value of Bijou Park is estimated at $33,903,000.

Multigenerational Center Project, 1176 Rufus Allen. The property underlying the planned Multigenerational Center, including the Multigenerational Center and certain other improvements planned to be built thereon, will be part of the Leased Property. Only the land owned by the City, and the improvements thereon, will be part of the Leased Property. For more details on the planned improvements, see "FINANCING PLAN – The Project." Because it has not yet been built, the City does not have an insured value for the Multigenerational Center.

Changes to Leased Property

The City will have the right during the term of the Sublease to acquire and construct improvements or to attach fixtures, structures or signs to any of the Leased Property if the improvements, fixtures, structures or signs are necessary or beneficial for the use of such Leased Property by the City; provided, however, that such acquisition or construction must not result in a material reduction in the aggregate value of the Leased Property or reduce the aggregate fair rental value thereof.

Substitution or Release of Property

Pursuant to the Sublease, the Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from the Sublease, at the option of the City; provided, that the following conditions have been satisfied:

- Such substitution or release does not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of the Bonds;

- the City shall have provided certification to the Authority and the Trustee that the fair market value of the Leased Property, after the proposed substitution or release, shall be equal to or greater than the aggregate amount of the principal component of the Base Rental (i.e., the principal amount of the Outstanding Bonds);

- the City certifies to the Authority and the Trustee that, based on the City's determination, the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of the Sublease, and the expected useful life of the Leased Property, after such substitution or release, extends at least to the Expiration Date, as such term is defined in the Sublease;

- the City will notify any rating agency then rating the Bonds regarding such substitution or release;

- in the event that the substituted property consists in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted property has been obtained, along with evidence that, other than Permitted Encumbrances, no prior liens exist as to the substituted property;

- the City will provide to the Authority and the Trustee evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution or release is not affected;

- the Authority and the City will amend the Sublease to properly reflect such substitution or release.

In the Sublease, it is recognized that after the completion of the project (described above under "FINANCING PLAN," the City may choose to release a portion of the Leased Property under the Lease and the Sublease; and in that connection, so long as the Recreation Center Property (as defined in the Sublease) will remain as among the Leased Property after such release, then the City will not be required to provide notice to any rating agency pursuant to the foregoing.

See "APPENDIX C − SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

DEBT SERVICE SCHEDULE

The table below shows annual debt service payments on the Bonds.

Year Ending October 1	Principal	Interest	Total Debt Service
Total:			

THE BONDS

This section provides summaries of the Bonds and certain provisions of the Indenture. See APPENDIX C for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Authority for Issuance

The Bonds are being issued under the Bond Law, the Indenture, the Authority Resolution adopted by the Board of the Authority on August 9, 2022, and the City Resolution adopted by the City Council on August 9, 2022.

General Provisions

Bond Terms. The Bonds will be dated their date of delivery and issued in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine), without coupons in denominations of $5,000 or any integral multiple of $5,000. The Bonds will mature in the amounts and on the dates, and bear interest at the annual rates, set forth on the inside cover page of this Official Statement.

Payments of Principal and Interest. Interest on the Bonds will be payable on April 1 and October 1 in each year, beginning April 1, 2023 (each an "**Interest Payment Date**"). Principal on the Bonds will be payable on October 1 in the amounts and in the years set forth on the inside front cover of this Official Statement.

While the Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to the Bonds will be paid by the Trustee to DTC for subsequent disbursement to beneficial owners of the Bonds. See "− Book-Entry Only System" below.

Interest with respect to any Bond will be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check or draft of the Trustee, mailed by first-class mail, no later than the Interest Payment Date to the Owner at such Owner's address as it appears on the registration book maintained by the Trustee; provided however that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds will be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing), by wire transfer in immediately available funds to an account in the United States of America designated by written request. Payments of defaulted interest will be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date will be given to the Owners of the Bonds not less than 10 days prior thereto.

The principal of and premium, if any, and interest on the Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

Calculation of Interest. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless: (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it

will bear interest from its dated date, provided however, that if at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond will bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Notwithstanding the foregoing, if, at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond will bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Transfer, Registration and Exchange

See "APPENDIX C − SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for a description of the provisions of the Indenture relating to the transfer, registration and exchange of the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or after October 1, [2032], shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, [2031]). The Bonds called for optional redemption shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on October 1, 20__ and October 1, 20__ (the "Term Bonds") shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional and extraordinary redemption provisions of the Indenture, each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to the optional and extraordinary redemption provisions of the Indenture shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

* maturity

* Preliminary; subject to change.

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

* maturity

Extraordinary Redemption from Insurance and Condemnation Proceeds. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided below, as a whole or in part on a pro rata basis (as much as practicable) among the maturities, on any date, from amounts on deposit in the Redemption Fund pursuant the Sublease (from Net Proceeds received by the City from insurance payments or condemnation awards with respect to the Leased Property or any portion thereof under the circumstances and upon the conditions and terms prescribed in the Sublease, together with additional money, if any, transferred by the City at its discretion for such purpose). Extraordinary redemption will be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all the Bonds, the Trustee will select the Bonds to be redeemed from the all Outstanding Bonds or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in the Indenture or in writing by the Authority, but with such selection being subject to the prior approval of the Bond Insurer) and by lot within a maturity in any manner which the Trustee in its discretion deems appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 portions and such portions will be treated as separate Bonds, which may be separately redeemed.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority will execute, and the Trustee will authenticate and deliver, to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption will be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee will be released and discharged from all liability to the extent of such payment.

Notice of Redemption. The Authority will give written notice of its intention to redeem Bonds under the optional or extraordinary redemption provisions of the Indenture to the Trustee at least 45 days before the proposed redemption date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The Trustee, on behalf and at the expense of the Authority, will send by first class mail (or if the Owner of such Bonds is a depository, by such method as acceptable to such depository) notice of any redemption to (i) the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, (ii) to the Securities Depositories and (iii) to one or more Information Services by such manner of delivery as then acceptable to such entities, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

Such notice of redemption will state the date of the notice, the redemption date, the redemption place, the redemption price and will specify the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Neither the Authority nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee will be liable for any inaccuracy in such numbers.

Right to Rescind Optional Redemption. The Authority (upon direction by the City, at the City's option) may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. In addition, any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Authority, the City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Outstanding Bonds or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in this Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption shall be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee shall be released and discharged from all liability to the extent of such payment.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date. All Bonds redeemed pursuant to the Indenture will be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners thereof and the Trustee will not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

Book-Entry Only System

The Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of $5,000 or any integral multiple of $5,000, under the book-entry system maintained by DTC. While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds. Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC.

See "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM" for further information regarding DTC and the book-entry system.

SECURITY FOR THE BONDS

The principal of and interest on the Bonds are not a debt of the Authority or the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of their respective property, or upon any of their income, receipts, or revenues except the Revenues and other amounts pledged under the Indenture.

This section provides summaries of the security for the Bonds and certain provisions of the Indenture, the Sublease and the Lease. See "APPENDIX C – Summary of Principal Legal Documents" for a more complete summary of the Indenture, the Sublease, the Lease and the Assignment Agreement. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Revenues; Pledge of Revenues

Pledge of Revenues and Other Amounts. Under the Indenture, subject to the lien in favor of the trustee for certain fees and costs, the Bonds will be secured by a first lien on and pledge (which shall be effected in the manner and to the extent provided in the Indenture) of all of the Revenues and a pledge of all the moneys in the Lease Revenue Fund, including all amounts derived from the investments of such moneys.

The Bonds will be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof will be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys.

So long as any of the Bonds remain Outstanding, the Revenues will not be used for any other purpose; except that out of the Revenues and such moneys there may be apportioned such sums in the Lease Revenue Fund, for such purposes, as are expressly permitted under the Indenture.

Definition of Revenues. "Revenues" are defined in the Indenture as (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held

by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts payable to the United States of America pursuant to tax-exemption law requirements); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Properties, including rental interruption insurance.

Revenues Held in Trust. Except as otherwise provided in the provisions of the Indenture concerning the investment of moneys in funds, all Revenues to which the Authority may at any time be entitled will be paid directly to the Trustee and all of the Revenues collected or received by the Authority will be deemed to be held in trust and to have been collected or received by the Authority as the agent of the Trustee, and if received by the Authority at any time will be deposited by the Authority with the Trustee.

Allocation of Revenues by Trustee; Application of Funds

Transfers from the Lease Revenue Fund. All Base Rental Payments will be deposited by the Trustee in a special fund designated as the Lease Revenue Fund (the "**Lease Revenue Fund**"), which the Trustee will establish, maintain and hold in trust under the Indenture.

Under the Indenture, on or before each Interest Payment Date, the Trustee will transfer from the Lease Revenue Fund and deposit into the following respective accounts, each of which the Trustee will establish and maintain within the Lease Revenue Fund, and the moneys in each of which will be disbursed and applied only as authorized in the Indenture. Revenues will be deposited in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

Interest Account. On or before each Interest Payment Date, the Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on each succeeding Interest Payment Date within the then current Bond Year.

All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before each Interest Payment Date, the Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds maturing on such Interest Payment Date. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

Reserve Account. On or before each Interest Payment Date, the Trustee will deposit in the Reserve Account such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement. The "**Reserve Requirement**" is defined in the Indenture, as of any calculation date, an amount equal to the least of: (i) ten percent of the proceeds (within the meaning of Section 148 of the Code) of the Bonds upon issuance;

(ii) 125 percent of Average Annual Debt Service of the Bonds; or (iii) Maximum Annual Debt Service of the Bonds. The amount of the Reserve Requirement on any date is subject to confirmation by the Authority to the Trustee upon the Trustee's request.

No deposit need be made in the Reserve Account so long as there will be on deposit an amount equal to the Reserve Requirement. Except as otherwise provided in the Indenture, money in (or available to) the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of the Bonds, or for the retirement of all Bonds then Outstanding. Any amount in the Reserve Account in excess of the Reserve Requirement will be determined and transferred in accordance with the Indenture, to the Interest Account to be applied toward the interest payment of the Bonds, unless otherwise directed by a Request of the City pursuant to the Indenture.

The Reserve Requirement may be satisfied by crediting to the Reserve Account moneys or one or more Qualified Reserve Account Credit Instruments or any combination thereof, which in the aggregate make funds available in the Reserve Account in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Account Credit Instrument, the Trustee will release moneys then on hand in the Reserve Account to the City, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Account Credit Instrument.

Surplus. On or promptly after each Interest Payment Date, Trustee will determine the amount, if any, remaining in the Lease Revenue Fund after making the deposits required by the paragraphs above and the transfers of investment earnings pursuant to the Indenture, and shall notify the City of the amount so determined. The Trustee will apply such amount as a credit against the next following Base Rental Payment; provided however, if directed in a Request of the City, the Trustee will, with respect to all or any portion of such amount, pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code, or if no such rebate requirement is then due, release to the City for use for any lawful purpose.

Base Rental

Requirement to Make Base Rental. Under the Sublease, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property (subject to the provisions of the Sublease concerning the rental interruption insurance and rental abatement), the amounts at the times specified in and in accordance with the Base Rental Payment Schedule set forth in the Sublease, less any amount credited against Base Rental Payments pursuant to the Indenture.

Base Rental Payments will be payable in 5 days before each Interest Payment Date during the term of the Sublease, and will be made in consideration for the City's use and possession of the Leased Property for the six month period preceding the date of such payment. The Authority has assigned its right to receive Base Rental Payments to the Trustee.

Payment in Installments. Each installment of Base Rental payable under the Sublease and each installment of Additional Rental (as described under the heading "− Additional Rental") payable under the Sublease will be paid in lawful money of the United States of America to the

order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee designates.

Offsets and Credits. Notwithstanding any dispute between the City and the Authority, the City is obligated to make all rental payments when due under the Sublease, without deduction or offset of any kind and will not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, the payments or excess of payments, as the case may be, at the option of the City, will be credited against subsequent rental payments due under the Sublease or be refunded at the time of such determination.

Additional Rental

Under the Sublease, the City will also pay as Additional Rental, in addition to the Base Rental, to the Authority or to the Trustee, such amounts in each year as will be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of the Sublease or the assignment thereof, the Indenture, or the Authority's or the Trustee's respective interests in the Leased Property, including, but not limited to:

(i) All fees, costs and expenses.

(ii) All administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture).

(iii) Fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or of the Indenture.

Fair Rental Value

The payments of the Base Rental and Additional Rental for each rental payment period during the term of the Sublease will constitute the total rental for said rental payment period, and will be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid.

The City and the Authority have agreed and determined that such total rental does not exceed the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to other obligations of the parties under the Sublease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

Notwithstanding any other provision of the Sublease, if rental payments are abated for any period of time, the resulting Base Rental in any year during which such interference continues will not exceed the fair rental value of the portions of the Leased Property as to which such damage,

destruction, taking or impairment do not substantially interfere with the City's use and right of possession. See "– Abatement" below.

Limited Obligation

The Bonds are special obligations of the Authority, payable solely from and secured by a pledge of the Revenues as specified herein and in the Indenture. Neither the payment of the principal of the Bonds, nor any interest thereon, constitutes a debt, liability or obligation of the City, Authority or State of California. The obligation of the City to pay the Base Rental or Additional Rental does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Source of Payments; Covenant to Appropriate Funds for Base Rental

Under the Sublease, the City covenants to take such action as may be necessary to include all Base Rental and Additional Rental payments due under the Sublease in its annual budget and to make necessary annual appropriations for all such rental payments. The City will furnish to the Authority and the Trustee annually, as soon as practicable after the beginning of each fiscal year of the City, a certificate stating that it has complied with the covenant set forth in this paragraph.

Such covenants will be deemed to be and will be construed to be duties imposed by law and it will be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements agreed to be carried out and performed by the City in the Sublease; provided, the obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Abatement

General. The obligation of the City to pay Base Rental and Additional Rental will be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City.

Except as set forth therein, in the event of any damage, destruction of condemnation, the Sublease will continue in full force and effect and the City waives any right to terminate the Sublease by virtue of such damage, destruction or condemnation. Under the Sublease, the City waives the benefits of California Civil Code Sections 1932(1), 1932(2), 1933(4), 1941, and 1942.

The abatement will be in an amount agreed upon by the City and the Authority such that the resulting Base Rental in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement will continue for the period commencing with the date of such interference and ending with the restoration of the relevant Leased Property to tenantable condition.

Proceeds of Rental Interruption Insurance. Under the Sublease, the City acknowledges and agrees that during any period of abatement with respect to all or any part of the Leased

Property, proceeds of rental interruption insurance maintained under the Sublease will be used to pay Annual Debt Service on the Bonds, or to be deposited in the Reserve Account to the extent necessary to restore the balance therein to the Reserve Requirement, and any proceeds of such insurance not so used shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property. See "– Covenants to Maintain Insurance − Rental Interruption Insurance."

Additional Obligations

Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds.

Additional Bonds may be issued pursuant to a Supplemental Indenture, which shall specify: (i) the maturity date or dates of such Additional Bonds, which shall be October 1 in any given year; (ii) the interest payment dates, which shall be April 1 and October 1; (iii) the terms, if any, for call and redemption of such Additional Bonds prior to maturity; and (iv) the interest rate or rates on such Additional Bonds and any other matters deemed appropriate or necessary and not inconsistent with the provisions of the Indenture.

In addition, there shall be provided a Certificate of the Authority: (i) certifying that the Authority is in compliance in all material respects with all agreement and covenants contained in the Indenture and that no Event of Default has occurred or is continuing; (ii) stating that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City is obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds; and (iii) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture.

Default; Remedies

City Default and Remedies. The City will be deemed to be in default under the Sublease if the following occurs: default in the observance or performance of any agreement, condition, covenant or term contained in the Sublease required to be observed or performed by the City (including, without limitation, the payment of any Base Rental or Additional Rental due under the Sublease; provided that non-payment of Base Rental or Additional Rental during any period of abatement under the Sublease will not be deemed a default), subject to the provisions of the Sublease.

The Trustee, as assignee of the Authority, may at any time after default by the City (with or without notice and demand and without limiting any other rights or remedies the Authority may have), recover rent and other monetary charges as they become due under the Sublease without terminating the City's right to possession of the Leased Property (regardless of whether or not the City has abandoned the Leased Property).

Furthermore, upon the occurrence of such a default by the City, the Trustee, as assignee of the Authority, will have the right, and the City irrevocably appoints the Authority as its agent and attorney-in-fact for such purpose, to attempt to relet the Leased Property at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Leased

Property, including the removal of persons or property therefrom or taking possession thereof, as the Authority deems desirable or necessary. Under the Sublease, the City waives any and all claims for any damages that may result to the Leased Property upon any action taken by the Authority in event of default.

No such action taken by the Trustee, as assignee of the Authority, upon the City's default under the Sublease (as described above) will be deemed to terminate the Lease or the Sublease and the City will continue to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Authority due to such reletting, payable at the same time and manner as provided for Base Rental in the Sublease.

Authority Default and Remedies. The Authority will be deemed to be in default under the Indenture if the following occurs:

(i) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(ii) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(ii) Upon the happening of any of certain other events specified in the Indenture.

The Trustee under the Indenture, and as assignee of the Authority under the Sublease and the Indenture, may exercise any and all remedies available pursuant to law (other than those specifically waived in the Indenture, the Lease, and the Sublease) upon the occurrence of any default and will have the right to do any of the following:

(i) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, in order to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained in the Indenture;

(ii) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(iii) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

Covenants to Maintain Insurance

Title Insurance. Under the Sublease, the City is required to obtain one or more California Land Title Association insurance policies (or, at the City's sole discretion, American Land Title Association insurance policies) at the time of and dated as of the Closing Date in an aggregate amount not less than the aggregate principal amount of the Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of the Sublease, subject only to Permitted Encumbrances, naming the Trustee as an insured thereunder, issued by a title insurance company qualified to do business in the State of California and acceptable to the Trustee.

Fire and Extended Coverage Insurance. Under the Sublease, the City is required to maintain or cause to be maintained fire, lightning and extended coverage insurance on the Leased Property in an amount equal to:

(i) 100 percent of the then current replacement cost of the Leased Property, excluding the then fair market value of the land as unimproved; or

(ii) the principal amount of all outstanding Bonds, whichever is less (except that such insurance may be subject to a deductible clause not to exceed 10 percent of the amount of such policy).

Earthquake insurance will be maintained on the Leased Property only if available on the open market from reputable insurance companies at a reasonable cost. The City does not currently maintain earthquake insurance on the Leased Property and does not expect to purchase earthquake insurance at this time.

The extended coverage endorsement will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, malicious mischief, dumping or other deposit of any pollutant or other debris and such other hazards as are normally covered by such endorsement. Each such policy of insurance will be in form reasonably satisfactory to the Authority, and will contain a clause naming the Trustee as an additional insured and making all losses payable to the Trustee, and all proceeds thereof shall be paid over to the party contractually responsible for making repairs of casualty damage.

In the event of any damage to or destruction of the Leased Property caused by the perils covered by such insurance, the proceeds of such insurance will be utilized to repair, reconstruct or replace the Leased Property to the end that the project will be restored to at least the same condition that it was in prior to such damage or destruction. Any balance of such proceeds not required for such repair, reconstruction or replacement will be transferred to the Authority and treated as Revenues and applied in the manner provided in the Indenture.

Liability Insurance. Under the Sublease, the City is required to maintain or cause to be maintained public liability insurance with limits of not less than $3,000,000 for one person and $5,000,000 for more than one person involved in one accident to protect the Authority and the Trustee from all direct or contingent loss or liability for damages for bodily injury or death occasioned by reason of the construction, condition or operation of the Leased Property. The City will also maintain or cause to be maintained insurance against liability for property damage resulting from any casualty attributable to the operation of the project in an amount not less than $1,000,000 for each accident. The public liability insurance and property damage insurance may be subject to a deductible clause for any one accident of not to exceed $250,000. The insurance coverage required by the Sublease may be effected by blanket policies covering the Leased Property issued to the party contractually responsible for the maintenance and operation of the project and such insurance policy or policies shall name the Trustee as an additional insured.

Rental Interruption Insurance. The City is required under the Sublease to maintain or cause to be maintained or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property as a result of any of the hazards covered by the insurance required by the Fire and Extended Coverage Insurance section above, in an amount not less than the total rent payable by the City under this Sublease for a period of any future 24 months.

Any such insurance policy will be in form satisfactory to the Authority and will contain a clause naming the Trustee as an additional insured and making any loss thereunder payable to the Trustee as its interests may appear. Any proceeds of such insurance will be used by the Trustee to pay Annual Debt Service on the Outstanding Bonds for the period during which the payment of rental under the Sublease is abated, and any proceeds of such insurance not so used will be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property.

Self-Insurance. As an alternative to providing the insurance required by the "Liability Insurance" description above, the City may provide or cause to be provided a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee, its directors, officers, agents and employees in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the City; provided that the obligation of the Authority or City to make payments under such self-insurance shall be limited to money in a designated fund balance established by the Authority or City and that the Authority or City shall not be obligated to replenish such designated fund balance from the General Fund or be otherwise obligated to make payments except from such designated fund balance. After the Commencement Date, before any substitute method or plan may be provided by the City, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford adequate protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee and its directors, officers, agents and employees against loss and damage from the hazards and risks covered thereby; provided, however, that in the event the City provides a self-insurance method or plan of protection for the insurance required by the "Rental Interruption Insurance" description above, the designated fund balance established by the City shall be funded in an amount at least equal to the greatest of the aggregate Base Rental payable by the City under the Sublease for a period of any future 24 months.

Moreover, as an alternative to providing the insurance required by the "Rental Interruption Insurance" description above, the City may provide a self-insurance method or plan of protection through the California Insurance Pool Authority (or another insurance risk sharing pool joint powers authority formed in the State) or any successor entity as the City may reasonably determine.

Damage, Destruction and Condemnation; Net Proceeds

If the whole, or any portion, of the Leased Property is destroyed (in whole or in part) or is damaged by fire of other casualty or taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), or the leasehold title in all or a portion of the Leased Property is materially impaired by reason of a defect in title, then

(a) the City, but only to the extent permitted by law, shall substitute other property for the portion of the Leased Property that has been destroyed, or taken, or affected by the defective title in accordance with the Sublease; or

(b) the City shall require the Net Proceeds of any insurance payment (other than the Net Proceeds of rental interruption insurance which shall be applied pursuant to

the Sublease) or any condemnation award to be held by the Trustee in a special trust fund to be applied and disbursed by the Trustee as follows:

(i) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is usable, then the Sublease shall continue in full force and effect as to such remainder and (A) if the portion taken or destroyed is replaced by one or more properties of equal or greater fair market value (as demonstrated by an MAI fair market appraisal), the Trustee upon written direction of the City shall disburse such proceeds to the party that incurred the expense of making such replacement and there shall not be any abatement of the Base Rental under this Sublease; or (B) failing the making of such replacement, there shall be a partial abatement of the Base Rental under the Sublease and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds.

(ii) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is not usable, or if all of the Leased Property shall have been so destroyed or taken or affected by the defective title, then the term of the Sublease shall cease as of the day that possession shall be so taken; and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds.

See "THE BONDS – Redemption – Extraordinary Redemption."

THE AUTHORITY

The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"). The Authority is a separate legal entity and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements.

THE CITY

General

The City is located at the South Shore of Lake Tahoe, the country's largest alpine lake, in El Dorado County, California (the "**County**"), and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 21,199 as of January 1, 2022. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6,260 ft. As the only incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-

Nevada State line, is mainly geared towards tourism, with shops, restaurants, hotels, and the Heavenly Ski Resort, with the Nevada casinos just across the State line. The western end of town is mainly residential.

For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B. Historical information set forth in this Official Statement, including APPENDIX B hereto, is not intended to be predictive of future results.

City Government

The City was incorporated on November 30, 1965 under the general laws of the State of California. The City provides a wide range of services, including police and fire, street maintenance, airport, planning and building and parks and recreation.

The City has a Council-Manager form of government made up of five council members elected to four-year, overlapping terms. The Mayor and Council appoint a City Manager who is responsible for daily administration of City affairs, including preparation and submission of the annual budget, which is done under the direction of the Mayor and the City Council for the Mayor's submission to the City Council. The City Treasurer, an elected position, invests public funds in a prudent manner that provides maximum security while meeting daily cash flow demands and conforming to all statutes governing the investment of public funds.

The City Attorney, directly appointed by the City Council, and the assistant city attorney are responsible for administration of all legal affairs of the City, including the City Council, the various city commissions, as well as all city departments and officers.

Member	Position	Term Expires
Devin Middlebrook	Mayor	November 2022
Cristi Creegan	Mayor Pro Tem	November 2024
Cody Bass	Council Member	November 2022
John Friedrich	Council Member	November 2024
Tamara Wallace	Council Member	November 2022

Following are short biographies of the City Manager and Finance Director:

Joe Irvin, City Manager. Joe Irvin is the City Manager for the City of South Lake Tahoe. Before joining the City in May 2020, he served as Assistant City Manager for Healdsburg, California, since August 2018. He was with the City of Sequim, Washington from 2014-2018, where he was first Special Projects Manager, then Assistant to the City Manager, then Assistant City Manager. He also served the City of Sequim from 2005-2011 as a City Planner. Mr. Irvin was also with the City of Marco Island, Florida, from 2011-2014 where he was Zoning Administrator.

Mr. Irvin is a member of the International City/County Managers Association (ICMA) and a certified planner (AICP) from the American Planning Association. He has a bachelor's degree in Environmental Science from California State University Channel Islands and a master's degree in Public Administration from The Evergreen State College.

Olga Tikhomirova*, Finance Director.* Olga Tikhomirova has worked for the City of South Lake Tahoe since March 2002 in multiple finance and leadership roles, including Accountant, Financial Services Supervisor, and Financial Services Manager. Ms. Tikhomirova was appointed as Finance Director in June 2021. She leads the City's finance and information technology teams and develops and oversees the City's $110 million annual budget in collaboration with various

City departments. For the last 14 years during Ms. Tikhomirova's tenure in various leadership positions, the City has been receiving yearly a Certificate of Achievement for Excellence in Financial Reporting and a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

Ms. Tikhomirova is a Certified Public Accountant (CPA), has a master's degree in economics with a major in finance and credit from the Finance Academy of Moscow, Russia. She has been a part of the South Lake Tahoe community for the past 25 years. Prior to joining the City, she worked for private accounting firms and banks in the United States and abroad.

Labor Relations

As of March 15, 2022 the City employed 203 full-time equivalent employees. There are six employee bargaining unions as shown below. In addition, the City employs approximately 17 management employees who are not represented by a union or other collective bargaining agent.

Labor Organization	No. of Employees	Current Contract Expiration Date
Police Employee Association	20	September 30, 2023
Police Officers Association	32	September 30, 2023
Police Supervisors Association	13	September 30, 2023
General and Public Works	69	September 30, 2023
Admin & Confidential Employees	18	September 30, 2023
Firefighter's Association	34	September 30, 2023

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles ("**GAAP**") and the standards established by the Governmental Accounting Standards Board ("**GASB**").

The Governmental Accounting Standards Board published its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, on June 30, 1999 ("**GASB Statement No. 34**"). GASB Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) government-wide financial statements prepared using the economic measurement focus and the accrual basis of accounting and fund financial statements prepared using both the current financial resources measurement focus and the modified accrual method of accounting (governmental funds) and funds using the economic measurement focus and the accrual basis of accounting (proprietary funds) and (iii) required supplementary information. The City's financial statements are prepared in conformance with the requirements of GASB Statement No. 34.

In the government-wide Statement of Net Position and Statement of Activities in the City's audited financial statements for the Fiscal Year ending September 30, 2021, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences, which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Impact fees are received and recognized as revenue upon project completion and inspection. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the Fiscal Year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both

restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City's fiduciary funds consist of a private-purpose trust fund, which is reported using the economic resources measurement focus, and agency funds, which have no measurement focus, but utilizes the accrual basis for reporting assets and liabilities.

The City Council employs, at the beginning of each Fiscal Year, an independent certified public accounting firm which, at such time or times as specified by the City Council, at least annually, at such other times as such firm shall determine, examines the books, records, inventories and reports of all officers and employees who receive, control, handle or disburse public funds and of all such other officers, employees or departments as the City Council may direct. As soon as practicable after the end of the Fiscal Year, a final audit and report is submitted by such firm to the City Council and a copy of the financial statements as of the close of the Fiscal Year is published.

COVID-19 Pandemic

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the pandemic upon the City. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund. In addition, the City may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City. See "BOND OWNERS' RISKS – COVID-19 Pandemic."

General Fund, the Budget Process and Information

The City's General Fund is its primary operating fund, and is where the City accounts for all its general-purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

The City operates on a fiscal year basis that begins on the first day of October of each year and ends on the thirtieth day of September the following year. The annual budget adopted by the City Council provides for the general operation of the City. Development of the City's annual budget is a process which generally begins in April and continues until the budget is adopted by

the City Council by September. The General City Budget includes programs which are provided on a largely City-wide basis. The programs and services are financed primarily by the City's share of sales tax, property tax, transient occupancy tax, revenues from the State and/or federal government, and charges for services provided.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the Fiscal Year. Appropriations lapse at fiscal year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the Fiscal Year. The budgetary level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Long-Term Financial Planning. The City incorporates long-term financial planning into its budget process in several ways.

First, the City has established a set of financial policies that establish goals for the allocation of public resources in the manner best suited to the efficient provision of City services to citizens and visitors present within the City. Some of these policies call for maintaining adequate cash reserves and providing on-going maintenance of infrastructure and buildings, which are vital to sound fiscal management.

Second, the Council undertakes a strategic planning process to establish goals and priorities for the organization after taking into account public input. Specifically, the Council engaged the community at a public hearing and by soliciting ideas and input through a variety of means. Based on this input, the City Council adopts goals, objectives, and resources permit objectives.

Third, the City maintains a long-range capital planning process that helps drive annual capital funding decisions as well as periodic bond issues for larger investments.

Finally, all Governmental Accounting Standards Board pronouncements are monitored and implemented into the City's financial statements.

Budgetary Control Policy. The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund.

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received and the liability incurred. Based on the City's financial management policies, the City is required to maintain a balanced operating budget, which is adopted by resolution on or before September 30th for the ensuing Fiscal Year.

Following the adoption of the budget, it is sometimes necessary to amend the budget. Appropriations in the budget may be adjusted by recommendation of the Finance Director and

approval by the City Manager when the budget is not increased in total amount. Savings from appropriations in one section of a department budget may be used to fund another section of a department budget. Any increase in appropriations that increases the total adopted budget must be approved by the City Council. The City Council formally reviews the City's fiscal condition and amends appropriations, if necessary, six months after the beginning of each fiscal year.

Economic Conditions. The adopted budget for fiscal year 2021-22 was approved on August 17, 2021 (the "**Adopted Budget**"). The total Fiscal Year 2021-22 budget appropriations are $114.2 million, with general fund appropriations totaling $54.4 million, including Measure S Sales Tax general fund appropriations of $6.2 million. The main General Fund's total unassigned fund balance, which refers to the difference between a fund's assets and liabilities, is conservatively projected at $20.8 million at the end of the current fiscal year and includes $12.0 million for 25% designated reserve per the City's financial policy, to be able to continue operations, pay debt service and provide public services for at least 90 days in the event of a natural or economic disaster. The unassigned undesignated fund balance at September 30, 2021 was at $8.8 million resulting from higher than budgeted revenues which exceeded the budget by $9.5 million. The reserve is a source of funds that can only be spent once, and thus should be used only for one-time expenditures, not for funding on-going or maintenance needs, employee costs, utilities costs, rental costs, etc.

General Fund Revenues. Fiscal Year 2021-22 General Fund revenues are projected to be approximately $6.9 million higher than the Fiscal Year 2020-21 total budget that was built based on COVID-19 pandemic related economic uncertainty, and $1.6 million above Fiscal Year 2020 actuals. Total General Fund revenues budgeted equal $48.2 million. The top three revenue sources, Transient Occupancy Tax (excluding Project Area TOT), Sales Tax (including Measure Q), and Property Tax comprise approximately 60% of the total General Fund revenues projected in the budget for Fiscal Year 2022.

General Fund Expenditures. General Fund expenditures are approximately $1.4 million or 2.8% below the Fiscal Year 2021 total budget. Year-over-year changes that account for the majority of expenditure decreases are in Transfers out ($2.0 million) and Non-Departmental ($0.6 million) categories. A decrease of $0.7 million in Public Works is offset by an increase of $0.9 million in Parks and Recreation due to a reorganization of the Recreation division into Parks and Recreation department. An increase of $1.0 million in General Government is due to a transfer of HR division under City Manager's department ($474,000) resulting from a reorganization of the Administrative Services Department into Finance department during Fiscal Year 2021 mid-year budget process, a transfer of one position from Public Works Department ($139,000), a projected increase in general liability insurance cost ($205,000), and an increase in professional services for ADA program ($280,000) supported by a corresponding increase in revenues expected from the general liability insurance provider.

Current and Proposed Fiscal Year Budget Information. Set forth in Table 1 is the General Fund budget for Fiscal Year 2021-22 and the proposed budget for Fiscal Year 2022-23. The City's fiscal year ends on September 30 of each year.

TABLE 1
City of South Lake Tahoe General Fund Budget Summary
Fiscal Years 2021-22 and 2022-23

	2021-22 Adopted Budget	2022-23 Proposed Budget
Revenues		
Property tax	$9,175,180	$9,650,000
Transient occupancy-City	10,227,113	10,551,270
Transient occupancy-Project Area	6,742,177	6,740,000
Sales tax (Statewide)	6,300,650	7,100,000
Measure Q (Local sales tax)	3,192,325	3,500,000
Motor vehicle license fees	2,285,000	2,515,000
Franchise taxes	1,540,000	1,540,000
Business license tax	1,647,000	1,732,000
Transfers in	680,887	1,520,764
Other revenue	6,378,928	6,074,431
Total Revenues[(1)]	**48,169,260**	**50,923,465**
Expenditures		
Current:		
General government[(2)]	4,235,455	5,161,256
Finance[(3)]	2,402,934	2,539,419
Non-departmental	4,080,930	4,308,038
Police	12,383,177	13,220,803
Fire	9,247,604	9,981,351
Public works	3,852,111	4,476,081
Development services	2,035,142	1,843,648
Parks and recreation	3,137,589	3,237,749
Transfers-out	6,794,318	6,155,120
Total Current	**48,169,260**	**50,923,465**

(1) Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2021-22 and 2022-23, Measure P revenues were budgeted at $3,000,000, and $3,200,000, respectively.
(2) Includes City Council, City Clerk, City Manager's Office, City Attorney, City Treasurer.
(3) Includes information technology.
Source: City of South Lake Tahoe Adopted Budget for Fiscal Year 2021-22 and Proposed Budget for Fiscal Year 2022-23.

General Fund Key Revenue Sources. The key tax sources major general fund revenue sources of the City (collectively, the "**Key Revenue Sources**"), are Transient Occupancy Tax (approximately 37% of total general fund revenues), Sales Tax (approximately 27% of total general fund revenue), and Property Tax (approximately 18% of total general fund revenue). The City's receipt of taxes and other revenue will likely be impacted by the ongoing COVID-19 pandemic.

The following table sets forth the audited revenues received by the City for the total of Key Revenue Sources and total of Other General Fund Revenue Sources for Fiscal Years 2018-19 through 2020-21.

TABLE 2
City of South Lake Tahoe
General Fund Revenues by Revenue Source
Fiscal Years 2018-19 through 2020-21

	2018-19		2019-20		2020-21	
Category	**Revenues**	**% of Total**	**Revenues**	**% of Total**	**Revenues**	**% of Total**
Property tax	$8,113,063	16.86%	$8,632,710	18.53%	$9,135,477	18.22%
Transient Occupancy Tax	11,267,069	23.41%	9,538,728	20.47%	11,166,045	22.26%
Transient Occupancy Tax (Redevelopment area)	6,978,997	14.50%	4,982,523	10.69%	5,952,873	11.87%
Sales Tax	5,671,451	11.78%	5,460,038	11.72%	7,152,233	14.26%
Measure Q	2,908,030	6.04%	2,915,365	6.26%	3,695,854	7.37%
Vehicle License Fees	2,176,432	4.52%	2,284,264	4.90%	2,409,143	4.80%
Franchise Tax	1,589,655	3.30%	1,593,143	3.42%	1,627,041	3.24%
Business License Tax	1,737,109	3.61%	1,694,822	3.64%	1,717,401	3.42%
Recreation	1,237,441	2.57%	380,845	0.82%	272,917	0.54%
Public Safety	2,743,784	5.70%	1,842,947	3.95%	2,608,954	5.20%
Public Services	2,218,340	4.61%	2,664,320	5.72%	2,331,402	4.65%
Transfers In	142,069	0.30%	2,926,445	6.28%	966,568	1.93%
All Other Revenue	1,349,101	2.80%	1,683,398	3.61%	1,115,338	2.22%
Total Revenues[(1)]	**$48,132,541**	**100.00%**	**$46,599,548**	**100.00%**	**$50,151,246**	**100.00%**

(1) Totals may not add due to rounding. Excludes Program Revenues, such as Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions. Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2018-19 through 2020-21, Measure P revenues were $3,435,411, $2,764,825, and $3,234,866, respectively.
Source: City of South Lake Tahoe audited financial statements 2018-19 through 2020-21.

Transient Occupancy Tax

General. Transient occupancy tax ("**TOT**") revenues are typically the largest source of General Fund revenues to the City. The City collects TOT from visitors staying for 30 days or less in a lodging facility, including vacation home rentals ("**VHRs**"). The City TOT rate is 10% except specific redevelopment properties where the rate is 12%. An additional 2% TOT approved by City voters in November 2016 (Measure P) is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. Measure P does not have a sunset date.

The City currently collects TOT revenues from 120 hotels/motels, 33 property management companies, and over 100 vacation homes rented by individual property owners or agents. Following the passage of Measure T in 2018 (described below), the TOT revenues from

VHRs are projected to significantly decline. For Fiscal Year 2020-21, 611,570 guestrooms were rented, which includes both hotel guestrooms, plus private homes used as VHRs.

TOT revenues have seasonal characteristics and also tend to be volatile and subject to economic conditions and weather, including closure of Highway 50, which is the main route into the City. A lack of snow, for example, can significantly reduce the number of visitors to the City during the winter season, and virus outbreaks, like COVID-19, can shut down lodging industry completely for several months.

Despite the volatility, tourism continues to be a primary economic driver for the City. In most fiscal years since Fiscal Year 2013-14, TOT has been the top source of revenue for the General Fund. In spite of several months of health-mandated shutdown in 2020 and continued uncertainty, this revenue source was not significantly impacted as was originally expected in the budget projections with the actual TOT outperforming the Property Tax revenue in 2019-20 and again 2020-21 according to preliminary results. As part of the budget for Fiscal Year 2021-22, the City noted that the hospitality industry surged back up as soon as operational restrictions were lifted in February 2021 with domestic travel being the vacation of choice during spring and summer 2021. The City budgeted for Fiscal Year 2021-22 $2.4 million above Fiscal Year 2020-21 budget but $0.9 million below Fiscal Year 2018-19 (pre-COVID actuals) due to an anticipated full 9-month impact of Measure T.

Top Ten Payers of TOT. The following table shows the top payers of TOT to the City in Fiscal Year 2020-21.

TABLE 3
City of South Lake Tahoe
Top Payers of Transient Occupancy Tax
Fiscal Year 2020-21

No.	TOT Payer	Type	Effective TOT Rate[1]	FY 2020-21 Taxable Rents	% of Total Taxable Rents[2]
1	Lake Tahoe Resort Hotel	Hotel	12%	$10,711,484	9.79%
2	Marriott's Timber Lodge	Hotel	12	9,479,432	8.66
3	Marriott's Grand Residence Club	Hotel	12	8,369,420	7.65
4	Beach Retreat & Lodge at Tahoe	Hotel	10	8,216,519	7.51
5	The Landing Resort and Spa	Hotel	10	7,477,345	6.81
6	Diamond Resorts Management, Inc.	Agent	12	4,673,745	4.27
7	Hotel Azure	Hotel	10	4,658,361	4.26
8	Forest Suites Resort	Hotel	10	4,314,016	3.94
9	Hotel Becket	Hotel	10	3,732,347	3.41
10	Holiday Inn Express – South Lake Tahoe	Hotel	10	3,185,977	2.91
	Totals			**$64,788,644**	**59.21%**

(1) The City TOT rate is 10% except specific redevelopment properties where the rate is 12%. An additional 2% TOT approved by voters of South Lake Tahoe in November 2016 (Measure P) is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund. Information on the additional 2% TOT is not included on this schedule.
(2) 2020-21 Total Taxable Rents: $109,414,803.
Source: City of South Lake Tahoe Revenue Division.

Measure T (2018). Measure T was a citizen-initiated ballot measure that amended City regulations on VHRs. It was approved by the voters in the City on November 6, 2018 and went into effect on December 20, 2018. Measure T requires the phase-out of all VHR permits in

residential areas and for all multi-family properties over a three-year period, with full implementation of these provisions having been completed by December 31, 2021.

Measure T prohibits the issuance of new VHR permits in residential areas. Accordingly, no new permits for VHRs in residential areas have been issued since December 20, 2018. In 2021, existing VHR permits in residential zones and all VHR permits issued to multi-family properties, regardless of location, automatically expired on the last day of the month for which a VHR permit would otherwise be eligible for renewal. For example, if a permit had an annual renewal date in May, the VHR permit expired on May 31, 2021. By the end of December 2021, all VHR permits in residential areas and all multi-family VHR permits expired.

Measure T does not affect existing or future VHR permits in non-residential areas of the City (i.e., tourist core, commercial, and recreation zones), except for multi-family properties, for which VHR permits are no longer allowed anywhere in the City. New VHR permits, in compliance with City regulations, will continue to be issued in non-residential areas. In addition, Measure T allows for properties within a residential zone, whose owner is a permanent resident of the City, to vacation rent the entire dwelling for up to 30 (consecutive or non-consecutive) days total per one-year permit period. A Qualified Vacation Home Rental Permit application and proof of a primary residence property tax exemption is required. On November 17, 2020, the City Council adopted a hosted rental ordinance establishing regulations allowing a qualified homeowner or tenant to rent a portion of their home.

Litigation Related to Measure T. A group called the South Lake Tahoe Property Owners Group challenged Measure T in a lawsuit filed in December 2018, arguing that Measure T violates constitutional rights of property owners. On September 29, 2020, the court issued an order finding most of the constitutional claims to be without merit and eliminating most of the issues from the case. The South Lake Tahoe Property Owners Group has appealed the trial court's order and also requested that the Court of Appeal issue a stay of Measure T while the appeal is pending. The court of appeal denied the request for a stay on April 7, 2021. Thus, the City has continued to implement the requirements of Measure T, including the non-renewal of VHR permits in residential areas as described above. The City expects a ruling from the court of appeal on the merits of the case in late 2022 or early 2023.

Sales and Use Taxes

Sales & Use Taxes typically represents the second largest source of tax revenues to the City's General Fund. Like Transient Occupancy Taxes, Sales & Uses Taxes can be a less stable source of revenues to the City, given that they are based on consumer spending within the City which is impacted by a variety of factors including the overall economy and other factors.

Measure Q (2004). In November 2004, voters in the City approved ballot Measure Q, a 0.5% transactions and use tax that went into effect on April 1, 2005. There is no sunset date for Measure Q. In 2021-22, Measure Q revenue was budgeted at $3.2 million, representing approximately 6% of total General Fund revenues, an increase of 22.9% over the prior year's total budget that was created to account for potential COVID-19 impacts.

Measure S (2020). In November 2020, voters in the City approved ballot Measure S, an additional 1.0% transactions and use tax that went into effect on April 1, 2021. There is no sunset date for Measure S. In 2021-22, Measure S revenue was budgeted at approximately $6.4 million, representing 12% of total General Fund revenues.

State-Wide Sales Tax Law. Taxable transactions in the City are currently subject to the following sales and use tax, of which the City's share is only a portion. The City collects a percentage of taxable sales in the City (minus certain administrative costs) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the "**Sales Tax Law**"). The State collects and administers the sales tax under the Sales Tax Law, and makes distributions on taxes collected within the City, as shown in the following table.

TABLE 4
City of South Lake Tahoe
Sales Tax Rate
Effective July 1, 2022

Statewide Rate	7.25%
City Transactions and Use Tax (Measure Q)	0.50
City Transactions and Use Tax (Measure S)	1.00
Total	**8.75%**

Source: California Department of Tax and Fee Administration (CDTFA).

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The sales tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's Publication No. 61 (February 2017) entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the State Board of Equalization's website at http://www.boe.ca.gov/. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the California Department of Tax and Fee Administration (the "**CDTFA**"). This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The State Board of Equalization will continue to perform

the duties assigned to it by the State Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax.

Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, or county are required to be transmitted by the CDTFA to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA's quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The CDTFA receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

As part of the State government's response to the COVID-19 pandemic, certain businesses were able to defer the payment of their sales taxes due to the City.

Historic Taxable Transactions. The following table shows historical taxable transactions in the City for the most recent five years available.

TABLE 5
City of South Lake Tahoe
Taxable Transactions
Fiscal Years 2017 through 2021

	2017	2018	2019	2020	2021
Motor Vehicle and Parts Dealers	$22,732	$20,507	$20,654	$22,300	$25,404
Home Furnishings and Appliances	6,189	8,091	5,755	4,199	3,929
Building Materials	22,791	23,764	24,104	24,600	24,555
Food and beverage stores	68,138	71,817	56,570	63,143	61,775
Gasoline stations	25,016	27,486	40,912	29,701	36,654
Apparel stores	31,889	33,992	34,904	30,352	40,673
General merchandise stores	9,577	9,259	7,541	6,982	6,739
Food services and drinking places	124,215	130,781	136,687	115,077	142,382
Other retail stores	48,709	45,778	53,446	60,851	74,353
All other outlets	67,487	72,550	73,332	61,410	72,544
Total All Outlets	**$426,743**	**$444,026**	**$453,905**	**$418,616**	**$489,008**

Source: California Department of Tax and Fee Administration (CDTFA).

Property Taxes

Property Taxes typically represents the third-largest source of taxes to the City's General Fund. Property taxes represent a very stable source of revenue to the City, and are based in large part on assessed valuations of property located in the City.

Property Tax Delinquencies; Teeter Plan. Certain counties in the State of California, including El Dorado, offer a statutory program entitled Alternate Method of Distribution of Tax

Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County includes the City's property tax collections in its Teeter Plan. Consequently, the City's receipt of property taxes is equal to 100% of the amount levied. There is no assurance that the County will continue the Teeter Plan or that the City will continue to participate in the Teeter Plan. Delinquencies in the payment of property taxes could have an adverse effect on the ability of the City to make Base Rental should the County discontinue the Teeter Plan or the City withdraw from or not be able to continue in the Teeter Plan.

General Method of Property Tax Calculations. Proposition 13, passed in 1978, established the current property tax regime for local agencies, including the City, throughout the State. Under Proposition 13, subject to voter-approved debt and certain other exceptions, the base property tax rate on a parcel is limited to 1% of its assessed value and the property tax collected by this 1% County-wide rate is shared by the local agencies eligible to receive property taxes within the applicable County pursuant to applicable State law. Under Proposition 13, the 1975-76 fiscal year serves as the original base year used in determining the assessment for real property. Thereafter, annual increases to the base year value are limited to the inflation rate, as measured by the California Consumer Price Index, or 2%, whichever is less. A new base year value, however, is also established whenever a property, or portion thereof, has had a change in ownership or has been newly constructed. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIA of the State Constitution" for additional information.

Proposition 8, enacted in 1978, allows for a temporary reduction in assessed value when a property suffers a "decline-in-value." As of the January 1st (lien date) each year, the Assessor must enroll either a property's Proposition 13 value (adjusted annually for inflation by no more than 2%) or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 value, the lower value is commonly referred to as a "Proposition 8 Value." "Proposition 8 values" are temporary and, once enrolled, must be reviewed annually by the assessor until the Proposition 13 adjusted base year value is enrolled.

Levy and Collection of Property Taxes. Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which have a viable tax lien, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured

personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Beginning in 1978-79, Proposition 13 and its implementing legislation shifted the function of property tax allocation to the counties, except for levies to support prior voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Historical Assessed Valuations. The table below presents the assessed valuation of taxable property in the City for Fiscal Year 2012-13 through 2021-22.

TABLE 6
City of South Lake Tahoe
Assessed Valuations of All Taxable Property
Fiscal Years 2012-13 through 2021-22

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2012-13	$3,686,469,851	$0	488,299,118	$3,774,768,969	--%
2013-14	3,719,613,139	0	94,426,393	3,814,039,532	1.0
2014-15	3,826,850,451	0	93,750,130	3,920,600,581	2.8
2015-16	4,012,840,871	0	90,397,095	4,088,193,301	4.3
2016-17	4,195,441,787	0	91,432,001	4,286,873,788	4.9
2017-18	4,466,533,482	0	94,195,752	4,560,729,234	6.4
2018-19	4,768,126,346	0	114,917,413	4,883,043,759	7.1
2019-20	4,993,100,046	0	116,098,828	5,109,198,874	4.6
2020-21	5,270,054,725	0	124,077,949	5,394,132,674	5.6
2021-22	5,522,533,805	0	131,594,675	5,654,128,480	4.8

Source: California Municipal Statistics Inc.

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Assessed Valuations and Parcels by Land Use. The following table shows secured assessed valuations and parcels by land use for Fiscal Year 2021-22. As shown in the table, there are approximately 12,350 residential parcels in the City, representing over 78% of the assessed valuation in the City, has residential uses.

TABLE 7
City of South Lake Tahoe
Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2021-22

Non-Residential:	**2021-22 Assessed Valuation[(1)]**	**% of Total**	**No. of Parcels**	**% of Total**
Commercial	$399,422,052	7.23%	255	0.58%
Vacant Commercial	12,975,318	0.23	101	0.23
Resort/Timeshare Interests	235,718,480	4.27	30,398	69.69
Hotel/Motel	325,013,664	5.89	120	0.28
Industrial	142,829,989	2.59	203	0.47
Vacant Industrial	2,992,506	0.05	30	0.07
Recreational	82,432,753	1.49	55	0.13
Government/Social/Institutional	3,365,804	0.06	97	0.22
Subtotal Non-Residential	$1,204,750,566	21.82%	31,259	71.67%
Residential:				
Single Family Residence	$3,808,561,775	68.96%	9,825	22.53%
Mobile Home	7,091,202	0.13	272	0.62
Mobile Home Park	38,609,771	0.70	17	0.04
2-3 Residential Units	239,116,637	4.33	860	1.97
4+ Residential Units/Apartments	166,315,029	3.01	297	0.68
Miscellaneous Residential Improvements	7,094,056	0.13	65	0.15
Vacant Residential	50,994,769	0.92	1,021	2.34
Subtotal Residential	$4,317,783,239	78.18%	12,357	28.33%
Total	$5,522,533,805	100.00%	43,616	100.00%

(1) Local Secured Assessed Valuation, excluding tax exempt property.
Source: California Municipal Statistics, Inc.

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Principal Property Taxpayers. The top twenty largest local secured property taxpayers in the City, as shown on the 2021-22 secured tax roll, are listed in the table below. For Fiscal Year 2021-22, the total assessed valuation of the twenty largest local secured taxpayers is 9.61% of the total City Fiscal Year 2021-22 assessed valuation.

TABLE 8
City of South Lake Tahoe
Principal Property Taxpayers (Secured Roll)
Fiscal Year 2021-22

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total [1]
1.	First American Trust FSB	Resort/Timeshare	$ 73,613,739	1.33%
2.	Roppongi-Tahoe LP	Hotel	57,543,258	1.04
3.	Tahoe Chateau Land Holding LLC	Planned Residential Development	43,242,111	0.78
4.	Trans Sierra Investments	Shopping Center	34,757,997	0.63
5.	Diamondrock Tahoe Owner LLC	Hotel	33,703,080	0.61
6.	Gondola Vista Development Company LLC	Residential Properties	29,327,443	0.53
7.	LCOF Lake Tahoe Invest LLC	Hotel	27,463,891	0.50
8.	Tahoe Crescent LLC	Commercial	26,959,097	0.49
9.	Heavenly Valley LP	Ski Resort	25,001,017	0.45
10.	South Tahoe Refuse Co.	Industrial	21,040,029	0.38
11.	Tahoe Verde Partnership	Mobile Home Park	19,449,734	0.35
12.	Azure Tahoe Resorts LLC	Hotel	19,084,770	0.35
13.	Kuldeep Singh & Deepak Mand	Hotel	16,000,896	0.29
14.	Marriott Ownership Resorts Inc.	Resort/Timeshare	15,836,809	0.29
15.	Sierra Vista Evergreen SPE LLC	Apartments	15,818,288	0.29
16.	Tahoe Keys Marina & Yacht Club LLC	Marina	15,430,467	0.28
17.	Seven Springs LP	Commercial	15,000,000	0.27
18.	Second Bay Holdings Tahoe LLC	Commercial	14,953,328	0.27
19.	Rialto Stanton Tahoe LP	Commercial	13,453,953	0.24
20.	Zalanta Resort at the Village LLC	Condominiums	13,177,741	0.24
			$530,857,648	9.61%

(1) The total City secured assessed valuation for fiscal year 2021-22 is $5,522,533,805.
Source: California Municipal Statistics, Inc.

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Other Sources of Revenues

Franchise Fees. The City collects franchise fees for the use of streets and rights-of-way from a number of utility services provided by private parties including natural gas, cable services, and electricity. Solid waste collection services are provided by a contracted private party that also pays a franchise fee to the City. Franchise fee revenue is budgeted at $1.5 million representing 2.8% of total General Fund revenues in the 2021-22 budget, an increase of 4.4% to the prior year total budget.

Vehicle License Fees. Vehicle license fees ("**VLF**") are paid on the ownership of a registered motor vehicle in place of taxing vehicles as personal property. This fee is paid annually upon vehicle registration in addition to other fees such as the registration fee, air quality fees and commercial vehicle weight fees that fund state programs. In 2004, the State of California permanently reduced the VLF from 2% to 0.65% and entered into an arrangement with cities and counties to backfill the amount of the fee eliminated with property taxes. Thus, the growth or decline in VLF is also tied to the growth or decline in property taxes.

Business and Professions Tax. The City charges a Business and Professions tax on persons or entities conducting business within the City. The tax is based on the gross receipts of the business. Business taxes for 2021-22 are budgeted at $1.6 million, or 3.0% of total General Fund revenues. This amount represents an increase in business tax revenues of 17.1% over the prior years budget due to COVID-19 business closures and reduced gross receipts in the previous fiscal year. Business tax revenues are expected to increase at a rate of 1.0% annually thereafter.

Financial Statements

The City's accounting policies conform to generally accepted accounting principles and reporting standards set forth by the State Controller. The audited financial statements also conform to the principles and standards for public financial reporting established by GASB.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. Set forth in the following tables is the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund Balance for fiscal years 2016-17 through 2020-21, which are based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's financial statements for the respective years. The City's Annual Comprehensive Financial Report ("**ACFR**") for Fiscal Year 2020-21, including the City's audited financial statements, is set forth in APPENDIX A.

General Fund Historical Financial Data

The following Tables 10 and 11 provide a five-year history of (i) the City's General Fund revenues, expenditures, and changes in fund balances for Fiscal Years 2016-17 through 2020-21 and (ii) the City's Comparative Balance Sheet for Fiscal Years 2016-17 through 2020-21.

TABLE 9
City of South Lake Tahoe
Statements of Revenues, Expenditures and Changes in General Fund Balance
Fiscal Years 2016-17 through 2020-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenues					
Taxes and assessments	$34,029,206	$36,288,798	$37,011,629	$33,662,711	$42,597,200
Licenses, permits and impact fees	1,607,311	1,718,645	1,786,359	1,728,392	1,763,093
Fines and penalties	31,295	130,204	85,963	78,433	96,556
Use of money and property	359,202	542,840	777,230	442,873	105,111
Intergovernmental revenue	2,178,724	2,355,954	2,475,758	3,385,405	3,393,370
Charges for current services	4,009,334	4,130,233	3,850,649	3,852,064	3,281,080
Other revenue	234,278	285,999	1,609,464	404,246	658,085
Loss on investment in land held for resale	--	(2,157,647)	--	--	--
Total Revenues[1]	**42,449,350**	**43,295,026**	**47,597,052**	**43,554,124**	**51,894,495**
Expenditures					
Current:					
General Government	6,967,874	10,910,495	9,335,325	9,428,305	9,753,308
Public safety	14,042,563	15,571,856	18,199,843	18,315,577	19,921,546
Public works	5,523,717	5,675,760	6,339,496	6,294,092	5,850,205
Parks and recreation	1,780,597	1,751,749	1,913,163	1,531,608	1,438,655
Capital outlay	354,224	236,414	75,475	702,997	231,032
Debt Service:					
Principal	47,300	--	--	--	--
Interest and fiscal charges	74	--	--	--	--
Total expenditures	**28,716,349**	**34,146,274**	**35,863,302**	**36,272,579**	**37,194,746**
Excess (deficiency) of revenues over (under) expenditures	13,733,001	9,148,752	11,733,750	7,281,545	14,699,749
Other financing sources(uses)					
Sale of property	300,000	--	--	--	--
Transfers in	405,064	343,493	94,070	2,875,293	372,846
Transfers out[2][3]	(9,415,848)	(9,820,181)	(17,815,033)	(6,554,584)	(10,859,767)
Proceeds from sale of capital assets	--	--	--	--	41
Total other financing sources	**(8,710,784)**	**(9,476,688)**	**(17,720,963)**	**(3,679,291)**	**(10,486,880)**
Net Change in fund balances	**5,022,217**	**(327,936)**	**(5,987,213)**	**3,602,254**	**4,212,869**
Beginning of year	**26,114,213**	**31,136,430**	**30,808,494**	**24,821,281**	**28,423,535**
End of year	**$31,136,430**	**$30,808,494**	**$24,821,281**	**$28,423,535**	**$32,636,404**

(1) Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2016-17 through 2020-21, Measure P revenues were $2,507,719, $3,307,933, $3,435,411, $2,764,825, and $3,234,866, respectively.
(2) Transfers out consist of transfers from the General Fund to other City funds. The City typically transfers annually approximately $3 million to the debt service fund, between $1 to $2 million annually to the streets and snow removal funds, and smaller amounts annually to the airport, storm water management program and long-term capital improvement funds, as well as other funds.
(3) Large transfers out in 2018-19 included several one-time amounts, including approximately $5 million to the capital improvement funds, $4 million to debt service fund (compared to typical $3 million) to pay-off certain then-outstanding capital lease obligations, $3 million for the purchase of four pieces of snow removal equipment, and $1.8 million for fire apparatuses.
Source: City of South Lake Tahoe audited financial statements for fiscal years 2016-17 through 2020-21.

TABLE 10
City of South Lake Tahoe
General Fund Balance Sheets
Fiscal Years 2016-17 through 2020-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Assets					
Cash and investments	$22,009,349	$24,695,057	$17,636,497	$20,471,033	$25,657,208
Accounts receivables - net	3,014,449	3,755,830	3,683,783	4,479,512	3,732,545
Interest receivable	104,709	232,007	310,118	116,516	42,555
Due from other funds	358,371	156,412	288,753	63,840	481,513
Prepaid items	184,911	138,389	121,406	137,094	114,910
Inventory	234,078	222,455	211,010	230,159	238,298
Land hand for resale	3,957,647	1,000,000	1,000,000	1,225,000	1,225,000
Loans receivable	--	--	--	--	382,361
Advance to RDA successor agency	4,638,627	4,638,627	4,638,627	4,638,627	4,638,627
Total Assets	**34,502,141**	**34,838,777**	**27,890,194**	**31,361,781**	**36,513,017**
Liabilities					
Accounts payable	860,603	1,479,061	968,762	961,483	1,334,556
Accrued expenditures	899,191	987,781	548,453	366,439	253,890
Deposits	1,344,297	1,449,002	1,403,299	1,385,122	1,733,268
Due to developers	261,620	114,439	148,399	225,202	465,255
Unearned revenue	--	--	--	--	89,644
Total Liabilities	**3,365,711**	**4,030,283**	**3,068,913**	**2,938,246**	**3,876,613**
Fund Balances					
Nonspendable	9,015,263	5,999,471	5,971,043	6,230,880	6,216,835
Restricted	--	750,000	750,000	750,000	750,000
Assigned	199,173	448,767	607,125	350,876	788,610
Unassigned	21,921,994	23,610,256	17,493,113	21,091,779	24,880,959
Total Fund Balance	**31,136,430**	**30,808,494**	**24,821,281**	**28,423,535**	**32,636,404**
Total Liabilities & Fund Balance	**$34,502,141**	**$34,838,777**	**$27,890,194**	**$31,361,781**	**$36,513,017**

Source: City of South Lake Tahoe audited Financial Statements for fiscal years 2016-17 through 2020-21.

Relevant Fiscal Policies

The City has adopted a comprehensive set of fiscal policies to provide guidance for all fiscal activities and resource allocation decisions as defined in the Adopted Budget. The policies set forth guidelines for both current activities and long-range planning. In addition, the City Council approved or adopted several other fiscal policies including:

- Investment Policy.
- Debt Management Policy.
- Reserve Policy

The following are certain highlighted aspects of the adopted policies.

Investment Policy. The City manages its temporarily pooled idle cash investments under the prudent person rule. To afford the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Government Code § 53600. et. seq.). Investments are selected based in order of priority on: (i) safety, (ii) liquidity and (iii) yield.

Debt Management Policy. The City's Debt Management Policy provides operating guidelines for all major debt transactions of the City and related entities. The City manages its debt to ensure high credit quality, access to credit markets and financial flexibility. Debt is issued only in those cases where public policy, equity and economic efficiency favor debt over cash financing. Whenever possible, the debt shall be self-supporting. Debt is used primarily to finance long-term capital projects, paying for facilities or equipment over their useful lives and concurrent with the stream of benefits from these facilities. The City maintains a central system for all debt-related records adheres to all continuing disclosure requirements, and strives to maintain positive relationships with members of the investment community.

Reserve Policy. The City's Reserve Policy requires that the City strive to maintain an Unassigned General Fund balance, of twenty-five percent (25%) of budgeted General Fund operating expenditures. The reserve represents one-time revenues available to provide temporary financing for extraordinary cash needs such as costs related to a natural disaster, an economic recession, or an unexpected liability. Funds may be appropriated from this operations reserve upon demonstration to the City Council that the remaining balance is sufficient to offset potential downturns in revenue sources and to provide adequate cash for daily financial needs. Funds must be allocated each year in the budget process to replace any use of the reserve during the preceding fiscal year. To the extent that funds accumulate in excess of the required reserve, these one-time funds may be transferred to the Capital Projects Fund upon completion of the annual audit.

Risk Management. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates The City is a member of the California Intergovernmental Risk Authority ("**CIRA**") (formerly Public Agency Risk Sharing Authority of California (PARSAC)), a joint powers authority which provides annual general liability coverage up to $35,000,000 in the aggregate. The City retains the risk for the first $250,000 in general liability claims.

The City is a member of Local Agency Workers' Compensation Excess Joint Powers Authority ("**LAWCX**"), which provides workers' compensation insurance coverage up to $45,000,000. The City retains the risk of the first $500,000 in losses for each accident and employee under this policy.

CIRA and LAWCX were established for the purpose of providing general liability and excess workers' compensation protection for their members. Each entity is governed by a board consisting of representatives from member municipalities. The board controls the operations of each entity, including selection of management and approval of the annual budget.

The City is part of the public entity pool comprised of approximately fifty California cities and one fire district. CIRA is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of CIRA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to CIRA for its general liability and property coverage.

See Note 11 to the City's audited financial statements (included as APPENDIX A) for additional details regarding the City's Risk Management.

Employee Retirement System; CalPERS

*This caption contains certain information relating to California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

General Information about the Pension Plans. Substantially all full-time City employees are eligible to participate in pension plans offered by CalPERS. The City's employees participate in separate Safety (police and fire) or Miscellaneous (all other) Employee Plans. Additional information about CalPERS and its Plans can be obtained directly from CalPERS.

PEPRA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period; and (v) caps pensionable income at $110,100 ($132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Benefits Provided. The Plans' provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. All members are eligible for non-duty disability benefits after 10 years of service. Benefit provisions and all other requirements are established by State statute and may be amended by City contracts with employee bargaining groups.

The Miscellaneous Plans' provisions and benefits in effect at September 30, 2021 are summarized as follows:

Miscellaneous Plans

	Classic Miscellaneous	PEPRA Miscellaneous
Benefit Formula	2.0% @ 55 / 2.7% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Monthly Benefits, As a % of Eligible Comp	2.00% to 2.70%	2.00%
Required Employee Contribution Rates	7.00 - 8.00%	8.00%
Required Employer Contributions Rates:		
Oct 1, 2020 - September 30, 2021	11.401%	11.401%
July 1, 2021 - September 30, 2021	10.670%	10.670%

The Safety Plans' provisions and benefits in effect at September 30, 2021 are summarized as follows:

Safety Plan

	Classic Safety	PEPRA Safety
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 55	57
Monthly Benefits, As a % of Eligible Comp	3.00%	2.70%
	Oct 1, 2020 - Sept. 30, 2021	**Sept. 30, 2021**
Required Employee Contribution Rates:		
Classic	9.000%	9.000%
PEPRA	13.750%	13.570%
Required Employer Contributions Rates:		
Classic:		
Police Tier 1	25.540%	25.590%
Police Tier 2	24.303%	24.360%
Police Tier 3	22.397%	22.470%
Fire Tier 1	25.540%	25.590%
Fire Tier 2	24.303%	24.360%
Fire Tier 3	22.397%	22.470%
PEPRA:		
Safety Police	13.884%	13.980%
Safety Fire	13.884%	13.980%

Source: City of South Lake Tahoe Audit Fiscal Year ended September 30, 2021.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of South Lake Tahoe is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Total contributions made by the City to the Miscellaneous Plan during Fiscal Year 2021 were $3,785,869. Total contributions made by the City to the Safety Plan during Fiscal Year 2021 were $4,610,711.

Pension Expense and Net Pension Liability. For the measurement period ended June 30, 2021, the City recognized pension expense of $1,551,542 to the Miscellaneous Plan. For the year ended September 30, 2021, the City recognized a pension expense of $2,352,992 to the

Safety Plan. In addition, the City reported net pension liability, as of September 30, 2021, with respect to its Miscellaneous Plan of $27,299,042 and with respect to its Safety Plan of $28,415,935, respectively. The City estimates its combined funded ratio will increase to 74.3% in the 2021 valuation. See Note 10 to the City's audited financial statements (included as APPENDIX A) for additional details regarding the City's pensions plans.

***Actions Taken by CalPERS Related to Discount Rate and Other Assumptions*.** In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and PEPRA member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered, and the strategic asset allocation now includes more leverage in the CalPERS portfolio. The discount rate, or assumed rate of return, has dropped from 7.0% to 6.8%.

In November 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the current 6.8% target it assumes those investments will earn over the long term. The board also approved adding 5% leverage to increase diversification. The decision concludes a nearly yearlong comprehensive review of the pension system's investment portfolio and actuarial liabilities. Known as the Asset Liability Management process (ALM), the board conducts the evaluation every four years. The ALM process included a review of demographic assumptions, including life expectancy, retirement and disability rates, and potential changes in job growth and salaries. The most recent findings show that life expectancies of healthy members at age 55 increased slightly from the last study in 2017. Notable changes for employers include a decrease in median total employer contribution rates, which includes both normal and unfunded actuarial liability costs, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans. Employees hired on or after January 1, 2013, following the implementation of the Public Employees' Pension Reform Act (PEPRA), also will be affected. Most PEPRA employees will see median increases ranging from 1.2% in miscellaneous plans to 1.5% in safety plans in their total normal cost.

No assurance can be given that the Board of Administration will not make further changes to the methods used to determine pension liability of CalPERS members, including the City.

Deferred Compensation Plan. City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the plan. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they are excluded from the City's financial statements.

General Fund Long-Term Obligations

The City generally incurs long-term debt to finance projects or purchase assets which have useful lives equal to or greater than the related debt. The following table shows the outstanding debt of the City payable from the General Fund as of September 30, 2021.

TABLE 11
City of South Lake Tahoe
General Fund Long-Term Obligations
As of July 1, 2022

Series	Purpose	Debt Type	Final Maturity	Initial Par	Outstanding Par
2010	New Money	Direct Placement	[__]/22/2026	$657,461	$276,834
2012	New Money	COP	9/1/2042	5,765,000	4,710,000
2014	Refunding	Direct Placement	10/1/2029	2,110,000	1,242,000
2014	New Money	POB	6/1/2027	6,950,000	6,950,000
2016A	Refunding	Lease Revenue	10/1/2025	10,055,000	4,870,000
2021	New Money	Direct Placement	08/01/2025	2,700,000	2,159,938
			Totals	**$28,237,461**	**$20,208,772**

Source: City of South Lake Tahoe.

2010 California Energy Commission Loan. During Fiscal Year 2011-12, the City entered in an agreement with the California State Department of Energy Resources Conservation and Development Commission for a loan amount of $657,461. Principal and interest payments are payable semi-annually on December 22 and June 22 of each year until 2026, commencing December 22, 2012. The loan is repayable from savings made from energy costs and the City's General Fund. The outstanding balance on the loan as of September 30, 2021 was $276,834.

2012 Certificates of Participation. On July 1, 2012, the City entered into an agreement with the South Tahoe Joint Powers Financing Authority for a lease amount of $5,765,000. Proceeds from the Certificates were used to finance street and other capital improvements within the City benefitting parks and recreation. Principal and interest payments are payable semi-annually on March 1 and September 1 of each year until 2042, commencing September 1, 2012. The total principal remaining to be repaid on the loan was $4,710,000 as of September 30, 2021.

2014 Financing Lease. During the Fiscal Year 2013-14, the City entered into a lease agreement with STJPFA for a lease amount of $2,110,000 for road improvements. Principal and interest payments are payable semi-annually on April 1 and October 1 of each year until 2029, commencing October 1, 2014. The outstanding balance on the loan as of September 30, 2021 was $1,380,000.

2014 Taxable Pension Obligation Bonds. On December 1, 2014, the City issued $11,905,000 in Taxable Pension Obligation Bonds, Series 2014 to refund the outstanding "side fund" obligations of the City to CalPERS with respect to the City's Safety Plan. The City paid off its Safety Plan Side Fund balance (lump sum payment of $11,447,671 as of December 18, 2014) with proceeds of the bonds. The bonds bear interest rates ranging from 1.785 percent to 4.000 percent, payable on June 1 and December 1 of each year, commencing June 1, 2018 until maturity year of 2027. The total principal remaining on the bonds as of September 30, 2021 is $8,070,000.

Refunding Lease Revenue Bonds, 2016 Series A. On July 28, 2016, the South Tahoe Joint Powers Financing Authority issues the Refunding Lease Revenue Bonds 2016 Series A, in the amount of $10,055,000, the proceeds of which were used to refund the Lease Revenue Bonds, 2006 Series A. Interest on the Refunding Lease Revenue Bonds Series A is payable semi-annually on April 1 and October 1 of each year until 2025. Principal matures annually on

October 1. The total principal remaining to be repaid on the bonds at September 30, 2021 was $5,990,000.

2021 Financing Lease. On February 1, 2021, the City entered into an agreement in the amount of $2,700,00 with the U.S. Bancorp Government Leasing Finance, Inc., for a lease financing arrangement for the purchase of a Walker Telecomm Communications System. The outstanding balance on September 30, 2021 was $2,159,938.

See Note 7 to the City's audited financial statements for the fiscal year ending September 30, 2021 attached hereto as APPENDIX A for more information.

OVERLAPPING DEBT OF THE CITY

Direct and Overlapping Bonded Debt

Set forth on the following page is a direct and overlapping debt report for the City (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated as of June1, 2022. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith. The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency. The total 2021-22 assessed valuation of $5,654,128,480 reflected in the Debt Report is provided by California Municipal Statistics, Inc. Neither the City, the Authority nor the Underwriter has verified this information.

TABLE 12
City of South Lake Tahoe
Direct and Overlapping Debt Statement
(as of June 1, 2022)

2021-22 Assessed Valuation: $5,654,128,480

OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable [1]**	**Debt**
Lake Tahoe Community College District	64.667%	$27,046,973
Lake Tahoe Unified School District	64.667	40,974,163
South Lake Tahoe Recreational Facilities Community Facilities District No. 2000-1	64.667	1,671,161
South Tahoe Redevelopment Agency Community Facilities District No. 2001-1	100.000	4,200,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$73,892,297
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
El Dorado County General Fund Obligations	14.883%	$8,363,948
City of South Lake Tahoe General Fund Obligations	**100.000**	**10,821,000**[1]
City of South Lake Tahoe Pension Obligation Bonds	**100.000**	**6,950,000**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$26,134,948
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100.000%	$60,655,000
COMBINED TOTAL DEBT		$160,682,245 [2]

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.31%
Total Direct Debt ($17,771,000)	**0.31%**
Combined Total Debt	2.84%

Ratios to Redevelopment Successor Agency Incremental Valuation ($513,069,194):

Total Overlapping Tax Increment Debt	11.82%

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIIIA of the State Constitution

Section 1(a) of Article XIIIA of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIIIA), to be collected by counties and apportioned according to law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975–76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIIIA provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

The voters of the State subsequently approved various measures that further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the full cash value of other real property between parents and children, does not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIIIA. This amendment could serve to reduce the property-tax revenues of the City. Other amendments permitted the State Legislature to allow persons over 55 or "severely disabled homeowners" who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "newly constructed" the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, provided that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

Article XIIIB of the State Constitution

Article XIIIB of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior Fiscal Year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental

entity. The "base year" for establishing this appropriations limit is the 1978–79 Fiscal Year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIIIB generally include authorizations to expend during a Fiscal Year the "proceeds of taxes" levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. "Proceeds of taxes" include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIIIB provides that if a governmental entity's revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIIB does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIIIB was amended in 1990 to exclude from the appropriations limit "all qualified capital outlay projects, as defined by the Legislature" from proceeds of taxes. The Legislature has defined "qualified capital outlay project" to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds $100,000. As a result of this amendment, the appropriations to pay the lease payments on the City's long term General Fund lease obligations are generally excluded from the City's appropriations limit. The City has never exceeded its appropriations limit.

Articles XIIIC and XIIID of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIIC define "taxes" that are subject to voter approval as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions.

Taxes. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City ("general taxes") require a majority vote; taxes for specific purposes ("special taxes"), even if deposited in the City's General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional

special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. If such repeal or reduction occurs, the City's ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIIC provides that local government "bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." Similarly, Article XIIID provides that in "any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance" with Article XIIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIIC and XIIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

Impact on City's General Fund. The City does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

The approval requirements of Articles XIIIC and XIIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

Proposition 1A; Proposition 22

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes

from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988–89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State–assessed revenue; and (ii) if county–wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State–assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Possible Future Initiatives

Article XIIIA, Article XIIIB and Propositions 218, 26, IA and 22 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the City's revenues or its ability to expend revenues.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other considerations will not materialize in the future.

No Pledge of Taxes

General. The obligation of the City to pay the Base Rental and Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Base Rental and Additional Rental payments does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The City is currently liable on other obligations payable from general revenues, which are described above under "CITY FINANCIAL INFORMATION – General Fund Long-Term Obligations."

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIIIC and Article XIIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIIIC and Article XIIID of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIIIC and Article XIIID of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIIIC and Article XIIID of the State Constitution would adversely affect its ability to pay Base Rental and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIIIC and Article XIIID of the State Constitution on the City's finances. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Leased Property caused by material damage, title defect, destruction to or condemnation of the Leased Property, Base Rental payments will be subject to abatement. See "SECURITY FOR THE BONDS – Abatement" above. In the event that such component of the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of in which proceeds of rental interruption insurance, if any, will be available in lieu of Base Rental, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Leased Property or prepayment of the Bonds, there could be insufficient funds to make payments to Owners in full. It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Leased Property is substantially higher or lower than its value at the time of issuance of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Leased Property results in abatement of the Base Rental payments related to such Leased Property and if such abated Base Rental payments, if any, together with moneys from rental interruption or use and occupancy insurance, if any, (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Bonds during the period that the Leased Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Reduction in Base Rental payments due to abatement as provided in the Sublease does not constitute a default thereunder, and no remedy is available to the Bond Owners under the Sublease or the Indenture for nonpayment under such circumstances. See APPENDIX C.

Limited Recourse under Sublease

The ability of the City to comply with its covenants under the Sublease may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" above.

Failure by the City to make Base Rental payments, or failure to pay Additional Rental Payments or to observe and perform any other terms, covenants or conditions contained in the Sublease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute Events of Default under the Sublease. Such events permit the Trustee or the Authority to pursue any and all remedies available. However, notwithstanding anything in the Sublease or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Base Rental payments or otherwise declare any Base Rental payments that are not then in default to be immediately due and payable. The Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service on the Bonds.

Following an event of default, the Authority or the Trustee may elect either to terminate the Sublease and seek to collect damages from the City or to maintain the Sublease in effect and seek to collect the Base Rental payments as they become due. See APPENDIX C.

In the event of a default, there is no remedy of acceleration of the total Base Rental payments due over the term of the Lease. The City will be liable only for Base Rental payments on an annual basis and, in the event of a default, the Authority or Trustee would be required to seek a separate judgment each year for that year's defaulted Base Rental payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a Fiscal Year other than the Fiscal Year in which the Base Rental payments were due and against funds needed to serve the public welfare and interest.

Limitations on Remedies for Bondholders

Remedies available to the owners of the Bonds upon the occurrence of an event of default under the Sublease or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondowner remedies contained in the Sublease and the Indenture, the rights and obligations under the Bonds, the Sublease and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel, concurrently with the issuance of the Bonds, will include a qualification that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, the Sublease and the Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases. See "APPENDIX E — FORM OF OPINION OF BOND COUNSEL."

Additional Obligations of the City

General. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds, and may in the future be subject to liabilities payable from the general fund (some of which are described below). To the extent that additional obligations are incurred by (or imposed upon) the City, the funds available to pay Base Rental payments may be decreased.

The Base Rental payments and other payments due under the Sublease (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Base Rental and Additional Rental payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

Litigation. The City is subject to litigation arising in the normal course of business, the costs of which may be payable from the General Fund. See "LITIGATION."

CalPERS Obligations. Many cities and other local agencies in the State have been faced with increased payments due to CalPERS in recent years. The City, like many other cities and local agencies in the State, is responsible for payments to CalPERS for its share of employee pension costs. Amounts owed to CalPERS for pension costs have increased in recent years and are expected to continue to increase, as CalPERS implements changes to its discount rate and other methodologies for calculating pension costs. See "CITY FINANCIAL INFORMATION – Employee Retirement System; CalPERS," above, for additional information.

Transient Occupancy Taxes

Transient occupancy tax revenues are typically the biggest source of General Fund revenue to the City. Transient occupancy tax revenues are based upon hotel and motel room night occupancy rates and room-night pricing, which could be impacted by a variety of factors.

For example, before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, overnight travel involving hotel and motels may decline and/or the pricing of hotel and motel room nights may decline, and such a decline would cause the transient occupancy tax revenues received by the City to also decline.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues, whether implemented by State legislative action or voter initiative, could have an adverse effect on transient occupancy tax revenues received by the City. For example, in November 2018, voters in the City passed Measure T, which severely restricted the number of vacation rental homes in the City. See "CITY FINANCIAL INFORMAITON – Transient Occupancy Taxes" for additional details.

Sales Taxes

Sales tax revenues are typically the second biggest source of revenue to the City, behind transient occupancy taxes. Sales tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of factors.

For example, before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, the gross receipts of retailers often decline, and such a decline would cause the sales tax revenues received by the City to also decline.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues, whether implemented by State legislative action or voter initiative, could have an adverse effect on sales tax revenues received by the City. For example, many categories of transactions are exempt from the statewide sales tax, and additional categories could be added in the future. Currently, most sales of food products for human consumption are exempt; this exemption, however, does not apply to liquor or to restaurant meals. The rate of sales tax levied on taxable transactions in the City or the fee charged by the CDTFA for administering the City's sales tax could also be changed.

Property Taxes

Property taxes are a significant source of General Fund revenue to the City. Certain risks associated with property tax revenues follow.

Levy and Collection. The City does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City's property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Base Rental payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City's ability to pay principal of and interest on the Bonds when due.

Reduction in Inflationary Rate. Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation a limited number of times.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the City's property tax revenues.

Natural Calamities

General. Natural disasters, such as seismic events, wildfires, flooding or landslides could affect economic activity in the City, and could have a negative impact on City finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the City or impact the Leased Property.

Wildfires. Many areas of northern California have suffered from major wildfires in recent years, including numerous wildfires in northern California in 2020 and in 2021. The City has been impacted by two major fires in the last 20 years. The Angora Fire in 2007, which started by an illegal campfire, burned over 3,000 acres including a western area within the City, burning 317 homes and 67 commercial structures. The Caldor Fire in the fall of 2021 caused the evacuation of 50,000 residents in the City and nearby areas, burned 221,835 acres in 69 days and destroyed

1,003 structures in the mountains near the City, although it did not destroy property within the City.

In addition to wildfire impacts on health and safety and property damage in California, the smoke from many of these wildfires has impacted the quality of life throughout the region, and the City and may have short-term and future impacts on commercial activity in the City. The fires have been driven in large measure by drought conditions and low humidity. Experts expect that California will continue to be subject to wildfire conditions year over year as a result in changing weather patterns due to climate change.

The developed portion of land in the City is located within a Fire Hazard Severity Zone as established by Cal Fire (https://egis.fire.ca.gov/FHSZ), which means there is increased risks of wildfire to property in the City. The City was one of the first jurisdictions in the State to implement an aggressive vegetation management program in collaboration with CalFire to reconstitute control burns, dozer fuel breaks, and shaded fuel breaks in the State responsibility areas surrounding the South Lake Tahoe Valley. An active public outreach and inspection program requiring vegetation management on private property and prevention checks of businesses is ongoing.

Seismic. Like most of the State, the City is located in a seismically active area. If there were to be an occurrence of severe seismic activity in the area of the City, such an occurrence may adversely affect economic activity in the City, and could have a negative impact on City finances. The City could be at risk from strong ground motion and secondary effects related to a seismic event, including ground failure (such as landslide, liquefaction, lateral spreading, lurching and differential settlement) and seismically induced flooding (such as flooding from a tsunami or dam failure).

Droughts. California is subject to droughts from time-to-time. In April 2015, for the first time in California's history, Governor Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. Following a wet winter in 2016-17, most of the mandatory water reductions were lifted, only to return again in 2021 and 2022 following unusually dry years. Customers in the City are subject to certain mandatory water reductions imposed by State and local water agencies.

Climate Change. City finances may be negatively impacted by climate change. Local impacts of climate change are not definitive, but parcels in the City could experience changes to local and regional weather patterns; increased risk of flooding; and water restrictions. See, for example, the discussions above regarding wildfires and droughts.

COVID-19 Pandemic

The spread of COVID-19 has impacted governments, businesses and people in a manner that is having negative effects on global and local economies. In response to the pandemic, the City took actions to proclaim a local emergency, temporarily close all non-essential City services, introduced teleworking as and where appropriate, implemented daily screening of all employees, and abided by all state and federal guidelines and orders. The City actively monitors the COVID-19 situation in the community and acts swiftly to issue executive orders to mitigate the spread of the virus. Additionally, the City has forged a strong relationship with the El Dorado County Health Department and local medical clinics to ensure timely sharing of information and coordinated responses to issues.

Early in the pandemic, the City experienced decreased General Fund revenues due to a decrease in tourism necessitated by the shelter-in-place orders. However, tourism rebounded strongly in the City beginning in summer 2020. In addition, the City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of $2,654,997 in each of Fiscal Year 2021-22 and Fiscal Year 2022-23.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the pandemic upon the City. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund. In addition, the City may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The City maintains insurance coverage for loss resulting from cyber security incidents, however no assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector and other authorities for the levy and collection of taxes, and the Trustee. No assurance can be given that the City and/or the other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "**Code**"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue. These requirements include, but are not limited to, provisions which limit how the proceeds of the Bonds may be spent and invested, and generally require that certain investment earnings be rebated on a periodic basis to the United States of America. The City and the Authority have made certifications and

representations and have covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law and assuming the accuracy of such certifications and representations by, and compliance with such covenants of, the City and the Authority, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and (ii) the Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code and, therefore, interest on the Bonds is not a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond counsel expresses no opinion as to any other tax consequences regarding the Bonds.

Under the Code, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding these and other such consequences.

Bond Counsel has not undertaken to advise in the future whether any circumstances or events occurring after the date of issue of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the California legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issue of the Bonds, will not eliminate, or directly or indirectly reduce the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes, or have an adverse effect on the market value or marketability of the Bonds.

For example, federal tax legislation enacted on December 22, 2017, reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and generally eliminated the tax-exempt advance refunding of tax-exempt bonds and other tax advantaged bonds, among other things. In addition, investors in the Bonds should be aware that future legislative actions might increase, reduce, or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Certain requirements and procedures contained or referred to in relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Richards, Watson & Gershon, A Professional Corporation.

If the issue price of a Bond (the first price at which a substantial amount of the bonds of a maturity are sold to the public) is less than the stated redemption price at maturity of such Bond, the difference constitutes original issue discount, the accrual of which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield method over the term of each such Bond and the basis of each Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Purchasers who acquire Bonds with original issue discount are advised that they should consult with their own independent tax advisors with respect to the state and local tax consequences of owning such Bonds.

If the issue price of a Bond is greater than the stated redemption price at maturity of such Bond, the difference constitutes original issue premium, the amortization of which is not deductible from gross income for federal income tax purposes. Original issue premium is amortized over the period to maturity of such Bond based on the yield to maturity of that Bond (or, in the case of a Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Bond), compounded semiannually. For purposes of determining gain or loss on the sale or other disposition of such Bond, the purchaser is required to decrease such purchaser's adjusted basis in such Bond by the amount of premium that has amortized to the date of such sale or other disposition. As a result, a purchaser may realize taxable gain for federal income tax purposes from the sale or other disposition of such Bond for an amount equal to or less than the amount paid by the purchaser for that Bond. A purchaser of that Bond in the initial public offering at the issue price for that Bond who holds it to maturity (or, in the case of a callable Bond, to its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon its retirement.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Bonds should consult their own independent tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit

examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX E.

CERTAIN LEGAL MATTERS

Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, will render an opinion with respect to the validity of the Bonds, the form of which is set forth in "APPENDIX E — FORM OF OPINION OF BOND COUNSEL." Certain legal matters will also be passed upon for the City and the Authority by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney, and for the Underwriter by its counsel, Quint & Thimmig LLP.

LITIGATION

Except as may otherwise be set forth in this Official Statement, to the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the City or, to the knowledge of the City, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Sublease, the Lease or the Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Sublease, the Lease or the Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under the Lease.

The City is subject to claims, actions, and lawsuits arising in the normal course of business. At this time, the City does not believe any of the lawsuits are likely to be resolved in a manner that would result in liability to the City in excess of its existing insurance coverage. However, no assurance can be given that an adverse outcome in any pending or future litigation against the City would not result in a material adverse effect upon the financial condition of the City and its ability to pay the Base Rental payments securing the Bonds.

RATING

S&P Global Ratings ("**S&P**"), a division of Standard & Poor's Financial Services LLC has assigned its municipal bond rating of "AA" to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or

associated with this rating, should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The City has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data by not later than nine months after the end of the City's fiscal year, or June 1 of each year (based on the City's current fiscal year-end of September 30), commencing June 1, 2023, with the report for the 2021-22 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate."

A review of the City's prior compliance with its continuing disclosure obligations under the Rule reveals that _____ [to come from underwriter].

MUNICIPAL ADVISOR

The City and the Authority have retained Public Financial Management, Inc., San Francisco, California, as municipal advisor (the "**Municipal Advisor**") in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and the Authority from their records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the City, Authority or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fee of the Municipal Advisor is contingent upon the successful closing of the Bonds.

UNDERWRITING

Stifel Nicolaus & Company, Incorporated, as underwriter (the "**Underwriter**"), has entered into a Bond Purchase Agreement with the Authority under which it will purchase the Bonds at a purchase price of $_____, which is equal to the par amount of the Bonds, less an Underwriter's discount of $_____.

The Underwriter will be obligated to take and pay for all of the Bonds if any are taken. The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

PROFESSIONAL SERVICES

In connection with the issuance of the Bonds, fees payable to the following professionals involved in the offering are contingent upon the issuance and delivery of the Bonds: Richards, Watson & Gershon, A Professional Corporation, as Bond Counsel; Jones Hall, A Professional Law Corporation, as Disclosure Counsel; Public Financial Management, Inc., San Francisco, California, as municipal advisor to the Authority and the City; Quint & Thimmig LLP, Larkspur California, as counsel to the Underwriter; and The Bank of New York Mellon Trust Company, N.A., as Trustee.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of the Authority and the City Council of the City.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Executive Director

CITY OF SOUTH LAKE TAHOE

By:_____
City Manager

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021

APPENDIX B

GENERAL INFORMATION ABOUT THE CITY OF SOUTH LAKE TAHOE AND THE COUNTY OF EL DORADO

*The following information concerning the City of South Lake Tahoe (the "**City**") and the County of El Dorado (the "**County**") is included only for the purpose of supplying general information regarding the area. The Bonds are not a debt of the City, the County, the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor. None of the Authority, the City and the Underwriter take any responsibility for the accuracy or completeness of such information.*

General

The City. The City is located at the South Shore of Lake Tahoe, which is the country's largest alpine lake, and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 21,199 as of January 1, 2022. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6260 ft. As the only incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-Nevada state line, is mainly geared towards tourism, with shops, restaurants, hotels, and the Heavenly Ski Resort, with the Nevada casinos just across the State line. The western end of town is mainly residential.

The County. The County was incorporated as a general law county in 1850, with the City of Placerville as the county seat. In 1994, County voters adopted a county charter by majority vote under Article XI, Section 4 of the California Constitution, and the County has been organized and operating as a charter county since that time. The legislative body is a five-member Board of Supervisors, each supervisor being elected by voters within his or her supervisorial district. Because much of the County is comprised of unincorporated areas, the County provides a wide range of services through its departments and by special districts for these areas.

The County is comprised of 1,711.5 square miles encompassing a portion of Lake Tahoe on the east and reaching to the west within 25 miles of Sacramento, California, the State capitol. More than half of the land in the County is owned by the federal, state or local governments. 150 miles west of the County is San Francisco, while 400 miles south is Los Angeles. Placerville is located 44 miles east of Sacramento.

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA
Population Estimates
Years 2018 through 2022, as of January 1

Year	City of South Lake Tahoe	El Dorado County	State of California
2018	22,641	187,940	39,519,535
2019	22,944	189,691	39,605,361
2020	21,425	191,185	39,538,223
2021	21,508	191,054	39,303,157
2022	21,199	190,465	39,185,605

Source: California Department of Finance, Demographic Research Unit.

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Industry and Employment

The City is part of the Sacramento--Roseville--Arden-Arcade MSA, which MSA had an unemployment rate of 3.7 percent in March 2022, down from a revised 4.4 percent in February 2022, and below the year-ago estimate of 7.6 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 3.8 percent for the nation during the same period. The unemployment rate was 3.3 percent in El Dorado County, 2.8 percent in Placer County, 4.0 percent in Sacramento County, and 3.7 percent in Yolo County.

The following table shows the unemployment rate in El Dorado County for the years shown.

SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA
El Dorado, Placer, Sacramento, Yolo Counties
Civilian Labor Force, Employment and Unemployment
Calendar Years 2017 through 2021
(March 2021 benchmark)

	2017	2018	2019	2020	2021
Civilian Labor Force [1]	1,074,000	1,088,300	1,100,800	1,091,700	1,099,300
Employment	1,024,800	1,046,900	1,060,300	994,000	1,028,800
Unemployment	49,200	41,500	40,500	97,700	70,500
Unemployment Rate	4.6%	3.8%	3.7%	9.0%	6.4%
Wage and Salary Employment:[2]					
Agriculture	9,800	9,100	8,700	8,300	9,000
Mining and Logging	400	500	500	600	700
Construction	58,700	64,500	69,400	70,200	74,100
Manufacturing	35,700	36,000	36,800	36,100	37,500
Wholesale Trade	26,500	28,400	28,600	26,500	26,400
Retail Trade	101,400	102,000	100,500	95,200	101,100
Transportation, Warehousing, Utilities	27,400	29,500	32,200	34,300	37,100
Information	12,600	12,400	11,900	10,200	10,000
Financial Activities	52,600	53,500	52,500	51,700	51,700
Professional and Business Services	132,400	136,000	137,200	132,500	136,700
Educational and Health Services	153,600	159,800	166,600	164,000	168,400
Leisure and Hospitality	103,300	106,200	109,600	83,900	92,800
Other Services	33,000	34,200	35,400	31,000	32,600
Federal Government	14,200	14,100	14,200	14,800	14,500
State Government	118,400	120,400	121,900	121,700	126,800
Local Government	102,600	103,500	105,300	98,900	98,000
Total all Industries [3]	982,500	1,009,900	1,031,300	979,700	1,017,200

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Columns may not sum to totals due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table lists the principal employers within the City for Fiscal Year 2020-21.

CITY OF SOUTH LAKE TAHOE
Principal Employers
Fiscal Year 2020-21

Employer Name	No. of Employees
Barton Memorial Hospital	881
Lake Tahoe Unified School District	413
El Dorado County	267
Lake Tahoe Community College	256
City of South Lake Tahoe	206
Marriott Corporation	197
United States Forest Service	135
Raley's Supermarket	128
Lake Tahoe Resort Hotel	121
South Tahoe Public Utility District	117

Source: City of South Lake Tahoe.

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The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of June 2022.

COUNTY OF EL DORADO
Major Employers
As of June 2022
(In Alphabetical Order)

Employer Name	Location	Industry
Barton Health	South Lake Tahoe	Hospitals
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Resort	South Lake Tahoe	Resorts
Camp Richardson Resrt Ice	South Lake Tahoe	Resorts
CEMEX	El Dorado Hills	Construction Companies
Child Development Programs	Placerville	Youth Organizations & Centers
County of Eldorado	Placerville	County Government-General Offices
El Dorado County Child Protctn	Placerville	Government Offices-County
El Dorado County Sheriff	Placerville	Sheriff
El Dorado County Trnsprtn	Placerville	Government Offices-County
El Dorado Irrigation District	Placerville	Water & Sewage Companies-Utility
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Liberty Utilities Co	South Lake Tahoe	Utility Contractors
Marriott-Timber Lodge	South Lake Tahoe	Hotels & Motels
More	Placerville	Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Oak Ridge High School	El Dorado Hills	Schools
Safeway	South Lake Tahoe	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Top To Bottom Inside & Out Inc	El Dorado Hills	Home Improvements
Transitional Learning Ctr High	South Lake Tahoe	Schools
Urbana Tahoe Tc LLC	South Lake Tahoe	Hotels & Motels

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd edition.

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Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2018 through 2022.

CITY OF SOUTH LAKE TAHOE, EL DORADO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2018 through 2022

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2018	City of South Lake Tahoe	$514,112	$42,707
	El Dorado County	6,786,006	68,784
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of South Lake Tahoe	$573,233	$45,436
	El Dorado County	6,884,494	67,948
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of South Lake Tahoe	$601,856	$47,973
	El Dorado County	7,131,224	70,899
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of South Lake Tahoe	$637,224	$48,817
	El Dorado County	7,711,541	73,169
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of South Lake Tahoe	$671,743	$51,604
	El Dorado County	8,429,911	81,237
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for year 2018; Claritas, LLC for 2019 through 2022.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during calendar year 2021 in the City were reported to be $489,008,420, a 16.82% increase over the total taxable sales of $418,616,075 reported during calendar year 2020.

CITY OF SOUTH LAKE TAHOE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2017 through 2021 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	677	$359,256	1,001	$426,743
2018	668	371,475	1,024	444,026
2019	644	379,918	1,021	453,257
2020	671	350,304	1,069	410,339
2021	659	416,465	1,064	489,008

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2021 in the County were reported to be $3,106,501,502, a 12.69% increase over the total taxable sales of $2,756,589,485 reported during calendar year 2020.

COUNTY OF EL DORADO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2017 through 2021 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	4,331	$1,670,028	6,796	$2,307,481
2018	4,216	1,771,739	6,836	2,369,664
2019	4,183	1,876,936	6,917	2,544,004
2020	4,332	2,005,650	7,309	2,707,847
2021	3,797	2,272,978	6,547	3,106,502

Source: State Department of Tax and Fee Administration.

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables.

CITY OF SOUTH LAKE TAHOE
Building Permit Valuation
For Calendar Years 2017 through 2021
(Dollars in Thousands)[1]

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$6,690.0	$9,787.6	$6,501.5	$14,964.3	$16,685.2
New Multi-family	650.0	2,232.8	14,250.0	2,621.6	0.0
Res. Alterations/Additions	7,924.6	9,253.5	9,025.9	9,706.7	12,444.8
Total Residential	15,264.6	$21,273.9	$29,777.4	$27,292.6	$29,130.0
New Commercial	7,187.8	12,208.2	1,832.6	4,857.0	9,084.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	288.8	1,358.9	273.4	603.2	788.9
Com. Alterations/Additions	5,771.2	5,474.6	7,434.0	14,113.2	8,696.4
Total Nonresidential	13,247.8	19,041.7	9,540.0	19,573.4	18,570.2
New Dwelling Units					
Single Family	22	27	15	34	36
Multiple Family	6	4	18	7	0
TOTAL	28	31	33	41	36

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

EL DORADO COUNTY
Building Permit Valuation
For Calendar Years 2017 through 2021
(Dollars in Thousands)[1]

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$307,620.9	$221,702.9	$404,049.4	$271,705.8	$272,949.4
New Multi-family	650.0	2,458.5	14,250.0	2,621.6	0.0
Res. Alterations/Additions	35,706.8	50,395.3	39,291.3	30,270.3	42,208.2
Total Residential	343,977.8	274,556.7	457,590.7	304,597.7	315,157.6
New Commercial	15,295.6	37,141.5	42,622.0	16,917.1	37,727.2
New Industrial	0.0	1,024.1	0.0	0.0	0.0
New Other	40,288.3	48,961.4	35,357.3	28,555.7	44,229.5
Com. Alterations/Additions	22,931.0	21,186.3	27,883.6	24,950.1	23,256.9
Total Nonresidential	78,514.9	108,313.3	105,862.9	70,422.9	105,213.6
New Dwelling Units					
Single Family	814	613	595	649	697
Multiple Family	6	6	18	7	0
TOTAL	820	619	613	656	697

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

Tourism

Tourism has long been a major component of the City's and County's economy. Lake Tahoe is a world-class destination attraction with a varied offering of both winter and summer sports. Marwill State Park Gold Discovery Site, Folsom Lake, Apple Hill (a ranch marketing area) and other attractions in the western part of the County provide another range of diversity to visitors. Much of the central part of the County lies in the El Dorado and Tahoe National Forests which provide hiking, camping, fishing, hunting and other outdoor recreation.

Transportation

Two major highways (U.S. 50 and U.S. 49) intersect the County while Interstate 5 and Interstate 80 are within 45 minutes of the City of Placerville. Commercial air service is provided to the western portion of the County by the Sacramento Metropolitan Airport, 50 miles west of the City of Placerville. More than 200 trucking firms serve the County area, with interstate, local and special hauling. The City and the County are also served by Greyhound Bus Lines.

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of South Lake Tahoe (the "City") in connection with the issuance by the Authority of the bonds captioned above (the "Bonds"). The Bonds are being issued under an Indenture of Trust dated as of October 1, 2022 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means June 1 of each year.

"*Dissemination Agent*" means the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Stifel Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing June 1, 2023, with the report for Fiscal Year 2021-22 (which ends on September 30, 2022), provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(1) The following tables in substantially the format displayed in the Official Statement: General Fund Balance Sheet (Table 11), Statement of General Fund Revenues, Expenditures and Balances (Table 10), and General Fund Revenues by Revenue Source (Table 2).

(2) Assessed valuation of all taxable property (Table 6).

(3) Statement of Teeter Plan applicability to property tax revenues received by the City.

(4) Statement or table setting forth outstanding balance of long-term obligations payable from the General Fund, showing information similar to that set forth in the Official Statement.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (f)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (f)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(f) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the state of California.

Date: _____, 2022

CITY OF SOUTH LAKE TAHOE

By_____
Name:_____
Title:_____

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

___, 2022

Opinion of Bond Counsel

with reference to

$[PAR]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
Series 2022A

Ladies and Gentlemen:

We have examined (i) a record of proceedings relating to the issuance of the above-captioned bonds (the "Bonds") of the South Tahoe Joint Powers Financing Authority, a joint powers authority (the "Authority"), (ii) the Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), (iii) the Lease Agreement, dated as of October 1, 2022 (the "Lease"), by and between the City of South Lake Tahoe (the "City") and the Authority, (iv) the Sublease, dated as of October 1, 2022 (the "Sublease"), by and between the Authority and the City, (v) the Assignment Agreement, dated as of October 1, 2022 (the "Assignment Agreement"), by and between the Authority and the Trustee; and (vi) such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon such certificates and documents without undertaking to verify the same by independent investigation. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued under and pursuant to the Indenture, the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act"), including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act. The Bonds are issued for the purpose of assisting the City in financing the costs of acquisition, construction, rehabilitation, renovation, and furnishing of the City's new recreation center.

Based upon such examination, we are of the opinion under existing law that:

1. The Indenture has been duly and lawfully authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, the Indenture is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Revenues and certain funds established by the Indenture (including the investments, if any, thereof), subject to the provisions of the Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth in the Indenture.

2. The Authority is duly authorized and entitled to issue the Bonds. The Bonds have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of California, including the Act, and in accordance with the

Indenture. The Bonds constitute the valid and binding obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Act and the Indenture. The Bonds are not an obligation of the State of California, any public agency thereof (other than the Authority), or any member of the Authority and neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged for the payment of the Bonds. The Authority has no taxing power.

3. The Authority and the City have duly authorized, executed and delivered the Lease, the Sublease, and the Assignment Agreement, as applicable. The Lease and the Sublease constitute the valid and binding agreements of the Authority and the City enforceable according to their respective terms. The obligation of the City to make Base Rental Payments during the term of the Sublease constitutes a valid and binding obligation of the City, payable from funds of the City lawfully available therefor, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

4. Interest on the Bonds is exempt from personal income taxes of the State of California.

5. Assuming compliance with the covenants described below, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and, therefore, interest on the Bonds will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds. The City has covenanted to satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. We express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken or omitted upon the advice or approval of any counsel other than ourselves.

Except as stated in the foregoing paragraphs numbered 4 and 5 and the paragraph immediately following paragraph 4, we express no opinion as to any federal or state tax consequences of the ownership or disposition of the Bonds.

The opinions expressed in the paragraphs numbered 1, 2 and 3 hereof are qualified to the extent that the enforceability of the Indenture, the Bonds, the Lease and the Sublease may be limited by applicable bankruptcy, insolvency, debt adjustment, receivership, fraudulent

conveyance or transfer, moratorium, reorganization, arrangements or other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State or other laws or equitable principles affecting the enforcement of creditors' rights generally. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. We do not express any opinion with respect to the quality of title to, or interests in, any of the real or personal property subject to the lien of the Lease or Sublease or with respect to the accuracy or sufficiency of the description of any real property contained therein and in the Indenture. Without limiting the foregoing, we have assumed compliance with all agreements and covenants contained in the Indenture.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. No opinion is expressed in this letter regarding the accuracy, completeness or fairness of the Official Statement or any other offering material relating to the Bonds.

Respectfully submitted,

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

BOND PURCHASE AGREEMENT

October 4, 2022

South Tahoe Joint Powers Financing Authority
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), hereby offers to enter into this bond purchase agreement (the "Bond Purchase Agreement") with the South Tahoe Joint Powers Financing Authority (the "Authority") and the City of South Lake Tahoe (the "City"). Upon the acceptance hereof by the Authority and the City, this offer will be binding upon the Authority, the City and the Underwriter. This offer is made subject to (a) the written acceptance hereof by the Authority and the City and (b) withdrawal by the Underwriter upon written notice (by telecopy or otherwise) delivered to the Authority and the City at any time prior to each of their acceptance hereof by the Authority and the City.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase on the Closing Date (as defined herein), and the Authority and the City hereby agree to sell and deliver to the Underwriter on the Closing Date, $_____ principal amount of South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, Series 2022A (the "Bonds). The Bonds are being issued pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code, a resolution of the Authority authorizing the issuance of the Bonds, adopted on August 9, 2022 (the "Authority Resolution"), and an Indenture of Trust, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City will lease certain real property and all buildings and other improvements installed thereon (collectively, the "Leased Property") to the Authority pursuant to a Lease Agreement, dated as of October 1, 2022 (the "Lease Agreement"). The Leased Property will be subleased by the Authority to the City pursuant to the Sublease, dated as of October 1, 2022 (the "Sublease"), by and between the Authority and the City. Pursuant to an Assignment Agreement, dated as of October 1, 2022 (the "Assignment Agreement"), by and between the Authority and the Trustee, the Authority will assign, for the benefit of the owners of the Bonds, its right to receive lease payments (the "Base Rental

Payments") made by the City under the Sublease and its right to exercise rights and remedies of the Authority under the Sublease. All capitalized terms not defined herein shall have the respective meaning specified in Section 1.01 of the Indenture.

Under the Sublease, the City is required to make Base Rental Payments and Additional Rental Payments from legally available funds in amounts calculated to be sufficient to pay principal of and interest on the Bonds when due. All of the Authority's right, title and interest in and to the Sublease (except for the right to receive Additional Rental Payments to the extent payable to the Authority and certain rights to indemnification), including the right to receive Base Rental Payments under the Sublease, will be assigned to the Trustee for the benefit of the Owners of the Bonds.

The Bonds are being issued to (a) finance the costs of construction of a new recreation center, and (b) pay costs of issuance of the Bonds.

The aggregate purchase price to be paid by the Underwriter for the Bonds is hereby agreed to be $_____, which amount represents the principal amount of the Bonds of $_____, less $_____, representing the Underwriter's discount, plus $_____, representing original issue premium (such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "Closing").

As an accommodation to the Authority and the City, the Underwriter will pay, from the purchase price of the Bonds, the sum of $_____ to _____ (the "Municipal Bond Insurer") as the premium for the Municipal Bond Insurer's municipal bond insurance policy issued for the Bonds (the "Municipal Bond Insurance Policy") and the sum of $_____ to the Municipal Bond Insurer as the premium for the Municipal Bond Insurer's reserve fund municipal bond insurance policy issued for the Bonds (the "Reserve Policy").

The Authority and the City acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Authority and the City and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Authority or the City; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliates of the Underwriter, has advised or is currently advising the Authority or the City on other matters) nor has it assumed any other obligation to the Authority or the City except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Authority and the City; and (v) the Authority and the City have consulted with their own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

The Authority and the City hereby acknowledge receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

A Preliminary Official Statement of the City and the Authority, dated September 22, 2022 (together with the Appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form

or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), has been prepared for use in marketing the Bonds, and a final Official Statement relating to the Bonds, to be dated the date hereof, as amended to conform to the terms of this Purchase Contract, and with such changes and amendments as are mutually agreed to by the Authority, the City and the Underwriter, including the cover page, inside cover page, the appendices and all information incorporated therein by reference, is herein collectively referred to as the "Official Statement," which shall be in substantially the form of the Preliminary Official Statement, with such changes and amendments thereto as may be mutually agreed upon by the Underwriter, the Authority and the City.

The Bonds shall be dated their date of delivery, and shall have the maturities, bear interest at the rates, have reoffering yields, and be subject to redemption as shown on Exhibit A hereto.

It shall be a condition to the Authority's obligation to sell and to deliver the Bonds to the Underwriter and to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire $_____ principal amount of the Bonds as authorized by the Indenture shall be sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The Underwriter may change the offering prices (or yields) of the Bonds from time to time at any time. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The obligation of the Authority to sell and deliver the Bonds to the Underwriter shall also be conditioned upon the delivery by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel ("Bond Counsel"), of its approving legal opinion with respect to the Bonds.

The Authority and the City hereby authorizes the Underwriter to use and distribute the Lease Agreement, the Sublease, the Assignment Agreement, the Indenture and the Preliminary Official Statement, and the information contained in such documents in connection with the public offering and sale of the Bonds. The Authority and the City have authorized the use of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter prior to the date hereof.

The obligation of the City to make Base Rental Payments under the Sublease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental Payments under the Sublease constitutes a debt of the Authority, the City, the State of California or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. The obligation of the City to make Base Rental Payments, as set forth in the Sublease, shall be deemed to be and shall be construed to be a ministerial duty imposed by law and it shall be the ministerial duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of such duty, subject to abatement in the event of damage or destruction to, or condemnation of, the Leased Property or a portion thereof.

2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the inside cover page of the Official Statement. Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at

prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Authority for the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority and the City in establishing the issue price of the Bonds and shall execute and deliver to the Authority and the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority and the City under this Section 3 to establish the issue price of the Bonds may be taken on behalf of the Authority and the City by the City's municipal advisor identified herein and any notice or report to be provided to the Authority and the City may be provided to the City's municipal advisor.

(b) The Authority and the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority and the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority and the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority and the City acknowledge that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority and the City further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail

distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority and the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

4. The Bonds. The Bonds will be issued, executed and delivered pursuant to the Indenture. The City Council of the City has adopted a resolution on August 9, 2022, relating to the Bonds (the "City Resolution"). This Bond Purchase Agreement, the Lease Agreement, the Sublease and the Continuing Disclosure Certificate (hereinafter defined) are collectively referred to as the "City Documents." This Bond Purchase Agreement, the Indenture, the Lease Agreement, the Sublease and the Assignment Agreement are collectively referred to as the "Authority Documents."

5. Official Statement, Continuing Disclosure.

(a) The Authority and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

(b) The Underwriter agrees that, prior to the time the final Official Statement is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the second business day following the date upon which each such request is received.

(c) The Authority agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement relating to the Bonds as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32, Rule G-36 and all other applicable rules of the Municipal Securities Rulemaking Board. The Authority agrees to deliver such copies of the Official Statement within seven business days after the execution hereof. The Underwriter agrees to give notice to the Authority on the date after which the Underwriter shall no longer be obligated to deliver copies of the Official Statement pursuant to paragraph (b)(4) of the Rule, which date shall be no earlier than 25 days after the "end of the underwriting period," as determined in accordance with Section 15 herein.

(d) Prior to the earlier of (i) receipt of notice from the Underwriter that no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule or (ii) 25 days after the date of the Closing (as defined below), the Authority and the City shall provide the Underwriter with such information regarding the Authority and the City, each of their current financial conditions and ongoing operations as the Underwriter may reasonably request.

(e) The City hereby covenants and agrees that it will, on or prior to the Closing Date, enter into an agreement for the benefit of the owners of the Bonds in which the City will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the form of Appendix E to the Official Statement (the "Continuing Disclosure Certificate").

6. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California.

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the City Documents; and (ii) to carry out and consummate the transactions on its part contemplated by the City Documents and the Official Statement.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations in connection with the execution and delivery of the Bonds on its part contained in the City Documents, and the consummation by it of all other transactions contemplated by the City Documents in connection with the execution and delivery of the Bonds, all pursuant to the City Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the members of the City Council was continuously present. The City Resolution has not been modified, amended or rescinded since the date of its adoption.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the City Documents) or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations

under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the City Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the execution and delivery of the Bonds under the City Documents or the consummation by it of all other transactions contemplated by the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the City the validity or enforceability of the City Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City to cause the execution and delivery or adoption by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the City of the City Documents.

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(h) As of the date thereof, the Preliminary Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy, or any information provided by the Underwriters) did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in paragraph (k) of this Section 6) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriters) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (k) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the City executing this Bond Purchase Agreement has knowledge shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(l) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) The City will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the City will not issue or sell, or cause to be issued or sold, any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from Base Rental Payments.

7. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants and agrees as follows:

(a) The Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to a Joint Exercise of Powers Agreement between the City and the Parking Authority of the City of South Lake Tahoe, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022 (the "JPA Agreement").

(b) The Authority has full legal right, power and authority (i) to enter into, execute and deliver the Authority Documents and to sell and deliver the Bonds to the Underwriter as provided herein; and (ii) to carry out and consummate the transactions on its part contemplated by the Authority Documents and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the Authority Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the execution and delivery of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the execution and delivery of the Bonds, all pursuant to the Authority Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the board members of the Authority was continuously present. The Authority Resolution has not been modified, amended or rescinded since the date of its adoption and each Authority Document is or will be, when delivered, as applicable, the valid and binding obligation of the Authority.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or the JPA Agreement, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Authority Documents) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Bonds or the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, Bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Authority Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the issuance of the Bonds under the Authority Documents or the consummation by it of all other transactions contemplated by the Authority Documents, including all filings with the California Secretary of

State, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Bonds and the Authority Documents have been duly obtained.

(f) The Bonds, when executed, issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly executed and outstanding obligations, entitled to the benefits of the Indenture, and upon such execution and delivery, the Indenture will provide, for the benefit of the Owners from time to time of the Bonds, the legally valid and binding security interest it purports to create.

(g) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority to cause the issuance of the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the Authority of the Bonds or the Authority Documents.

(h) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(i) As of the date thereof, the information in the Preliminary Official Statement under the caption "THE AUTHORITY" did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) At the time of the Authority's acceptance hereof, and (unless an event occurs of the nature described in paragraph (l) of this Section 5) at all times subsequent thereto up to and including the Closing Date, the information under the caption "THE AUTHORITY" in the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and

the Reserve Policy or any information provided by the Underwriters) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (l) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriters) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the Authority executing this Bond Purchase Agreement has knowledge shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(m) Any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from the Revenues.

(o) The Authority shall honor all other covenants on its part contained in the Indenture and the Sublease which are incorporated herein and made a part of this Bond Purchase Agreement.

8. Closing. At 8:00 A.M., Pacific Daylight time, on October 18, 2022, or on such other date time, as may be mutually agreed upon by the Authority, the City and the Underwriter (the "Closing Date"), the Authority will, subject to the terms and conditions hereof, deliver to the Underwriter, through the facilities of The Depository Trust Company ("DTC"), or at such other place as the Authority, the City and the Underwriter may mutually agree, the Bonds in definitive, fully registered form (one Bond for each maturity), duly executed and registered in the name of Cede & Co. as nominee of DTC; and, subject to the terms and conditions hereof, the Underwriter shall wire to the Trustee Federal Reserve Bank Funds in the amount of the purchase price of the Bonds.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements the officers and other officials of the Authority and of the City, as the Underwriter, authorized representatives of Bond Counsel, the Trustee, and the City Attorney made in any certification or other documents furnished pursuant to the provisions hereof, and shall also be subject to the following additional conditions:

(a) The respective representations and warranties of the Authority and the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) All necessary official action of the Authority, the City and of the other parties thereto relating to the City Documents and the Authority Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the City or the Bonds, as the foregoing is described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds; and

(e) At or prior to the Closing Date, the Underwriter shall have received copies of each of the following documents:

(i) The Official Statement and each supplement or amendment, if any, thereto, executed by authorized officers of the Authority and the City;

(ii) A copy of the Indenture, executed by the parties thereto;

(iii) A copy of the Sublease, executed by the parties thereto;

(iv) A copy of the Lease Agreement, executed by the parties thereto;

(vi) A copy of the Continuing Disclosure Certificate, executed by the City;

(vii) A certified copy of the JPA Agreement;

(viii) A certificate or certificates of the City, dated the Closing Date, to the effect that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the City Resolution, or (iii) the execution and delivery of the City Documents and performance of its obligations thereunder, has been repealed, modified, amended, revoked or rescinded;

(C) except as described in the Official Statement, subsequent to June 30, 2021, and prior to Closing, there have been no material adverse changes in the financial position of the City;

(D) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and

(E) No consent is required for the inclusion of the City's 2020-21 audited financial statements in the Official Statement.

(ix) A certificate or certificates of the Authority, dated the Closing Date, to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the Authority Resolution, or (iii) the execution and delivery of the Authority Documents, has been repealed, modified, amended, revoked or rescinded; and

(C) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(x) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, to the effect that:

(A) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) The City Documents have been duly approved by a resolution of the City adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending or to the best of such counsel's knowledge after due inquiry, threatened, which: (1) challenges the right or title of any member or officer of the City to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the City Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its legal obligations under, the City Documents or in which a final adverse decision could materially adversely affect the operations of the City with respect to the Leased Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the City of, and the performance by the City of its obligations under, the City Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(E) As of the date hereof, the statements and information relating to the City contained in the Preliminary Official Statement and Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(F) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the City Documents by the parties thereto other than the City, the City Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(G) Except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the other financial transactions contemplated by the Official Statement and the City Documents.

(H) Based on the information made available to the City Attorney in its role as City Attorney to the City, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come

to its attention which would lead it to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed and information relating to the Authority and the Depository Trust Company and its book entry system) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, as counsel for the Authority, to the effect that:

(A) The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California pursuant to the JPA Agreement;

(B) The Authority Documents have been duly approved by the Authority Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of the Authority was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending to the best of such counsel's knowledge after due inquiry, or threatened, which: (1) challenges the right or title of any Board member or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the Authority Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its legal obligations under, the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority with respect to the Leased Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Authority Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge; and

(E) The Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Authority Documents by the parties thereto other than the Authority, the Authority Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(F) Except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Authority Documents.

(G) Based on the information made available to such City Attorney in its role as counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement under the captions entitled "THE AUTHORITY," and "ABSENCE OF LITIGATION", nothing has come to such City Attorney's attention that would lead it to believe that the statements contained in the above-referenced captions as of the date of the Official Statement and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) An opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, substantially in the form set forth in Appendix D to the Official Statement, together with a letter or letters from such counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to them;

(xiii) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bond Purchase Agreement has been duly executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City; and

(C) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and "TAX MATTERS" and in APPENDIX B–"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS" and APPENDIX D—PROPOSED FORM OF OPINION OF BOND COUNSEL," insofar as such statements expressly summarize certain provisions of the Indenture, the Sublease, the Lease Agreement and the final opinion of Bond Counsel concerning certain tax matters relating to the Bonds, are accurate in all material respects;

(xiv) A letter, dated the Closing Date and addressed to the Authority, the City and the Underwriter of Jones Hall, A Professional Law Corporation, as disclosure counsel ("Disclosure Counsel"), to the effect that, based on among other things,

(i) inquiries and discussions of various legal matters, (ii) review of and reliance on certain documents, certificates, instructions, records and opinions of counsel, and (iii) participation in meetings and telephone conferences with representatives of the Authority and the City, PFM Financial Advisors LLC, as municipal advisor to the City, and others including the City Attorney and Underwriter's counsel, during which the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, no information has come to the attention of Disclosure Counsel with respect to the issuance of the Bonds which caused Disclosure Counsel to believe that (a) the Preliminary Official Statement as of its date or as of October 4, 2022 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the Preliminary Official Statement, as to which we express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, Underwriters' discount and CUSIP numbers; or (b) the Official Statement as of its date and as of the Closing Date (excluding therefrom financial, demographic, statistical or economic or demographic data; forecasts, numbers, charts, tables, graphs, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system or CUSIP numbers; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the Official Statement, as to which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, in providing advice and assistance as Disclosure Counsel, Disclosure Counsel provided no independent diligence on the MSRB's Electronic Municipal Market Access website, and we express no view regarding the City's or the City's related entities' compliance with any obligation to file annual reports or provide notice of events, each as described in Rule 15c2-12;

(xv) the opinion of Quint & Thimmig LLP, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xvi) A certificate of an authorized officer of the Trustee satisfactory to the Underwriter, certifying substantially as follows:

(A) The Trustee is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into the Indenture and to perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and, when executed by the other parties thereto, the Indenture will

constitute a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms;

(C) The Bonds have been duly authenticated and delivered to the Underwriter pursuant to direction from the Authority;

(D) The Trustee is not in breach of or default under any law or administrative rule or regulation of the State of California or of any department, division, agency or instrumentality thereof, of any applicable court or administrative decree or order, or any other material instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Indenture;

(E) To its knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way against the Trustee affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the execution, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture;

(F) The execution and delivery of the Indenture will not conflict with or constitute a breach of or default under the Trustee's duties under such documents, or any law, administrative regulation, court decree, resolution, articles of association, bylaws or other material agreement to which the Trustee is subject or by which it is bound; and

(G) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds, the execution and delivery of the Indenture, the performance of the Trustee's duties under the Indenture or the consummation by the Trustee of the other transactions contemplated by the Indenture, except as such may be required under the state securities or blue sky laws in connection with the distribution of the Bonds by the Underwriter.

(xvii) An opinion of counsel to the Trustee in form and substance acceptable to the Underwriter;

(xviii) Evidence, satisfactory to Bond Counsel and the Underwriter, of insurance, including a ALTA title insurance policy, in compliance with the Sublease;

(xix) 15c2-12 certificates of City and the Authority;

(xx) Certified copies of the City Resolution and the Authority Resolution;

(xxi) copies of the Municipal Bond Insurance Policy and the Reserve Policy;

(xxii) an opinion of counsel to the Municipal Bond Insurer, addressed to the Authority, the City and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy and the Reserve Policy constitute the legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxiii) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy is true and accurate and

(B) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxiv) Evidence, satisfactory to the Underwriter, that the Bonds have been assigned the insured rating of "AA" and an underlying rating of "___" by S&P Global Ratings, a Standard & Poor's Financial Services LLC business;

(xxv) The Blanket Letter of Representations of the Authority to DTC, relating to the book-entry only system;

(xxvi) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City and the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by each of them.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel, Disclosure Counsel and the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority or the City shall be under any further obligation hereunder.

10. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City in writing, of its election to do so, if, after the execution hereof and prior to the Closing:

(a) the United States has become engaged in, or there has been an escalation of, hostilities which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(b) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(c) an event shall have occurred, or been discovered as described in paragraph (k) of Section 6 or paragraph (l) of Section 7 hereof, which in the opinion of the Underwriter requires the preparation and publication of disclosure material or a supplement or amendment to the Official Statement;

(d) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(e) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Authority's or the City's obligations;

(f) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the execution, issuance, delivery, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement;

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(h) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker-dealers;

(i) trading in securities on the New York Stock Exchange or other national securities exchange or association shall have been suspended or limited or minimum prices have been established on either such exchange;

(j) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States municipal securities market; or as of the date hereof that in the Underwriter's reasonable opinion materially adversely affects the marketability or market price of the Bonds; or

(k) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

If this Bond Purchase Agreement shall be terminated pursuant to this Section 10, or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligations hereunder is not satisfied or because of any refusal, inability or failure on the part of the City or the Authority to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the City or the Authority shall be unable to perform all of its respective obligations under this Bond Purchase Agreement, neither the City nor the Authority shall be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Bond Purchase Agreement. The Underwriter may, in its sole discretion, waive any of the conditions set forth in Section 9 or this Section 10.

11. Changes in Official Statement. After the Closing, neither the Authority nor the City will adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing.

12. Payment of Costs and Expenses.

(a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter shall be payable by the Authority from the proceeds of the Bonds, including, but not limited to: (i) the fees and expenses of the City, its counsel and consultants; (ii) the fees and expenses of the Authority, its counsel and consultants; (iii) the fees and expenses of Bond Counsel; (iv) the fees and expenses of Disclosure Counsel; (v) the fees and expenses of Sperry Capital Inc., the City's municipal advisor; (vi) all expenses in connection with the preparation and printing of the Bonds; (vii) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (viii) the initial fees and expenses of the Trustee, including the reasonable fees and expenses of its counsel; (ix) the fees and expenses of any rating agency rating the Bonds; and (x) any credit enhancement costs for the Bonds.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's counsel, if any, and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including, air travel and hotel accommodations in connection with the pricing of the Bonds; investor meetings, rating agency trips and meetings; the Closing; meals and transportation for the City, the Underwriter and other working group personnel during rating agency, investor meetings; pricing and Closing trips; expenses related to attending working group meetings, such as parking, meals and transportation and any other miscellaneous costs associated with the Closing; (iv) all other expenses incurred by the Underwriter in connection with the public offering and distribution of Bonds, except as provided in (a) above or as otherwise agreed to by the Underwriter and the City, and (v) the fees of the California Debt and Investment Advisory Commission.

13. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing:

To the Authority:	South Tahoe Joint Powers Financing Authority c/o City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 210 South Lake Tahoe, CA 96150 Attention: Executive Director
To the City:	City of South Lake Tahoe 1901 Lisa Maloff, Suite 210 South Lake Tahoe, CA 96150 Attention: City Manager
To the Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, CA 94014 Attention: Ms. Eileen Gallagher, Managing Director

14. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (c) any termination of this Bond Purchase Agreement.

15. Determination of End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the end of the underwriting period for the Bonds shall mean the earlier of (a) the Closing Date unless the City and the Authority have been notified in writing by the Underwriter, on or prior to the Closing Date, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing Date, or (b) the date on which notice is given to the City and the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City and the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the Closing Date, the Underwriter agrees to notify the City and the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule. The Underwriter agrees to file a copy of the Official Statement with each of the nationally recognized municipal securities information repositories.

16. No Assignment. This Bond Purchase Agreement is entered into between the City, the Authority and the Underwriter, and is solely for the benefit of the City, the Authority, the Underwriter and their respective successors or assigns, and no person other than the foregoing shall acquire or have any right under or by virtue of this Bond Purchase Agreement. All of the representations, warranties and agreements contained in this Bond Purchase Agreement shall survive the delivery of and payment for the Bonds and any termination thereof.

17. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance by an authorized representative of the City and an authorized representative of the Authority and shall be valid and enforceable at the time of such acceptance.

18. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

19. Governing Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

20. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City, the Authority and the Underwriter in accordance with its terms.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

SOUTH TAHOE JOINT POWERS
FINANCING AUTHORITY

By _____
Executive Director

CITY OF SOUTH LAKE TAHOE

By _____
City Manager

Time of Execution: _____

EXHIBIT A

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price

_____
c Priced to the 10/1/20__ par call date.
T Term maturity

Redemption Provisions

Special Mandatory Redemption from Insurance or Condemnation Proceeds

The Bonds shall be subject to redemption, in whole or in part, on any date, in denominations of $5,000 or any integral multiple thereof, from and to the extent of: (i) Net Insurance Proceeds received with respect to all or a portion of the Leased Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, and (ii) eminent domain proceeds received pursuant to the Sublease, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Optional Redemption

The Bonds maturing on or after October 1, ____, are subject to optional redemption, in whole or in part, on any date on or after October 1, ____, in denominations of $5,000 or any integral multiple thereof, from and to the extent of prepaid Base Rental Payments paid pursuant to the Sublease, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption

The Bonds with a stated maturity on October 1, ____, are subject to mandatory sinking fund redemption in part (by lot) on each October 1 on and after October 1, ____, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Mandatory Sinking Account Payment Dates (October 1)	Mandatory Sinking Account Payments

† Maturity

EXHIBIT B

ISSUE PRICE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated, as underwriter ("Stifel"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

I. General

1. Stifel and the South Tahoe Joint Powers Financing Authority and City of South Lake Tahoe (collectively, the "Issuer") have executed a bond purchase agreement in connection with the Bonds on the Sale Date. Stifel has not modified the bond purchase agreement since its execution on the Sale Date.

II. Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

III. Defined Terms

1. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

2. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a "Related Party" to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 4, 2022.

5. Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with Stifel to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

All terms not defined herein shall have the same meanings as in the Tax Certificate with respect to the Bonds, to which this Certificate is attached.

The Issuer may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the

Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that Stifel is not an accountant or actuary, nor is Stifel engaged in the practice of law. Accordingly, while Stifel believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: October 18, 2022

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

SCHEDULE A TO ISSUE PRICE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022A

Hold-the-Offering Price Maturities	General Rule Maturities	Maturity Date (October 1)	Principal Amount	Interest Rate	Price

c Priced to the 10/1/20__ par call date.
T Term maturity

==========

INDENTURE

by and between the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as Trustee

Dated as of October 1, 2022

Relating to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
Series 2022A

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INDENTURE

This Indenture, dated as of October 1, 2022, is made and entered into by and between the South Tahoe Joint Powers Financing Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority") and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, being qualified to accept and administer the trusts hereby created (the "Trustee").

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority has determined to issue its Lease Revenue Bonds, Series 2022A (the "Bonds") to assist the City with financing the cost of construction of a new recreation center.

C. In conjunction with the issuance of the Bonds, the Authority and the City are entering into: (1) the Lease Agreement, dated as October 1, 2022, by and between the City, as the lessor, and the Authority, as the lessee, and (2) the Sublease, dated as October 1, 2022 (the "Sublease"), by and between the Authority, as the sublessor, and the City, as the sublessee.

D. The Authority has assigned, without recourse, all its rights to receive "Base Rental" payments (the "Base Rental Payments") to be paid by the City under and pursuant to the Sublease and certain other rights to the Trustee pursuant to an Assignment Agreement, dated as of even date herewith, by and between the Authority and the Trustee.

E. Subject to and in accordance with the terms of this Indenture, the Base Rental Payments to be received by the Trustee shall be held in a special fund pledged to the payment of the debt service of the Bonds.

F. The Bonds shall be issued pursuant to and secured by this Indenture in the manner provided herein.

G. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, and premium, if any, the Authority has authorized the execution and delivery of this Indenture.

H. The Authority has determined that all acts and proceedings required by law necessary to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

"Act" means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

"Additional Bonds" means additional bonds payable from and secured by Revenues on parity with all other Outstanding Bonds issued pursuant to and in accordance with Section 3.06 hereof.

"Additional Rental Payments" means the additional rental payable by the City under and pursuant to Section 3(b) of the Sublease.

"Annual Debt Service" means, with respect to any Bond Year, the sum obtained by totaling the following:

(a) The principal amount of all Outstanding Bonds maturing in such Bond Year; and

(b) The interest which would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature in accordance with the applicable maturity schedule. At the time and for the purpose of making such computation, the amount

of Bonds already retired in advance of the above- mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

"Assignment Agreement" means the Assignment Agreement, dated as of October 1, 2022, by and between the Authority and the Trustee (as described in Section 4.01), as the same may be amended, supplemented or otherwise modified from time to time.

"Authority" means the South Tahoe Joint Powers Financing Authority, a joint powers authority duly organized and existing under the JPA Agreement and the laws of the State.

"Authority Governing Board" means the governing body of the Authority.

"Average Annual Debt Service" means the average Annual Debt Service over all Bond Years.

"Base Rental" or "Base Rental Payments" means the base rental payable by the City under and pursuant to Section 3(a) of the Sublease.

"Bond Counsel" means any attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized expertise in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act, as in existence on the Closing Date or as thereafter amended from time to time.

"Bond Year" means each twelve-month period extending from October 2 in one calendar year to October 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall be the period from the Closing Date to October 1, 2023.

"Bonds" means the South Tahoe Joint Powers Financing Authority, Lease Revenue Bonds, Series 2022A, issued pursuant to this Indenture.

"Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

"Certificate of the Authority" means a certificate in writing signed by the Chair, Executive Director, the Assistant Executive Director or the Controller of the Authority or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Commission and filed with the Trustee.

"Certificate of the City" means a certificate in writing signed by the Mayor, the City Manager, the Assistant City Manager, or the Director of Finance, or by any other officer of the City duly authorized for that purpose.

"City" means the City of South Lake Tahoe, California.

"Closing Date" means October __, 2022.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Continuing Disclosure Agreement" means the continuing disclosure undertaking of the City relating to the Bonds in connection with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority, the City and the Trustee, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, costs of obtaining title insurance with respect to the Leased Properties, costs relating to conveyance of the Leased Properties, rating agency fees, costs of preparation and reproduction of documents, costs of printing, bond insurance premiums and fees and costs for any guaranty, surety bond, letter of credit or other credit facility.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Depository" means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Section 2.11.

"Event of Default" means any of the events described in Section 8.01.

"Federal Securities" means any direct, noncallable obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or other noncallable obligations for which the faith and credit of the United States of America are pledged for the payment of principal and interest.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "fair market value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if: (i) the investment is a certificate of deposit the value of which is determined in accordance with applicable regulations under the Code, (ii) the

investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) the value of which is determined in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security-State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States of America.

"Fiscal Year" means any twelve-month period extending from October 1 in one calendar year to September 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

"Indenture" means this Indenture, as originally executed or as it may from time to time be amended or supplemented in accordance herewith.

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom: (i) is in fact independent and not under domination of the Authority or the City; (ii) does not have any substantial interest, direct or indirect, in the Authority or the City; and (iii) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called bonds as the Authority may designate to the Trustee in writing.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(a).

"Interest Payment Date" means April 1 and October 1 of each year, commencing [April 1, 2023].

"JPA Agreement" means the Joint Exercise of Powers Agreement, dated as of January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, entered into under the Act by the City and the Parking Authority of the City of South Lake Tahoe, together with any amendments thereof and supplements thereto.

"Lease" means the Lease Agreement, dated as of even date herewith, by and between the City, as the lessor, and the Authority, as the lessee, as the same may be amended, supplemented or otherwise modified from time to time.

"Lease Revenue Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02.

"Leased Properties" has the meaning given to such term in the Sublease.

"Maximum Annual Debt Service" means, with respect to the Bonds, the largest Annual Debt Service during the period from the date of calculation through the final maturity date of any Outstanding Bonds.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns, or if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Net Proceeds" means any insurance or condemnation proceeds, paid with respect to the Leased Properties remaining after payment therefrom of all expenses in the collection thereof.

"Nominee" means the nominee of the Depository, which initially will be Cede & Co., as determined from time to time pursuant to Section 2.11.

"Original Purchaser" means, Stifel Nicolaus & Company, Incorporated.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.08) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of which or in substitution for which other Bonds shall have been executed, issued and delivered pursuant to this Indenture or any Supplemental Indenture.

"Owner" or "Bond Owner," when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

"Permitted Investments" mean any of the following obligations if and to the extent that they are permissible investments of funds of the Authority and/or the City, as applicable (provided, that the Trustee shall be entitled to rely upon a Certificate of the Authority as conclusive certification to the Trustee that the investments described therein are permissible investment of funds of the Authority):

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States (stripped securities are only permitted if they have been stripped by the agency itself):

1. Farmers Home Administration ("FmHA") Certificates of beneficial ownership
2. Federal Housing Administration Debentures ("FHA")
3. General Services Administration Participation certificates
4. Government National Mortgage Association ("GNMA")

   GNMA—guaranteed mortgage-backed bonds

   GNMA—guaranteed pass-through obligations (participation certificates)
5. United States Maritime Administration Guaranteed Title XI financing
6. United States Department of Housing and Urban Development Project Notes Local Authority Bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System

   Senior debt obligations (consolidated debt obligations)
2. Federal Home Loan Mortgage Corporation ("FHLMC")

   Participation Certificates

   Senior debt obligations
3. Federal National Mortgage Association ("FNMA")

Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)

4. Student Loan Marketing Association ("SLMA")

   Senior debt obligations

5. Resolution Funding Corporation ("REFCORP")

   Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable

6. Farm Credit System

   Consolidated system-wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m" or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2," including funds for which the Trustee or any of its affiliates (including any holding company, subsidiaries, or other affiliates) receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must have a year or less maturity. Such certificates must be issued by commercial banks (including affiliates of the Trustee), savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by FDIC, including BIF and SAIF.

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements.

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1+" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank (including those of the Trustee and its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1+" or better by S&P.

(k) Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, and

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm

A. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

B. Banks rated "A" or above by S&P and Moody's.

2. The written repurchase agreements contract must include the following:

A. Securities which are acceptable for transfer are:

(1) Direct United States governments, or

(2) Federal agencies backed by the full faith and credit of the United States government (and FNMA and FHLMC)

B. The term of a repurchase agreement may be up to 30 days.

C. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

D. The trustee has a perfected first priority security interest in the collateral.

E. Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repurchase agreement or a reverse repurchase agreement.

F. Failure to maintain the requisite collateral percentage, after a two-day restoration period, will require the Trustee to liquidate the collateral.

G. Valuation of Collateral

1. The securities must be valued weekly, marked-to-market at current market price plus accrued interest

2. The value of collateral must be equal to 104 percent of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104 percent of the value of the cash

transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105 percent.

3. A legal opinion must be delivered to the municipal entity to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds.

(l) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash. direct United States or United States guaranteed obligations or "AAA" rated pre-refunded municipals to satisfy this condition.

(m) The Local Agency Investment Fund in the treasury of the State.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

"Projects" means the following City projects (all of which constitute "public capital improvements" as defined in the Act): (i) the construction of a new recreation center, and (ii) such other public infrastructure improvements to be determined by the City.

"Project Costs" means, with respect to a Project, the costs, expenses and liabilities paid or incurred or to be paid or incurred by the City or the Authority, all calculated in accordance with generally accepted accounting principles, in connection with acquisition(s), financing, planning, engineering, design, construction and installation(s) relating to such Project or any portion thereof, and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto, including but not limited to (a) the costs of acquisition, renovation or construction of real or personal property or any interest therein, (b) any good faith or other similar payment or deposits, (c) the costs of any demolitions or relocation necessary in connection therewith, (d) costs of physical construction and costs incidental to such construction, renovation or acquisition, (e) all costs relating to injury and damage claims, (f) the costs of any indemnity or surety bonds and premiums on insurance, including obligations to a stock, mutual or reciprocal insurance company or exchange, (g) preliminary investigation and development costs, (h) engineering fees, contractors' fees, legal fees and expenses, and any other fees and expenses of professional consultants and (i) the costs of labor, materials, equipment and utility services and supplies, (j) administrative and general overhead expenses and costs of keeping accounts and making reports required by the Indenture or the Sublease prior to or in connection with the completion of such Project, (k) all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with such Project prior to or in connection with the completion of such Project. It is intended that this definition of Project Costs be broadly construed to encompass all costs, expenses and liabilities of the City and the Authority which are chargeable to the capital accounts of related Project in accordance with generally accepted accounting principles.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.04.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, surety bond or debt service reserve insurance policy issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.02(c), provided that all of the following requirements are met: (i) at the time of issuance of such instrument, the long-term credit rating of such bank is within the two highest rating categories (without regard to the numerical or plus/minus modifiers) of Moody's or S&P, or the claims paying ability of such insurance company is rated within the two highest rating categories (without regard to the numerical or plus/minus modifiers) of S&P or A.M. Best & Company, or if any of the Bonds are insured, the long-term credit rating of the claims paying ability of such insurance company is at least as high as the insured rating of the Bonds; (ii) such letter of credit, surety bond or insurance policy has a term which ends no earlier than the last Interest Payment Date of the Bonds to which the Reserve Requirement applies; (iii) such letter of credit, surety bond or insurance policy has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.02(c); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit, surety bond or insurance policy to draw thereunder amounts necessary to carry out the purposes specified in Section 4.02(c), including the replenishment of the Interest Account or the Principal Account.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.09 for the registration and transfer of ownership of the Bonds.

"Rental Payments" means collectively the Base Rental Payments and the Additional Rental Payments.

"Representation Letter" means the Blanket Issuer Letter of Representations, dated November 17, 1995, from the Authority to DTC, qualifying bonds issued by the Authority for the Depository's book-entry system, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Request of the Authority" means a request in writing signed by the Chair, the Executive Director, the Assistant Executive Director or the Controller of the Authority, or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Commission and filed with the Trustee.

"Request of the City" means a request in writing signed by the Mayor, the City Manager, Assistant City Manager, the Administrative Services Director or by any other officer of the City duly authorized for that purpose.

["Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(c).

"Reserve Requirement" means as of any calculation date, an amount equal to the least of (i) ten percent of the proceeds (within the meaning of Section 148 of the Code) of the Bonds upon issuance; (ii) 125 percent of Average Annual Debt Service of the Bonds; or (iii) Maximum Annual Debt Service of the Bonds. The amount of the Reserve Requirement on any date is subject to confirmation by the Authority to the Trustee upon the Trustee's request.]

"Responsible Officer" means, when used with respect to the Trustee, any managing director, president, vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

"Revenues" means (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts payable to the United States of America pursuant to Section 5.08); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Properties, including rental interruption insurance.

"S&P" means S&P Global Ratings, its successors and assigns, or if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

"State" means the State of California.

"Sublease" means the Sublease, dated as of October 1, 2022, with respect to the Leased Properties, by and between the Authority as sublessor and the City as sublessee, as the same may be amended, supplemented or otherwise modified from time to time.

"Supplemental Indenture" means any agreement supplemental to or amendatory of this Indenture entered into in accordance with the provisions of Article VII.

"Tax Certificate" means the Certificate Regarding Compliance with Certain Tax Matters (or similar instrument) dated the date of the original delivery date of the Bonds relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government that such interest is excluded from gross income for federal income tax purposes whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax, under the Code.

"Trust Office" means the corporate trust office of the Trustee in [Los Angeles, California] or such other offices as may be specified to the Authority by the Trustee in writing. With respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust business shall be conducted.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, and any other corporation or association that may at any time be substituted in its place as provided in Article VI.

SECTION 1.02 Rules of Construction. All references in this Indenture to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II
AUTHORIZATION; GENERAL PROVISIONS

SECTION 2.01 Authorization; Designation. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts

required by law to exist, to happen and to be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under the JPA Agreement and the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture for the purposes described in the recitals hereof.

The Bonds are authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture and shall be designated the South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, Series 2022A, and shall be issued in the original aggregate principal amount of ___ Dollars ($[principal amount]).

SECTION 2.02 Terms of Bonds. The Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (October 1)	Principal Amount	Interest Rate Per Annum	Maturity Date (October 1)	Principal Amount	Interest Rate Per Annum

The Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine). The Bonds shall be executed and delivered in the denominations of $5,000 and any integral multiple thereof.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Interest with respect to any Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Subject to Section 2.11, interest on the Bonds shall be paid by check or draft of the Trustee, mailed by first class mail no later than the Interest Payment Date to the Owner at such Owner's address as it appears, on such Record Date, on the Registration Books maintained by the Trustee; provided, however, that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds shall be paid to such Owner on each

succeeding Interest Payment Date (unless such request has been revoked in writing) by wire transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the Bonds shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners of the Bonds not less than ten days prior thereto. The principal of and premium, if any, on the Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

SECTION 2.03 Redemption of Bonds.

(a) Extraordinary Redemption. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided below, as a whole or in part on a pro rata basis (as much as practicable) among the maturities, on any date, from amounts on deposit in the Redemption Fund pursuant to Section 9 of the Sublease (from Net Proceeds received by the City from insurance payments or condemnation awards with respect to the Leased Properties or any portion thereof under the circumstances and upon the conditions and terms prescribed in the Sublease, together with additional money, if any, transferred by the City at its discretion for such purpose).

Redemption pursuant to this subsection (a) shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(b) Redemption Resulting from Prepayments of Base Rental. The Bonds maturing on or after October 1, [2032], shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under Section 11(b) of the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, [2031]). The Bonds called for redemption pursuant to this Section 2.03(b) shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

(c) Redemption Resulting from Sinking Account Payments. The Bonds maturing on October 1, 20__ and October 1, 20__ shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to Section 2.03(a) or 2.03(b), each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to a Section 2.03(a) extraordinary redemption or a Section 2.03(b) optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

In lieu of a redemption pursuant to this Section 2.03(c), the Trustee may apply amounts in the Principal Account to purchase Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Bonds, as set forth in writing by the Authority; provided, however, that no Term Bonds shall be purchased by the Trustee hereunder with a settlement date more than 60 days prior to the date on which the Authority would otherwise redeem such Term Bonds pursuant to this Section 2.03(c). The principal amount of any Term Bonds so purchased by the Trustee shall be credited towards and shall reduce the Principal Account payment otherwise required to be made with respect to such Term Bonds on the applicable redemption date.

(d) Notice of Redemption. The Authority shall give written notice of its intention to redeem Bonds under Section 2.03(a) or Section 2.03(b) to the Trustee at least 45 days before the proposed redemption date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The Trustee, on behalf and at the expense of the Authority, shall send by first class mail (or if the Owner of such Bonds is a depository, by such method as acceptable to such depository) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to one or more Information Services by such manner of delivery as then acceptable to such entities, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall specify the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such

maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

(e) Right to Rescind Optional Redemption. The Authority (upon direction by the City, at the City's option) may rescind any optional redemption by written notice to the Trustee at least one Business Day prior to the date fixed for redemption. In addition, any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Authority, the City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission. The Trustee shall send notices of such rescission in the same manner as that prescribed in Section 2.03(d) for notices of redemption.

(f) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Outstanding Bonds or such given portion thereof not previously called for redemption, on a *pro rata* basis among the maturities (unless the maturity or maturities are otherwise specified in this Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion shall deem appropriate, subject to the procedures of the Depository (if applicable). For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

(g) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption shall be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee shall be released and discharged from all liability to the extent of such payment.

(h) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Trustee. All moneys

held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

SECTION 2.04 Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05 Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signatures of its Chair or Vice Chair and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary duly appointed by the Authority Governing Board, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed on behalf of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon presentation and surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(f). Prior to any transfer of the Bonds outside the book-entry system (including, but

not limited to, the initial transfer outside the book-entry system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee may conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 2.07 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for the same aggregate principal amount of Bonds of the same tenor and maturity and of other authorized denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(f).

SECTION 2.08 Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds definitive Bonds of like tenor, maturity and aggregate principal amount in authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09 Registration Books. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the Authority with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on said records, Bonds as provided herein.

SECTION 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and aggregate principal amount in an authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond issued

hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses that may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11 Book-Entry System.

(a) Book-Entry System; Limited Obligation of Authority. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds (unless the Bonds of such maturity bear different interest rates, then one Bond for each interest rate among such maturity). Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.11(c), all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes

whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due with respect to the Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligations with respect to payment of the principal, premium, if any, and interest due with respect to the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority has previously executed and delivered to such Depository the Representation Letter. The Representation Letter does not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The Trustee agrees to take all action necessary to continuously comply with the Representation Letter to the extent that such action is not inconsistent with this Indenture. In addition to the execution and delivery of the Representation Letter, the Chair, the Executive Director, the Assistant Executive Director and the Secretary and all other officers of the Authority are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside of Book-Entry System. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Authority determines that the Depository shall no longer so act, then the Authority will discontinue the book entry system with the Depository. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.09.

(d) Payments to Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(e) Initial Depository and Nominee. The initial Depository under this Article shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

ISSUANCE; DEPOSIT AND APPLICATION OF PROCEEDS; VALIDITY; ADDITIONAL BONDS

SECTION 3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication and delivery to or on the order of the Original Purchaser upon the Request of the Authority.

SECTION 3.02 Application of Proceeds of Sale of Bonds. On the Closing Date, the Trustee shall receive, on behalf of the Authority, $___ from the Original Purchaser (representing the par amount of the Bonds, [plus/less] an original issue [premium/discount] of $___, less an underwriter's discount of $___). The Trustee shall apply the Bonds proceeds as follows:

(a) Deposit $__ in the Costs of Issuance Fund; and

(b) Deposit $__ to the Project Fund.

For record keeping purposes the Trustee may establish such funds and accounts as may be necessary to reflect such deposits.

SECTION 3.03 Costs of Issuance Fund. The Trustee shall establish a fund known as the "Costs of Issuance Fund." Pursuant to Section 3.02(a), the Trustee shall deposit a portion of the proceeds of the sale of the Bonds into the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be used from time to time to pay Costs of Issuance with respect to the Bonds and shall be disbursed by the Trustee upon delivery to the Trustee of a requisition, substantially in the form attached hereto as Exhibit B, executed by an authorized officer of the Authority. Each such requisition of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date that is 180 days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority to do so, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Lease Revenue Fund.

SECTION 3.04 Project Fund. The Trustee shall establish and maintain a separate fund to be known as the "Project Fund." On the Closing Date, the Trustee shall deposit a portion of the sale proceeds of the Bonds into the Project Fund pursuant to Section 3.02(b). The Trustee shall disburse or transfer amounts from the Project Fund, as stated in a Request of the City, substantially in the form attached hereto as Exhibit C, for the payment of the Project Costs relating to the Projects (including reimbursement to the City for any such costs paid by it). Upon receipt of each such Request of the City, the Trustee shall pay the amount set forth in such Request as directed by the terms thereof. When the Projects, or the portions thereof determined by the City to be financed hereunder, have been completed, the Authority shall deliver or shall cause the City to deliver to the Trustee a Certificate of the City stating the fact and date of such completion. Following the delivery of such certificate, the Trustee shall transfer amounts then on deposit in the Project Fund (or such portion thereof as may be specified in such Request of the City) to the Lease Revenue Fund.

SECTION 3.05 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 3.06 Additional Bonds.

(a) Subject to this Section 3.06, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. Bonds issued pursuant to this Section 3.06 shall be issued under and pursuant to a Supplemental Indenture which shall specify:

(1) The maturity date or dates of such Additional Bonds, which shall be October 1 in any given year;

(2) The interest payment dates, which shall be April 1 and October 1;

(3) The terms, if any, for call and redemption of such Additional Bonds prior to maturity; and

(4) The interest rate or rates on such Additional Bonds and any other matters deemed appropriate or necessary and not inconsistent with the provisions of this Indenture.

(b) All of the Additional Bonds shall be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Request of the Authority but only upon receipt by the Trustee of the following documents or money or securities:

(1) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(2) A Request of the Authority as to the delivery of such Additional Bonds;

(3) An opinion of Bond Counsel substantially to the effect that: (i) the Authority has the right and power under the Act to execute and deliver such Supplemental Indenture, and such Supplemental Indenture has been duly executed and delivered by the Authority, and the Indenture and such Supplemental Indentures are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and similar qualifications); (ii) such Additional Bonds are valid and binding special obligations of the

Authority, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and are subject to the terms of the Indenture and all Supplemental Indentures and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Act, and such Additional Bonds have been duly and validly issued in accordance with the Act and the Indenture and all such Supplemental Indentures; and (iii) the obligation of the City to make the Base Rental Payments during the term of the Sublease as amended pursuant to this Section 3.06 is a valid and binding obligation of the City.

(4) A Certificate of the Authority: (i) certifying that the Authority is in compliance in all material respects with all agreement and covenants contained herein and that no Event of Default has occurred or is continuing; (ii) stating that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City is obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds; and (iii) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(5) An executed copy of the amendment to the Sublease; and

Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE IV
REVENUES; FLOW OF FUNDS

SECTION 4.01 Pledge of Revenues; Assignment of Rights. Subject to the provisions of Section 6.03 (Fees, Charges and Expenses of the Trustee), the Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the Revenues and a pledge of all the moneys in the Lease Revenue Fund, including all amounts derived from the investments of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues shall not be used for any other purpose; except that out of the Revenues and such moneys there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

Pursuant to the Assignment Agreement, the Authority has transferred in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in (but not of its obligations under) the Lease and the Sublease (other than its rights to indemnification and payment or reimbursement for any costs or expenses), including its rights to receive the Base Rental scheduled to be paid by the City under and pursuant to the Sublease and any and all of the other rights of the Authority under the Lease and the Sublease as may be necessary to enforce payment of such Base Rental when due or otherwise to protect the interest of the Owners of the Bonds, including its leasehold title to the Leased Properties leased to the City pursuant to the Sublease. The Trustee accepts such assignments. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall promptly be paid by the Authority to the Trustee.

SECTION 4.02 Lease Revenue Fund. All Base Rental Payments shall be deposited by the Trustee in a special fund designated as the "Lease Revenue Fund," which the Trustee shall establish, maintain and hold in trust hereunder.

On or before each Interest Payment Date, the Trustee shall transfer from the Lease Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Lease Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Interest Account. On or before each Interest Payment Date, the Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on each succeeding Interest Payment Date within the then current Bond Year. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to Section 2.03).

(b) Principal Account. On or before each Interest Payment Date, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds maturing or required to be redeemed through mandatory sinking account redemption on such Interest Payment Date pursuant to Section 2.02 or Section 2.03. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

(c) [Reserve Account. On or before each Interest Payment Date, the Trustee shall deposit in the Reserve Account such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement. No deposit need be made in the Reserve Account so long as there shall be on deposit an amount equal to the Reserve Requirement. Except as otherwise provided herein, money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of the Bonds, or for the retirement of all Bonds then Outstanding. Any amount in the Reserve Account in excess of the Reserve Requirement shall be determined on or promptly after each Interest Payment Date and transferred in accordance with this Indenture, to the Interest Account to be applied toward the interest payment of the Bonds, unless otherwise directed by a Request of the City.

The Reserve Requirement may be satisfied by crediting to the Reserve Account moneys or one or more Qualified Reserve Account Credit Instruments or any combination thereof, which in the aggregate make funds available in the Reserve Account in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Account Credit Instrument, the Trustee shall release moneys then on hand in the Reserve Account to the City, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Account Credit Instrument.]

(d) Surplus. On or promptly after each Interest Payment Date, Trustee shall determine the amount, if any, remaining in the Lease Revenue Fund after making the deposits required by paragraphs (a) through (c) above and the transfers of investment earnings pursuant to Section 4.05, and shall notify the City of the amount so determined. The Trustee shall apply such amount as a credit against the next following Base Rental Payment; provided however, if directed in a Request of the City, the Trustee shall, with respect to all or any portion of such amount, pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code, or if no such rebate requirement is then due, release to the City for use for any lawful purpose.

SECTION 4.03 Redemption Fund. To the extent the Authority has provided the Trustee with written notice of its intention to redeem Bonds in connection with an extraordinary redemption pursuant to Section 2.03(a) or an optional redemption pursuant to Section 2.03(b), the Trustee shall establish a fund known as "Redemption Fund." At any time the Trustee receives money from the City pursuant to Section 9 of the Sublease (Net Proceeds of insurance payments or taking proceedings) or Section 11(b) of the Sublease (optional prepayment by the City), the Trustee shall immediately deposit such money as follows: (i) an amount equal to the interest on the Bonds to be redeemed pursuant to Section 2.03(a) or Section 2.03(b) accrued to the redemption date shall be deposited in the Interest Account; and (ii) the balance of such moneys shall be deposited in the Redemption Fund. Amounts on deposit in the Redemption Fund shall be applied solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Section 2.03(a) or Section 2.03(b); provided, however, that at any time prior to giving notice of redemption of any such Bonds, the Trustee

may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed in writing by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

SECTION 4.04 Application of Net Proceeds. If the Leased Properties or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Leased Properties or the affected portion thereof in accordance with the provisions hereof.

The Net Proceeds (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Leased Properties or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special fund entitled the "Insurance and Condemnation Fund" and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Leased Properties or the affected portion thereof upon receipt of a written request of the City, together with invoices therefor. Each such written request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Pending such application, such proceeds may be invested by the Trustee as directed by the City in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Leased Properties or the portions of the Leased Properties which were damaged or destroyed. If the City does intend to replace or repair the Leased Properties or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account.

If the damage, destruction or loss was such that there resulted in a substantial interference with the City's right to the use or occupancy of the Leased Properties and an abatement of Rental Payments results from such damage or destruction pursuant to Section 9(b) of the Sublease, then the City shall be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Leased Properties or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, as set forth in subsection (a) of Section 2.03 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, in full of all the Outstanding Bonds or all of those Outstanding Bonds which would have been payable from that portion of the Base Rental Payments which are abated as a result of the damage or destruction. Funds to be applied to the redemption of Bonds in accordance with clause (b) above shall be deposited in the Redemption Fund. If the City is not required to replace or repair the Leased Properties, or the

affected portion thereof, as set forth in clause (a) above or to use such amounts to redeem Bonds as set forth in clause (b) above, then such proceeds shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Leased Properties after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Sublease in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Leased Properties after such damage or destruction is at least equal to the principal amount of the Outstanding Bonds, be paid to the City to be used for any lawful purpose.

The proceeds of any award in eminent domain received in respect to the Leased Properties shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to subsection (a) of Section 2.03 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

SECTION 4.05 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments pursuant to the written direction of the Authority given to the Trustee at least two Business Days in advance of the making of such investments; which Permitted Investments shall, as nearly as practicable, mature (or be subject to redemption or disposition by the Trustee) on or before the dates on which such money is anticipated to be needed for disbursement hereunder. In the absence of any such direction from the Authority, the Trustee shall invest any such moneys in money market funds described in clause (d) of the definition of Permitted Investments, so long as such money market funds contain only United States Treasury or United States local government obligations; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written request of the Authority specifying a specific money market fund and, if no such request of the Authority is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. In the absence of investment instructions from the Authority or City, the Trustee shall hold the moneys held by it hereunder uninvested.

The Trustee shall transfer at least semiannually immediately after any Interest Payment Date all investment earnings on amounts in the Principal Account, and the Interest Account to the Lease Revenue Fund. If the balance in the Reserve Account is then at least equal to the Reserve Requirement, the Trustee immediately shall transfer all investment earnings on amounts in the Reserve Account, which are in excess of the Reserve Requirement, to the Lease Revenue Fund. Unless otherwise specified in this Indenture, investment earnings on amounts in all other funds and accounts established and maintained pursuant to this Indenture shall be retained in such respective funds and accounts. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or an affiliate of the Trustee may act as principal or agent in the acquisition or disposition of any investment

and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to instructions or directions from the Authority.

The Authority acknowledges that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions to be effected by the Trustee hereunder as they occur. The Authority specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Trustee hereunder; provided, however, that the Authority retains its right to receive brokerage confirmation on any investment transaction requested by the Authority.

SECTION 4.06 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account shall be valued semiannually at the Fair Market Value thereof; provided that as to certificates of deposits and banker acceptances, the value thereof shall equal the face amount, plus accrued interest thereon. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing computerized securities pricing services that may be available to it including those available through its regular accounting system.

ARTICLE V
COVENANTS OF THE AUTHORITY

SECTION 5.01 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

SECTION 5.02 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 5.03 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the

pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 5.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Lease, the Sublease and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee (subject to the provisions of Section 6.02 hereof) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of Bonds, the Revenues, the Sublease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City during regular business hours with reasonable prior notice.

SECTION 5.06 Additional Obligations. The Authority covenants that no additional bonds, notes or indebtedness shall be issued or incurred that are payable out of the Revenues in whole or in part, except as permitted under Section 3.06 of this Indenture.

SECTION 5.07 Sublease. The Trustee, as assignee of the Authority's rights under the Sublease pursuant to Section 4.01 and under the Assignment Agreement, shall receive all amounts due from the City pursuant to the Sublease.

The Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Sublease required to be complied with, kept, observed and performed by it and, together with the Trustee, will enforce the Sublease against the City in accordance with its terms.

The Authority will not alter, amend or modify the Sublease without the prior written consent of the Trustee, which consent shall be given only (i) if the Trustee receives an opinion of Bond Counsel that such alteration, amendment or modification will not result in any material impairment of the security given or intended to be given for the payment of the Base Rental Payments, or (ii) if the Trustee first obtains the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding to such alteration, amendment or modification. Prior to any amendment or modification of the Sublease pursuant to this Section 5.07, the Trustee may require the Authority to deliver to the Trustee an opinion

of Bond Counsel to the effect that such amendment or modification has been adopted in accordance with the requirements of this Indenture.

SECTION 5.08 Tax Covenants.

(a) The Authority shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on the Bonds under Section 103(a) of the Code or cause interest on any Bond to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under Section 55 of the Code.

(b) In furtherance of the foregoing tax covenant, the Authority shall comply with the provisions of the Tax Certificate, which is incorporated in this Indenture as if fully set forth in this Indenture. These covenants shall survive payment in full or defeasance of the Bonds.

(c) If directed in a Request of the City, the Trustee shall establish when required and maintain a fund separate from any other fund or account established and maintained hereunder designated as the "Rebate Fund." Upon the written direction of the City, there shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Article IV (relating to the pledge of Revenues, the allocation of money in the Lease Revenue Fund, and the investments of money in any fund or account) and Section 9.03 (relating to the defeasance of Bonds), all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 5.08 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the Request of the City, and shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate.

(d) Notwithstanding any provision of this Section, if the Authority or the City shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee, the Authority and the City may conclusively rely on such opinion in complying with the requirements of this Section and, notwithstanding Article VII, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.09 Continuing Disclosure. In connection with the issuance of the Bonds, the Authority shall cause the City to enter into a Continuing Disclosure Agreement. It is hereby recognized that a failure of the City to comply with a Continuing Disclosure Agreement shall not constitute a default under this Indenture or the Sublease; provided, however, the Original Purchaser or the Owner or beneficial owner of the Bonds relating to such Continuing Disclosure

Agreement may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.10 Further Assurances. The Authority shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI
THE TRUSTEE

SECTION 6.01 Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that, so long as any Bonds are Outstanding, it will maintain a Trustee which is (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets. If such bank, national banking association or trust company or such parent corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank, national banking association or trust company or such parent corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

SECTION 6.02 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless the Trustee was negligent in ascertaining the pertinent facts.

(b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any

action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Authority.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, facsimile transmission, electronic mail, order bond or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(e) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no duties, covenants or obligations of or against the Trustee shall be implied in this Indenture. In case an Event of Default hereunder or under the Sublease has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture and by the Sublease, and shall use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Trustee may execute any of the trusts or powers hereunder and perform the duties required of it hereunder either directly or by or through attorneys or agents, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be responsible for any misconduct or negligence on the part of any attorney or agent appointed with due care by it hereunder.

(g) The Trustee may consult with counsel of its selection (who may include its own counsel or counsel for the Authority or Bond Counsel) and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(h) The Trustee shall not be responsible for any recital herein, in the Sublease, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and makes no representation as to the validity or sufficiency of the Bonds, this Indenture or the Sublease. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder or on the part of the Authority or the City under the Sublease. The Trustee shall not be responsible for the application by the Authority or the City of the proceeds of the Bonds.

(i) The Trustee may become the Owner or pledgee of Bonds secured hereby with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(j) The Trustee may rely and shall be protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture or the Sublease upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at such person's request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(k) The permissive right of the Trustee to do things enumerated in this Indenture or in the Sublease shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(l) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Sublease except failure by the Authority or the City to make any of the payments to the Trustee required to be made by the Authority or the City pursuant hereto or thereto or failure by the Authority or the City to file with the Trustee any document required by this Indenture or the Sublease to be so filed subsequent to the issuance of the Bonds, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(m) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.

(o) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(p) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(q) Whether or not expressly provided therein, every provision of this Indenture and the Sublease relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Section 6.02.

(r) In no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage (including but not limited to lost profits) even if the Trustee has been advised of the likelihood of such damages and regardless of the form of such action. The Trustee shall not be considered in breach of or in default with respect to any obligations created hereunder, in the event of an enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its willful misconduct or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to governmental action or inaction pertaining to the Leased Properties, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee; provided, that in the event of any such enforced delay, the Trustee shall notify the Authority in writing within five business days after: (i) the occurrence of the event giving rise to such delay, (ii) the Trustee's actual knowledge of the impending enforced delay, or (iii) the Trustee's knowledge of sufficient facts under which a reasonable person would conclude the enforced delay will occur.

(s) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(t) The Trustee shall not be liable in connection with the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

(u) With respect to moneys have been released or withdrawn in accordance with the provisions hereof, the Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of such moneys.

(v) To the extent that the Authority or the City has caused to be furnished to the Trustee an opinion from Bond Counsel or other counsel of the Authority or the City, with regard to legal questions, the opinion of such counsel shall be full and complete authorization and protection to the Trustee in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(w) For all purposes hereunder, the Trustee shall not be deemed to have notice or knowledge of any event (including any default or Event of Default) unless a Responsible Officer of the Trustee has received written notice of such event which references this Indenture, the Bonds, the Authority or the City. The delivery of reports and other documents and information to the Trustee hereunder is for informational purposes only and the Trustee's receipt of such documents and information shall not constitute constructive notice of any information contained therein or determinable from information contained therein.

SECTION 6.03 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances (with interest on such advances at the maximum rate allowed by law), counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it (including indemnities and legal fees and expenses).

SECTION 6.04 Notice to Bond Owners of Default. If an Event of Default hereunder or under the Sublease occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.02(k) hereof, then the Trustee shall, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

SECTION 6.05 Intervention by Trustee. In any judicial proceeding to which the Authority or the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02(c), shall do so if requested in writing by the Owners of at least 25 percent in aggregate principal amount of such Bonds then Outstanding.

SECTION 6.06 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds. The Authority may also remove the Trustee at any time upon 30 days' notice, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth herein.

SECTION 6.07 Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority and the City in the manner prescribed by Section 9.14. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.08 Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument described in Section 6.06 or within 60 days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 60-day period.

SECTION 6.09 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10 Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall

deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.11 Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction in may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the Authority appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 6.11 are adopted to these ends.

In the event that the Trustee or the Authority appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.12 Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense (including reasonable legal fees and expenses) and liabilities arising out of or in the exercise and performance of its powers and duties hereunder and the enforcement of any provision of this Indenture, the Lease, the Sublease, the Assignment Agreement or any other transaction document, including the costs and expenses of defending against any claim of liability, but

excluding any and all losses, expenses and liabilities that are due to the negligent or willful misconduct of the Trustee, its officers, directors or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if it shall have reasonable grounds for believing repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least 25 percent in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture or exercising any power conferred upon the Trustee under this Indenture. The obligations of the Authority under this Section shall survive the resignation or removal of the Trustee under this Indenture.

SECTION 6.13 Trustee Acceptance of Electronic Instructions. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means (being the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and the City, as applicable shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority or the City, as applicable, whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's reasonable understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such authorized officer. The Authority and the City shall be responsible for ensuring that only authorized officers transmit such Instructions to the Trustee and that the Authority, the City and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority or the City, as applicable.

The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and/or the

City, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

In the event of an ambiguity or a contradiction in such Instructions as determined by the Trustee in its reasonable discretion, the Trustee shall notify the Authority and request clarification from the Authority, and the Trustee shall not be required to act on such ambiguous or contradictory Instructions pending the Authority's clarification.

The Trustee shall not be liable under this Section 6.13 except for its negligence or willful misconduct.

SECTION 6.14 Direction to Execute Assignment Agreement. The Trustee is hereby authorized and directed to execute the Assignment Agreement. In executing and performing under the Assignment Agreement, the Trustee shall be entitled to all rights, protections, immunities and indemnities granted to it pursuant to this Indenture.

ARTICLE VII
MODIFICATION AND AMENDMENT OF THE INDENTURE

SECTION 7.01 Amendment of Indenture. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Bond Owner, to the extent permitted by law but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture;

(c) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(d) to subject to the Indenture additional collateral or to add other agreements of the Authority;

(e) to provide for the issuance of Additional Bonds pursuant to Section 3.06;

(f) to modify the Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;

(g) to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(h) to evidence the succession of a new Trustee; or

(i) for any other purpose that does not materially adversely affect the rights or interests of the Owners.

Except as set forth in the preceding paragraph of this Section 7.01, this Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may only be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) modify any of the rights or obligations of the Trustee without its written consent thereto.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with all terms under this Indenture.

SECTION 7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Prior to entering into any Supplemental Indenture pursuant to this Section 7.02, the Trustee may require the Authority to deliver to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of this Indenture.

SECTION 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action, then new Bond certificates shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01 Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than 25 percent in aggregate principal amount of the Outstanding Bonds; provided, however, that if in the reasonable opinion of the Authority, the failure stated in such notice can be corrected, but not within such 30-day period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within such 30-day period and diligently pursued until such failure is corrected.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of the Leased Properties.

SECTION 8.02 Remedies; No Acceleration. Upon the occurrence of an Event of Default, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, in order to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least 25 percent in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.02(c), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver or any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

The Trustee shall have no right to declare the principal of or interest on the Bonds to be due and payable immediately.

SECTION 8.03 Application of Revenues and Other Funds after Default. Following the declaration of an Event of Default, all amounts then held or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee, in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

Third, to replenish the Reserve Account to the Reserve Requirement.

SECTION 8.04 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and if the Trustee is indemnified as provided in Section 6.02(c). Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05 Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred

upon the Trustee or Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

SECTION 8.07 Rights of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by action of such Owner or Owners to enforce any right under this Indenture, except in the manner provided herein, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided herein and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as provided herein or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the Leased Properties subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01 Limited Liability of Authority. Notwithstanding anything contained in this Indenture, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or otherwise from amounts payable under the Sublease). The Authority may, however advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds as provided in this Indenture. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premiums (if any) on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority except the Revenues and other funds pledged to the payment of the Bonds as provided in this Indenture. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in this Indenture.

SECTION 9.02 Benefits of Indenture Limited. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the City and the Owners of the Bonds.

SECTION 9.03 Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premiums (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums (if any); or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, Federal Securities in such amount as an Independent Certified Public Accountant (defined below) shall determine in a written report filed with the Trustee (upon which report the Trustee

may conclusively rely) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been sent pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the sending of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all amounts due the Trustee. Any funds held by the Trustee following any payment or discharge of the Outstanding Bonds pursuant to this Section 9.03, which are not required for said purposes, shall after payment of amounts due the Trustee hereunder be paid over to the Authority. Prior to the discharge of any or all of the Outstanding Bonds, the Trustee shall receive an opinion of Bond Counsel to the effect that the Bonds to be discharged are no longer Outstanding and all conditions precedent with respect to such discharge have been satisfied.

SECTION 9.04 Trustee's Additional Acknowledgment of Certain Provisions of the Sublease. Without limiting any other provisions herein, the Trustee hereby acknowledges and agrees to comply with Section 9 of the Sublease.

SECTION 9.05 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 9.06 Content of Certificates and Opinions. Any certificate made or given by an officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of the Authority, or upon the certificate or opinion of or representations by an officer or officers of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 9.07 Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.07.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bond Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 9.08 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon the request of the Trustee, the Authority and the City shall specify in a certificate to the Trustee those Bonds that are disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

SECTION 9.09 Waiver of Personal Liability. No officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.10 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable

from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law.

SECTION 9.11 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall cancel and destroy such Bonds and upon Request of the Authority furnish to the Authority a certificate of such destruction.

SECTION 9.12 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 9.13 Payment on Business Days. Whenever in this Indenture any amount is required to be paid on a day that is not a Business Day, such payment shall be required to be made, without accruing additional interest thereby, on the Business Day immediately following such day.

SECTION 9.14 Notices. Any notice, request, complaint, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, by overnight mail, as a .pdf attachment to electronic mail, or by telecopy or other form of telecommunication, confirmed by telephone at its number set forth below. Notice shall be effective either (i) upon transmission by telecopy or other form of telecommunication, (ii) 48 hours after deposit in the United States mail, postage prepaid, (iii) in the case of overnight mail, upon delivery to the addressed destination, or (iv) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other party, from time to time modify the address, email address, or number to which communications are to be given hereunder.

If to the Authority: South Tahoe Joint Powers Financing Authority
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150
Attention: Executive Director
Phone: (530) 542-6043

If to the City:	City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 210 South Lake Tahoe, CA 96150 Attention: City Manager Phone: (530) 542-6043
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Phone: (213) 630-6417 Attention: Alex Dominguez, Client Service Manager Email: alexander.dominguez@bnymellon.com

Any party listed above may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.15 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 9.16 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 9.17 Execution in Counterparts. This Indenture may be executed in any number of counterparts. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be signed by their respective authorized representatives, all as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By: _____
Joe Irvin, Executive Director

ATTEST:

_____
Secretary

The Bank of New York Mellon Trust Company, N.A.,
as Trustee

By: _____

Print Name: _____

Title: _____

EXHIBIT A

[FORM OF BOND]

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No. R-___ $_____

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
LEASE REVENUE BOND
2022 SERIES A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%	October 1, 20__	__ 2022	84049M___

REGISTERED OWNER: [CEDE & CO.]

PRINCIPAL AMOUNT: _____ DOLLARS

The SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to the fifteenth calendar day of the month preceding the first Interest Payment Date, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing April 1, 2023 (each an "Interest Payment Date") until payment of such Principal Amount in full.

The Principal Amount of this Bond is payable by check upon presentation hereof upon maturity or earlier redemption at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in [Los Angeles, California], or at such other office as the Trustee may designate (the "Trust Office"). Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding such Interest Payment Date (except that in the case of a Registered Owner of at least $1,000,000 in aggregate principal amount of the Bonds, such payment may, at such Registered Owner's option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the 15th calendar day of the month immediately preceding such Interest Payment Date).

This Bond is one of a duly authorized issue of bonds of the Authority designated the "South Tahoe Joint Powers Financing Authority, Lease Revenue Bonds, Series 2022A" (the "Bonds"), limited in principal amount to ___ Dollars ($[principal amount]) secured by an Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"). The Bonds are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other moneys and securities held by the Trustee as provided in the Indenture. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues and such other moneys and securities, and the Revenues and such other moneys and securities constitute a trust fund for the security and payment of the principal of and interest on the Bonds. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The Bonds have been issued for the purpose of assisting the City with the cost of construction of a new recreation center. In connection with the issuance of the Bonds, the Authority has entered into the Sublease, dated as of October 1, 2022 (the "Sublease") with the City, under which the City is obligated to pay amounts which are anticipated to be sufficient to enable the Authority to pay the principal of and interest on the Bonds.

The Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, as a whole or in part, on any date, from prepaid Base Rental Payments made by the City from funds received by the City due to a taking of the Leased Properties (as defined in the Sublease) or any portion thereof under the power of eminent domain or from net proceeds of insurance received for material damage or destruction, defects in title to the Leased Properties, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Sublease, at a redemption price equal to the sum of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on or after October 1, [2032], shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, [2031]). The Bonds called for such optional redemption shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The Bonds maturing on October 1, 20__ and October 1, 20__ shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the extraordinary redemption or optional redemption described above, each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to an extraordinary redemption or an optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

The Trustee on behalf and at the expense of the Authority shall send by first class mail (or if the registered owner of such Bond is a depository, by such method as acceptable to such depository), notice of any redemption to the respective owners of any Bonds designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee, to the Securities Depositories and to one or more Information Services (as such terms are defined in the Indenture), at least 30 but not more than 60 days prior to the redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the serial numbers of each maturity or maturities (except that if the event of redemption is of all of the Bonds of such maturity or maturities in whole, the Trustee shall designate such maturities or the maturity in whole without referencing each individual number) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date.

The Bonds shall be issued in denominations of $5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act and the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf, and attested, by the manual or facsimile signatures of its Chair and Secretary as of the Original Issue Date identified above.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Chair

Attest:

_____
Secretary

==========

[TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and registered on the Bond Registration Books.

Date:_____

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:_____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto, whose tax identification number is _____, the within-mentioned registered 2022A Bond and hereby irrevocably constitute(s) and appoint(s) attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within 2022A Bond in every particular without alteration or enlargement or any change whatsoever.

NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or such other similar program approved by the Trustee.

EXHIBIT B

[FORM OF REQUISITION (COSTS OF ISSUANCE)]

REQUISITION NO. __
(Costs of Issuance Fund)

with reference to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
Series 2022A

[Date]

I. The South Tahoe Joint Powers Financing Authority (the "Authority") hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") pursuant to that certain Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the Authority and the Trustee, under the terms of which the above-captioned bonds, to pay from the moneys in the Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
[Name]
[Title]

EXHIBIT C

[FORM OF REQUISITION (PROJECT FUND)]

REQUISITION NO. __

(Project Fund)

with reference to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
Series 2022A

[Date]

I. Pursuant to Section 3.06 of the Indenture, dated as of October 1, 2022 (the "Indenture"), by and between the South Tahoe Joint Powers Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), under the terms of which the above-captioned bonds were issued, the undersigned, City of South Lake Tahoe, hereby requests the Trustee, to pay from the moneys in the Project Fund the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Project Fund. None of the items for which payment is requested has been reimbursed previously from the Project Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

CITY OF SOUTH LAKE TAHOE

By: _____
[Name]
[Title]

Notice of Public Hearing
City of South Lake Tahoe City Council

NOTICE IS HEREBY GIVEN that the City of South Lake Tahoe City Council will conduct a public hearing on August 9, 2022, at 9:00 a.m., or as soon thereafter as possible, at City Hall, City Council Chambers, 1901 Lisa Maloff Way (formerly Airport Road), South Lake Tahoe, to consider the following agenda item:

Proposed issuance of bonds (the "Authority Bonds") by the South Tahoe Joint Powers Financing Authority . The Authority Bonds are being issued to assist the City with the financing of certain public capital improvements, including the costs of construction and installation of the City's new recreation and aquatics center.

Any interested person may appear at the public hearing and speak in favor or against this item. Written testimony may be delivered at, or prior to, the Public Hearing addressed to the City Council in care of the City Clerk at PublicComment@cityofslt.us or at the address listed below.

City Council agendas and related staff reports are available at least 72 hours in advance of regular meetings on the City Council page of the City's website www.cityofslt.us or by contacting the City Clerk.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Susan Blankenship
Susan Blankenship
Elected City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150
(530) 542-6005
Published: July 29, 2022

683

City of South Lake Tahoe





Series 2022 Lease Revenue Bonds

CITY OF
SOUTH LAKE TAHOE

August 9, 2022

The Multigenerational Center

- Over the next two years the City plans to construct a new recreation and aquatics facility to replace the existing recreation center
  - Located on south side of Highway 50 on western end of the City, across from the lake
  - 60,000-square-foot facility planned on 56-acre project site
  - Aquatics center with 6-lane lap pool and separate activity pool with lazy river and spray features
  - Multi-purpose gymnasium, fitness and dance studios
  - Commercial grade kitchen and multiple community gathering spaces



Plan of Finance

- The administration has developed a financing plan based on a number of considerations
  - **Use of funds on hand**: use funds on hand to limit the amount of lease revenue bonds (LRBs) being issued
  - **Type of financing:** fixed rate to take advantage of current low interest rates
  - **Repayment structure:** use of a 30-yr level debt service structure
  - **Repayment source:** Pledge of City's general fund revenues for use and occupancy of the leased property
    - City intends to use Measure P revenues as primary source for base rental payments
  - **Timing:** price in early fall to take advantage of relatively low interest rates; construction to begin next spring

Projected Debt Service – Scenario 1

- At current market interest rates, we expect annual debt service to be approximately $2.8 million through fiscal year 2052-53
  - Assumptions
    - 50bps interest rate cushion
    - 'AA' Rating

Sources	
Par Amount	$ 43,215,000
Premium	2,212,524
	45,427,524
Uses:	
Project Fund	45,000,000
Cost of Issuance	254,664
Underwriter's Discount	172,860
	45,427,524

Good Faith Estimates	
Net Proceeds to be Received*	$45,000,000
True Interest Costs	4.602%
Total Debt Service	84,149,715
UW Discount	172,850
Cost of Issuance	254,664

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2023	$745,000	5.000%	$2,058,715	$2,803,715
10/01/2024	680,000	5.000%	2,123,500	2,803,500
10/01/2025	715,000	5.000%	2,089,500	2,804,500
10/01/2026	750,000	5.000%	2,053,750	2,803,750
10/01/2027	790,000	5.000%	2,016,250	2,806,250
10/01/2028	830,000	5.000%	1,976,750	2,806,750
10/01/2029	870,000	5.000%	1,935,250	2,805,250
10/01/2030	915,000	5.000%	1,891,750	2,806,750
10/01/2031	960,000	5.000%	1,846,000	2,806,000
10/01/2032	1,005,000	5.000%	1,798,000	2,803,000
10/01/2033	1,055,000	5.000%	1,747,750	2,802,750
10/01/2034	1,110,000	5.000%	1,695,000	2,805,000
10/01/2035	1,165,000	5.000%	1,639,500	2,804,500
10/01/2036	1,225,000	5.000%	1,581,250	2,806,250
10/01/2037	1,285,000	5.000%	1,520,000	2,805,000
10/01/2038	1,350,000	5.000%	1,455,750	2,805,750
10/01/2039	1,415,000	5.000%	1,388,250	2,803,250
10/01/2040	1,485,000	5.000%	1,317,500	2,802,500
10/01/2041	1,560,000	5.000%	1,243,250	2,803,250
10/01/2042	1,640,000	5.000%	1,165,250	2,805,250
10/01/2043	1,720,000	5.000%	1,083,250	2,803,250
10/01/2044	1,810,000	5.000%	997,250	2,807,250
10/01/2045	1,900,000	5.000%	906,750	2,806,750
10/01/2046	1,995,000	5.000%	811,750	2,806,750
10/01/2047	2,095,000	5.000%	712,000	2,807,000
10/01/2048	2,200,000	5.000%	607,250	2,807,250
10/01/2049	2,305,000	5.000%	497,250	2,802,250
10/01/2050	2,425,000	5.000%	382,000	2,807,000
10/01/2051	2,545,000	5.000%	260,750	2,805,750
10/01/2052	2,670,000	5.000%	133,500	2,803,500
	43,215,000		**40,934,715**	**84,149,715**

*Net of cost of issuances and underwriter's discount

Projected Debt Service – Scenario 2

- At current market interest rates, we expect annual debt service to be approximately $3.2 million through fiscal year 2052-53
  - Assumptions
    - 50bps interest rate cushion
    - 'AA' Rating

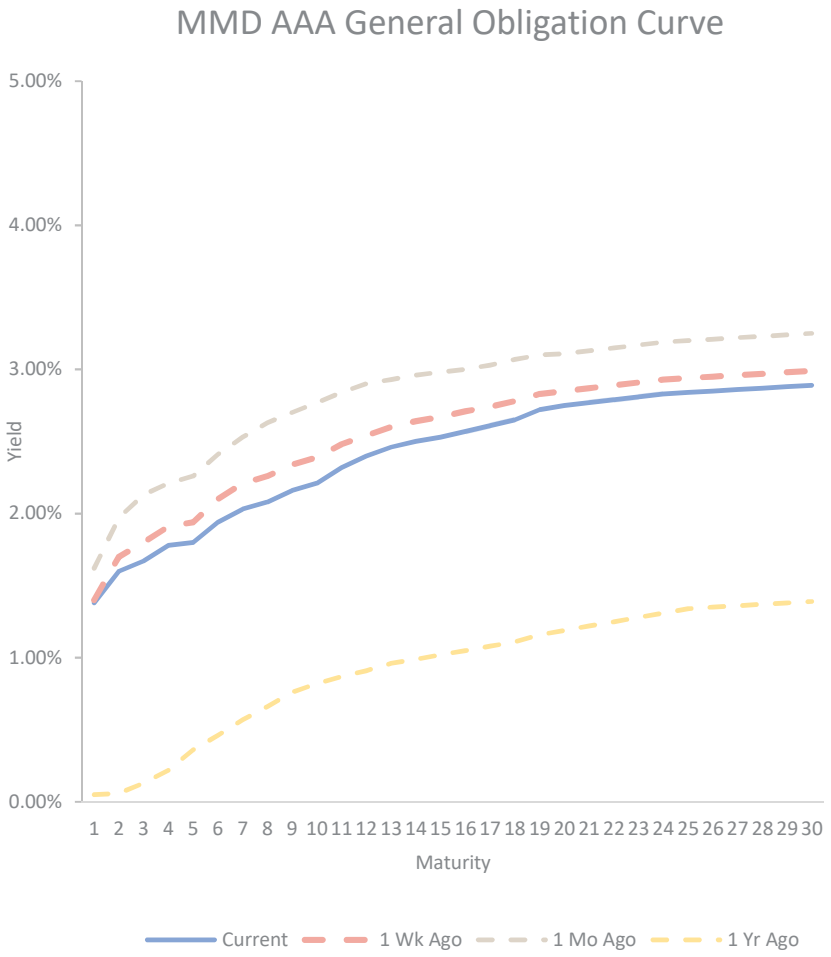
Sources	
Par Amount	$ 49,895,000
Premium	2,557,874
	52,452,874
Uses:	
Project Fund	52,000,000
Cost of Issuance	253,294
Underwriter's Discount	199,580
	52,452,874

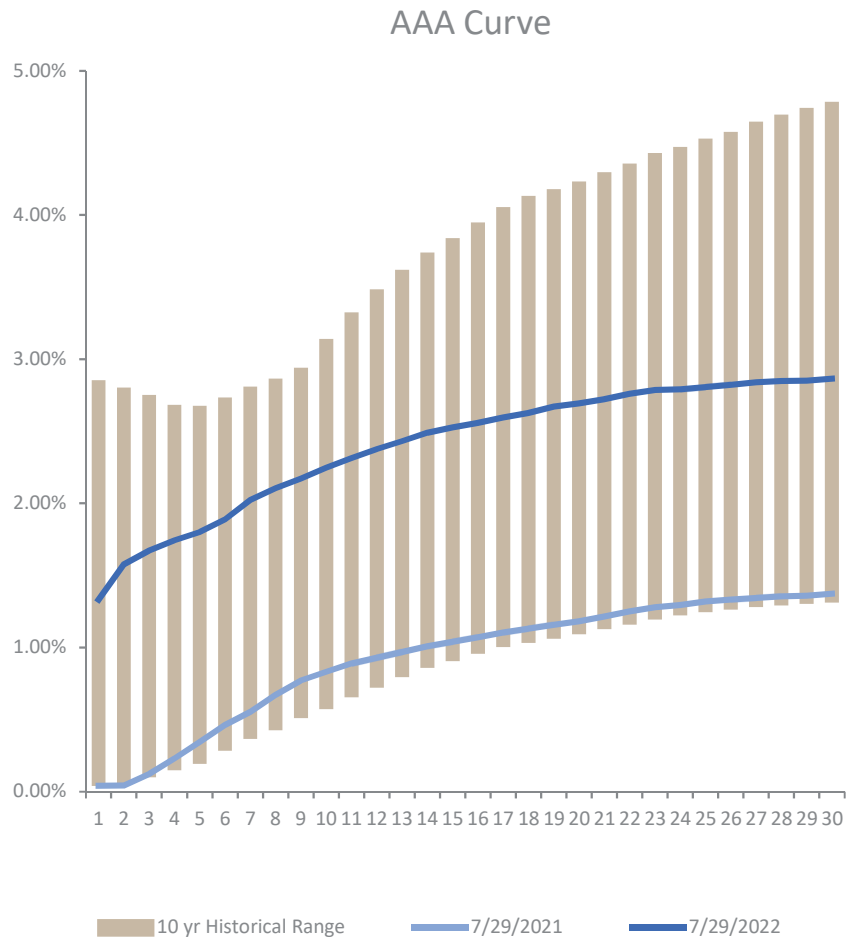
Good Faith Estimates	
Net Proceeds to be Received*	$52,000,000
True Interest Costs	4.602%
Total Debt Service	97,287,942
UW Discount	199,580
Cost of Issuance	253,294

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2023	$715,000	5.000%	$2,376,942	$3,091,942
10/01/2024	790,000	5.000%	2,459,000	3,249,000
10/01/2025	830,000	5.000%	2,419,500	3,249,500
10/01/2026	870,000	5.000%	2,378,000	3,248,000
10/01/2027	915,000	5.000%	2,334,500	3,249,500
10/01/2028	960,000	5.000%	2,288,750	3,248,750
10/01/2029	1,005,000	5.000%	2,240,750	3,245,750
10/01/2030	1,055,000	5.000%	2,190,500	3,245,500
10/01/2031	1,110,000	5.000%	2,137,750	3,247,750
10/01/2032	1,165,000	5.000%	2,082,250	3,247,250
10/01/2033	1,225,000	5.000%	2,024,000	3,249,000
10/01/2034	1,285,000	5.000%	1,962,750	3,247,750
10/01/2035	1,350,000	5.000%	1,898,500	3,248,500
10/01/2036	1,415,000	5.000%	1,831,000	3,246,000
10/01/2037	1,490,000	5.000%	1,760,250	3,250,250
10/01/2038	1,560,000	5.000%	1,685,750	3,245,750
10/01/2039	1,640,000	5.000%	1,607,750	3,247,750
10/01/2040	1,720,000	5.000%	1,525,750	3,245,750
10/01/2041	1,810,000	5.000%	1,439,750	3,249,750
10/01/2042	1,900,000	5.000%	1,349,250	3,249,250
10/01/2043	1,995,000	5.000%	1,254,250	3,249,250
10/01/2044	2,095,000	5.000%	1,154,500	3,249,500
10/01/2045	2,200,000	5.000%	1,049,750	3,249,750
10/01/2046	2,310,000	5.000%	939,750	3,249,750
10/01/2047	2,425,000	5.000%	824,250	3,249,250
10/01/2048	2,545,000	5.000%	703,000	3,248,000
10/01/2049	2,670,000	5.000%	575,750	3,245,750
10/01/2050	2,805,000	5.000%	442,250	3,247,250
10/01/2051	2,945,000	5.000%	302,000	3,247,000
10/01/2052	3,095,000	5.000%	154,750	3,249,750
	49,895,000		**47,392,942**	**97,287,942**

*Net of cost of issuances and underwriter's discount

Interest rate Movement





As of 7/29/2022

Financing Structure

- The City leases assets to the South Lake Tahoe Joint Powers Financing Authority in exchange for an upfront payment through a Lease Agreement and Sublease
- The City leases the assets back from the Authority in exchange for an agreement to make payments over time through a Sublease
- The Authority signs over its rights to collect and enforce payments to a trustee bank (BNY Mellon) through an Assignment Agreement
- Once all payments have been made or the LRBs are refunded, the Lease Agreement and Sublease will be terminated

Series 2022 Bonds

- Security
  - Pledge of revenues, consisting mainly of base rental payments payable from the City's general fund revenues for use and occupancy of the leased properties
  - City intends to use Measure P revenues as primary source for base rental payments; FY2021 Measure P revenues totaled $3.3 million
  - City covenants to budget and appropriate annual base rental payments
  - Subject to abatement by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Properties
  - Reserve requirement not required but may be funded for marketing purposes
- Leased Properties
  - Police Station (to be released from the 2016 LRBs)
  - Fire Station #1 (to be released from the 2016 LRBs)
  - Ice Arena
  - Bijou Park

Credit Considerations

- Given that lease payments are subject to appropriation and abatement, the value, essentiality, and resiliency of the assets are key credit considerations
  - **Value:** Value of the assets (typically based on insured values) must be approximate to the value of the lease revenue bonds
    - The rent in each year represents the "fair rental value" of the premises
  - **Essentiality:** Is the asset essential to the operations of the City
  - **Resiliency:** Assets must pass a seismic test to receive a rating by S&P
- Together, the leased assets provide sufficient value, essentiality, and resiliency

	Value	Essentiality	Resiliency
Police Station	Insufficient	✓	✓
Fire Station #1	Insufficient	✓	✓
Ice Arena	Insufficient	-	✓
Bijou Park	Insufficient	-	NA

Actions of Joint Powers Financing Authority and City Council

- Financing Resolutions
  - Authorizes the issuance of lease revenue bonds in the not to exceed amount of $50 million to finance the construction of the new Multi-generational Recreation and Aquatics Center
  - Approves certain legal and disclosure documents as to form
  - Acknowledges certain ongoing obligations of the City in connection with the financing
  - Authorizes the execution of the closing documents by City staff

- Property Release Resolutions
  - Removal of certain properties under the lease and the sublease relating to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A

Credit Ratings

- Our strategy is to apply to a single rating agency, to apply for bond insurance, and to purchase such bond insurance only to the extent that its benefit exceeds its cost
  - We made a presentation to Standard & Poor's on Friday, July 22nd
  - S&P assigned their 'AA' rating to the bonds
  - The rating is one notch below the City's implied GO rating due to the appropriation structure
    - Implied GO rating 'AA+'
    - Appropriation rating 'AA'
  - An issue with a "AA" rating is less likely to require the purchase of bond insurance

INVESTMENT GRADE RATINGS		
MOODY'S	S&P	FITCH
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

Financing Schedule

- The financing is scheduled to price Tuesday, October 4th and to close on Tuesday, October 18th

Date	Activity
August 9th	• Presentation of financing plan and financing resolutions to City Council • City Council approval of bond documents and substantially final preliminary official statement
September 20th	Phase II bid award
September 22nd	Post preliminary official statement
October 4th	Pricing of LRBs. Establishment of interest rates
October 18th	Closing. City receives funds

Questions?

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 15

Agenda Item: Memorandum of Understanding with Lake Tahoe Unified School District (LTUSD) for Park Ranger Program

Executive Summary: City staff have been working with Lake Tahoe Unified School District (LTUSD) staff to design and implement a Park Ranger Program managed by the City Parks and Recreation Department. LTUSD staff have successfully applied for and been subsequently awarded a workforce development grant to support partial funding of the program and provide entry level job opportunities to local youth. The purpose of the Intergovernmental Agreement is to establish the overarching arrangement by which the City will receive pass through funding for a period of two years for specific expenses related to the implementation of the Park Ranger Program including funding for a seasonal Program Coordinator totaling $67,000. Under the Agreement the City agrees to provide matching funds of $122,000 in salaries and benefits for staff managing the program and Park Ranger wages. The additional ranger wages identified in the matching funds are accounted for in the annual budget for seasonal temporary labor. The MOU supports Strategic Priority #3 Community for All - Goal 3.4 Waste Management and Stewardship and Priority #4 - Economic Development - Goal 4.3 Resident Retention and Workforce Development by providing a career path and opportunity to local youth.

Requested Action / Suggested Motions: 1) Pass a Motion authorizing the Mayor to Execute a Memorandum of Understanding with Lake Tahoe Unified School District (LTUSD) to support partial funding for the Park Ranger Program. 2) Pass a Resolution authorizing $67,000 reimbursement grant funding from LTUSD to fund a Park Ranger Coordinator Position.
Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation

Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation (530) 542-6197

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - LTUSD MOU Park Ranger Program.docx
02-LTUSD MOU.pdf
03-Resolution_Reimbursement_Grant_from_LTUSD_for_Park_Ranger_Program.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Memorandum of Understanding with Lake Tahoe Unified School District for Park Ranger Program

Location: Parks and Beaches

Responsible Staff Member: Lauren Thomaselli, Director of Parks and Recreation
(530) 542-6197

Background: In 2021 the City collaborated with Lake Tahoe Unified School District (LTUSD) and Lake Tahoe Community College (LTCC) and Sierra Nevada Alliance (SNA) to implement a pilot program on City parks and beaches called the Youth Ambassador Program. The intent of the program was two-fold: 1) To provide job opportunities to local youth and inspire career pathways in natural sciences, environment, sustainable recreation, and park management. 2) To directly interact with park users to educate and inform the public on best practices, park rules, waste management, history, culture, and general information. LTUSD raised all the program funds and program management for the pilot program was the role of Sierra Nevada Alliance, while the City provided some training and support to the Ambassadors as needed.

Following an end of season evaluation and analysis of the pilot program, all partners agreed the program fulfilled its core purpose and should continue as a Park Ranger Program to be managed by the City under the Parks and Recreation Department. The primary difference between the pilot program and new program is the staff will be working directly for the City rather than an outside agency managing a program on City property. Bringing the program inhouse allows the City to continue to coordinate with LTUSD and LTCC to hire local students, while also providing more hands on training and oversight to more effectively achieve program objectives.

At the February 15, 2022 City Council meeting, Council authorized a salary table amendment to include the classification positions for the program including Park Stewards, Park Rangers, and a Park Ranger Program Coordinator classifications. Additionally, Council was informed the program has been identified for supplemental funding from a workforce development grant led by Lake Tahoe Unified School District, Strong Workforce Pathway Coordinator, Kim Carr. Staff also indicated the intention to return to Council to authorize an Agreement between LTUSD and the City to appropriate the grant funding into the budget.

Issue and Discussion: On June 28, 2022 LTUSD board adopted the Memorandum of Understanding (MOU) with the City (02 Attachment). The MOU identifies the City as a collaborative partner receiving pass through grant funds awarded to LTUSD to provide work-based learning opportunities to high school students. The City shall seek qualified students to work as Park Stewards to interact with the public by sharing the stewardship messages. The MOU obligates the City to recruit, hire, train, and manage the park ranger program for two summers

beginning in 2022. Ms. Carr has participated in recruitment efforts for high school and college students and assisted with the selection of the Park Ranger Program Coordinator. At the conclusion of each summer season the Program Coordinator shall draft a report highlighting program progress, identifying weaknesses and recommendations for program improvements. The report shall be provided to LTUSD for review at the end of each season.

Financial Implications: The LTUSD Strong Workforce Program Grant funds is identified specifically for funding the cost of the program coordinator for two seasons at a cost not to exceed $67,000. The funding will be received through reimbursement based on actual hours worked submitted in writing to LTUSD as outlined in the Agreement. The City matching funds of $122,000 is identified as a portion of existing salaries and benefits associated with full time staff directly associated with the Park Ranger Program. More specifically the Parks and Recreation Director is responsible for program design and implementation while the Parks Manager is responsible for training and overseeing the program upon implementation. The additional seasonal Park Ranger positions are anticipated to be approximately $40,000 and funded within the existing annual Parks Maintenance Temporary Labor budget 100-04170-41020. Additionally, the City shall provide the Coordinator, Park Rangers and Stewards uniforms and equipment to support a safe work environment. The equipment consists of high visibility vests and hats as part of standard issue equipment in the park maintenance classification. The Park Rangers work in coordination with Park Maintenance and Park Attendants to provide quality park experiences to the public.

It is worthy to note that the City did receive $10,000 of additional grant funds for the park ranger program through the CalRecycle Grant for SB 1383.

Policy Implications: This program meets the following strategic priorities adopted by Council in the Strategic Plan:

Priority 3 - Community for All – goal 3.4 Waste Management and Stewardship. The Park Rangers/Stewards will specifically educate visitors on the “Tahoe Way” encouraging personal actions to protect the environment.

Priority 4 - Economic Development – goal 4.3 Resident Retention and Workforce Development. The Strong Workforce Program Grant specifically focuses on recruiting local high school and college students to provide an introduction to a variety of career pathways in recreation and the environment.

MEMORANDUM OF UNDERSTANDING

This Agreement (hereinafter the "Agreement") is entered into on 6/28/2022 between the City of South Lake Tahoe (hereinafter "CSLT") and the Lake Tahoe Unified School District (hereinafter "LTUSD") (each a "Party" and collectively the "Parties") at South Lake Tahoe, California, with reference to the following facts and intentions:

Section 1.

Recitals:

A. Effective January 1, 2022 Lake Tahoe Unified School District (LTUSD) entered into a Grant Agreement with Butte-Glenn Community College District (District) through the K-12 Strong Workforce Program, North Far North Regional Consortium.

B. The District is designated as the Regional Consortium Fiscal Agent for the purpose of implementing the K-12 Strong Workplace Program and is responsible to distribute funding and monitor sub-grants.

C. LTUSD is the lead applicant (grantee) in the Strong Workforce grant. The purpose of the funds is to help South Tahoe High School to develop a concentrator and completer course for the CTE Forestry and Natural Resources Pathway to attract more diverse student enrollment by use of varied learning experiences. Courses will include outdoor activities that expose students to the beauty of nature, emphasize minimizing recreational impacts on the environment, and field methods and training for growing occupations like foresters, fire prevention specialists, and environmental planners. These courses will integrate outdoor activities to make learning engaging and accessible to support student achievement.

D. Period of Performance of the Grant Award shall commence on January 1, 2022 and expire on June 30, 2024. Total amount of funds made available for work performed under the grant agreement is $688,220.

E. CSLT is a collaborative partner in the grant award and will partner with South Tahoe High School and the US Forest Service to provide work-based learning opportunities by offering full-time, seasonal jobs. CSLT Parks and Recreation Department will hire students as Park Stewards to help manage public parks and interact with the public by sharing stewardship messages.

F. LTUSD will provide CSLT a total of one-time funding of $67,000 through the grant award to fund a temporary seasonal full-time program coordinator to recruit and supervise work-based learning. This is a five-month position over two years (2022 and 2023).

G. CSLT will provide match funds by way of salaries and benefits of City staff managing the program (Director of Parks and Recreation, and Parks Manager) as well as through Park Stewards wages. Total financial match is $122,000.

H. In reliance upon the recitals set forth above, and in consideration of the mutual

promises herein exchanged, both agencies agree as set forth below.

Section 2.

CSLT Agrees:

A. To collaborate with LTUSD as reasonably required to carry out the purposes of this Agreement.

B. To collaborate and coordinate with LTUSD and all agency partners in the implementation of the project.

C. To provide matching fund documentation by way of a signed letter following the Strong Workforce Program matching funds letter template.

D. To hire a program coordinator to carry out the tasks as detailed in the attached Scope of Work.

E. To provide project reporting by June 15th and December 15th of each year. Reporting will be provided in writing to the South Tahoe High School CTE Coordinator.

F. To provide a monthly invoice for reimbursement along with copies of all back up documentation to substantiate eligible expenses as per requirements in this agreement.

I. To oversee the progress and completion of the Project per the attached Scope of Work.

J. To comply with all applicable Federal, State, regional, and local laws, codes, ordinances, and regulations in carrying out the deliverables under this Agreement.

K. To furnish Lauren Thomaselli, Parks and Recreation Director, or her designee, to carry out the duties for the CSLT as described above.

L. To coordinate its project activities and provide copies of all documentation produced to satisfy this agreement.

M. To send the necessary invoices to:
Sierra Soleta
Lake Tahoe Unified School District
1021 Al Tahoe Blvd.
South Lake Tahoe, CA 96150
Tel: (530) 541-2850 ext. 1042
e-mail: ssoleta@ltusd.org

Section 3.

LTUSD Agrees:

A. To collaborate with CSLT as reasonably required to carry out the purposes of this Agreement.

B. To perform all work and requirements set forth in Exhibit A of the executed grant agreement.

C. To submit all progress and fiscal reporting as outlined in Exhibit B of the executed grant agreement.

D. To reimburse CSLT for the above referenced expenses in a timely manner, in accordance with this agreement no more frequently than monthly in a total amount not to exceed $67,000.

E. To oversee completion of project in accordance with this agreement and to the satisfaction of the deliverables outlined in the attached grant agreement.

Section 4.

It is Mutually Agreed:

A. Each party shall indemnify and hold harmless the other party, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of the party's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the other party. Each party agrees to defend the other party from and against any and all losses, damages, claims costs and fees arising out of that party's negligent acts, errors, omissions, regarding this Agreement, and that party's work under this Agreement, or the Scope of Work.

B. Insurance Requirements. Program Participants (CSLT and LTUSD will each carry and maintain in force during the full Term of the Agreement:

1. Commercial General Liability Insurance. Comprehensive commercial general liability insurance or self-insurance of not less than two million dollars ($2,000,000) general aggregate, and one million dollars ($1,000,000) for each occurrence for bodily injury, property damage and personal injury,

2. Automobile Liability Insurance. Business automobile coverage of not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employers' Liability. Workers' compensation in an amount not less than that required by applicable statute, and employers' liability insurance of not less than one million dollars ($1,000,000) for each accident.

C. This Agreement contains all of the agreements and warranties of the parties with respect to any matter covered or mentioned in this Agreement. No prior agreements, arrangements or understandings pertaining to such matters shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by each party or each party's successor in interest.

D. Any provision of this Agreement which proves to be invalid, or illegal, shall in no way affect, impair or invalidate any other provisions of this Agreement, and such other provisions shall remain in full force and effect.

E. Each party warrants to each other that he or she is fully authorized and competent to enter into this Agreement in the capacity indicated by his or her signature and agrees to be bound by this Agreement as of the effective date of this Agreement.

F. In the event of a dispute over the interpretation, implementation, or terms of this Agreement any such dispute shall be resolved by binding arbitration between the parties under the California Arbitration Act (Code of Civil Procedure Section 1280 *et seq*). Any such arbitration shall be conducted in South Lake Tahoe, California. If the parties cannot agree on an arbitrator, one will be selected by Assistant Presiding Judge Michael J. McLaughlin of the El Dorado County Courts, or his successor.

G. This Agreement may be terminated by either party, with or without cause, on ninety (90) days written notice to the non-canceling party.

H. The performance period of this Agreement shall be from the date this Agreement is fully executed through June 30, 2024 which is the end of the grant agreement period of performance.

I. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

J. Each party shall retain or caused to be retained for access for audit, examinations, excerpts, and transcripts all financial and programmatic records, supporting documents, statistical records, or other records which are required to be maintained under the terms of the Agreement for a period of three (3) years from the date of submittal of the final invoice.

Section 5.

Notice provision for LTUSD /CSLT :

All notices required to be given under this Agreement shall be sent first class mail, return receipt requested to the following:

For LTUSD
John Simons
Director of Secondary Education
Lake Tahoe Unified School District
South Lake Tahoe, CA 96150
jsimons@ltusd.org

For CSLT
Lauren Thomaselli
Parks and Recreation Director
City of South Lake Tahoe
South Lake Tahoe, CA 96150
lthomaselli@cityofslt.us

LAKE TAHOE UNIFIED SCHOOL DISTRICT

BY: Andrea Salazar DATED: 6/29/2022
Andrea Salazar, Associate Superintendent/Chief Business and Operations Officer

CITY OF SOUTH LAKE TAHOE

BY: _____
Devin Middlebrook, Mayor

DATED: _____

ATTACHMENT A

SCOPE OF WORK

1. Hire a Program Coordinator to:
   - assist in the development and implementation of program goals, objectives, policies and priorities.
   - plan, organize and coordinate park ranger program.
   - select, supervise, train, and evaluate assigned student staff.
   - draft report at the end of each employment season. Report will highlight program progress applying metrics, and identify program weaknesses and recommendations for program improvements. Present report findings to LTUSD staff.
   - provide program budget to LTUSD for review at the end of each season.
   - coordinate with park rangers and stewards to track metrics for the program.
   - assist in developing a training program for park stewards and park rangers.

2. Provide equipment for the coordinator, park rangers and park stewards to support them in successfully conducting the work and also to protect their safety.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Authorizing $67,000 reimbursement grant funding from Lake Tahoe Unified School District to fund a Park Ranger Coordinator Position

BACKGROUND

A. In Summer 2021 the City collaborated with Lake Tahoe Unified School District (LTUSD) to implement a pilot program on city parks and beaches called the Youth Ambassador Program.

B. In Fall 2021 the City and LTUSD established a park ranger program to replace the ambassador program and integrate the program into the City Parks and Recreation Services as part of a workforce development strategy.

C. On January 1, 2022 LTUSD was awarded a Strong Workforce grant in the amount of $688,220 to develop concentrator and completer course for the CTE Forestry and Natural Resources Pathway to attract more diverse student enrollment by use of varied learning experiences. CSLT is a collaborative partner in the grant award and will partner with South Tahoe High School to provide work-based learning opportunities by offering full-time seasonal jobs as Park Stewards.

D. LTUSD will provide CSLT a total of one-time funding of $67,000 through the grant award to fund a temporary seasonal full-time program coordinator to recruit and supervise work-based learning.

E. CSLT will provide match funds by way of salaries and benefits of City staff managing the program (Director of Parks and Recreation and Parks Manager) as well as through Park Steward wages. Total financial match is $122,000.

F. On February 15, 2022 the City authorized a salary table amendment to include classifications positions for Park Stewards, Park Rangers, and Park Ranger Coordinator.

G. City staff has developed a Memorandum of Understanding with LTUSD for the implementation of the program.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Finds the implementation of the MOU with LTUSD will support workforce development and position Park Stewards to help manage public parks and interact wit the public by sharing stewardship messages.
2. Authorizes the City to amend FY 21/22 budget and accept LTUSD grant reimbursement funds of $67,000 into the Parks Maintenance account 100-04170-33320 (Other Local Grants) to fund a seasonal full-time program coordinator to implement the program.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 16

Agenda Item: Tahoe Valley Stormwater and Greenbelt Improvement Project Update and Request for Appropriation of Grant Matching Funds

Executive Summary: Based on previous years of public outreach, community feedback and Town-Center planning for the Tahoe Valley Area Plan, the concept to create a central Greenbelt feature was developed reflecting community input from public participation to improve connectivity for bicyclists and pedestrians, while providing lighting, bridges, public gathering space for public art, new recreational park improvements and features, drainage and public infrastructure to better serve businesses, residents and encourage new infill businesses development and housing, as envisioned in the Area Plan and regional plan Town Center approach to infill development. Floodplain improvements within the greenbelt area will provide climate change resilience through expanded floodplain capacity for future flooding scenarios and riparian habitat value.

Requested Action / Suggested Motions: 1) Receive status update on the Tahoe Valley Greenbelt Project; and 2) Pass a Resolution appropriating $706,442 in undesignated General Funds Reserves for the match required to secure $6.9 million in implementation grant funds from the State Water Resources Control Board for the Tahoe Valley Greenbelt and Storm Water Improvement Project.
Responsible Staff Members: Jason Burke, Complete Streets Program Manager, Hilary Roverud, Director of Development Services and Stan Hill, Engineering Manager

Responsible Staff Member: Jason Burke, Complete Streets Program Manager
Hilary Roverud, Director of Development Services
Stan Hill, Engineering Manager

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Tahoe Valley Greenbelt SWRCB Matching Grant.docx
02-Project Location Map.pdf
03-Greenbelt Concept Plan.pdf
04-Tahoe Valley Greenbelt Public Survey Results.pdf
05-Resolution-Tahoe Valley Greenbelt SWRCB Grant.docx
06-Presentation.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Tahoe Valley Stormwater and Greenbelt Improvement Project Update and Request for Appropriation of Grant Matching Funds

Location: Tahoe Valley drainage watershed, inclusive to the "Greenbelt" area located behind The Crossing (AKA "factory stores") at the South Y and the drainage watershed extending between west F Street down to Tahoe Keys Blvd (see Attachment 02 - Project Location Map)

Responsible Staff Member: Jason Burke, Complete Streets Program Manager (530) 542-6038
Hilary Roverud, Development Services Director (530) 542-6024
Stan Hill, Engineering Manager (530) 542-6039

Background: Based on the results of community participation, visioning and planning enabled under the Regional Plan Town-Center goals, City Council adopted the Tahoe Valley Area Plan on June 2, 2015, which includes the Tahoe Valley Greenbelt and Stormwater Improvement Project (Tahoe Valley) as a vital community and environmental improvement project. Based on feedback from the public received during the Area Plan process, and subsequent design meetings and public survey for the Greenbelt area, the project has been developed to provide the following benefits requested by the community and stakeholders:

- Improved connectivity for bicyclists and pedestrians between neighborhoods and Town Center amenities, including bridges over flooded portions of the trails
- Safety lighting that is dark sky compatible and improves safety for active transportation
- Area-wide stormwater treatment compliance to facilitate commercial and attainable housing development on Area Plan Town-Center parcels
- Public gathering space for public art and educational signage to provide enhanced amenities for increased residential development in and around the Town-Center
- New community park improvements and features to serve residents and visitors
- New bicycle and pedestrian path connections to the Y area and public gathering space to facilitate private investment on adjacent commercial and residential properties
- Expanded floodplain and Stream Environment Zone (SEZ) riparian habitat to provide for increased climate resiliency
- Natural treatment, permeable pavements, and source control to reduce sediment and nutrients carried in urban stormwater runoff, as required by the Lake Tahoe Total Maximum Daily Load (TMDL) and associated Municipal Stormwater Permit.

Due to the size and diversity of the overall project, the City has split the project into two phases in order to secure funding from a variety of eligible and applicable funding sources. The currently funded portion (Phase 1) consists of stormwater and water quality improvement work upstream (Bonanza neighborhood) and downstream (James, Eloise to Tahoe Keys Blvd.) with the Central Greenbelt Area (behind the Crossings) spanning from Emerald Bay Road at B Street to Hwy 50 at 4th Street.

Since Phase 1 is focused on removing nutrients and sediment from urban stormwater runoff, this portion of the project was funded by State Water Resources Control Board (SWRCB) Prop. 1 funds focused on water quality. Public Works staff plan to formally appropriate the SWRCB Prop 1. grant funds along with supplemental funds from the California Tahoe Conservancy (CTC) to award the construction contract at the next City Council meeting, pending timely turnaround of the final grant agreement documents by the SWRCB.

The central greenbelt portion still seeking funding (Phase 2) consists of public park amenities in upland areas surrounding areas of expanded SEZ restoration and a 'mountain meadow' themed meandering stormwater treatment system. Phase 2 includes new bicycle and pedestrian trails, two bridges of flooded portions of the existing paths, dark-sky compatible lighting, public gathering places and future public art locations. As a public green space improvement, the City recently submitted a grant application for the California Natural Resources Agency Prop. 68 Urban Greening Grant program, with results expected at the end of July. This phase has not yet been funded but will benefit from carrying forward any unused construction funding from Phase 1.

Issue and Discussion: In February 2021, the City was notified of the award from the (SWRCB), Proposition 1 grant award in the ***sum of $6,922,904***. The SWRCB Prop. 1 grant program typically has a 50% match requirement, but the City qualifies for a reduced 10% match as a disadvantaged community (DAC). In the March 16, 2021 staff report for the resolution authorizing a funding agreement for this project noted a need for a General Fund match obligation up to $769,212 in the Financial Implications. With help from a variety of funding sources, primarily TRPA mitigation funds, the local City match of $706,442 is currently being requested based on updated financial information. The Prop. 1 grant will cover all construction expenses for Phase 1. The funds will also cover a portion of Phase 2 construction.

For this project, the City has received large sums of federal and state assistance to scope, develop, conduct public and stakeholder meetings, complete environmental review and permitting, complete remaining critical acquisitions, and complete detailed 100% level engineering construction bid documents to attain a 'shovel ready' project status. In summary the City has directly received over $1.7M in federal and state grant funding, and approximately $2.25M in indirect support (acquisition and stakeholder outreach facilitation) needed to advance this project to shovel ready status based on feedback from the public and stakeholders.

Additionally, the California Tahoe Conservancy invested approximately $2 million in State funds towards completing critical acquisitions in support of the City's project and Town- Center concept envisioned Tahoe Valley Area Plan adopted by the City Council, including:

- Acquisition and demolition of the former South Y Lodge (0.81-acre parcel at 1120 Emerald Bay Road)
- Acquisition and demolition of the Psychic building and A-frame "Heads Up" smoke shop (0.5-acre site at 2122 Lake Tahoe Blvd.)
- Acquisition and demolition of the Tahoe Urgent Care building (0.5-acre site at 2130 Lake Tahoe Blvd.)

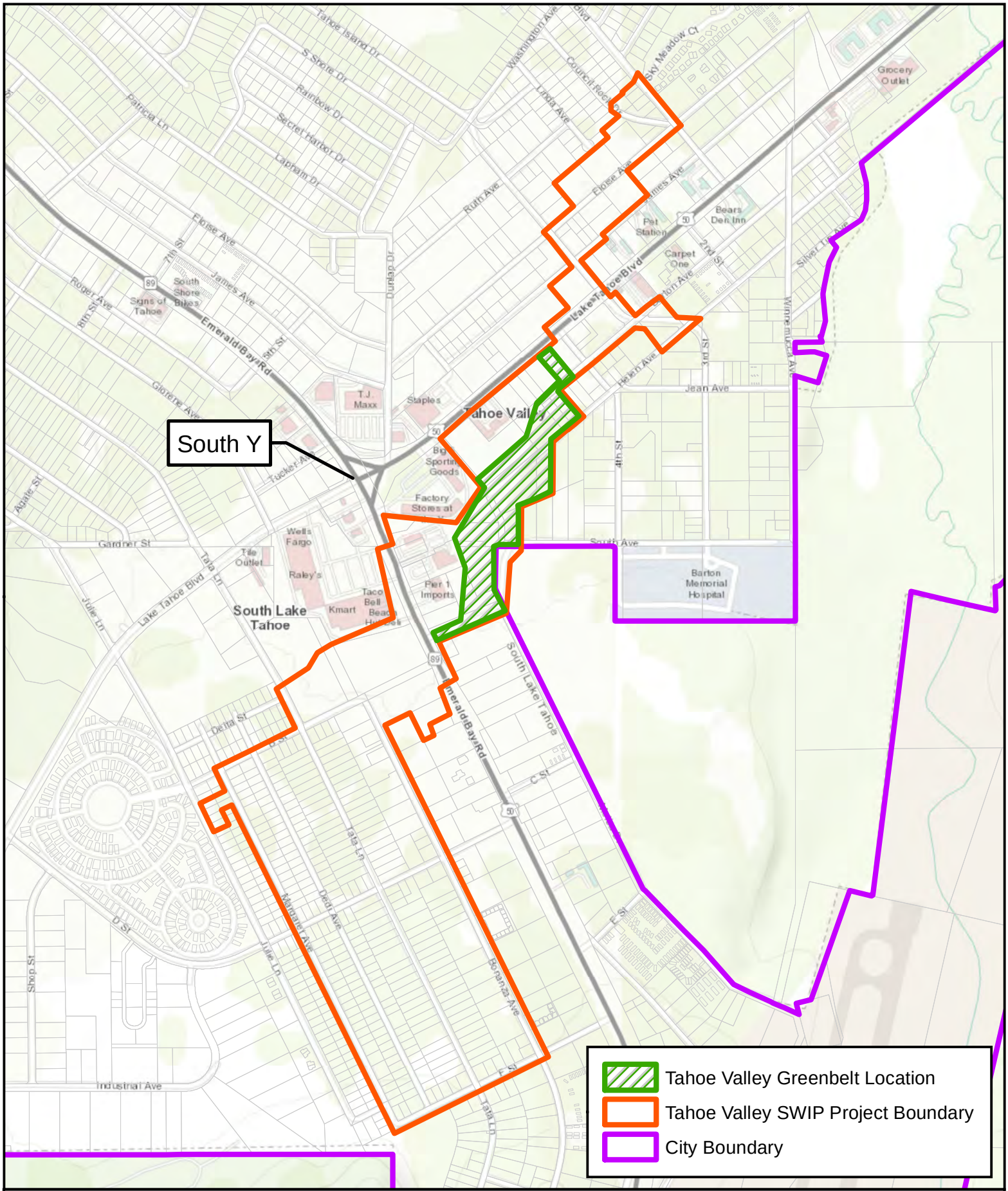
Financial Implications: Currently, implementation grant funding awarded to the Tahoe Valley Stormwater and Greenbelt Improvement Project is approaching final execution and approval of the construction contract utilizing the SWRCB Proposition 1 Storm Water Grant Program grant, requiring appropriation of $706,442 of the previously presented match requirement of up to $769,212. This grant match will enable to City to leverage upwards in $15M in grant funding for community and environmental improvements.

Environmental Considerations: The Planning Commission adopted the CEQA and Mitigated Negative Declaration for the Greenbelt and Stormwater Improvement Project on May 9, 2019, SCH# 20190292152. The Project TRPA and Lahontan permitting is completed and ready for construction of the Phase 1 Project improvements.

Policy Implications: Completing project improvements will assist with meeting the sediment and nutrient reductions mandated by the Lake Tahoe Total Maximum Daily Load (TMDL) program. Fulfilling mandated TMDL reduction goals will assist with maximizing residential housing allocations under TRPA Code section 50.5.2.E.2 (Distribution and Administration of Residential Allocations – TMDL Implementation). The Project advances the City Council Strategic Priorities and Goals, specifically:

- **Action Item 1.4 (Transportation)** to prioritize implementation of mixed-use recreational trails and Class 1 bike trails and closing gaps in the bicycle trail system.
- **Action Item 2.3 (Connectivity)** to facilitate implementation of trail infrastructure prioritizing the connection of bicycle and walking trails, from neighborhoods near the Greenbelt to the South Y commercial area and beyond.
- **Action Item 5.3 (Infrastructure and Maintenance)** by actively seeking funding to develop sustainable infrastructure projects, based on the prioritized capital improvement project list.

The project will also provide greenhouse gas reduction benefits, providing progress on Action #WB-1 of the 2020 Climate Action Plan: Improve bicycle and pedestrian networks.



CITY OF SOUTH LAKE TAHOE

Department of Public Works - Engineering Division

Tahoe Valley Storm Water Improvement Project Area Map

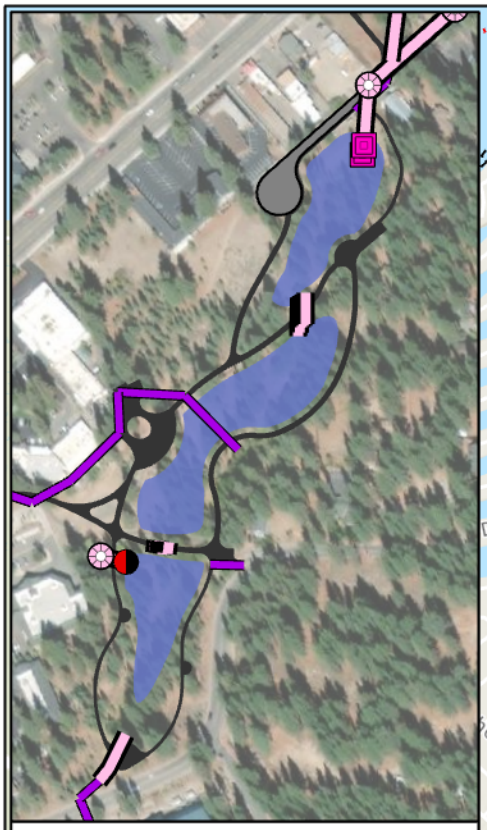
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Detailed view of Greenbelt

Water Flow

Eloise Basin
James Basin
Helen Basin
Central Greenbelt
Upper Greenbelt
Bonanza Basin
Dedi Basin
Margaret Basin
Upper Bonanza Basin

Tahoe Valley
South Lake Tahoe
Al Tahoe
Lake Valley
Gardner Mountain
Truckee Marsh
Tahoe Keys Marina
Barton Memorial Hospital
Lake Tahoe Airport

Upper Truckee River

Tahoe Keys Blvd
James Ave
Roger Ave
Clement St
Tata Ln
10th St
Taylor Way
Bellevue Ave
El Dorado Ave
Sierra Blvd
Stockton Ave
Lodi Ave
Carson Ave
Martin Ave
Rose Ave
Fountain Ave
Lake Tahoe Blvd
Julie Ln
Margaret Ave
Trainer Bay Rd

6243 ft
6265 ft
6368 ft

50
89

Proposed Infrastructure

- Drain Inlet
- Manhole
- Outlet
- Sediment Trap
- Standpipe
- Proposed Drain Pipe
- Road Changes
- Multi-use Paths
- Basins
- Existing Drain Pipe
- Existing Channel
- Benefit Area
- Service Area Boundary

CITY OF SOUTH LAKE TAHOE

Tahoe Valley Stormwater and Greenbelt Improvement Project
Stormwater Treatment and Benefit Areas

Public Works Department - Engineering

N

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CONCEPTUAL PLAN



TAHOE VALLEY GREENBELT

SOUTH LAKE TAHOE, CA • THE CITY OF SOUTH LAKE TAHOE

DESIGNWORKSHOP

June 2018

TAHOE VALLEY GREENBELT PUBLIC SUMMARY

JANUARY 2017



PREPARED BY

DESIGNWORKSHOP

128 MARKET STREET, SUITE 3E, PO BOX 5666
STATELINE, NV 89449
775.588.5929

TAHOE VALLEY GREENBELT | PUBLIC MEETING SURVEY RESULTS

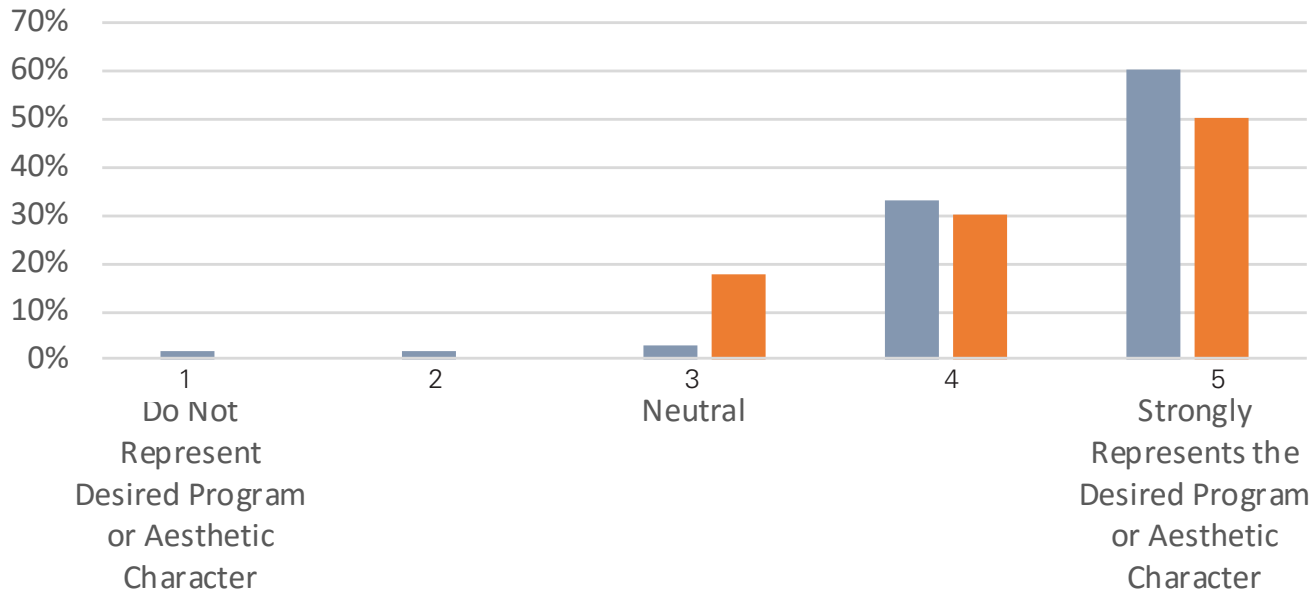
DECEMBER 14, 2016 PUBLIC MEETING

A public meeting was held on December 14th, 2016 to discuss preliminary concepts that were developed for the Tahoe Valley Stormwater and Greenbelt Improvement Project. Members from the City, Cardno and Design Workshop presented the project overview, stormwater alternatives, and recreational concepts. The intent of the public workshop was to gather feedback from the community in order to help inform the design moving forward. Twenty one people attended the Public Workshop and an additional 224 people responded to an online survey which was open to the public between 12/12/16 and 1/30/17.

online survey

public meeting

1. ON A SCALE OF 1-5, HOW WELL DO THE IMAGES ON PAGE 3 REPRESENT THE VISUAL CHARACTER AND PROGRAM ELEMENTS YOU PREFER FOR THE GREENBELT? (TRAILS, SIGNAGE, OUTDOOR SPACE, SEATING, ART, LANDSCAPE) (# OF RESPONDENTS = 235)



CHARACTER IMAGERY

Trails and Signage

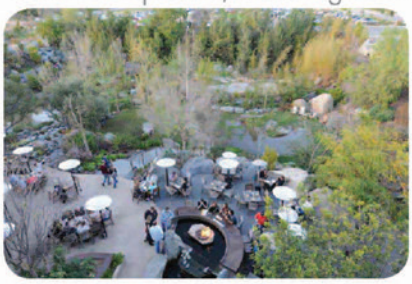








Outdoor Spaces, Seating and Art








Landscape Character

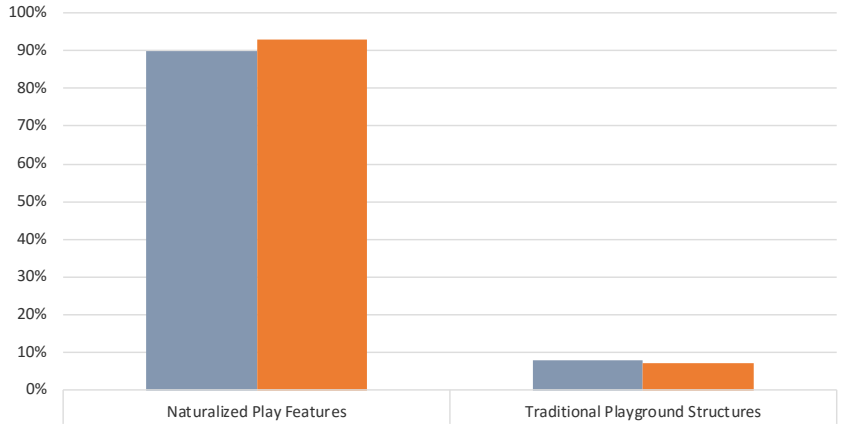




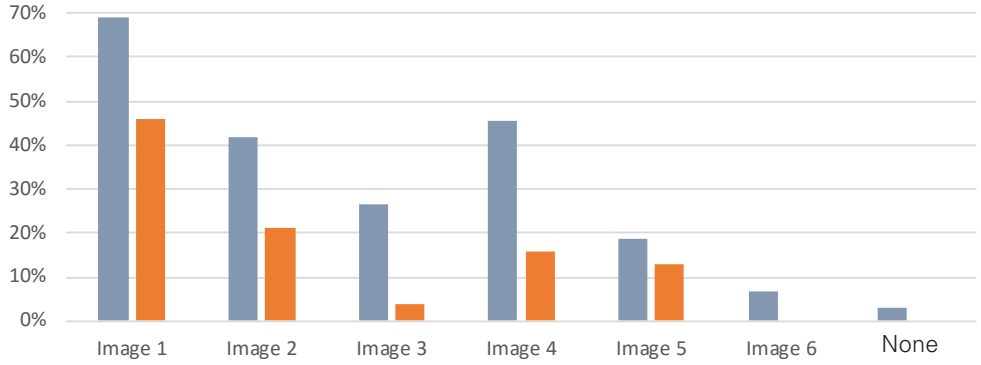
TAHOE VALLEY GREENBELT
SOUTH LAKE TAHOE, CA • THE CITY OF SOUTH LAKE TAHOE

DESIGNWORKSHOP
DECEMBER 2016

2. REFERRING TO THE IMAGERY ABOVE, WHAT TYPE OF PLAY ELEMENTS DO YOU PREFER FOR THE GREENBELT? (# OF RESPONDENTS = 230)



3. WHICH OF THE EXAMPLES BELOW REPRESENT YOUR PREFERENCE FOR THE VISUAL CHARACTER OF PLAY ELEMENTS IN THE GREENBELT? (SELECT ALL THAT APPLY) (# OF RESPONDENTS = 231)

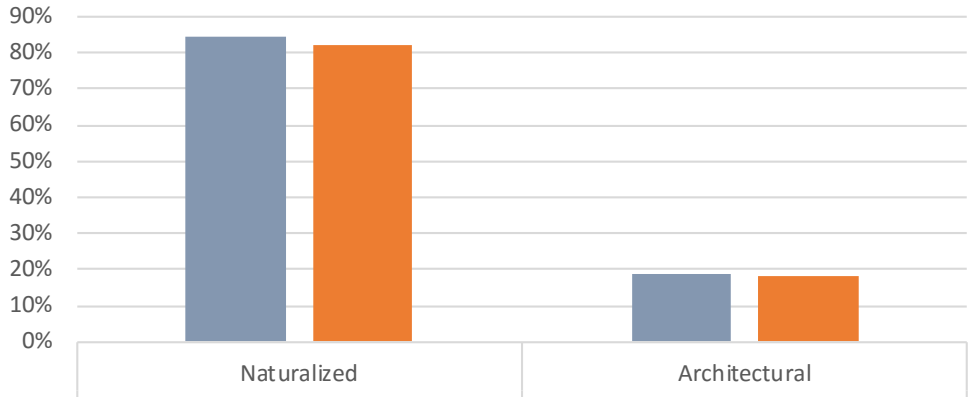


Additional Comments

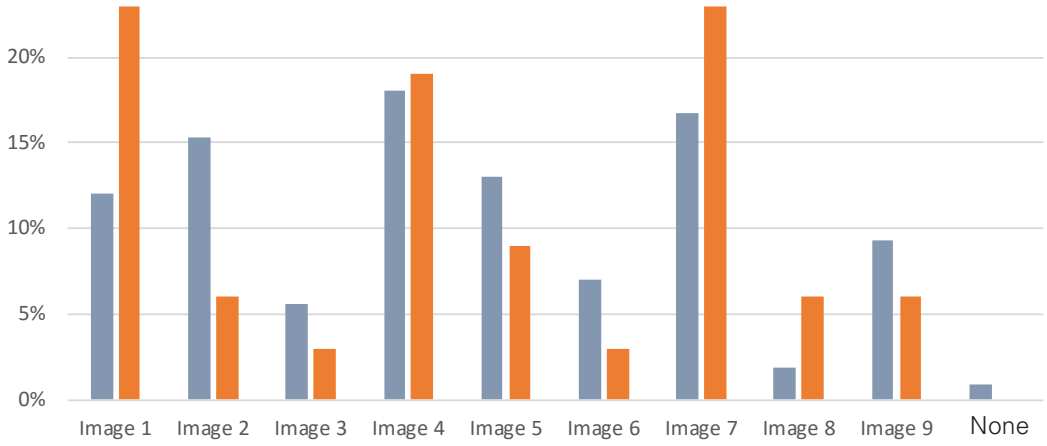
1. Slide and swings
2. if no bathroom, playground doesn't make sense



4. WHAT IS THE VISUAL CHARACTER OF STORMWATER ELEMENTS DO YOU PREFER FOR THE GREENBELT? (# OF RESPONDENTS = 232)



5. WHICH OF THE IMAGE(S) BELOW REPRESENT YOUR PREFERENCE FOR THE VISUAL CHARACTER OF STORMWATER ELEMENTS? (# OF RESPONDENTS = 231)

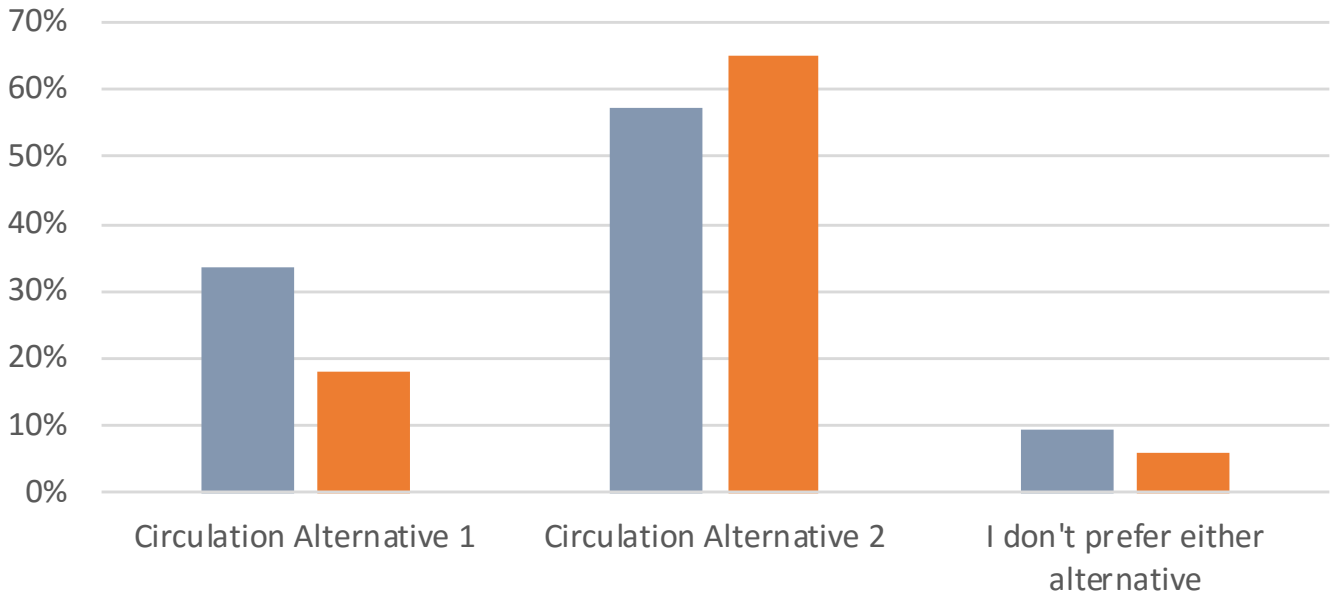


Additional Comments

1. Falling into the trench in image 3 would be a concern
2. Somwhere in between



6. WHAT IS YOUR PREFERRED CIRCULATION ALTERNATIVE ACCORDING TO THE IMAGES ON PAGE 7? (# OF RESPONDENTS = 227)

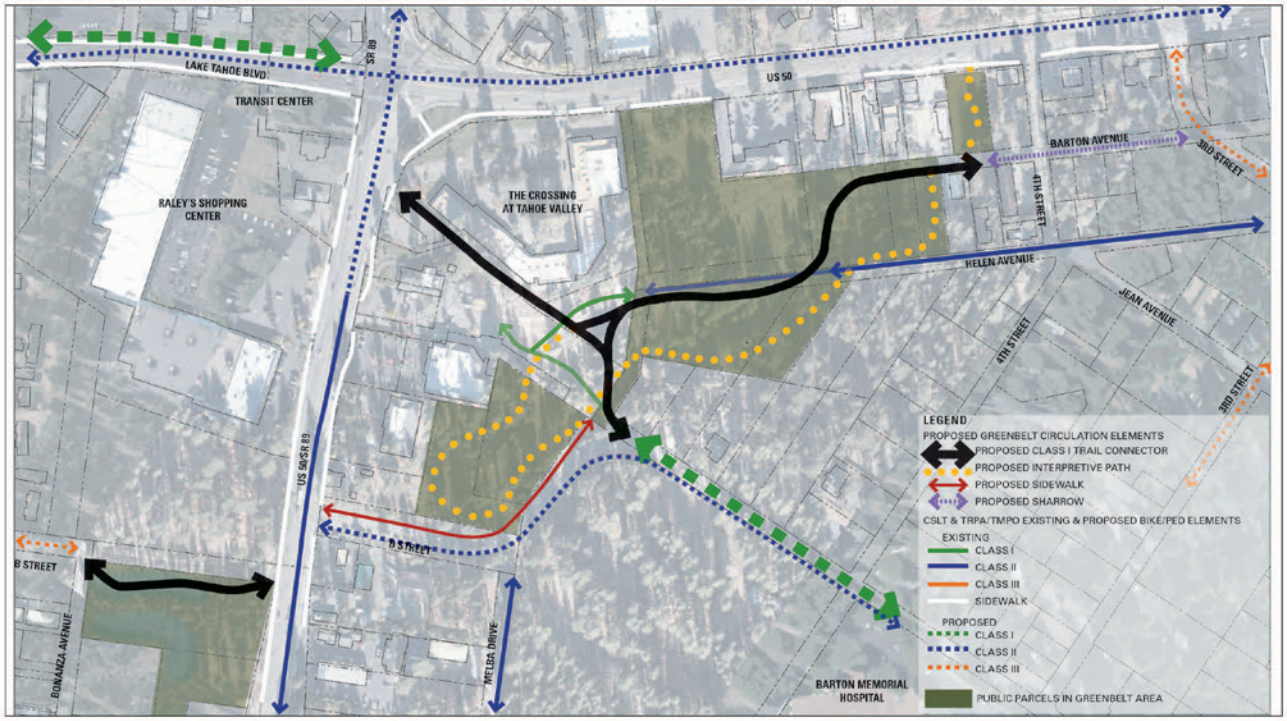


Additional Comments

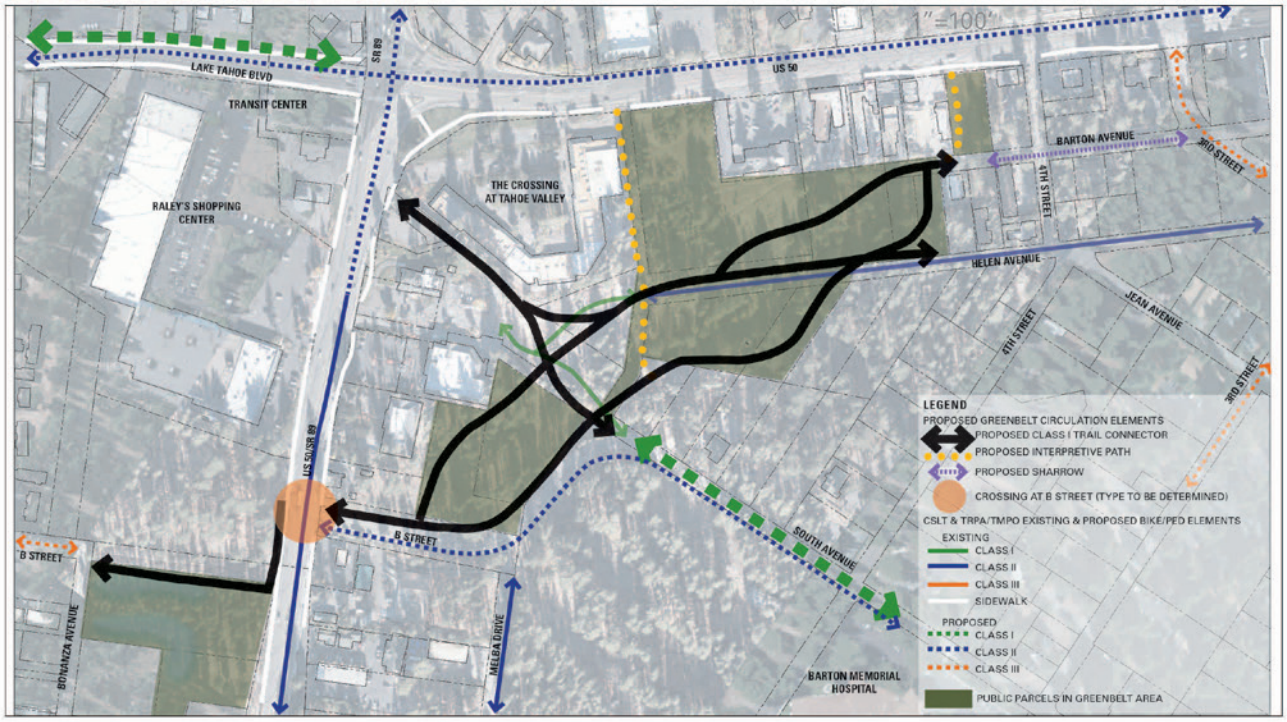
1. Follow current alignments
2. Or #1 with an added class I instead of proposed red sidewalk to 50 and need a crosswalk ped activated beacon on HWY 50
3. I don't see any significant differences
4. I just think there should be a good at-grade crossing for HWY 50, with features to slow speeds all the way from the Y

CIRCULATION ALTERNATIVES

CIRCULATION ALTERNATIVE 1



CIRCULATION ALTERNATIVE 2



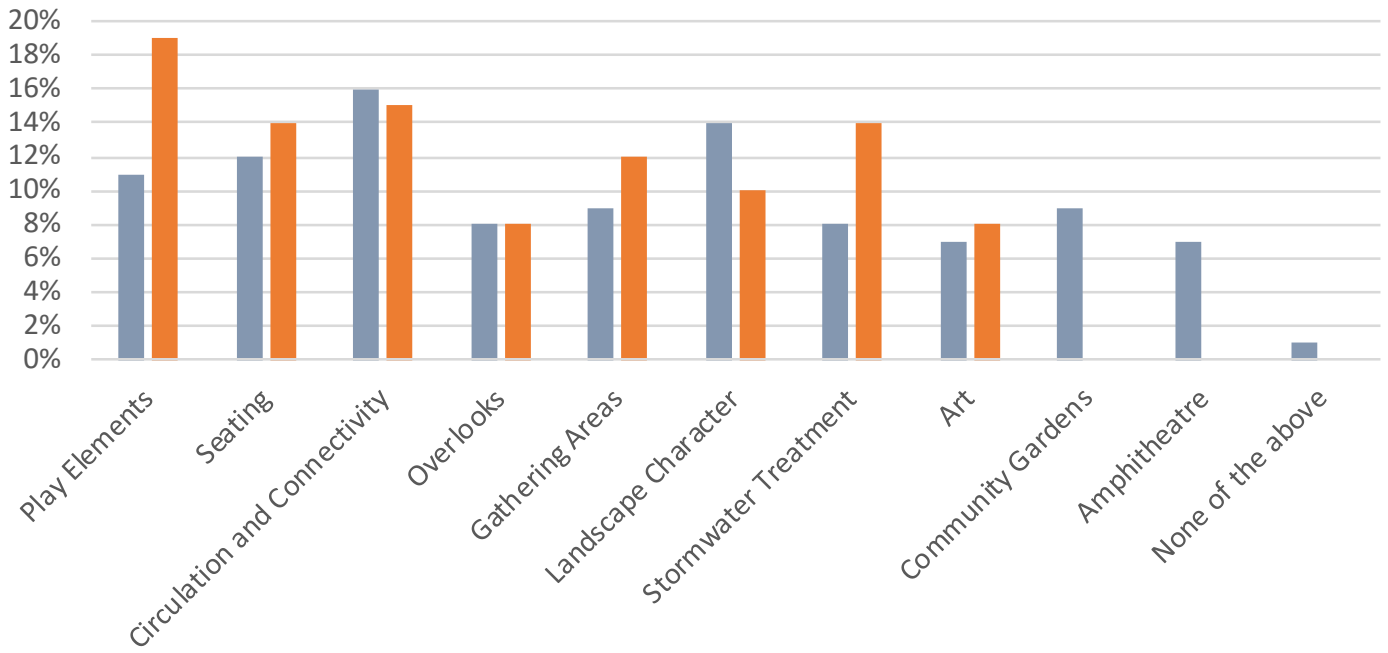
TAHOE VALLEY GREENBELT
SOUTH LAKE TAHOE, CA • THE CITY OF SOUTH LAKE TAHOE

DESIGNWORKSHOP
DECEMBER 2016

CONCEPTUAL ALTERNATIVE: MOUNTAIN MEADOW



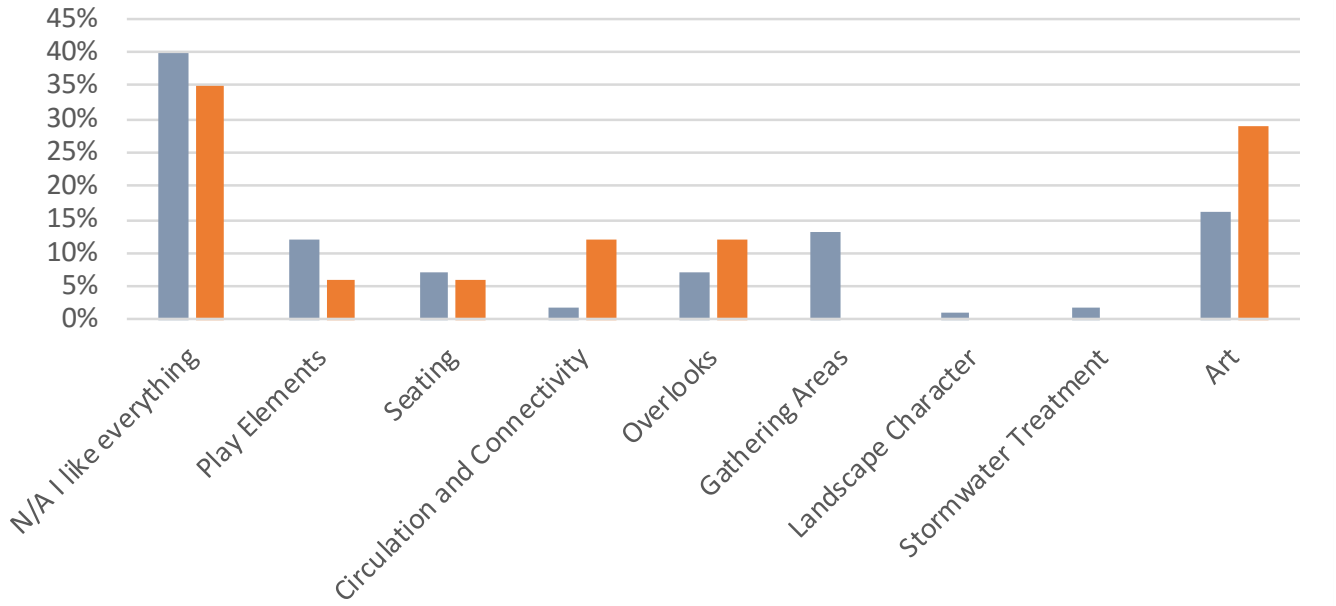
7. WHAT ELEMENTS OF THE CONCEPTUAL PLAN DO YOU LIKE THE MOST? (SELECT ALL THAT APPLY) (# OF RESPONDENTS = 218)



Additional Comments

1. Chess table
2. Perhaps consider artist painting on the building that would both blend in with the scenery and discourage graffiti.
3. Bike connectivity is my top priority
4. Bike pump track
5. Wow!! I hope this happens. I live in gardener mt w kids. It would definitely draw us out into the community.
6. Looks fantastic!!!!!!
7. I like most everything here. What about security or lighting? I would hate to see the homeless take this thing over. Also, is there a funding mechanism to maintain this?
8. maximize wetlands and natural undeveloped space
9. Keep it natural
10. how about fixing our roads
11. I like the overall appearance, but it seems like it is trying to be a park and a bike- and pedestrian-transportation route but is missing both marks a bit. I see little point in a playground in the middle (or at all) if there's no parking near it. I don't see families coming to use this park as it is depicted. Where is the amphitheater? I looked closely enough to see the bad parking job in the 2nd photo but not an amphitheater) would need parking, too.
12. more natural paths
13. Adult exercise- PAR course?
14. WHere are the adult play stations? We could use some workout stations for those of us who run and do cross fit - big kids play and need exercize too!
15. The artist rendering does a great job of blending the natural with the man-made. This concept does an excelland job of opening up the areas for loacl and tourist use. Critical will be the long term cost for maintenance of the area. Ensure the materials used are easily obtainable and maintainable given climate expectations.
16. adequate parking
17. openness of the central areas.
18. ped crossing on HWY 50
19. ped crossing on HWY 50
20. wayfinding

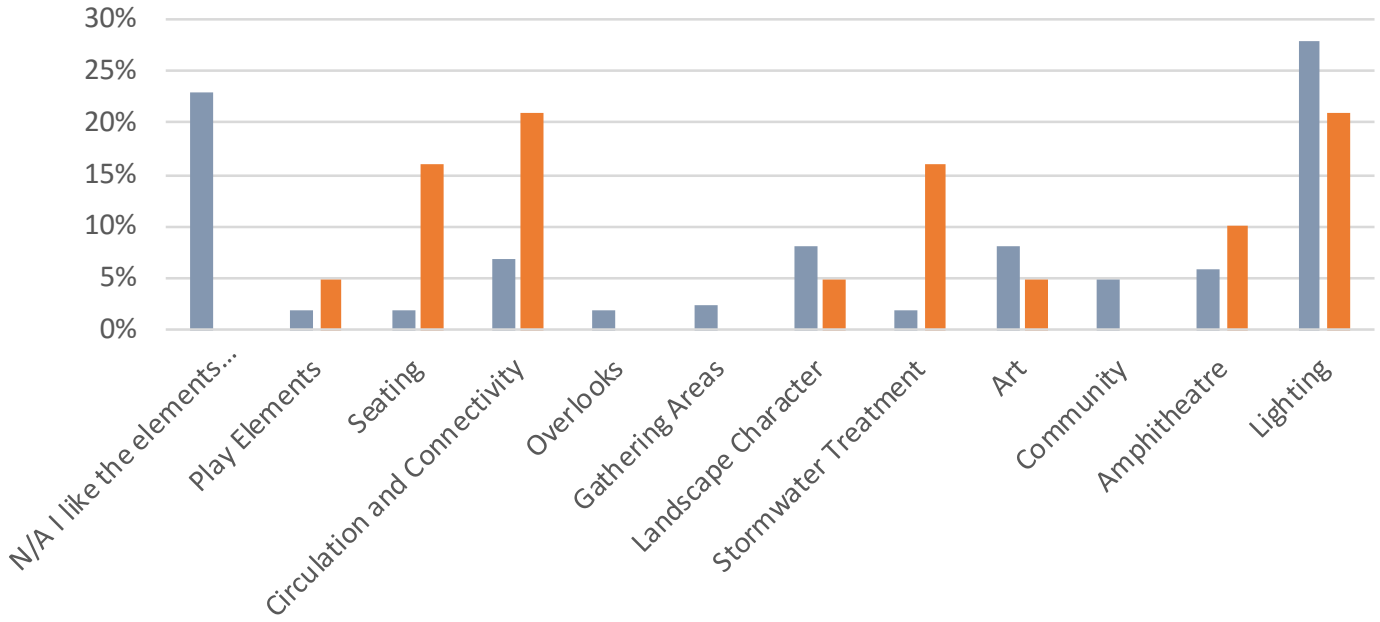
8. WHAT ELEMENTS OF THE CONCEPTUAL PLAN DO YOU NOT LIKE? (SELECT ALL THAT APPLY) (# OF RESPONDENTS = 176)



Question 8. Additional Comments

1. amphitheatre. Is this really needed? Too many gathering areas could be asking for trouble. Need to discourage motorized vehicles of any sort. Long sight lines might help discourage the wrong element from using this as a gathering place.
2. Nothing
3. Nothing jumps out as impressive. Needs more variety of plants and colors
4. I needs to connect into other (Improved) bike routes - Its almost a stand alone rather than part of community connectivity
5. Maximize Stormwater treatment and natural areas; minimize hardscape!
6. Some how at congested areas bikes need to be able to get around walkers and have signs for walkers to go single file like you want bikes todo
7. Amphitheater - what will it be used for?
8. Not handicap friendly. Needs handicap parking areas. In fact, it needs parking, period. Visitors will be filling up Raley's, MaiTai and other business' lots. need to make sure Barton Ave stays open
9. I dont like so many areas pathed. I think its better to keep it more natrual
10. appropriately sited, no not imposed, cohesive character
11. No community gardens
12. Love it!
13. Art seems to be missing
14. these conflict with optimum wetlands/natural retention
15. don't like the frog statue - it doesn't fit with nature
16. No play elements please (these are used rarely and add unnecessary cost and maintenance and liability). Just place a few granite rocks.
17. The elements are all nice. However, as I noted above, I don't think the layout will attract people. Some of the park's attractions should be visible (and eye-catching) from outside the park.
18. less pavement, less tree clearing = slower snow melt / run off
19. Less parking and more bike racks. Also, a bus stop? Make highway crossings safe for peds and bikers.
20. They all look great - not too much concrete please! Love the art.
21. Ensure the artwork can be periodically modified to reflect Tahoe community values, if needed. overlooks seem like a waste in an area like this
22. I don't see people using a plaza right on 50 unless, possibly, there was an associated eatery.
23. Connectivity down 50 (without going throught the Y) is essential, but plan 2 seems to duplicate the bike paths a bit. Maybe better to have one clear path for peds and another for bikes?
24. Ampitheater.... unless really used like the commons I dont think this is necessary.
25. not "natural" enough - too developed
26. Room for a small amphitheater and seating?
27. I like everything shown but it would be nice to see more future/planned path connections (across 50 @ B street, across 50 to bike path @ 3rd or 4th, crossing Truckee and connecting to Greenway near Barton Hospital).
28. no bathrooms
29. need to consider transit park and ride facilities
30. bench style is dull

9. WHAT ELEMENTS DO YOU FEEL ARE EITHER MISSING FROM THE PLAN OR MORE OF THE PROGRAM ELEMENT NEEDS TO BE PROVIDED? (# OF RESPONDENTS = 183)



Question 9. Additional Comments

1. The use of native/ drought resistant plants would be great! I'd tags for the species as a learning element. Plaques explaining what the stormwater bmps are doing and why they are so important
2. Signs explaining history and landscape
3. Bathrooms
4. Restroom facilities
5. Why doesn't alternative #1 have a bike trail connection to B street (only a proposed sidewalk is listed)?
6. Stroller & bicycle parking at play areas and seating areas
7. drinking water fountain
8. separate pedestrian walkways from bike ways (don't walk in the bike lane)
9. Signs that say watc out for bikes
10. Connections to the South Tahoe Bikeway, possibly via additional bike/ped crossings of Highway 50 east of the Y.
11. Bike pump track
12. Handicap and regular parking.
13. Demonstration gardens
14. need to make sure Barton Ave stays open
15. disc golf practice areas, mini-courses targeting beginners and youth and signage with map/mileage to local course(s) and explanation of the game, how to play and get involved....
16. bathrooms, turf area for family play, consider a dog run because this area is likely mostly used by locals.
17. convenient connectivity to existing bike paths north of Y
18. Conceptual plan does not indicate how you cross Hwy 50 safely or how it will connect with other existing trails.
19. our roads need to be taken care of first
20. Definitely need lighting at key areas of the bike path.
21. I am a strong proponent of active transportation but where are the users of the park going to come from in this case? A block off 89 and 50, you're going to have to have parking for any attractions. Otherwise, consider focusing on the active-transportation route aspect, making the route through the greenbelt/ wetland clear and skip the playground and amphitheater ideas. If you do have plans for adequate parking, I'd think about designing in a space for a farmers' market.
22. adult recreation
23. Security for the area due to homeless population that could use the area for outside camping as the area is know for that behind McDonald's and CVS
24. Outdoor theater space or amphitheater?
25. water bottle refill stations
26. Vendors
27. Recreational elements. How about a giant chess set, bike racks next to seating areas or a designated walking route to encourage exercise?
28. Maybe a "gateway" to South Lake feature, especially if it could incorporate a pedestrian/cyclist crossing of the highway. Less parking and more bike racks. Also, a bus stop? Make highway crossings safe for peds and bikers.
29. safe busy road crossing
30. PAR course features spaced throughout

Question 9. Additional Comments - Continued

31. Adult exercize stations http://www.nytimes.com/2012/07/01/nyregion/new-york-introduces-its-first-adult-playground.html
32. Lake Tahoe is slowly becoming a 18-24 hour tourist community. Due to the proximity of this area to businesses appropriate lighting should be considered for evening activities or gatherings.
33. plentiful parking
34. lighting huge issue for safety as well as people vandalizing it & doing illegal activity
35. Water fountains
36. places to secure bicycles; water fountains, etc. There should definitely be some kind of key focal point where people will want to get a photo...
37. dog park-area
38. Keep separated and distinct the (paved?), most direct bike commuter route and the (packed dirt?) leisure/walker/family route.
39. Really want to see lighting at night here
40. Parking?
41. And outdoor concert venue would be amazing
42. Where is the art? How about a sculpture or other art piece?
43. What is presented looks great, I am just curious about larger connections to other paths and parts of town.
44. A very small place for local music. 20 -30 people.
45. native plant demos
46. class 1 bike path
47. more sidewalks around 3rd street
48. missing frequently used path from the pharmacy to the crossing
49. need safer crossing at B st. and Hwy 50
50. too many gathering areas
51. dog run

Additional Overall Comments

1. Are bikes allowed? Will they be on the same trail as walkers. Would be nice to separate them.
2. Thanks!
3. Your doing a great job
4. Looks terrific!
5. I would like to select both for questions 2 and 4 and select multiple playground and storm water images.
6. Great job everyone - enjoying all the redevelopment and growth going on in the city!
7. Some kind of crossingnear B street is imperative. Jaywalking is a common issue in this area, and it would greatly benefit the connectivity of the Y community.
8. Great plan, looking forward to utilizing the new spaces.
9. So excited!
10. Would like to see more bike/run trails separate from roadways! Would like to connect around the lake
11. It is great to connect people to nature- natural wetlands, meadows and stormwatervtreatment through infiltration, and vegetation
12. "I,m concerned on who will do the maintenance on all these projects once they are built. As a highway maintenance worker in Meyers it is almost impossible to maintain the little things we have now, such as our roads, drains, and catch basins in and around Tahoe.
13. All these items you have listed are a great idea, but we need to be able to maintain them as well. The Commons for instance is one that does not get maintained well and is already looking in bad shape.
14. So please look to who will maintain these projects. "
15. I don't live in Tahoe but I'm a Busness that supports you. I'm there riding about 6 times a year just to ride. I love what you guys do and so that's why I send you money because I use your trials. I wish nv would fix there side. When I ride around the lake my life is in danger on the nv side.
16. I like the ideas presented...
17. "More art - consider a musical park - http://freenotesharmonypark.com/
18. like in Moab at the rotary park."
19. Not immediately sure where parking opportunities exist with the plan. Also, I get confused with the characteristics of class 1, 2, and 3 paths.
20. Safe connectivity to the bike trail across Highway 50 that leads to Taylor Creek, Fallen Leaf Lake, and Emerald Bay.
21. We need more homeless shelters first. Otherwise, the homeless will be drawn to this area as they have to The Commons.
22. Thank you for being bold and brave enough to imagine and present such a wholistic and revitalizing plan to our community.
23. I am very excited about these coming changes!
24. "Need to make sure that existing businesses in town are not affected by the greenbelt
25. ie: Barton Ave needs to remain open"
26. Since it is out of view from highway 50 the homeless problem in summer will be an issue. The bike path behind the lumber store near Al Tahoe had about 20 homeless people camping along it this summer.

27. Please carefully review the comments submitted to the South Shore Parks, Trails and Recreation Plan submitted in November 15 regarding disc golf, signed by Mike Plansky, William McKissock, Scott Prescott and Damon Kixmiller. It provides a fairly comprehensive overview of disc golf can serve the community through accessible recreation, environmental participation, sustainable trail-building, youth recreation programs and regional tourism strategies.
28. Looks nice overall. Not wild about overly geometric paved areas. Would prefer mor naturalized.
29. It would be great to incorporate some public art like the town of Yountville, CA has done along public walks.
30. I am curious about what South Street from the hospital to the greenbelt will look like.
31. Artwork and lighting would be good. Please build this, but please maintain it if it gets built!
32. crossing 50 south of Raley's seems unrealistic and dangerous. Maybe the lot south of Raley's is a dog run.
33. SLT needs to enhance development of more such open areas. Use Tahoe Meadows as an optimum paradigm
34. Looks good. Settle on design and get started ASAP. Please link to other existing trails. Use some of project funds to tear acquire land and tear down eyesore buildings around Y and along Hwy 50 (there are many)
35. Keep it natural like the beauty of Tahoe
36. impact on neighboring areas
37. "Already commented in the prior questions.
38. In full disclosure, I am not a SLT resident, but rather a frequent visitor."
39. There needs to be more "critical mass" to attract people to this area and keep it from becoming a homeless encampment.
40. Tahoe is naturally beautiful. People walk/bike trails for this reason. Keep the pavement for the roads. If you make the trails more natural, it will slow things down, mellow the atmosphere of the area. People flood the local meadows to escape the hustle. For bike commute it would be just as easy to stay on the sidewalks along 50 where you would need the crosswalks to move around the Y anyways. As a destination that would promote people getting off their bikes, and walking them instead of colliding with walkers. Less fast pace movement = less stress = more pleasant community. That is why people live here, and not in big cities.
41. may promote illegal camping, needs ample lighting. Parking?
42. Awesome work so far - thank you. A focus on making it a community gathering place (like Lakeview Commons) and accessible by bike, foot, and bus (including safe highway crossings) would be a huge benefit to both residents and visitors (this is the main gateway to South Lake).
43. Slide 5 only allows 1 choice. I've crossed that intersection many times as a pedestrian. I would prefer a crossing someplace other than the main intersection with signals
44. Despite the Tahoe Coalition Warm House, I feel that seating benches and pergolas will invite the homeless to camp out there. They currently are, being that it is well secluded. More lighting is crucial.
45. This is great and we are excited to make it easier to not drive in SLT! The concepts are beautiful! Please add Exercise stations for adults along the trails. Kids play areas are great but we need to encourage adults to stretch, do step ups, and other exercizes to get/stay in shape and this is the perfect opportunity to scatter then along the trails so we can run/walk and do an exercise. The stations do not need to be big! They have these in San Diego scattered along the walking paths and they are great and used constantly!
46. transients will use any developed facilities, therefore they should be left out!
47. I really wish we could improve the area behind my house at the dead end of Chonokis. It is heavily used by everyone as a dog feces catch all with no trash or or dog bags offered. It's beginning to smell really bad when the wind blows. Also, I am surrounded by low income properties and the bad behavior that accompanies it. Also, this area has a high concentration of homeless transients. More patrols via forestry as well as local PD would be much appreciated.
48. These types of community transition areas between business, residential, tourist activities are very important to opening up the entire Lake Tahoe community to locals and visitors while preserving the natural beauty of the Tahoe Basin. These types of areas also promote community volunteer efforts to keep the communities clean and managed. Hopefully a visitor will eventually be able to transit from South Shore to North Shore via these types of transition areas without ever getting on Hwy 50 or 89.
49. parking areas are ugly and use a lot of space yet are absolutely necessary
50. are there public bathrooms & drinking faucets?
51. Lighting would be very important especially in the winter, when it gets dark at 4:30pm
52. Love the idea!!

TAHOE VALLEY GREENBELT | PUBLIC MEETING SURVEY RESULTS

Overall Additional Comments - Continued

53. Thank you - looking forward to the area getting improved. Please keep it family friendly as opposed to a "party" hang-out for drinking etc. - thx much
54. The crossing(s) at 50 is/are key. As it is, a pedestrian at 50 has several long wait times if going diagonally across the intersection, and has to worry about cars which have barely slowed turning right. Visibility is poor on the TJ Maxx corner. The crossing are too quick for some walkers and uncomfortable for the rest of us. Realistically, to stitch together the various shopping centers means making it more enjoyable and fast for the pedestrian by using traffic calming, or other strategies.
55. Although art is a nice compliment, I don't think it is a necessary cost. The natural elements of Lake Tahoe provide plenty of "art" I believe.
56. Really excited for this! I live on Helen right by this development, and I'm excited for more open space and better pedestrian/bike connectivity. Right now, we drive too often to the Y. This will change that.
57. Will it be well lit at night? Could there be emergency call towers, much like they have on college campuses? (It won't look very natural, but that area can be so remote at night...)
58. Please build this! Our community is starving for more connectivity, outdoor activities and visually pleasing recreation areas that provide stormwater treatment!
59. PLEASE PLEASE PLEASE make this happen, our community has so much potential and this would be another great change.
60. Long overdue.
61. I cannot wait to see this implemented!
62. Great idea
63. The more places that are built for people to sit around or gather, the more opportunity there will be for people to damage the environment. I thing a path with limited places to stop would be best
64. It will look better if not over-developed. Play areas should be as natural as possible. Remember kids will play with an empty box. They don't need fancy equipment. Keep it simple. Simple is classy overdone is vegas!!
65. I love this idea! Please make this project happen!
66. Would love to see it extend further up 50 to the meadow near Sierra Tract.
67. 100% for this project.
68. add crossings at HWY 50
69. add sharrows on Melba to Campground
70. wood play features double as art
71. too many overlooks, never seen people using the benches along Kahle path
72. needs crossing at Hwy 50 and B St.
73. love the open section behind the crossing
74. Consider a taller feature for an overlook such as a viewing mound
75. maybe a tunnel under HWY 50
76. Bike lanes or bike boxes at the intersections
77. Show how this connects to the South Tahoe bikeway

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Appropriating Undesignated General Funds Reserves in the Amount of $706,442 in Grant Match for the Tahoe Valley Greenbelt and Storm Water Improvement Project

BACKGROUND

A. City Council adopted the Tahoe Valley Area Plan on June 2, 2015, which included the Tahoe Valley Stormwater and Greenbelt Improvement Project (Tahoe Valley) as a vital environmental and community improvement project to support housing, infill, and community development in the Tahoe Valley portion of the City.
B. The Tahoe Valley Stormwater and Greenbelt Improvement Project is included on priority lists and plans for watershed and water quality improvements projects under the Lake Tahoe basin Environmental Improvement Program (EIP #01.01.01.0033).
C. On March 1, 2016, City Council authorized Public Works to submit Proposition 1 grant applications for the Tahoe Valley project (Resolution 2016-11).
D. On July 2, 2020, the Public Works Department submitted a Proposition 1 grant application to the State Water Resources Control Board (SWRCB) for implementation of the Project.
E. On February 16, 2021, the City received a letter from the SWRCB announcing a Proposition 1 implementation grant award for $6,922,904 with a 10% local match requirement.
F. On March 16, 2021, City Council authorized a funding agreement with the SWRCB, and authorized and designated the Director of Public Works to sign the funding agreement, amendments, and requests for disbursement on behalf of the City (Resolution 2021-017).
G. Of the requested appropriation of grant matching funds, an additional $14,152 will be needed for upfront payment for eligible reimbursement expenses through the Franchise Utility fee agreements upon completion of underground utility relocation work during project construction.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Does hereby authorize modification of the Annual Operating and Capital Improvement Budget for Fiscal Year 2021-22 and appropriates the required matching funds into the budget as follows:

REVENUE
301 40030 Revenue (36300) Transfer in from General Fund Grant Match Set Aside (+) 706,442*
($14,152 needed to load budget upfront for reimbursement later through Franchise Utility fee for STPUD and underground utility relocation work)

EXPENSE
301-40030 Expense (48030) Tahoe Valley Stormwater & Greenbelt EIP Construction (+) 706,442

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

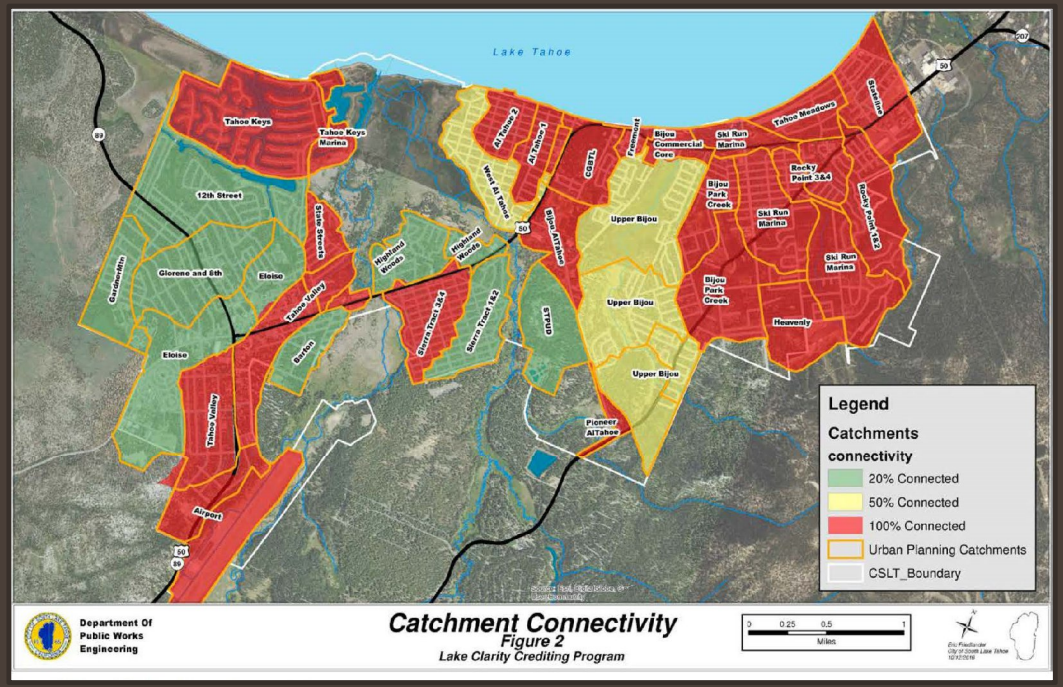
The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

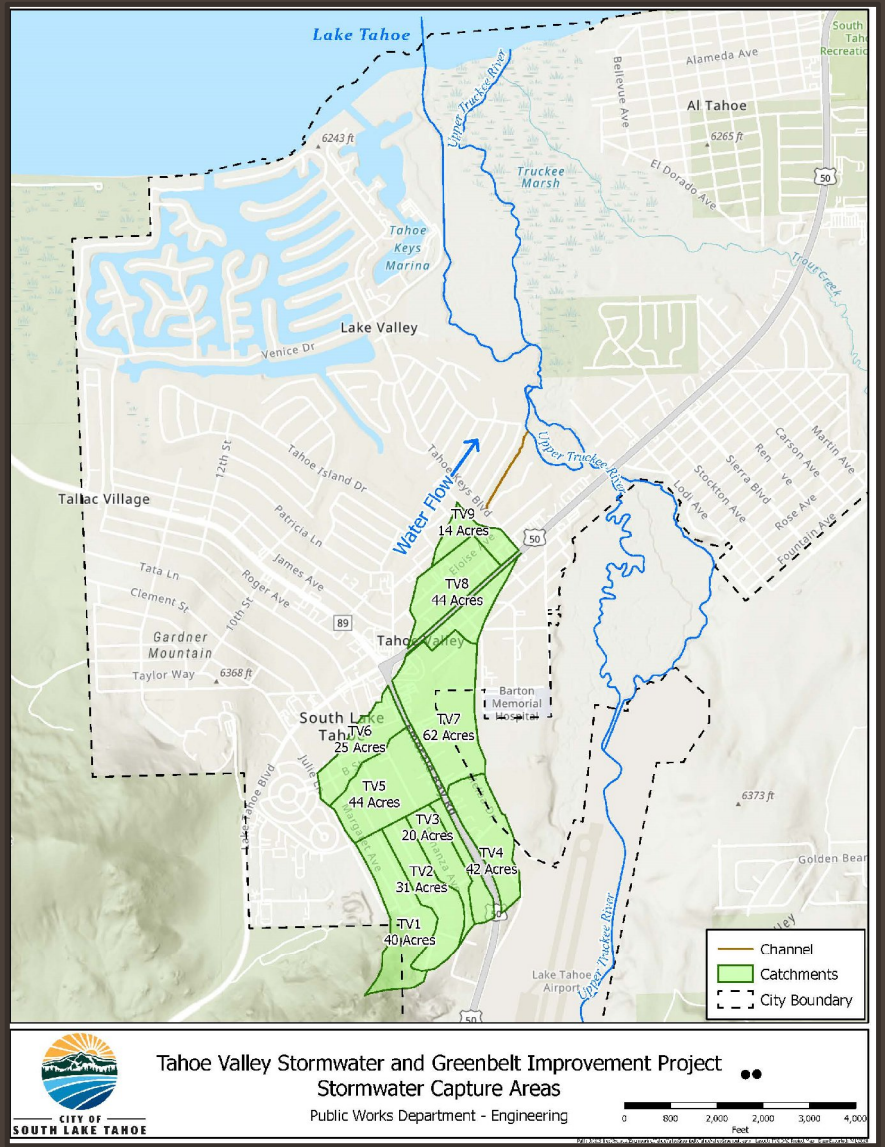
Update and Match Request: Tahoe Valley Stormwater and Greenbelt Improvement Project



Tahoe Valley Stormwater Improvement Project







Current Condition

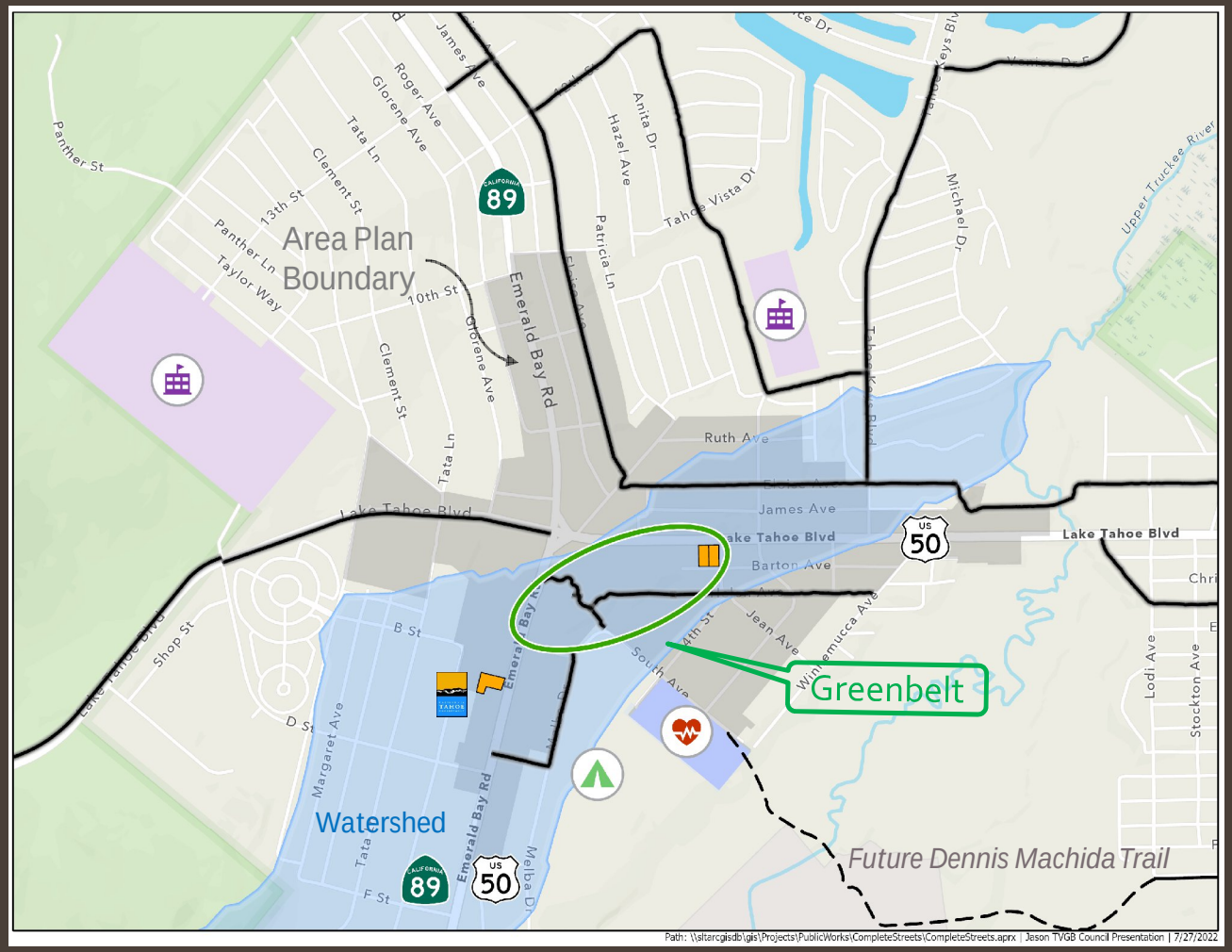






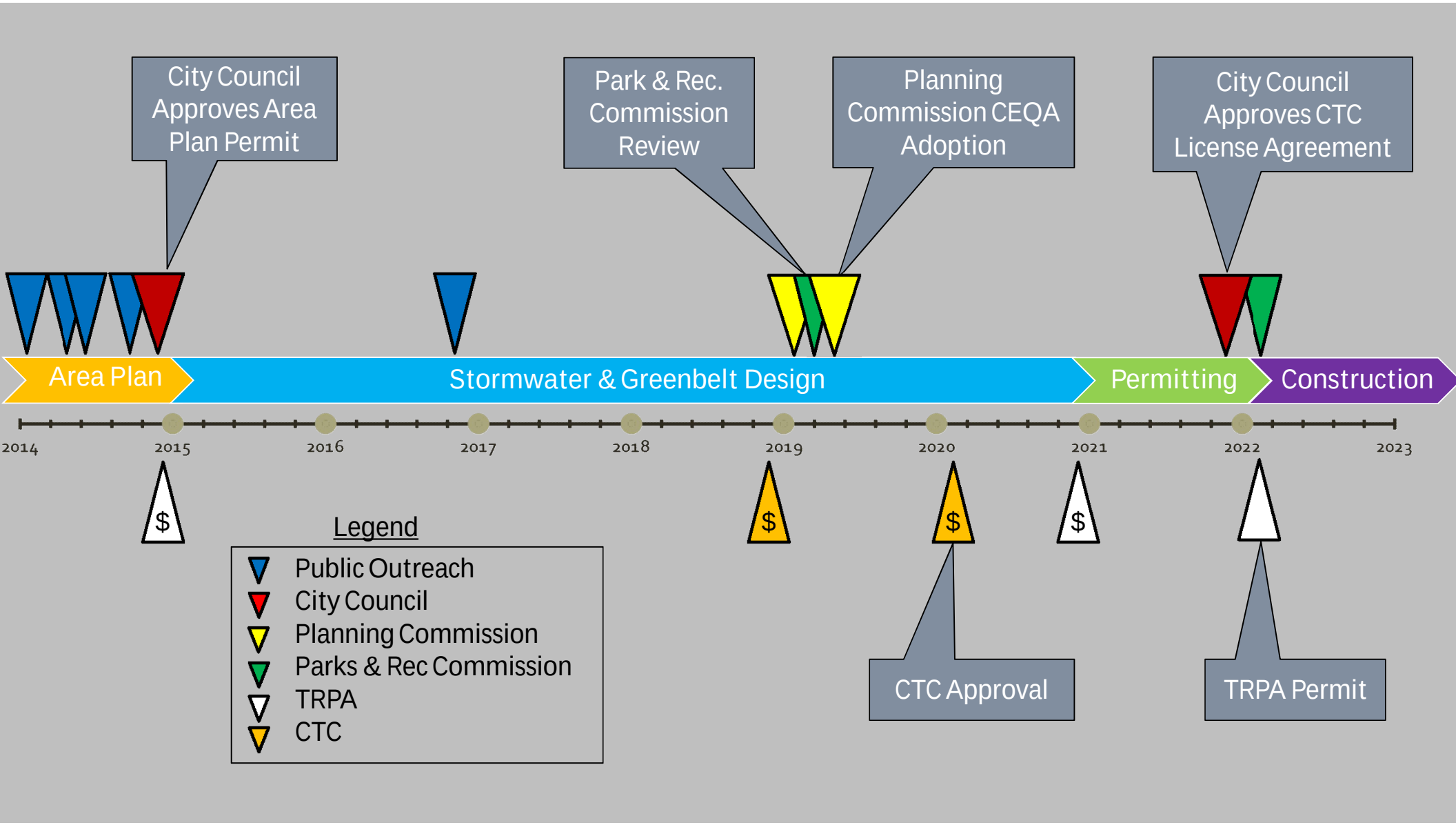


Bike Network Connectivity








City Council Approves Area Plan Permit
Park & Rec. Commission Review
Planning Commission CEQA Adoption
City Council Approves CTC License Agreement
Area Plan
Stormwater & Greenbelt Design
Permitting
Construction
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
$
$
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Legend
Public Outreach
City Council
Planning Commission
Parks & Rec Commission
TRPA
CTC
CTC Approval
TRPA Permit

Public Engagement

TAHOE VALLEY AREA PLAN
GREEN BELT STUDY AREA
PROPERTY OWNERS WORKSHOP

TUESDAY, SEPTEMBER 30TH, 2014

Tahoe Valley Greenbelt and Stormwater Improvement Project
Wednesday, December 14, 2016 at 5:30 P.M.
City Council Chambers
1901 Airport Road, South Lake Tahoe

ÚNASE A NOSOTROS PARA UNA JUNTA PÚBLICA
Sobre el diseño de Tahoe Valley Greenbelt

Miercoles
Diciembre 14th
5:30 PM – 7:30PM

CITY COUNCIL CHAMBERS
1901 AIRPORT ROAD
SOUTH LAKE TAHOE

Public Engagement

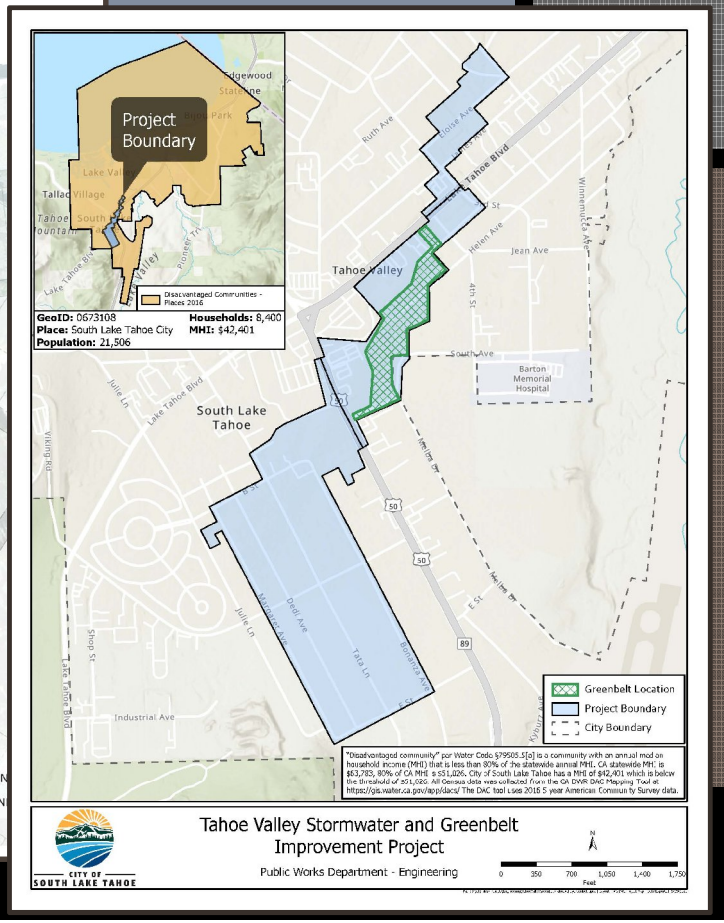
80-92%
of respondents supported or strongly supported the Greenbelt's proposed program and visual character



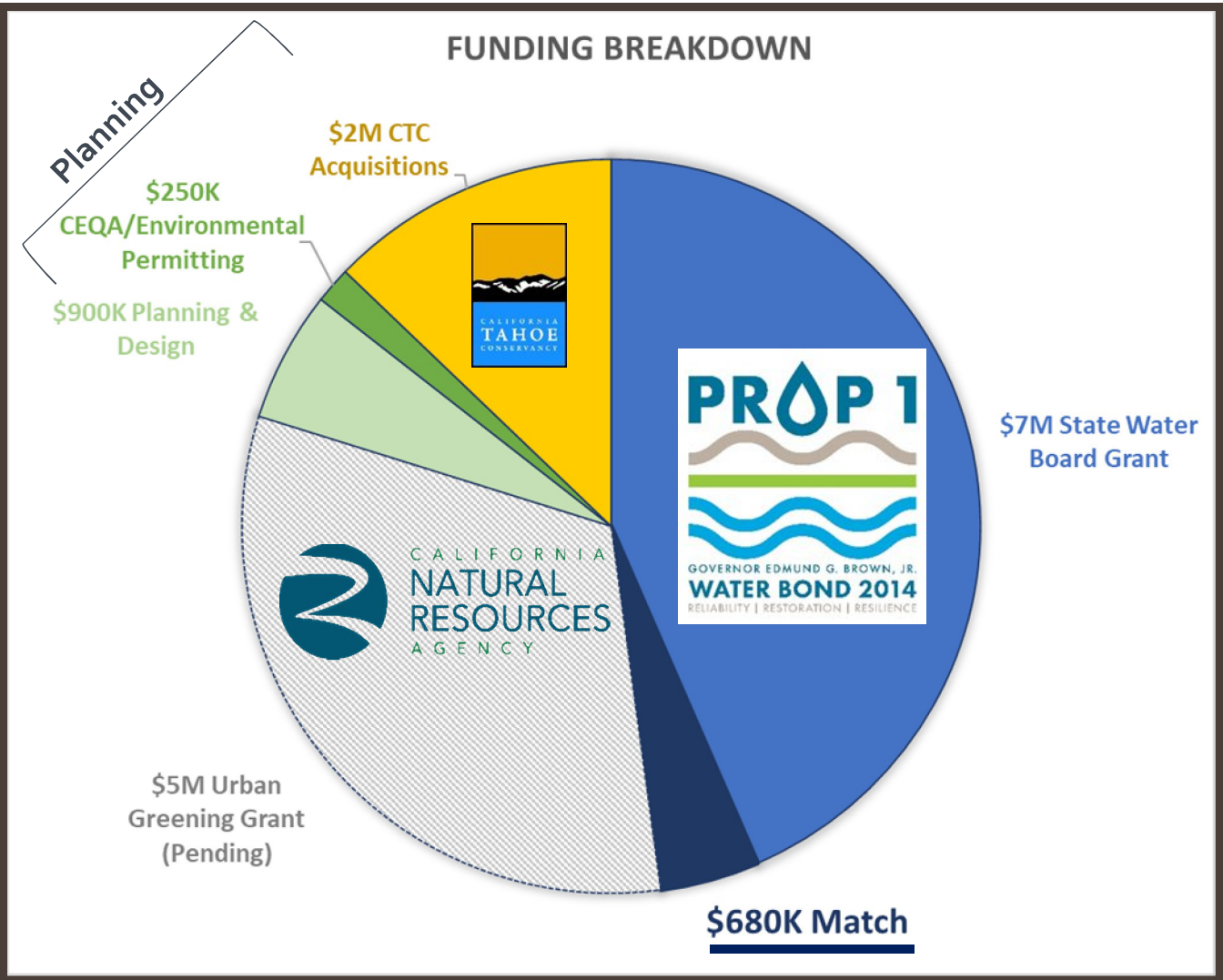
Grant Funding Priorities

CONCEPTUAL PLAN





Grant Match Request



Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board using funds from Proposition 1. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

Questions?

Thanks to our project partners….

Agency Stakeholders

















Private/Non-profit Stakeholders









Local Residents

Business Owners

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 17

Agenda Item: American Rescue Plan Act of 2021 (ARPA) Funding Appropriations

Executive Summary: On January 6th, 2022 the U.S. Department of the Treasury issued the Final Rule for the State and Local Fiscal Recovery Funds (SLFRF) program. The final rule provides state and local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so the government can focus on responding to the crisis in the communities and maximizing the impact of their funds. In addition to several expansions to the statutory categories of uses, it provided the option to elect a standard allowance for revenue loss rather than calculating revenue loss through the formula. Under this option, Treasury presumes that up to $10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund "government services." On February 1, 2022, the City Council through Resolution 2022-019, elected the provision of a "standard allowance" for the $5,309,994 allocated to the City to spend on government services through the period of performance.

The balance from the second tranche the City received in July 2022 is $2,654,997 Staff is proposing to transfer these funds to the General Fund under the provision of revenue loss and use these funds for government services towards the Fire Station 3 remodel and the Al Tahoe Bijou Area Plan. Staff will bring these project forward to City Council for budget appropriations as soon as the projects scope of work are developed.

Requested Action / Suggested Motions: Pass a Resolution authorizing transfer of remaining $2,654,997 in American Rescue Plan Act (ARPA) funding to the General Fund under the statutory category C, Revenue Loss, for the provision of government services.
Responsible Staff Member: Joseph Irvin, City Manager

Responsible Staff Member: Joseph D. Irvin, City Manager (530) 542-6043

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report - ARPA Funding Appropriations.docx
02-Resolution_-_ARPA_Appropriations.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: American Rescue Plan Act of 2021 (ARPA) funding appropriations

Location: Citywide

Responsible Staff Member: Joseph D. Irvin, City Manager (530) 542-6043

Background: The American Rescue Plan Act (ARPA) of 2021 was signed into law by President Biden on March 11, 2021. The bill, intended to mitigate many of the worst effects of the COVID-19 pandemic, included $1.9 trillion in stimulus measures and ranged from targeting individual families, health care, affected sectors, and government action. The funding to local government was approximately $130 billion which was to be divided between cities and counties. This funding intended to replace pandemic-impacted revenues, support the government's work and invest in building resilient infrastructure. On May 10, 2021, the U.S. Treasury released initial guidance for recipients of ARPA State and Local Funds via an Interim Final Rule ("IFR"). The guidance provided direction on allocation, disbursement timing, eligible and ineligible uses, reporting requirements and other important rules surrounding the funding.

The U.S. Treasury provides direct disbursements of funds to each state, metropolitan city (generally defined as population > 50,000), county, territory and tribal government. Non-entitlement units of government (generally defined as population < 50,000) receive funding through their applicable state government. The U.S. Department of the Treasury designated 291 non-entitlement cities in California. Non-entitlement cities receive Coronavirus Local Fiscal Recovery Fund payments via the California Department of Finance. Payments to local governments are made in two equal payments, 50% was provided in summer 2021 and the balance to be delivered approximately 12 months later. The deadline to expend funds is December 31, 2024. Additional guidance provided by the US Treasury, recognizing the difficulty that some cities would have spending every dollar by this deadline particularly while using this funding for long-term or transformative change projects, clarified that the dollars only need to be obligated by the end of 2024 and fully spent by the end of 2026 when this federal program is expected to wind down.

On August 17, 2021 City Council discussed the results of a community survey representing a variety of projects and programs to assist the City in providing economic assistance from the negative impacts of the Covid-19 pandemic and chose several projects as viable uses of ARPA funding directing staff to move forward in developing and implementing the projects.

On January 6, 2022 the U.S. Department of the Treasury issued the Final Rule for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The final rule provides state and local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so the government can focus on responding to the crisis in the communities and maximizing the impact of their funds. In addition to several expansions to the statutory categories of uses, it provided the option to elect a standard allowance for revenue loss rather than calculating revenue loss

through the formula. Under this option, Treasury presumes that up to $10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.”

On February 1, 2022, the City Council through Resolution 2022-019, elected the provision of a “standard allowance” for the allocated to the City $5,309,994 to spend on government services through the period of performance. The second tranche of $2,654,997, received on July 21st, 2022, is proposed to be used for the following two projects, consistent with the Treasury Final Rule and previous City Council discussions:

1. Fire Station 3 remodel - $2,400,000
2. Bijou Al Tahoe Area Plan - $254,997

Issue and Discussion: The balance from the second tranche the City received in July 2022 is $2,654,997. To streamline the reporting process and consistent with the election of “standard allowance” to replace lost public sector revenue to pay for “government services” including police, fire, public works, housing, parks and recreation, and other, staff is requesting to transfer these funds to the General Fund under the provision of revenue loss and use these funds for government services towards previously and future approved projects. The proposed projects include Fire Station 3 remodel ($2.4M), and the Bijou Al Tahoe Area Plan ($254,997). These projects will be brought to City Council for budget appropriations as soon as the projects’ scope of work are developed.

Financial Implications: The attached resolution will appropriate the second tranche, $2,654,997, from the City’s Local Fiscal Recovery Fund into the General Fund based on the election of a standard allowance for revenue loss of up to $10 million, for government services towards two proposed projects.

Environmental Considerations: Future appropriations of funds for the above-mentioned projects are subject to review under the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines. Section 15301 exempts the operation, maintenance, repair, or minor alteration of existing public facilities.

Policy Implications: Consistent with City’s Financial Policies and City Council priorities.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Authorizing a transfer of the second tranche of $2,654,997 in American Rescue Plan Act (ARPA) funding to the General Fund under the statutory category C, Revenue Loss for the provision of government services

A. The American Rescue Plan Act (ARPA) (Public Law No. 117-2) was signed into law by the President of the United States on March 11, 2021

B. The Act appropriated Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for allocation by the U.S. Department of the Treasury to states, counties, metropolitan cities, and small cities with population under 50,000 (referred to as non-entitlement units of local government).

C. On June 15, 2021 the City Council adopted Resolution 2021-052 establishing the special fund "Local Fiscal Recovery Fund" and authorizing the Director of Finance to accept all funds received under the American Rescue Plan Act and deposit them in the Local Fiscal Recovery Fund.

D. On August 17, 2021 the City Council considered a list of potential projects and chose several projects as viable uses of ARPA funding directing staff to move forward in developing and implementing the projects.

E. On January 6, 2022, the U.S. Department of the Treasury issued the Final Rule for the SLFRF program that provided increased flexibility allowing recipients to elect a "standard allowance" of up to $10 million (not to exceed the award amount) to replace lost public sector revenue to pay for "government services", with streamlined reporting requirements.

F. On February 1, 2022, the City Council adopted Resolution 2022-019 electing the provision of a "standard allowance" of up to $10 million provided in the Treasury Final Rule to spend on government services through the period of performance, for the allocated to the City $5,309,994 to be received in two tranches.

G. To streamline the reporting process and consistent with the election of "standard allowance" to replace lost public sector revenue to pay for "government services", the City Council may transfer the full amount up to $10 million (not to exceed the award amount, $5,309,994) to the General fund.

H. The second tranche of $2,654,997 was received on July 21st, 2022 and is proposed to be used for government services towards Fire Station 3 remodel and the Bijou Al Tahoe Area Plan, consistent with the Treasury Final Rule and previous City Council discussions.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates ARPA (SLFRF) funds as follows:

Fund/Account	Description	Revenue (Increase) Decrease	Expense Increase (Decrease)
264-01952-33132	Appropriate Funds into ARPA Revenue Account	($2,654,997)	
264-01952-50001	Transfer out to General Fund		$2,654,997
100-01951-36375	Transfer in from ARPA (264)	($2,654,997)	

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 18

Agenda Item: Removal of Fire Station #1 and Police Station from 2016 Lease Revenue Bonds

Executive Summary: Construction of the City's new Multigenerational Recreation and Aquatics Center is proposed to be financed by the South Tahoe Joint Powers Financing Authority issuing 2022 Lease Revenue Bonds. The release of the Fire Station #1 property and the Police Station property from the 2016 lease revenue bonds will free up those assets so they can serve as the leased property with respect to the proposed 2022 lease revenue bond financing. There is sufficient value in the remaining leased assets in the 2016 lease revenue bonds to release these two properties.

Requested Action / Suggested Motions: 1) Acting as the City Council, Pass a Resolution authorizing the execution and delivery of documents in connection with the removal of certain properties under the Lease and the Sublease Relating to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A, and taking related actions; and 2) Acting as the South Tahoe Joint Powers Financing Authority, Pass a Resolution authorizing the execution and delivery of documents in connection with the removal of certain properties under the Lease and the Sublease Relating to the Authority's Refunding Lease Revenue Bonds, 2016 Series A, and taking related actions.
Responsible Staff Members: Joe Irvin, City Manager and Authority Executive Director Olga Tikhomirova, Finance Director and Authority Treasurer

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director
Olga Tikhomirova, Finance Director and Authority Treasurer

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Removal of Properties from Lease Revenue Bonds.docx
02-City Resolution-2022-Removal of Property from 2016 Leases.docx
03-STJPFA Resolution - Removal of Property from 2016 Leases.docx
04-Lease Amendment No. 2 (Exh. A to City and STJPFA Resos).DOCX
05-Sublease Amendment No. 2 (Exh. B to City and STJPFA Resos).DOCX
06-Assignment Agreement Amendment No. 2 (Exh. C to STJPFA Reso).DOCX

City of South Lake Tahoe
Report to **City Council and**
South Tahoe Joint Powers Financing Authority

Meeting Date: August 9, 2022

Title: 2022 Removal of Properties from 2016 Lease Revenue Bonds

Location: Citywide

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director (530) 542-6043; Olga Tikhomirova, Director of Finance and Authority Treasurer, (530) 542-7431

Background: In conjunction with the construction of the City's new recreation and aquatics center ("Recreation Center Complex"), the City contemplates financing for the project by the issuance of 2022 Lease Revenue Bonds by the South Tahoe Joint Powers Financing Authority ("Authority") and requests the removal of certain properties under the leases related to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A (the "2016 Bonds"). In particular, the property at 1252 Ski Run Boulevard (the "Fire Station #1 Property") and the property at 1352 Johnson Boulevard (the "Police Station Property") will be removed from the 2016 leases

The South Tahoe Joint Powers Financing Authority (the "Authority") issued the 2016 Lease Revenue Bonds to refund bonds issued in 2006 that were in turn used in a series of previous refunding bond issuances. The original bonds were issued to finance public improvements and property acquisition in the Stateline/Tourist Core area. The 2016 Bonds are structured as lease revenue bonds, involving a lease-lease back arrangement, in light of State law requirements and restrictions. The 2016 Bonds were issued pursuant to an Indenture (the "Indenture"). Concurrently with the issuance of the 2016 Bonds, the City and the Authority entered into a Lease Agreement (the "Lease") and a Sublease Agreement (the "Sublease"). Under the Lease, the City leased certain City-owned properties (the "Demised Properties") to the Authority. Under the Sublease, the Authority subleases the Demised Properties back to the City, and the City pays certain rental payments (the "Lease Payments"), in an amount sufficient to pay debt service on the 2016 Bonds, which Lease Payments are assigned to the Trustee for the Bonds pursuant to an Assignment Agreement. The 2016 Bonds are payable from "Revenues" of the Authority derived from such Lease Payments.

Originally, the Demised Properties consisted of the following (land and improvements thereon): (i) the Recreation Center Complex, (ii) the Police Station Property, (iii) 2101 Lake Tahoe ("Fire Station #3 Property"). In 2018, the City and the Authority amended the Lease, Sublease and Assignment Agreements pursuant to Amendment No. 1 to such agreements to remove the

Recreation Center Complex from the 2016 leases and substituted the Fire Station #1 Property and the Public Works Facility Property located at 1740 D Street in its stead. The City and Authority now desire to release the Fire Station #1 Property and the Police Station Property from such leases. In order to accomplish such property removal, the value of the remaining Demised Properties must be greater than or equal to the outstanding principal amount of the bonds, which is currently $4,870,000. At the time that the 2016 Bonds were issued, the City satisfied this requirement by showing that the combined insured value of these three properties ($14,350,000) was greater than the original principal amount of the 2016 Bonds being issued ($10,550,000). The Demised Properties remaining after such removal would be the Fire Station #3 Property and the Public Works Facility Property which are worth more than the outstanding principal amount of the 2016 Bonds, currently $4,870,000.

Issue and Discussion: The release of the Fire Station #1 Property and the Police Station Property from the 2016 leases will free up those assets so they can serve as the leased property with respect to the proposed 2022 Lease Revenue Bond financing for the construction of the new Recreational Complex. This property removal under the 2016 Bonds leases does not impact, in any way, the underlying payment structure with respect to the 2016 Bonds.

The 2016 Bonds documents permit the City to release a portion of the Demised Properties, so long as certain conditions are met. Among them, the City must show that, after the removal, the appraised value of the remaining Demised Properties under the Sublease, is equal or greater than the outstanding principal amount of the 2016 Bonds, which is currently $4,870,000. Staff has obtained Appraisals from Johnson Valuation Group, LTD, which show that the appraised value of the Demised Properties after the removal (i.e., consisting of the Fire Station #3 Property, and the Public Works Facility Property) total $5,050,000, which is greater than the outstanding principal amount of the 2016 Bonds.

The 2016 Bonds are partially insured by Assured Guaranty Municipal Corp. (“AGM”). The City is required to obtain AGM’s consent to the property removal. Staff has contacted AGM and expects to obtain such consent.

In 2016, S&P Global had assigned an underlying rating of ’AA-’ to the 2016 Bonds, and an insured rating of ’AA’ to the insured bonds. In September 2018, S&P raised its underlying rating to ‘AA’. The City is required to obtain a confirmation from S&P that the ratings on the 2016 Bonds will not be negatively impacted by the property removal. S&P has provided such confirmation.

Staff recommends adopting the following Resolutions:

<u>City Council of the City South Lake Tahoe (the “City”) (**Attachment 2**)</u>

1. Resolution of the City Council Authorizing the Execution and Delivery of Documents in Connection with the Removal of Certain Properties under the Lease and the Sublease Relating to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A, and Taking Related Actions (the “City Council Resolution”)

South Tahoe Joint Powers Financing Authority (the "Authority") (**Attachment 3**)

2. Resolution of the Authority Authorizing the Execution and Delivery of Documents in Connection with the Removal of Certain Properties under the Lease and the Sublease Relating to the Authority's Refunding Lease Revenue Bonds, 2016 Series A, and Taking Related Actions (the "Authority Resolution")

Upon the adoption of the attached Resolutions, the City will proceed with the removal of certain properties under the leases related to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A (the "2016 Bonds"). In particular, the property at 1252 Ski Run Boulevard (the "Fire Station #1 Property") and the property at 1352 Johnson Boulevard (the "Police Station Property") will be removed from the 2016 leases.

Financial Implications: The proposed property removal has no impact on the underlying payment structure with respect to the 2016 Bonds (which was described in detail in the June 7, 2016 Agenda Report relating to the issuance of the 2016 Bonds). The release of the Fire Station #1 Property and the Police Station Property from the Lease and Sublease for the 2016 Bonds will facilitate the financing for the new Recreation Center Complex construction project.

Environmental Considerations: The Removal of Properties from 2016 Lease Revenue Bonds is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: Consistent with City's Financial Policies

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Authorizing the Execution and Delivery of Documents in Connection with the Removal of Certain Properties under the Lease and the Sublease Relating to the South Tahoe Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2016 Series A, and Taking Related Actions

BACKGROUND

A. In 2016, the South Tahoe Joint Powers Financing Authority (the "**Authority**") issued $10,055,000 in aggregate principal amount of its Refunding Lease Revenue Bonds, 2016 Series A (the "**2016 Bonds**"), to refund prior Authority bonds.

B. The 2016 Bonds were issued pursuant to an Indenture, dated as of August 1, 2016 (the "**Indenture**"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

C. In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Lease, dated as of March 1, 2018 (as so amended, the "**Lease**"), each by and between the City of South Lake Tahoe ("**City**"), as lessor, and the Authority as lessee, with respect to certain real properties owned by the City (collectively, the "**Demised Properties"**); (ii) a Sublease Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Sublease, dated as of March 1, 2018 (as so amended, the "**Sublease**"), each by and between the Authority, as sublessor, and the City, as sublessee, with respect the Demised Properties; and (iii) an Assignment Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Assignment Agreement, dated as of March 1, 2018 (as so amended, the "**Assignment Agreement**"), each by and between the Authority and the Trustee, pursuant to which the Authority assigned its rights to receive base rental payments under the Sublease to the Trustee for the benefit of the owners of the 2016 Bonds.

D. As identified under the Lease, the Sublease and the Assignment Agreement, the Demised Properties include the following (including land and improvements thereon): (i) 1352 Johnson Boulevard (the "**Police Station Property**"), (ii) 1252 Ski Run Boulevard (the "**Fire Station #1 Property**"), (iii) 2101 Lake Tahoe Boulevard (the "**Fire Station #3 Property**"); and (iv) 1740 D Street (the "**Public Works Facility Property"**).

E. The City is permitted to remove a portion of the Demised Properties under the Lease and the Sublease, upon the satisfaction of the conditions set forth in the Indenture, the Lease and the Sublease.

F. The City desires to release the Police Station Property and the Fire Station #1 Property from the Lease, Sublease and Assignment Agreement (such Removal being referred to herein as the "**Property Removal**").

G. To affect the Property Removal, there has been presented to the City Council forms of amendments to the Lease and the Sublease.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Finds the above recitals are true and correct and are a substantive part of this Resolution.

2. Hereby approves the Amendment No. 2 to Lease (the "**Lease Amendment No. 2**"), proposed to be entered into by and between the City and the Authority, in the form on file with the City Clerk, and attached hereto as Exhibit "A". Each of the Mayor (or in the Mayor's absence, the Mayor Pro Tem) and the City Manager (together, the "**Authorized Officers**"), acting individually, is hereby authorized, for and in the name and on behalf of the City, to execute and deliver the Lease Amendment No. 2 in substantially said form, with changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

3. Hereby approves the Amendment No. 2 to Sublease (the "**Sublease Amendment No. 2**"), proposed to be entered into by and between the City and the Authority, in the form on file with the City Clerk, and attached hereto as Exhibit "B". Each of the Authorized Officers, acting individually, is hereby authorized, for and in the name and on behalf of the City, to execute and deliver the Sublease Amendment No. 2 in substantially said form, with changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

4. Hereby finds and determines that the execution and delivery of the Lease Amendment No. 2 and the Sublease Amendment No. 2 (and the implementation of the provisions thereof) will not, in and of themselves, materially adversely affect the security for the payment of the 2016 Bonds or the interests and rights of the owners of the 2016 Bonds or the Trustee under the Indenture and the Sublease.

5. Hereby authorizes the Authorized Officers, the Finance Director and all other officers of City, jointly and severally, to execute and deliver any and all necessary instruments (including, but not limited to, any certificate of acceptance relating to the quitclaim of the Authority's and the Trustee's interests in any property released from the Lease and the Sublease) which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, the Lease Amendment No. 2 and the Sublease

Amendment No. 2 and such actions previously taken by such officers are hereby ratified.

Adopted by the City of South Lake Tahoe City Council at a duly noticed regular meeting on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2022-XXX

Adopted by the South Tahoe Joint Powers Financing Authority

August 9, 2022

Authorizing the Execution and Delivery of Documents in Connection with the Removal of Certain Properties under the Lease and the Sublease Relating to the Authority's Refunding Lease Revenue Bonds, 2016 Series A, and Taking Related Actions

BACKGROUND

A. In 2016, the South Tahoe Joint Powers Financing Authority (the "**Authority**") issued $10,055,000 in aggregate principal amount of its Refunding Lease Revenue Bonds, 2016 Series A (the "**2016 Bonds**"), to refund prior Authority bonds.

B. The 2016 Bonds were issued pursuant to an Indenture, dated as of August 1, 2016 (the "**Indenture**"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

C. In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Lease, dated as of March 1, 2018 (as so amended, the "**Lease**"), each by and between the City of South Lake Tahoe ("**City**"), as lessor, and the Authority as lessee, with respect to certain real properties owned by the City (collectively, the "**Demised Properties**"); (ii) a Sublease Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Sublease, dated as of March 1, 2018 (as so amended, the "**Sublease**"), each by and between the Authority, as sublessor, and the City, as sublessee, with respect the Demised Properties; and (iii) an Assignment Agreement, dated as of August 1, 2016, as amended by Amendment No. 1 to Assignment Agreement, dated as of March 1, 2018 (as so amended, the "**Assignment Agreement**"), each by and between the Authority and the Trustee, pursuant to which the Authority assigned its rights to receive base rental payments under the Sublease to the Trustee for the benefit of the owners of the 2016 Bonds.

D. As identified under the Lease, the Sublease and the Assignment Agreement, the Demised Properties include the following (including land and improvements thereon): (i) 1352 Johnson Boulevard (the "**Police Station Property**"), (ii) 1252 Ski Run Boulevard (the "**Fire Station #1 Property**"), (iii) 2101 Lake Tahoe Boulevard (the "**Fire Station #3 Propert**y"); and (iv) 1740 D Street (the "**Public Works Facility Property**").

E. The City is permitted to remove a portion of the Demised Properties under the Lease and the Sublease, upon the satisfaction of the conditions set forth in the Indenture, the Lease and the Sublease.

F. The City desires to release the Police Station Property and the Fire Station #1 Property from the Lease, Sublease and Assignment Agreement (such Removal being referred to herein as the "**Property Removal**").

G. To affect the Property Removal, there has been presented to this Board proposed forms of amendments to the Lease, the Sublease and the Assignment Agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the Governing Board of the South Tahoe Joint Powers Financing Authority hereby finds, determines, resolves and orders as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. The Amendment No. 2 to Lease (the "**Lease Amendment No. 2**"), proposed to be entered into by and between the City and the Authority, in the form on file with the Clerk of this Board and attached hereto as Exhibit "A", is hereby approved. Each of the Chairperson, the Vice Chairperson and the Executive Director of the Authority (each, an "**Authorized Officer**"), acting individually, is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Lease Amendment No. 2 in substantially said form, with changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

3. The Amendment No. 2 to Sublease (the "**Sublease Amendment No. 2**"), proposed to be entered into by and between the Authority and the City, in the form on file with the Clerk of this Board and attached hereto as Exhibit "B", is hereby approved. Each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Sublease Amendment No. 2 in substantially said form, with changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

4. The Amendment No. 2 to Assignment Agreement (the "**Assignment Agreement Amendment No. 2**"), proposed to be entered into by and between the Authority and the City, in the form on file with the Clerk of this Board and attached hereto as Exhibit "C", is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement Amendment No. 2 in substantially said form, with changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

5. This Board hereby finds and determines that the execution and delivery of the Lease Amendment No. 2, the Sublease Amendment No. 2 and the Assignment Agreement Amendment No. 2 (and the implementation of the provisions thereof) will not, in and of themselves, materially adversely affect the security for the payment of the 2016 Bonds

or the interests and rights of the owners of the 2016 Bonds or the Trustee under the Indenture and the Sublease.

6. The Authorized Officers, the Treasurer and all other officers of Authority, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, the Lease Amendment No. 2, the Sublease Amendment No. 2 and the Assignment Agreement Amendment No. 2, and such actions previously taken by such officers are hereby ratified.

ADOPTED by the South Tahoe Joint Powers Financing Authority at a duly noticed regular meeting of the Governing Board held on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Chair

Attest:

_____
Susan Blankenship, Authority Secretary

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Tahoe Joint Powers Financing Authority.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

South Tahoe Joint Powers Financing Authority
c/o Richards, Watson & Gershon,
A Professional Corporation
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Lolly Enriquez, Esq.

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

AMENDMENT NO. 2 TO LEASE

This Amendment No. 2 to Lease (this "Lease Amendment No. 2"), dated as of [August] 1, 2022, is entered into by and between the City of South Lake Tahoe (the "City"), a municipal corporation duly organized and existing under the laws of the State of California, as lessor, and the South Tahoe Joint Powers Financing Authority (the "Authority"), a joint powers authority duly organized and existing pursuant to the laws of the State of California, as lessee.

Reference is hereby made to the (i) Lease, dated as of August 1, 2016 (the "Original Lease"), by and between the City, as lessor, and the Authority, as lessee, and recorded on August 23, 2016 in the Official Records of the County of El Dorado, California (the "Official County Records"), as Document No. 2016-9003921400015 and (ii) Amendment No. 1 to Lease, dated as of March 1, 2018 (the "Lease Amendment No. 1" and together with the Original Lease, the "Lease"), by and between the City and the Authority, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007460-00. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Lease.

Recitals

In 2016, the Authority issued $10,055,000 aggregate principal amount of its Refunding Lease Revenue Bonds, 2016 Series A (the "2016 Bonds"), to refund prior Authority bonds.

The 2016 Bonds were issued pursuant to an Indenture, dated as of August 1, 2016 (the "Indenture"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) the Original Lease with respect to certain real properties owned by the City (collectively, the "Demised Properties"); (ii) a Sublease Agreement, dated as of August 1, 2016 (the "Original Sublease"), by and between the Authority, as sublessor, and the City, as sublessee, with respect the Demised Properties, and recorded on August 23, 2016 in the Official County Records as Document No. 2016-9003921500025; and (iii) an Assignment Agreement, dated as of August 1, 2016 (the "Original Assignment Agreement"), by and between the Authority and the Trustee, pursuant to which the Authority assigned to the Trustee for the benefit of the owners of the 2016 Bonds its rights under the Original Lease and Original Sublease, including its right to receive base rental payments under the Sublease, and recorded on August 23, 2016 in the Official County Records as Document No. 2016-003921600011; and

As identified under the Original Lease, the Original Sublease and the Original Assignment Agreement, the Demised Properties include the following (including land and all improvements thereon): (i) 1352 Johnson Boulevard (the "Police Station Property"), (ii) 1180 Rufus Allen Boulevard (the "Recreational Complex Property"), and (iii) 2101 Lake Tahoe Boulevard (the "Fire Station #3 Property").

The City is permitted to remove or substitute a portion of the Demised Properties under the Lease and the Sublease, upon the satisfaction of the conditions set forth in the Indenture, the Lease and the Sublease.

In 2018 the City and the Authority released the Recreational Complex Property and substituted, in its stead, the following (including land and improvements thereon): (i) 1252 Ski Run Boulevard (the "Fire Station #1 Property"), and (ii) 1740 D Street (the "Public Works Facility Property") (referred to herein as the "2018 Property Substitution").

In connection with the 2018 Property Substitution, the following documents were executed: (i) the Lease Amendment No. 1; (ii) Amendment No. 1 to Sublease, dated as of March 1, 2018 (the "Sublease Amendment No. 1" and together with the Original Sublease, the "Sublease"), by and between the Authority, as and the City, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007461-00; and (iii) Amendment No. 1 to Assignment Agreement, dated as of March 1, 2018 (the "Assignment Agreement Amendment No. 1" and together with the Original Assignment Agreement, the "Assignment Agreement"), by and between the Authority and the Trustee, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007462-00.

The City and the Authority desire to remove the Police Station Property and the Fire Station #1 Property from the Lease, Sublease and Assignment Agreement (such Removal being referred to herein as the "Property Removal").

To effect the Property Removal, the following documents will be executed and delivered on the same date as the execution and delivery of this Lease Amendment No. 2: (i) an Amendment No. 2 to Sublease (the "Sublease Amendment No. 2"), by and between the City

and the Authority, and (ii) an Amendment No. 2 to Assignment Agreement (the "Assignment Agreement Amendment No. 2"), by and between the Authority and the Trustee.

NOW, THEREFORE, THE CITY AND THE AUTHORITY, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, DO AGREE AS FOLLOWS:

Section 1. City Representations. The City hereby represents that each condition precedent to the execution and delivery of this Lease Amendment No. 2 and the Sublease Amendment No. 2, as set forth in the Lease (including particularly the provisions of Section 20 thereof), the Sublease (including particularly the provisions of Section 19 thereof) and the Indenture (including particularly the provisions of Section 5.07 thereof) has been satisfied. The City has determined that the fair rental value of the Demised Properties, upon the effectiveness of this Lease Amendment No. 2 and the Sublease Amendment No. 2, is at least equal to the remaining Base Rental Payments payable under the Sublease. The City has determined that the execution and delivery of this Lease Amendment No. 2 and the Sublease Amendment No. 2 (and the implementation of the provisions hereof and thereof) will not, in and of themselves, materially adversely affect the security for the payment of the Base Rental Payments, the 2016 Bonds or the interests and rights of the owners of the 2016 Bonds or the Trustee under the Indenture and the Sublease.

Section 2. Amendments to Lease. The Lease is hereby amended as follows:

(a) The definition of "Demised Properties" set forth in Section 1 of the Lease is hereby amended to read in its entirety as follows:

> "Demised Properties" means the real property in the City described in Exhibit A of this Lease, and incorporated herein by reference, including all improvements thereon, and known as the following: (i) the property located at 2101 Lake Tahoe Boulevard (known as Fire Station #3 Property), and (ii) the property located at 1740 D Street (known as Public Works Facility Property).

(b) Exhibit A of the Lease is hereby replaced in its entirety with Exhibit A attached to this Lease Amendment No. 2:

Section 3. Release of Police Station Property and the Fire Station #1 Property. The City and the Authority agree and confirm that the Police Station Property and the Fire Station #1 Property is released from the Lease and the Sublease.

Section 4. Lease to Remain in Effect Except as Amended Hereby. Save and except as amended by this Lease Amendment No. 2, the Lease shall remain in full force and effect.

Section 5. Recordation of Documents. The City shall cause this Lease Amendment No. 2, the Sublease Amendment No. 2, and the Assignment Agreement Amendment No. 2 to be recorded in the County Official Records.

Section 6. Miscellaneous Provisions.

(a) This Lease Amendment No. 2 shall be governed by, interpreted under, construed and enforced in accordance with the laws of the State of California.

(b) If any provision of this Lease Amendment No. 2 is found to be invalid, or if the application of this Lease Amendment No. 2 to any person or circumstance is disallowed or found to be invalid, the remainder of the provisions of this Lease Amendment No. 2, or the application thereof, to persons or circumstances other than those to which its application was disallowed or found invalid, will not be affected and will remain in full force and effect.

(c) This Lease Amendment No. 2 may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same.

IN WITNESS WHEREOF, the City and the Authority have caused this Lease Amendment No. 2 to be executed by their duly authorized officers.

CITY OF SOUTH LAKE TAHOE, as lessor

By _____
Devin Middlebrook
Mayor

ATTEST:

_____
Susan Blankenship, City Clerk

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, as lessee

By _____
Devin Middlebrook
Chair

ATTEST:

_____
Susan Blankenship, Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT A
(Amended and Restated)

Description of Demised Properties

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS (AND INCLUDING ALL IMPROVEMENTS THEREON):

Tract One (1740 D Street - Public Works Facility):

A portion of Lot 21, Tahoe Valley Center Unit No. 2, as shown on the official map thereof filed in the office of the Recorder of the County of El Dorado, State of California on November 21, 1962 in Map Book C, Page 108, being more particularly described as follows:

Beginning at the Northwest corner of said Lot 21, Tahoe Valley Center Unit No. 2; thence North 89°22'46" East, 117.11 feet; thence South 51°38'00" East, 25.28 feet; thence South 00°37'14" East, 304.46 feet; thence South 89°58'39" West, 136.77 feet; thence North 00°37'14" West, 318.94 feet to the point of beginning.

APN: 032-313-35-100

Tract Two (2101 Lake Tahoe Blvd. - Fire Station #3):

All that portion of Section 4, Township 12 North, Range 18 East, M.D.B.&M., more particularly described as follows:

Commencing at the most Westerly corner of the parcel herein described, from which point the West quarter corner of said Section 4, bears North 40°22' West, 109.0 feet and North 87°56' West, 561.0 feet; thence leaving said point of beginning, South 40°22' East, 100.0 feet to an auto axle set on the Northerly boundary of U. S. Highway No. 50; thence along the Northerly boundary of said Highway, North 49°38' East, 100.00 feet to a 2 inch by 2 inch White Stake; thence leaving said Highway, North 40°22' West, 100.00 feet to a similar stake; thence South 49°38' West, 100.0 feet to the point of beginning.

APN: 023-201-40-100

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of South Lake Tahoe
c/o Richards, Watson & Gershon,
A Professional Corporation
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Lolly Enriquez, Esq.

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

AMENDMENT NO. 2 TO SUBLEASE

This Amendment No. 2 to Sublease (this "Sublease Amendment No. 2"), dated as of [August] 1, 2022, is entered into by and between the South Tahoe Joint Powers Financing Authority (the "Authority"), a joint powers authority duly organized and existing pursuant to the laws of the State of California, as lessor, and the City of South Lake Tahoe (the "City"), a municipal corporation duly organized and existing under the laws of the State of California, as lessee.

Reference is hereby made to: (i) the Sublease Agreement, dated as of August 1, 2016 (the "Original Sublease"), by and between the Authority, as lessor, and the City, as lessee, and recorded on August 23, 2016 in the Official Records of the County of El Dorado, California (the "Official County Records"), as Document No. 2016-9003921500025; and (ii) Amendment No. 1 to Sublease, dated as of March 1, 2018 (the "Sublease Amendment No. 1" and together with the Original Sublease, the "Sublease"), by and between the Authority, as and the City, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007461-00. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Sublease.

Recitals

In 2016, the Authority issued $10,055,000 aggregate principal amount of its Refunding Lease Revenue Bonds, 2016 Series A (the "2016 Bonds"), to refund prior Authority bonds.

The 2016 Bonds were issued pursuant to an Indenture, dated as of August 1, 2016 (the "Indenture"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of August 1, 2016 (the "Original Lease"), by and between the City, as lessor, and the Authority, as lessee, with respect to certain real properties owned by the City (collectively, the "Demised Properties"), and recorded on August 23, 2016 in the Official Records of the County of El Dorado, California (the "Official County Records") as Document No. 2016-9003921400015; (ii) the Original Sublease with respect the Demised Properties; and (iii) an Assignment Agreement, dated as of August 1, 2016 (the "Original Assignment Agreement"), by and between the Authority and the Trustee, pursuant to which the Authority assigned to the Trustee for the benefit of the owners of the 2016 Bonds its rights under the Original Lease and Original Sublease, including its right to receive base rental payments under the Sublease, and recorded on August 23, 2016 in the Official County Records as Document No. 2016-003921600011; and

As identified under the Original Lease, the Original Sublease and the Original Assignment Agreement, the Demised Properties include the following (including land and all improvements thereon): (i) 1352 Johnson Boulevard (the "Police Station Property"), (ii) 1180 Rufus Allen Boulevard (the "Recreational Complex Property"), and (iii) 2101 Lake Tahoe Boulevard (the "Fire Station #3 Property").

The City is permitted to remove or substitute a portion of the Demised Properties under the Lease and the Sublease, upon the satisfaction of the conditions set forth in the Indenture, the Lease and the Sublease.

In 2018 the City and the Authority released the Recreational Complex Property and substituted, in its stead, the following (including land and improvements thereon): (i) 1252 Ski Run Boulevard (the "Fire Station #1 Property"), and (ii) 1740 D Street (the "Public Works Facility Property") (referred to herein as the "2018 Property Substitution").

In connection with the 2018 Property Substitution, the following documents were executed: (i) Amendment No. 1 to Lease, dated as of March 1, 2018 (the "Lease Amendment No. 1" and together with the Original Lease, the "Lease"), by and between the City and the Authority, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007460-00; (ii) the Sublease Amendment No. 1 and (iii) Amendment No. 1 to Assignment Agreement, dated as of March 1, 2018 (the "Assignment Agreement Amendment No. 1" and together with the Original Assignment Agreement, the "Assignment Agreement"), by and between the Authority and the Trustee, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007462-00.

The City and the Authority desire to remove the Police Station Property and the Fire Station #1 Property from the Lease, Sublease and Assignment Agreement (such Removal being referred to herein as the "Property Removal").

To effect the Property Removal, the following documents will be executed and delivered on the same date as the execution and delivery of this Sublease Amendment No. 2: (i) an Amendment No. 2 to Lease (the "Lease Amendment No. 2"), by and between the City and the

Authority, and (ii) an Amendment No. 2 to Assignment Agreement (the "Assignment Agreement Amendment No. 2"), by and between the Authority and the Trustee.

NOW, THEREFORE, THE AUTHORITY AND THE CITY, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, DO AGREE AS FOLLOWS:

Section 1. City Representations. The City hereby represents that each condition precedent to the execution and delivery of the Lease Amendment No. 2 and the Sublease Amendment No. 2, as set forth in the Lease (including particularly the provisions of Section 20 thereof), the Sublease (including particularly the provisions of Section 19 thereof) and the Indenture (including particularly the provisions of Section 5.07 thereof) has been satisfied. The City has determined that the fair rental value of the Demised Properties, upon the effectiveness of the Lease Amendment No. 2 and the Sublease Amendment No. 2, is at least equal to the remaining Base Rental Payments payable under the Sublease. The City has determined that the execution and delivery of the Lease Amendment No. 2 and the Sublease Amendment No. 2 (and the implementation of the provisions hereof and thereof) will not, in and of themselves, materially adversely affect the security for the payment of the Base Rental Payments, the 2016 Bonds or the interests and rights of the owners of the 2016 Bonds or the Trustee under the Indenture and the Sublease.

Section 2. Amendments to Sublease. The Sublease is hereby amended as follows:

(a) The definition of "Demised Properties" set forth in Section 1 of the Sublease is hereby amended to read in its entirety as follows:

> "Demised Properties" means the real property in the City described in Exhibit A of this Sublease, and incorporated herein by reference, including all improvements thereon, and known as the following: (i) the property located at 2101 Lake Tahoe Boulevard (known as Fire Station #3 Property), and (ii) the property located at 1740 D Street (known as Public Works Facility Property).

(b) Exhibit A of the Sublease is hereby replaced in its entirety with Exhibit A attached to this Sublease Amendment No. 2:

Section 3. Release of Police Station Property and the Fire Station #1 Property. The City and the Authority agree and confirm that the Police Station Property and the Fire Station #1 Property is released from the Lease and the Sublease.

Section 4. Sublease to Remain in Effect Except as Amended Hereby. Save and except as amended by this Sublease Amendment No. 2, the Sublease shall remain in full force and effect.

Section 5. Recordation of Documents. The City shall cause this Sublease Amendment No. 2, the Lease Amendment No. 2, and the Assignment Agreement Amendment No. 2 to be recorded in the County Official Records.

Section 6. Miscellaneous Provisions.

(a) This Sublease Amendment No. 2 shall be governed by, interpreted under, construed and enforced in accordance with the laws of the State of California.

(b) If any provision of this Sublease Amendment No. 2 is found to be invalid, or if the application of this Sublease Amendment No. 2 to any person or circumstance is disallowed or found to be invalid, the remainder of the provisions of this Sublease Amendment No. 2, or the application thereof, to persons or circumstances other than those to which its application was disallowed or found invalid, will not be affected and will remain in full force and effect.

(c) This Sublease Amendment No. 2 may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same.

IN WITNESS WHEREOF, the Authority and the City have caused this Sublease Amendment No. 2 to be executed by their duly authorized officers.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, as lessor

By _____
Devin Middlebrook
Chair

ATTEST:

_____
Susan Blankenship, Secretary

CITY OF SOUTH LAKE TAHOE, as lessee

By _____
Devin Middlebrook
Mayor

ATTEST:

_____
Susan Blankenship, City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT A
(Amended and Restated)

Description of Demised Properties

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS (AND INCLUDING ALL IMPROVEMENTS THEREON):

Tract One (1740 D Street - Public Works Facility):

A portion of Lot 21, Tahoe Valley Center Unit No. 2, as shown on the official map thereof filed in the office of the Recorder of the County of El Dorado, State of California on November 21, 1962 in Map Book C, Page 108, being more particularly described as follows:

Beginning at the Northwest corner of said Lot 21, Tahoe Valley Center Unit No. 2; thence North 89°22'46" East, 117.11 feet; thence South 51°38'00" East, 25.28 feet; thence South 00°37'14" East, 304.46 feet; thence South 89°58'39" West, 136.77 feet; thence North 00°37'14" West, 318.94 feet to the point of beginning.

APN: 032-313-35-100

Tract Two (2101 Lake Tahoe Blvd. - Fire Station #3):

All that portion of Section 4, Township 12 North, Range 18 East, M.D.B.&M., more particularly described as follows:

Commencing at the most Westerly corner of the parcel herein described, from which point the West quarter corner of said Section 4, bears North 40°22' West, 109.0 feet and North 87°56' West, 561.0 feet; thence leaving said point of beginning, South 40°22' East, 100.0 feet to an auto axle set on the Northerly boundary of U. S. Highway No. 50; thence along the Northerly boundary of said Highway, North 49°38' East, 100.00 feet to a 2 inch by 2 inch White Stake; thence leaving said Highway, North 40°22' West, 100.00 feet to a similar stake; thence South 49°38' West, 100.0 feet to the point of beginning.

APN: 023-201-40-100

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

South Tahoe Joint Powers Financing Authority
c/o Richards, Watson & Gershon,
A Professional Corporation
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Lolly Enriquez, Esq.

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1of the California Government Code.

AMENDMENT NO. 2 TO ASSIGNMENT AGREEMENT

This Amendment No. 2 to Assignment Agreement (this "Assignment Agreement Amendment No. 2"), dated as of [August] 1, 2022, is entered into by and between the South Tahoe Joint Powers Financing Authority, a joint powers authority, duly organized and existing pursuant to the laws of the State of California (the "Authority"), and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under, and by virtue of the laws of the United States of America, as trustee (the "Trustee").

Reference is hereby made to the: (i) Assignment Agreement, dated as of August 1, 2016 (the "Original Assignment Agreement"), by and between the Authority and the Trustee, and recorded in the Official Records of the County of El Dorado, California (the "Official County Records"), as Document No. 2016-003921600011 (recorded on August 23, 2016); and (ii) Amendment No. 1 to Assignment Agreement, dated as of March 1, 2018 (the "Assignment Agreement Amendment No. 1" and together with the Original Assignment Agreement, the "Assignment Agreement"), by and between the Authority and the Trustee, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007462-00.

Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Assignment Agreement.

Recitals

In 2016, the Authority issued $10,055,000 aggregate principal amount of its Refunding Lease Revenue Bonds, 2016 Series A (the "2016 Bonds"), to refund prior Authority bonds.

The 2016 Bonds were issued pursuant to an Indenture, dated as of August 1, 2016 (the "Indenture"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of August 1, 2016 (the "Original Lease"), by and between the City, as lessor, and the Authority, as lessee, with respect to certain real properties owned by the City (collectively, the "Demised Properties"), and recorded on August 23, 2016 in the Official Records of the County of El Dorado, California (the "Official County Records") as Document No. 2016-9003921400015; (ii) a Sublease Agreement, dated as of August 1, 2016 (the "Original Sublease"), by and between the Authority, as sublessor, and the City, as sublessee, with respect the Demised Properties, and recorded on August 23, 2016 in the Official County Records as Document No. 2016-9003921500025; and (iii) the Original Assignment Agreement, pursuant to which the Authority assigned to the Trustee for the benefit of the owners of the 2016 Bonds its rights under the Original Lease and Original Sublease, including its right to receive base rental payments under the Sublease.

As identified under the Original Lease, the Original Sublease and the Original Assignment Agreement, the Demised Properties include the following (including land and all improvements thereon): (i) 1352 Johnson Boulevard (the "Police Station Property"), (ii) 1180 Rufus Allen Boulevard (the "Recreational Complex Property"), and (iii) 2101 Lake Tahoe Boulevard (the "Fire Station #3 Property").

The City is permitted to remove or substitute a portion of the Demised Properties under the Lease and the Sublease, upon the satisfaction of the conditions set forth in the Indenture, the Lease and the Sublease.

In 2018 the City and the Authority released the Recreational Complex Property and substituted, in its stead, the following (including land and improvements thereon): (i) 1252 Ski Run Boulevard (the "Fire Station #1 Property"), and (ii) 1740 D Street (the "Public Works Facility Property") (referred to herein as the "2018 Property Substitution").

In connection with the 2018 Property Substitution, the following documents were executed: (i) Amendment No. 1 to Lease, dated as of March 1, 2018 (the "Lease Amendment No. 1" and together with the Original Lease, the "Lease"), by and between the City and the Authority, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007460-00; (ii) Amendment No. 1 to Sublease, dated as of March 1, 2018 (the "Sublease Amendment No. 1" and together with the Original Sublease, the "Sublease"), by and between the Authority, as and the City, recorded on March 1, 2018 in the County Official Records as Document No. 2018-0007461-00; and (iii) the Assignment Agreement Amendment No. 1.

The City and the Authority desire to remove the Police Station Property and the Fire Station #1 Property from the Lease, Sublease and Assignment Agreement (such Removal being referred to herein as the "Property Removal").

To effect the Property Removal, the following documents will be executed and delivered on the same date as the execution and delivery of this Assignment Agreement Amendment No. 2: (i) an Amendment No. 2 to Lease (the "Lease Amendment No. 2"), by and between the City and the Authority), and (ii) an Amendment No. 2 to Sublease (the "Sublease Amendment No. 2"), by and between the Authority and the City.

NOW, THEREFORE, THE CITY AND THE AUTHORITY, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, DO AGREE AS FOLLOWS:

Section 1. Trustee Consent to Sublease Amendment No. 2. For the purpose of Section 5.07 of the Indenture, the Trustee consents to the City's and the Authority's execution and delivery of the Sublease Amendment No. 2.

Section 2. Amendment to Assignment Agreement. The Assignment Agreement is hereby amended as follows:

(a) Exhibit A of the Assignment Agreement is hereby amended and restated in its entirety with Exhibit A attached to this Assignment Agreement Amendment No. 2.

Section 3. Assignment Agreement to Remain in Effect Except as Amended Hereby. Save and except as amended by this Assignment Agreement Amendment No. 2, the Assignment Agreement shall remain in full force and effect.

Section 4. Quitclaim of Any Remaining Authority and Trustee Interest on Released Property. It is hereby acknowledged that, as the result of the Property Removal, the Fire Station #1 Property and the Police Station Property have been released from the Lease and the Sublease. To the extent that the Authority or the Trustee have any remaining right, title and interest to and in the Fire Station #1 Property or the Police Station Property by reason of the Lease, the Sublease, the Indenture, the Assignment Agreement or any other documents executed in connection with the Bonds, the Authority and the Trustee quitclaim such right, title and interest to and in the Fire Station #1 Property and the Police Station Property to the City.

Section 5. Miscellaneous Provisions.

(a) This Assignment Agreement Amendment No. 2 shall be governed by, interpreted under, construed and enforced in accordance with the laws of the State of California.

(b) If any provision of this Assignment Agreement Amendment No. 2 is found to be invalid, or if the application of this Assignment Agreement Amendment No. 2 to any person or circumstance is disallowed or found to be invalid, the remainder of the provisions of this Assignment Agreement Amendment No. 2, or the application thereof, to persons or circumstances other than those to which its application was disallowed or found invalid, will not be affected and will remain in full force and effect.

(c) This Assignment Agreement Amendment No. 2 may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Agreement to be executed by their duly authorized representatives.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By _____
Devin Middlebrook
Chair

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By _____

Print Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT A
(Amended and Restated)

Description of Demised Properties

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS (AND INCLUDING ALL IMPROVEMENTS THEREON):

Tract One (1740 D Street - Public Works Facility):

A portion of Lot 21, Tahoe Valley Center Unit No. 2, as shown on the official map thereof filed in the office of the Recorder of the County of El Dorado, State of California on November 21, 1962 in Map Book C, Page 108, being more particularly described as follows:

Beginning at the Northwest corner of said Lot 21, Tahoe Valley Center Unit No. 2; thence North 89°22'46" East, 117.11 feet; thence South 51°38'00" East, 25.28 feet; thence South 00°37'14" East, 304.46 feet; thence South 89°58'39" West, 136.77 feet; thence North 00°37'14" West, 318.94 feet to the point of beginning.

APN: 032-313-35-100

Tract Two (2101 Lake Tahoe Blvd. - Fire Station #3):

All that portion of Section 4, Township 12 North, Range 18 East, M.D.B.&M., more particularly described as follows:

Commencing at the most Westerly corner of the parcel herein described, from which point the West quarter corner of said Section 4, bears North 40°22' West, 109.0 feet and North 87°56' West, 561.0 feet; thence leaving said point of beginning, South 40°22' East, 100.0 feet to an auto axle set on the Northerly boundary of U. S. Highway No. 50; thence along the Northerly boundary of said Highway, North 49°38' East, 100.00 feet to a 2 inch by 2 inch White Stake; thence leaving said Highway, North 40°22' West, 100.00 feet to a similar stake; thence South 49°38' West, 100.0 feet to the point of beginning.

APN: 023-201-40-100

CERTIFICATE OF ACCEPTANCE
(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by quitclaim to the City of South Lake Tahoe (the "City") by that certain Amendment No. 2 to Assignment Agreement, dated as of [August] 1, 2022, by and between the South Tahoe Joint Powers Financing Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, is hereby accepted by the undersigned officer on behalf of the City, pursuant to the authority conferred by Resolution No. 2022-__ of the City Council of the City, adopted on __, 2022, and the City consents to recordation thereof by its duly authorized officer.

Dated: [August] 1, 2022

CITY OF SOUTH LAKE TAHOE

By: _____
Devin Middlebrook
Mayor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 19

Agenda Item: Citizen Appointments to Commissions and Boards – Building & Housing Board of Appeals

Executive Summary: The Building Board of Appeals consists of at least three but no more than five members. There are two vacancies on this Board. An open solicitation for applications for appointment to this Board has been posted to the City's website since February 2022. One application was received responsive to the solicitation for appointment to the Board from Seth Howard. The current Board has three members, meeting the quorum threshold to hold a meeting. City Council may make appointment to the Board or wait for additional applications to be submitted in January 2023 during the next solicitation period. If an appointment is made, the term of office will expire 2/2024.

Requested Action / Suggested Motions: City Council may either: 1) Pass a Motion appointing Seth Howard to serve a 19-month term (expiring 2/2024) to the Building Board of Appeals; or, 2) Decline to fill the vacancy until additional applications are received.
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By:
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Citizen Commissions and Boards.docx
02-BBOA Howard (Redacted).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Citizen Appointments to Commissions and Boards – Building & Housing Board of Appeals

Location: Citywide

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Background: The Building Board of Appeals consists of at least three but no more than five members. There are two vacancies on this Board. An open solicitation for applications for appointment to this Board has been posted to the City's website since February 2022.

Issue and Discussion: One application was received responsive to the solicitation for appointment to the Board from Seth Howard.

The current Board has three members, meeting the quorum threshold to hold a meeting. City Council may make appointment to the Board or wait for additional applications to be submitted in January 2023 during the next solicitation period.

If an appointment is made, the term of office will expire 2/2024.

Financial Implications: Costs associated with staff support of the individual commissions/boards have been budgeted for within the department who oversees the commission.

Environmental Considerations: Appointments are exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: The solicitation and appointment of citizens to various boards and commissions meets the requirements set forth in Resolution 2022-011 and conforms to City Council Protocols.

CITY OF SOUTH LAKE TAHOE

VOLUNTEER COMMISSION/BOARD MEMBER APPLICATION

Please Legibly Print or Type

NAME: FIRST	MIDDLE INITIAL	LAST	COMMITTEE AND/OR CATEGORY APPLYING FOR:
Seth	A	Howard	Building and Housing Board of Appeals

RESIDENCE: STREET ADDRESS	CITY	STATE	ZIP CODE
[redacted]	South Lake Tahoe	California	[redacted]
MAILING ADD[redacted]	CITY	STATE	
	South Lake Tahoe	California	

RESIDENCY: (Please select one)
CITY RESIDENT [✔] EL DORADO COUNTY RESIDENT [ ] DOUGLAS COUNTY RESIDENT [ ] STATE OF NEVADA RESIDENT [ ]

PHONE NUMBER(S): RESIDENCE: BUSINESS: EMAIL ADDRESS:
[redacted]

EMPLOYER:
Northern California Carpenters Regional Council

EDUCATION/EXPERIENCE:

1 year University of Arizona, 4 years New Jersey Carpenters Union Apprenticeship Program, Ca. Lic. general contractor (CSLB #901948, currently inactive)

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

Northern California Carpenters Union Local 1789, South Lake Tahoe, Ca.

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

If anyone wishes to appeal a decsion by the building department I will be a part of the board that hears the case. I believe the ultimate decission will be made by the City Council or Planning Commission.

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?
YES [ ] NO [✔]

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:

If appointed to the Airport Commission, Planning Commission or Building Board of Appeals Commission, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement? YES [✔] NO [ ]

CERTIFICATE OF APPLICANT:
I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualifi[redacted]

DATE: 5-26-2022 SIGNATURE:

Please note that the information provided on this application, inc[redacted].

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 20

Agenda Item: Road Rehabilitation Program Update

Executive Summary: The Public Works Department will provide an update on the City paving program. The update will address the 2022 Road Rehabilitation Project, an overview of the City's roadway network, how roadway conditions are rated, the overall condition of City roadways, how roads are prioritized for paving, utility coordination, how the paving program is funded and next steps in project prioritization.

Requested Action / Suggested Motions: Receive and File.
Responsible Staff Member: Mark Frisina, Engineer /Inspector and Randy Carlson, Associate Civil Engineer

Responsible Staff Member: Mark Frisina, Engineer /Inspector - (530) 307-9607
Randy Carlson, Associate Civil Engineer - (530) 542-6033

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff_Report_-_Road_Rehabilitation_Program_Update.docx
02-Presentation - Road Rehabilitation Program.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Road Rehabilitation Program Update

Location: Citywide

Responsible Staff Member: Mark Frisina (530) 307-9607
Randy Carlson (530) 542-6033

Background: The City currently owns and maintains approximately 257 lane miles of streets. The average Pavement Condition Index (PCI) of City maintained streets is 57, which is rated on a scale from 1 to 100. This represents the lower range of fair condition roadways. Overall, the city has approximately 10% of its roads in a failed condition, 37% in poor condition, 23% in fair condition, and 30% in good or excellent condition.

Over the last five years, the Public Works Department has developed a paving program and bid construction contracts for paving each year. To date, the program is working satisfactorily. Public Works has fully reconstructed 7.84 lane miles and overlayed 11.75 lane miles of roadways. This represents approximately 7.6% of the City-maintained roadway system. These projects have resulted in the overall network PCI increasing by approximately one percentage point each year.

Issue and Discussion: The Public Works Department is providing an update on the City paving program. The update will address the 2022 Road Rehabilitation Project, an overview of the City's roadway network, how roadway conditions are rated, the overall condition of City roadways, how roads are prioritized for paving, utility coordination, how the paving program is funded and next steps in project prioritization.

In the past, the Public Works Department has been utilizing a worst-first treatment plan for prioritizing which roads get paved first. This plan has boosted the overall condition of the City's roadways and increased the condition of some of the most highly traveled roads within the City. The City is now beginning to incorporate lower-cost maintenance treatments for the overall paving program, such as fog seals, slurry seals, chip seals, and micro-overlays. Each construction season, the Public Works Department will begin issuing two separate construction contracts. One for a roadway maintenance construction contract and one for a paving project. Public Works is also advertising a request for proposals that will engage a consultant to update the existing paving program, given the number of requests for prioritization of the City's street network. A new paving plan is expected to be brought to City Council for approval in early 2023.

Financial Implications: There are no financial implications with this presentation. Future financial implications from the Road Rehabilitation Program will be funded with Measure S, gas

taxes, and utility in-lieu reimbursement agreements, which will be brought forth with future City Council items.

Environmental Considerations: This presentation is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2).

Policy Implications: This presentation is consistent with the City’s Strategic Plan 2021-2026. It aligns with goal 1.4 Transportation, by planning the rehabilitation of City-owned streets. The presentation is also consistent with goal 5.3 Infrastructure and Maintenance. This presentation will review how the City plans to fund and maintain City-owned streets.

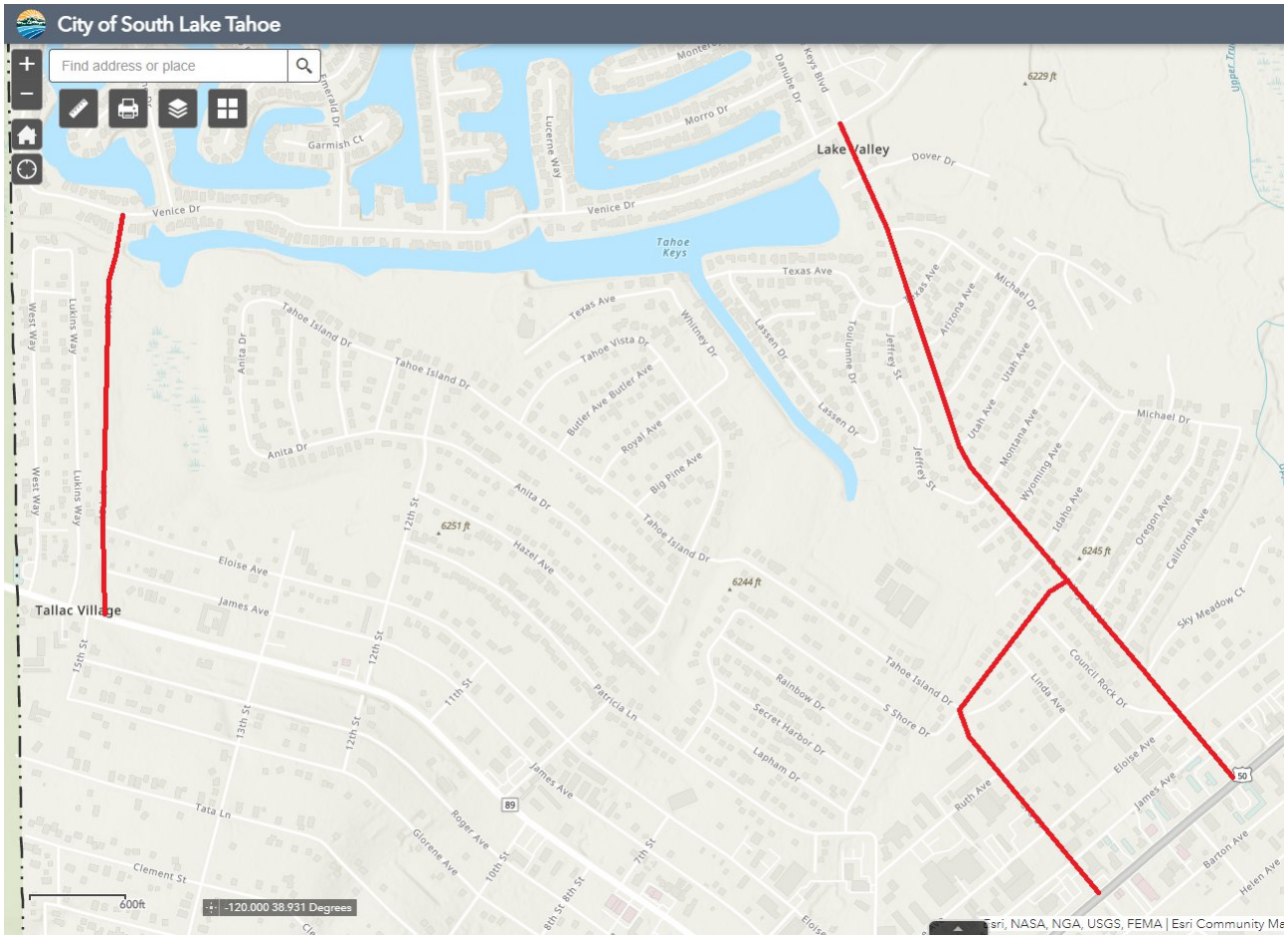


CITY OF SOUTH LAKE TAHOE

Road Rehabilitation Program

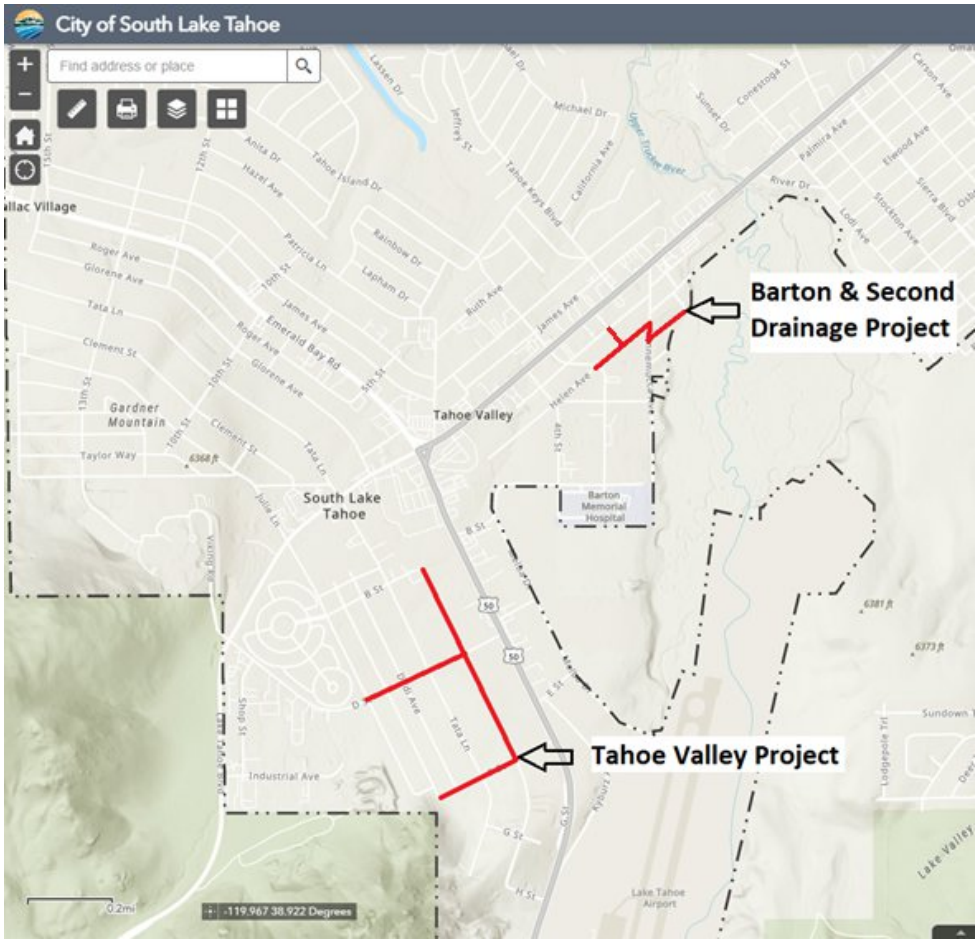
AUGUST 9, 2022

This Year's Project



- West Coast Paving
- Work began 8/8
- 3.59 lane miles
- $2,357,000
- 4" mill & overlay

Paving Funds Set Aside



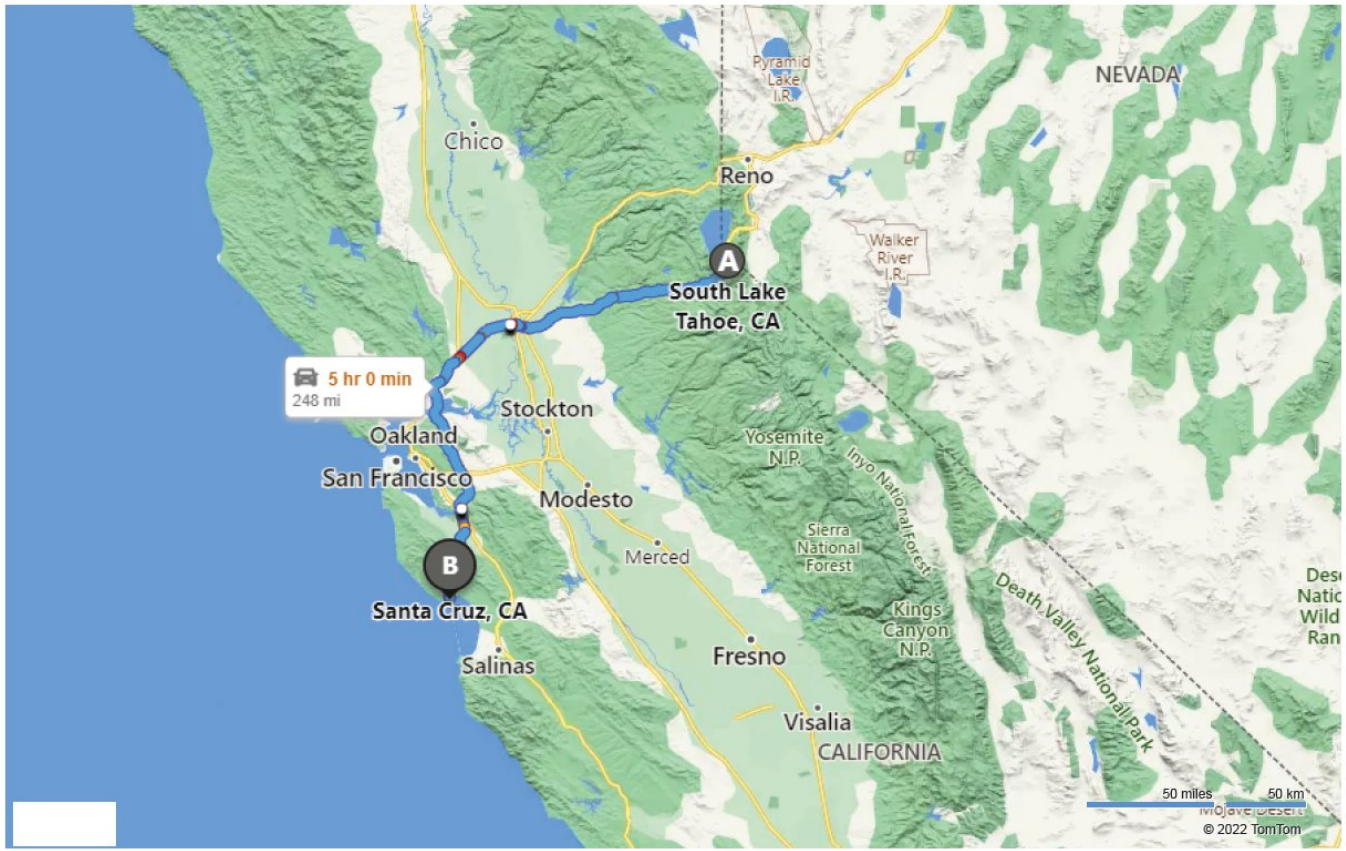
- Public Works has set aside $1.2M worth of paving funds (in lieu funds) so we can include additional paving within other City projects.
- This creates economy of scale for the projects, stretches grant dollars, and results in less disturbance to the neighborhoods.

General Roadway Information

257 lane miles of roadways
$180-200 million replacement cost

Roadway Classification	Lane Miles	Example Roadways
Arterial	16.5	Pioneer Trail, Lake Tahoe Blvd, Al Tahoe
Collectors	41.6	Tahoe Keys, Glenwood, Johnson, Lakeview, 3rd
Residential	196.9	
Total	256.7	

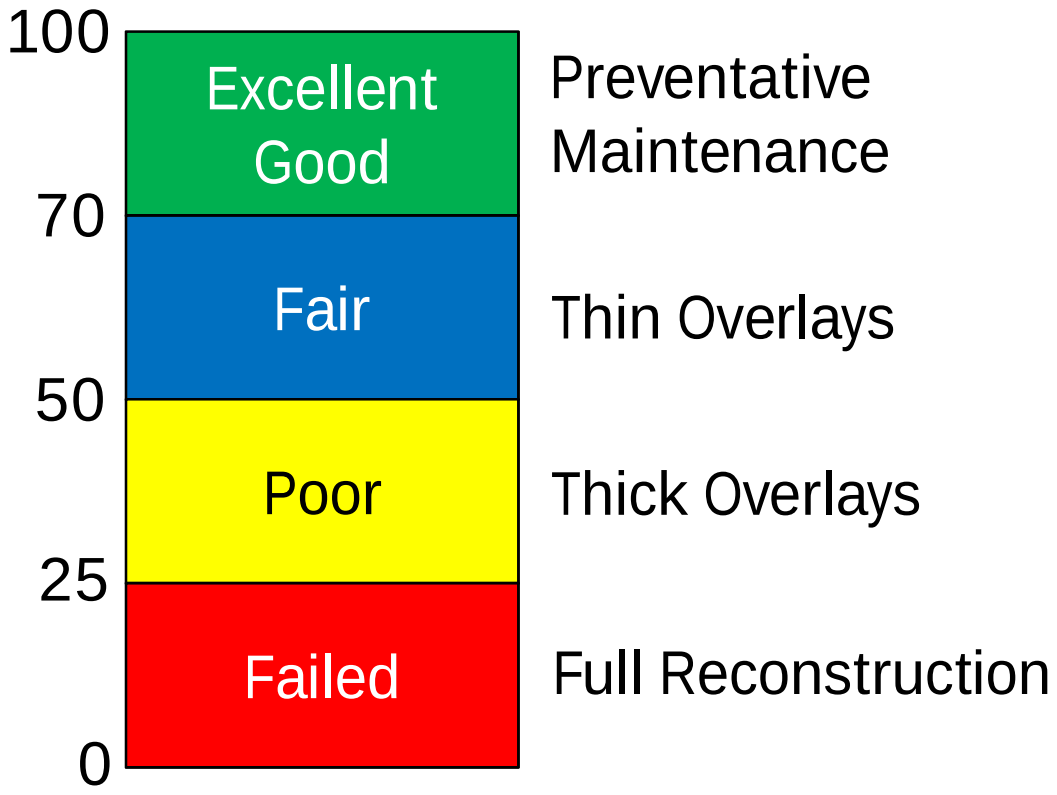
General Roadway Information



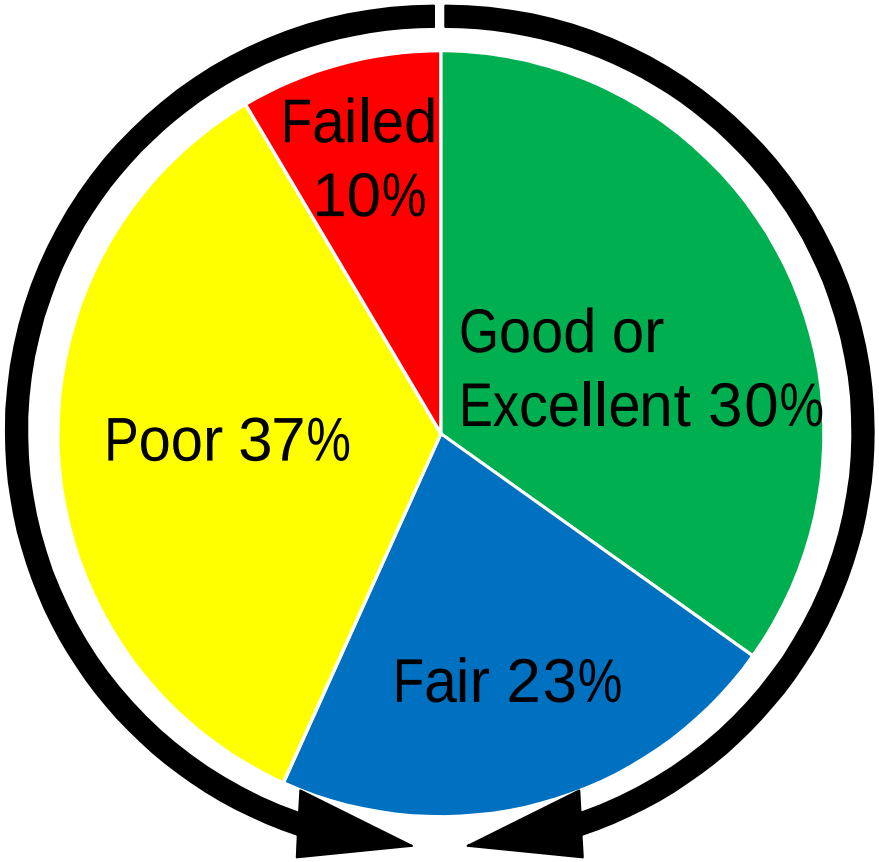
You could drive all the way to Santa Cruz on the lane miles of roadways that the City owns and maintains

How do we Measure Pavement Condition?

Pavement Condition Index (PCI): PCI measures pavement conditions on a numerical scale from 0 to 100. The PCI rating gives an indication of pavement structural integrity and operational condition.



Condition of City Roads

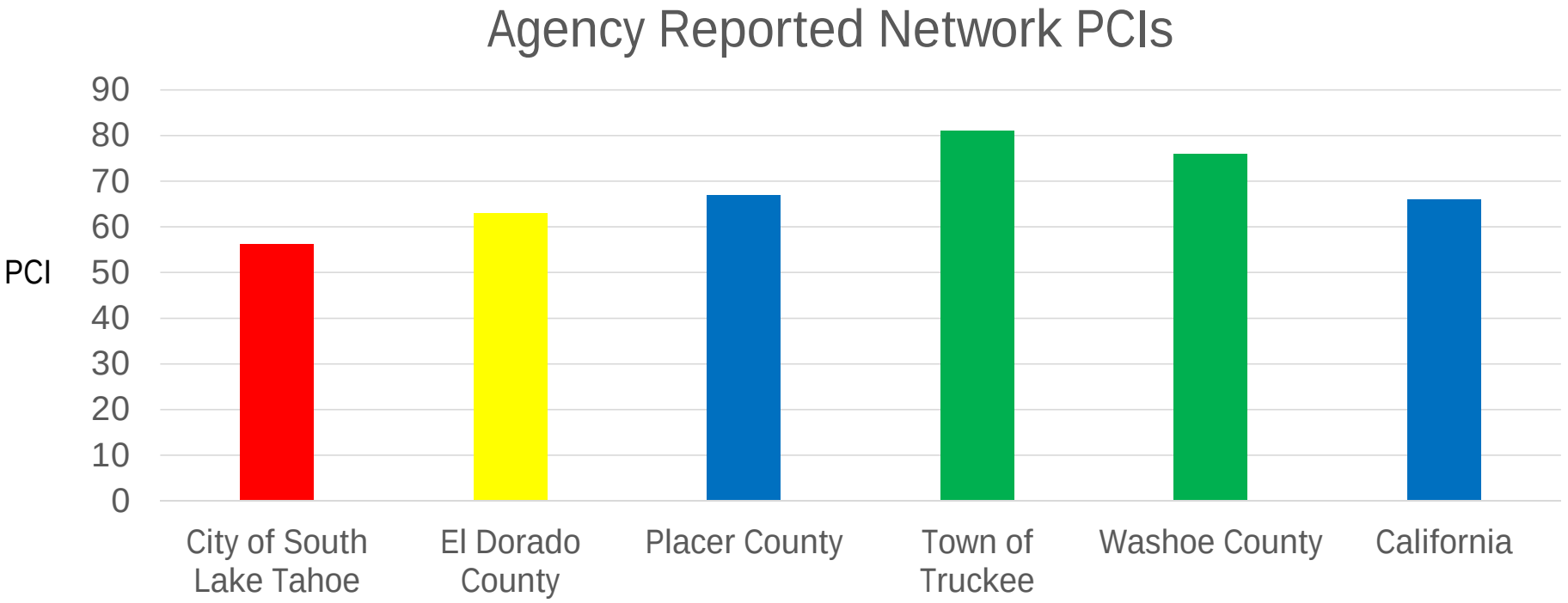


Rehab

Maintenance

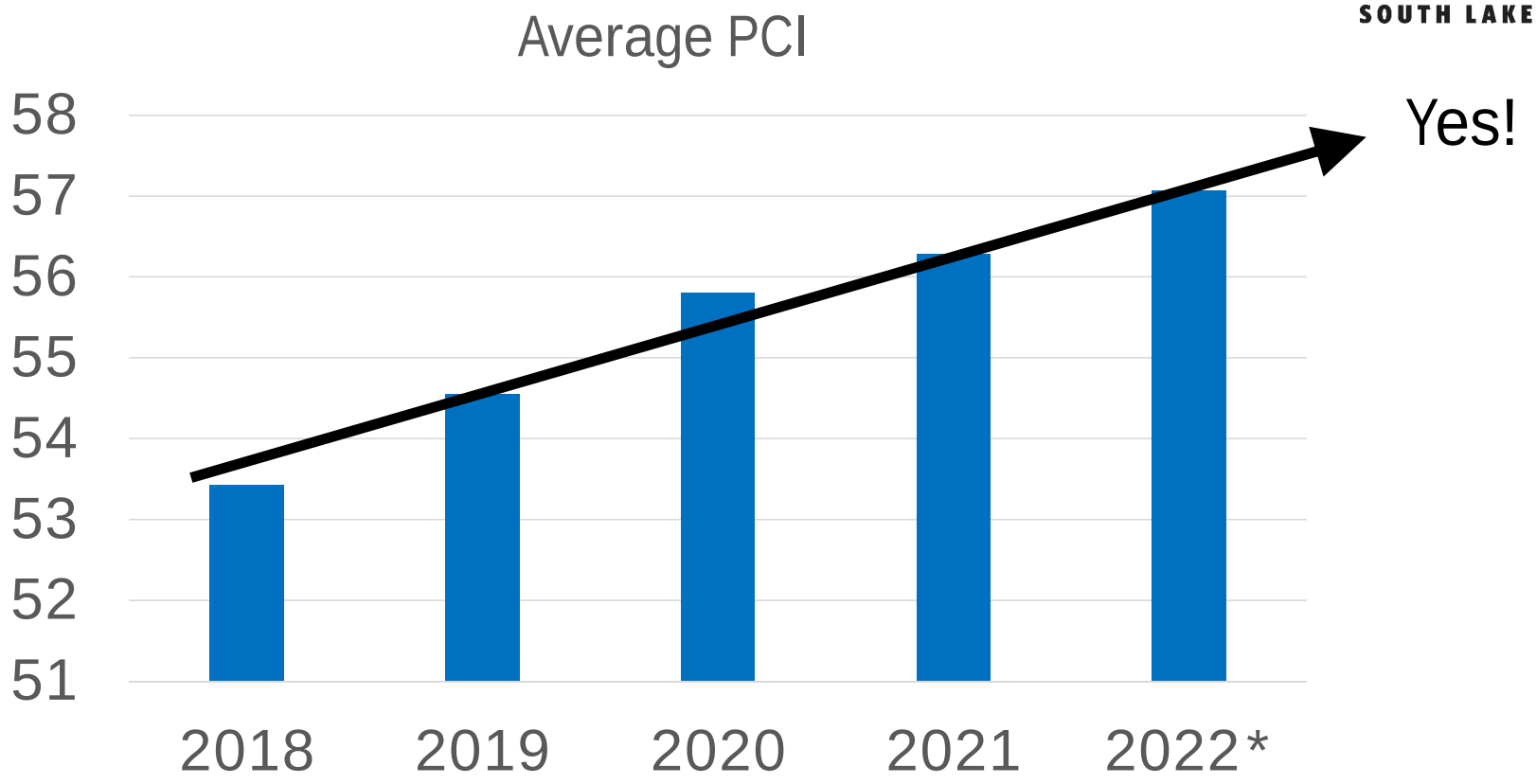
47% of our roads need
Major structural repair

How do Our Roads Compare?



We are lagging behind most of our neighbors. The Town of Truckee has the best roads in the region. This is largely due to multiple sales taxes and parcel taxes that are allocated to road and trail maintenance and repair.

Are Our Roads Getting Better?



*PCI after completion of the 2022 Road Rehabilitation Project

Why They're Getting Better

1. Steady funding from taxes
2. Innovative utility reimbursement agreements brought by staff provide even more funding
3. 7.84 lane miles fully reconstructed & 11.75 lane miles overlayed in the last 5 years
4. Coordination with utility work

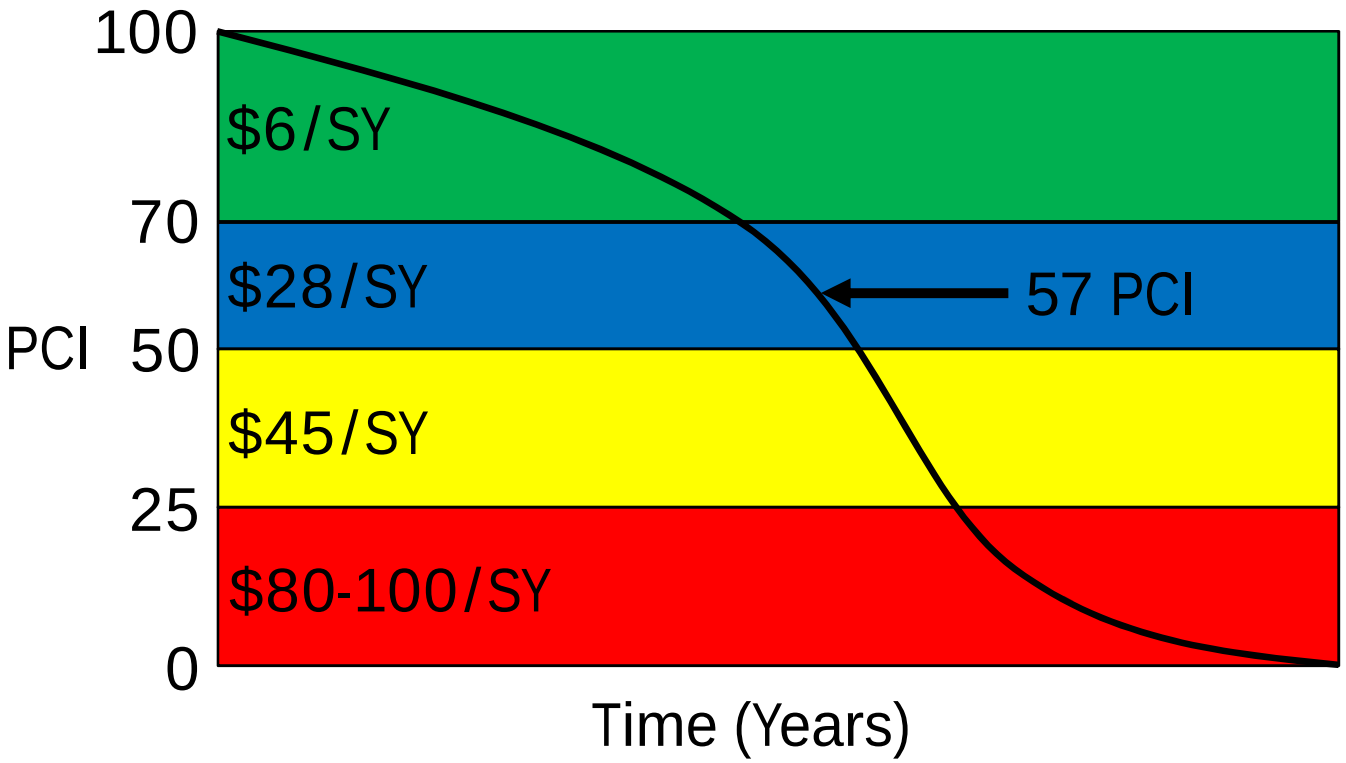
Measure S is the biggest funding source, which contributes $2.5M annually. 5.3 lane miles repaved since inception

Gas Tax passed by California voters in 2017 contributes $533k annually

Southwest Gas has Contributed approximately $3.19M over the previous 3 years

STPUD will be contributing approximately $379K this fall and likely similar amounts in the coming years

Pavement Rehab vs Maintenance



Slurry Seal
Chip Seal

Thin Overlay

Thick Overlay

Reconstruction

Pavement Maintenance

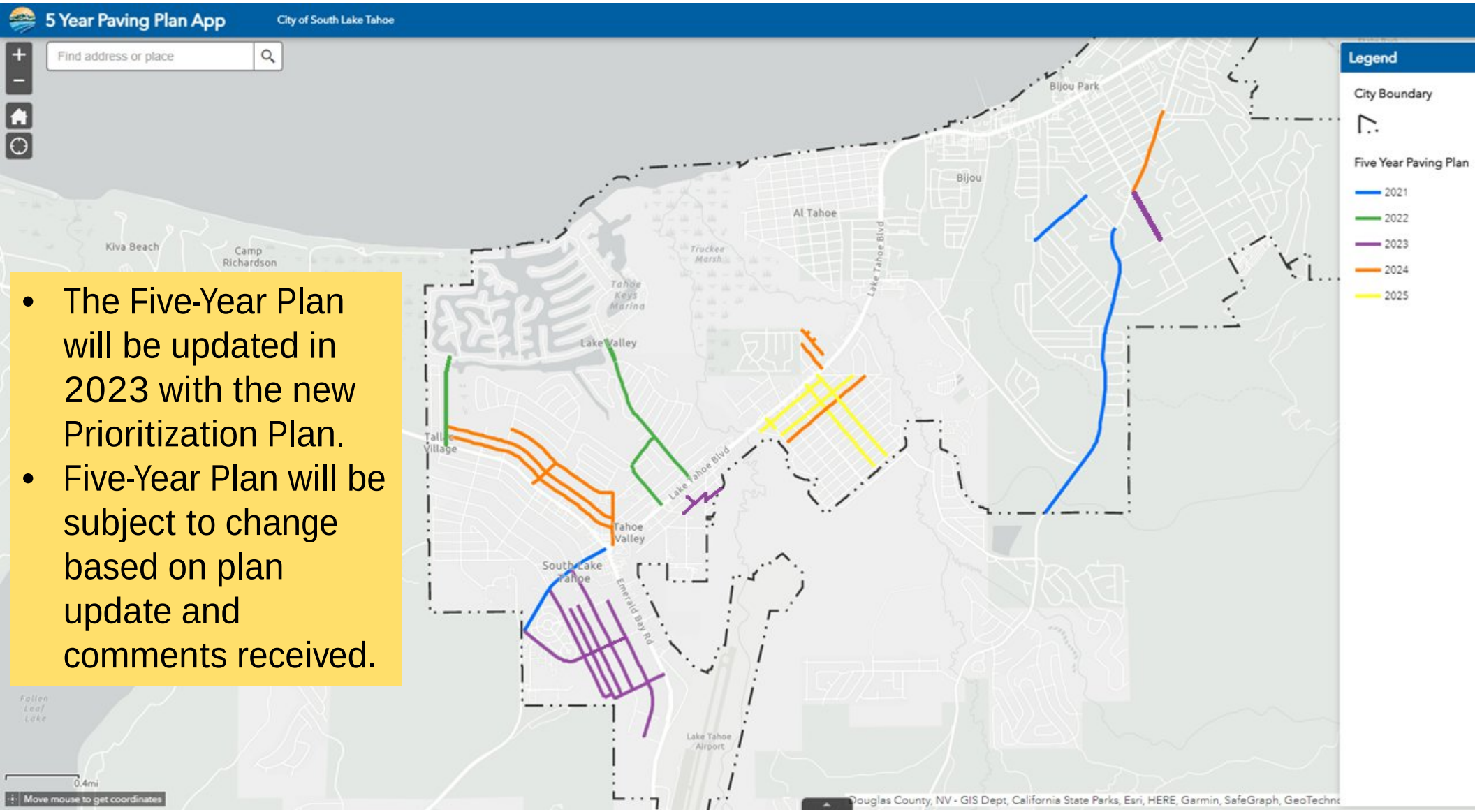
CITY OF SOUTH LAKE TAHOE





Pothole patching and minor paving can be done in-house utilizing the new zipper, roller, & paving machine that were recently approved for purchase with Measure S funds.





- The Five-Year Plan will be updated in 2023 with the new Prioritization Plan.
- Five-Year Plan will be subject to change based on plan update and comments received.



CITY OF
SOUTH LAKE TAHOE

Thank you

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 21

Agenda Item: Purchase Order with SRM-Kodiak America, LLC for Snow Blower Repair

Executive Summary: The City of South Lake Tahoe has six Snow Blowers. During the winter of 2022-23, one of the Snow Blowers broke down and started smoking and was removed from operations. Staff has attempted to repair the blower, but the entire engine requires to be re-built. The equipment must be shipped to the factory for the necessary repairs. This is one of the largest snow blowers in operation and the repairs are essential to the snow operations.

Requested Action / Suggested Motions: Pass a Resolution appropriating $93,915.51, plus a 10% contingency for $9,391.50, from General Fund Undesignated Excess Reserves and authorizing, approving the sole source request, and authorizing and directing the City Manager to execute a Purchase Order with SRM-Kodiak, LLC for the repair of the Snow Blower.
Responsible Staff Members: Anush Nejad, Director of Public Works and Phil Harwood, Fleet Supervisor

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031
Phil Harwood, Fleet Supervisor (530) 542-6086

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Kodiak Repair.docx
02 - Kodiak Quote.pdf
03 - Sole Source Request.pdf
04-Resolution for Kodiak Repair.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Appropriation of $93,916.51, plus 10% contingency for $9,391.65, from General Fund Undesignated Excess Reserves and Approval of Purchase Order with SRM-Kodiak America, LLC for Snow Blower Repair

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Work – (530) 542-6031
Phil Harwood, Fleet Supervisor – (530) 542-6086

Background: The City of South Lake Tahoe has six Snow Blowers. During the winter of 2022-23, one of the Snow Blowers broke down and started smoking and eventually was removed from operations. Staff has attempted to repair the blower, but the entire engine requires to be re-built. The manufacturer of the equipment, SRM-Kodiak, inspected the vehicle and they require the equipment to be shipped to the factory for the necessary repairs, which involves a complete engine re-built.

Issue and Discussion: This damaged Snow Blower is one of the largest pieces of equipment in the Streets inventory and the proposed repairs are essential to the snow operations. The engine requires complete re-built for optimal operation and compliance with Air Quality regulations. SRM-Kodiak, as the manufacturer, is the only vendor that can repair the equipment.

Financial Implications: Staff has received a quote for $93,916.51 for the necessary repairs. See Attachment 2. Staff is also requesting a 10% contingency in the amount of $9,391.65, for a total of $103,308.16. This repair will be performed by SRM-Kodiak America, LLC. Staff is requesting via the attached Resolution General Fund Undesignated Excess Reserves appropriations of $103,310 into Snow Removal Repair and Maintenance Outside account 207-03610-43025.

Environmental Considerations: This repair work is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: The repair of the Snow Blower is essential in Snow Operations.

SRM-Kodiak America LLC
1350 Pomerelle Ave
Burley, ID 83318

Quote

Date	Quote #
6/28/2022	323

Name / Address
City of South Lake Tahoe 1700 D Street South Lake Tahoe, CA 96150

This is not an invoice. Do not pay.

P.O. No.	Rep
	KC

Item	Description	Qty	U/M	Price Each	Amount
	SN# 2482				
965 Box Rebu...	965 rebuild	1		60,000.00	60,000.00
Labor Hours - ...	Kodiak America Mobile Repair Hours	20		250.00	5,000.00
Labor Hours - ...	Kodiak America Labor Hours - Shop	40		110.00	4,400.00
MR-25-S-30	Cooler	1		1,096.30	1,096.30
Customer Fuel...	Fuel Surcharge			5,663.71	5,663.71
SHIPPING				10,200.00	10,200.00
				Tax 8.75%	7,556.50

Quote is good for 30 days and may not include Freight Charges. If you require a Freight Quote, please contact our Parts Department.

Total **$86,360.01**

$93,916.51

Phone # 208.215.7445 Fax # 208.260.5421

SOLE BRAND/SOLE SOURCE REQUEST
JUSTIFICATION/APPROVAL FORM

SOLE SOURCE VENDOR: SRM-Kodiak America LLC

ADDRESS: 1350 Pomerelle Ave Burley ID 83318 PHONE NO. 208-260-5423

ITEM TO BE PURCHASED: 965 Gear box rebuild COST: $ 93,916.51

1. Check reasons for sole source request:

X **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.

_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ Sole **Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ Federal **Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____

Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: 965 Gear box is made only by Kodiak America. It will be removed and installed by Kodiak after being rebuilt.

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. I contacted Kodiak and they make the 965 Gear box and gear sets in house at Kodiak custom made.

5. Can your requirements be modified to allow competitive products or services be used?
Explain:
No the gear set and gear box is built at Kodiak so there is no other competitive products for this unit.

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY MANAGER SIGNATURE: _____ DATE: _____

* Requests over $7,000 require **City Manager's** approval. Requests over $50,000 requires City Council's approval.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Appropriating $103,310 from General Fund Undesignated Excess Reserves and Authorizing the City Manager to execute a Sole Source Purchase Order with SRM-Kodiak America, LLC for the Snow Blower Repair for $93,916.51, plus a 10% contingency for $9,391.65

BACKGROUND

A. During the Winter of 2022-2023, one of the City's Snow Blowers, Kodiak Unit Number 5064, Manufactured in 2008, broke down with extensive damage to the engine and was removed from operations.

B. City staff has attempted to repair the unit with the assistance of the manufacturer, but the engine must be rebuilt entirely.

C. SRM-Kodiak America, LLC, the manufacturer of the equipment, has inspected the vehicle and has determined that the best option is to transport the vehicle to their facilities for the necessary repairs.

D. Repair costs will be funded through funds transfer from the General Fund Undesignated Excess Reserves Outside account.

E. The Blower is one of the largest pieces of equipment for snow operations and is essential for winter snow operations and must be repaired and returned to the fleet prior to this Winter Season.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves the sole source request for snow blower repair with SRM-Kodiak American, LLC.

2. Authorizes and directs the City Manager to sign a Purchase Order with SRM-Kodiak American, LLC in the amount of $93,916.51, plus a 10% contingency in the amount of $9,391.65.

3. Appropriates $103,310 from General Fund Undesignated Excess into Snow Removal Repair and Maintenance Outside account 207-03610-43025 for the repair of the snow blower.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 22

Agenda Item: Agreement with California Governor's Office of Emergency Services for Use of a Type VI Fire Engine

Executive Summary: The Fire Department is looking to replace current Squad 3, a 2008 Ford F350, with a new Type VI Engine from Cal OES which would operate as a squad and small pumping engine. Cal OES offers an assortment of apparatus around the state to local government agencies. The vehicle comes equipped with a compliment of auto extrication tools, low angle rope rescue equipment, hose and appliances. The vehicle would then be available for strike team response much like our current Type I and Type III engines. The Type VI engine would improve our wildland fire response capabilities. The current squad carries rescue equipment but has no pumping capabilities. The Cal OES Type VI is equipped with a 500 gallons per minute pump and carries 280 gallons of water as well as 20 gallons of foam.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Fire Chief to execute a Temporary Transfer Agreement with the California Governor's Office of Emergency Services (Cal OES) for a Type VI Engine.
Responsible Staff Member: Jim Drennan, Interim Fire Chief

Responsible Staff Member: Jim Drennan, Interim Fire Chief 530-542-6152

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Acceptance of Type VI Vehicle from Cal OES.docx
02 - Cal OES Temporary Transfer Agreement Type VI Engine
03 - Type VI photo.jpg
04 - Type VI Wildland for Cal OES Ford Drawing.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9th, 2022

Title: Acceptance of Type VI Engine from Cal OES

Location: Fire Department

Responsible Staff Member: Jim Drennan, Interim Fire Chief (530) 542-6152

Background: The California Governor's Office of Emergency Services (Cal OES) manages a statewide fire and rescue program, providing apparatus on loan to local fire departments for use in their districts/cities, while requiring those departments to staff vehicles for the state when needed. SLTFR currently maintains a light duty Squad assigned to station 3. It is our intention to replace this vehicle with a Type VI Engine from Cal OES.

Issue and Discussion: The Fire Department is looking to replace current Squad 3, a 2008 Ford F350, with a new Type VI Engine from Cal OES which would operate as a Squad and small pumping engine. OES offers an assortment of apparatus around the state to local government agencies. The vehicle comes equipped with a compliment of auto extrication tools, low angle rope rescue equipment, hose and appliances. The vehicle would then be available for strike team response much like our current Type I and Type III engines. The Type VI engine would improve our wildland fire response capabilities. The current squad carries rescue equipment but has no pumping capabilities. The OES Type VI is equipped with a 500 gpm pump and carries 280 gallons of water as well as 20 gallons of foam.

Financial Implications: The vehicle is offered by Cal OES at no purchase cost to the City or Fire Department. We would not be purchasing the vehicle. There is a requirement to show proof of insurance so that in the event of an accident the vehicle is covered. In addition to this, the City would agree to all maintenance costs and light repairs; however, in the event of a mechanical failure or warranty issue then Cal OES would cover the cost. The vehicle is valued at $215,599. The equipment provided with the vehicle is valued at $41,826.

Environmental Considerations: This purchase is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: The Fire Department would agree to staff the Type VI for an out of county request by OES for strike teams. In the event we have already responded an engine out of county we would not necessarily be required to send the type VI because it would adversely affect the daily staffing of the fire department.

GAVIN NEWSOM
GOVERNOR



MARK S. GHILARDUCCI
DIRECTOR

Date

[INSERT NAME OF FIRE CHIEF], Fire Chief
[ADDRESS]
[City], CA, [Zip Code]

Dear Chief [INSERT NAME FO FIRE CHIEF]

You will find enclosed two copies of Assignment of Equipment Form, and Agreement for Temporary Transfer of Vehicular Equipment covering the transfer of Cal OES Fire Engine Number: [INSERT FIRE ENGINE NUMBER] to the [INSERT FIRE AGENCY]. The agreement is effective [INSERT DATE].

Please have the authorized official sign both copies of the above-mentioned documents and return one original set to our office. Cal OES cannot transfer the fire engine to your agency until this signed agreement is returned.

Cal OES must also be furnished with a Certificate of Insurance, or a letter certifying self-insurance in the amounts required, in accordance with Paragraph 11 of the Agreement for Temporary Transfer of Vehicular Equipment.

If you have any questions regarding this transfer, please feel free to contact our office.

Sincerely,

BRIAN S. MARSHALL
State Fire and Rescue Chief

BSM/ro-b
Enclosures

Cc: [INSERT NAME], Region [INSERT REGION] Fire and Rescue Coordinator
[INSERT NAME] Operational Area Coordinator
[INSERT NAME], Cal OES Fire and Rescue Deputy Chief, North or South Operations
[INSERT NAME], Cal OES Fire and Rescue Assistant Chief
[INSERT NAME], Cal OES fire and Rescue Assistant Chief

3650 SCHRIEVER AVENUE • MATHER, CA 95655
FIRE AND RESCUE DIVISION
PHONE: (916) 845-8711 • FAX: (916) 845-8396

AGREEMENT FOR TEMPORARY TRANSFER OF VEHICULAR EQUIPMENT-TYPE VI FIRE ENGINE

THIS AGREEMENT, entered into this [INSERT DATE], by and between the **STATE OF CALIFORNIA** acting by and between its duly appointed, qualified Director of the Governor's Office of Emergency Services (Cal OES), hereinafter called the **"STATE,"** and the [INSERT NAME OF FIRE AGENCY], acting by and through its duly appointed, qualified and acting officers, hereinafter called **"TRANSFEREE",**

W I T N E S S E T H:

IT IS HEREBY MUTUALLY AGREED between the parties hereto as follows:

1. The **STATE** hereby transfers possession to **TRANSFEREE** and **TRANSFEREE** hereby accepts possession from **STATE** of the fire engine and equipment listed on the attached Exhibit "A" which is by this reference made a part hereof, for the period commencing [INSERT DATE] through [INSERT DATE], for the following all-hazard events, emergency incidents, civil defense, and disaster purposes, namely:

   Mutual aid, multiple alarm events and emergency incidents, emergency incidents threatening properties vital to national defense or important military installations, parades and displays, training of regular, volunteer and auxiliary firefighters and temporary standby for assignee's regular fire engine and the regular fire engines of other fire departments while out of service for repairs.

   a. Vehicle Description: 2020 HME/Ahrens-Fox Type 6 Wildland Fire Engine
   Vehicle Designation: [INSERT VEHICLE DESIGNATOR]
   Vehicle License Number: [INSERT LICENSE NUMBER]
   Vehicle Identification Number: [INSERT VIN]
   Value of Vehicle: $215,599.00
   Value of Hose and Appliances: $41,826.00

   b. Equipment inventories (Exhibit "A") may by mutual concurrence of the **STATE** and **TRANSFEREE** be changed during the term of this agreement, utilizing property accountability procedures established or approved by the **STATE**.

A. <u>Transfer of Possession</u>

The following outlines the steps required to complete the transfer of the fire engine from the **STATE** to the **TRANSFEREE**:

a. The **STATE** shall send two copies of the Assignment of Equipment Form and Agreement for Temporary Transfer to the **TRANSFEREE** for signatures.
b. The **TRANSFEREE** shall obtain the necessary signatures from the Fire Chief.
c. The **TRANSFEREE** shall send the completed Assignment of Equipment Form and Agreement for Temporary Transfer forms back to the **STATE**.
d. The **STATE** shall then contact the **TRANSFEREE** to schedule a date for the

transfer to take place.

e. The **TRANSFEREE** shall travel to the Cal OES Fire and Rescue Fleet Services Division, located at:
   3791 Bradview Drive
   Sacramento, California 95827
f. **TRANSFEREE** shall be responsible for all travel expenses (to and from) including, vehicle, fuel, food, and lodging.
g. The **STATE** shall provide the **TRANSFEREE** with a comprehensive training session specific to the operation and maintenance of the fire engine.
h. **TRANSFEREE** shall notify the **STATE** and the appropriate CAL OES Fire and Rescue Region Assistance Chief(s), Operational Area and Region Dispatch centers of the fire engine assignment and entering the fire engine information into the resource ordering system of record.

The following outlines the steps required to complete the return of the fire engine from the **TRANSFEREE** to the **STATE:**

a. This section does not apply to the return of the fire engine from the **TRANSFEREE** to the **STATE** when a new or replacement fire engine is assigned by the **STATE** to the **TRANSFEREE**.
b. The **TRANSFEREE** shall notify the **STATE** of the intent to return the fire engine to the **STATE**.
c. The **STATE** shall coordinate a pre-inspection to be performed on the fire engine to determine the condition of the fire engine and equipment inventory of equipment. This pre-inspection shall be performed by the Cal OES Fire and Region Division Assistance Chief.
d. The **TRANSFEREE** shall return the fire engine to the Cal OES Fire and Rescue Fleet Services Division, located at:
   3791 Bradview Drive
   Sacramento, California 95827
e. **TRANSFEREE** shall be responsible for all travel expenses (to and from) including, vehicle, fuel, food, and lodging.
f. The **STATE** shall preform a final inspection on the fire engine and the equipment inventory.

B. Housing, Maintenance, Repair and Replacement

During the term of this transfer, **TRANSFEREE** agrees to adequately house in an enclosed secure structure, staff, operate, maintain and repair (consistent with section 2 b.) said fire engine and equipment (hereinafter collectively referred to as the "fire engine" except where it is desired to refer to equipment alone, in which case the term "equipment" will be used) at its sole cost and expense, save as otherwise expressly provided in this agreement. Fire engine shall be housed on property of the **TRANSFEREE** in a manner to provide reasonable protection against inclement weather, sabotage, theft or malicious damage. Fire engine shall be maintained in accordance with manufacturer's recommendations, and in such condition that it is available for immediate emergency use. Maintenance shall include care of hose, batteries, tires, appliances, lubrication and fuel, general cleaning and polishing, minor body repairs and periodic

testing. Repairs shall include, without being limited to, motor tune-ups, pump repairs, transmission, differential and all running gears, brake and exhaust systems, cooling devices including radiator, pump packing, equipment assigned to apparatus and so forth.

a. Repairs up to and including $100.00 for each individual item of repair shall be the responsibility of **TRANSFEREE.**

b. Repairs exceeding $100.00 for each individual item of repair shall be the responsibility of **STATE**; however, a $100.00 deductible shall apply, unless in the judgment of the **STATE** the repairs results from misuse or negligence on the part of **TRANSFEREE** in the maintenance or use of the fire engine, in which event the cost of each such item of repair above $100.00 shall also be the responsibility of **TRANSFEREE.** In no event shall **TRANSFEREE** arrange for repairs costing above $100.00 for any item of repair, whether it deems the same to be the responsibility of **STATE** or **TRANSFEREE,** without first obtaining authorization in writing from **STATE**.

c. Notwithstanding the foregoing, replacement of hose, batteries and tires shall be the responsibility of **STATE**, save to the extent **STATE** deems damage thereto to be the result of negligence or misuse on the part of **TRANSFEREE,** in which event **TRANSFEREE** will bear such portion of the replacement cost thereof as the **STATE** deems equitable. Procurement of tires, hose and batteries is subject to State fiscal policies and procedures, and written approval must be obtained by **STATE** prior to procurement.

d. Maintenance and repairs must be requested and authorized pursuant to Cal OES, Fire and Rescue Division Operations Bulletin # 18, which is here by incorporated into this agreement by reference.

e. Repair or replacement of the fire engine transferred hereunder which is consumed, lost, stolen, damaged or destroyed during mutual aid operations when **STATE** has dispatched or directed the dispatch of said apparatus through Regional or Operational Area Fire and Rescue Coordinators, or when **STATE** has reassigned said apparatus pursuant to the provisions of paragraph 10 of this agreement, shall be the responsibility of **STATE** However**,** in the event that any such loss or damage is due to the negligence of **TRANSFEREE,** under such circumstances, **TRANSFEREE** shall be liable therefore to the extent that the **STATE** deems equitable. **TRANSFEREE** agrees that it will assume responsibility in full for the repair or replacement of equipment which has been consumed, lost, stolen, damaged or destroyed in operations other than referred to in this paragraph.

3. Inspection of Apparatus

TRANSFEREE agrees that representatives of **STATE** and other authorized State personnel may inspect the fire engine at any time, with or without advance notice.

4. Staffing

Reasonable and continual training shall be carried on so that trained personnel shall at all times be available to staff and operate said fire engine. The **TRANSFEREE** shall provide personnel to staff the transferred fire engine per FIRESCOPE ICS standards with the expectation of staffing with three trained fire personnel for out of operational area assignments.

Per the California Fire Assistance Agreement, personnel under this Agreement are expected to be available for a minimum of seven (7) days (elapsed time) excluding travel, before needing replacement, regardless of the number of assignments from original dispatch. When local government personnel, staffing the fire engine, are committed to extended assignments there may be a need to replace or rotate personnel. Personnel rotation will follow the direction outlined in the California Fire Assistance Agreement when assigned to an incident within California. Crew rotation for incidents outside of California shall be consistent with the appropriate forest's agencies policy and coordinated by **STATE**.

5. Personal Protective Equipment (PPE) and Specialized Equipment

In addition to providing the standard complement of firefighting PPE, it shall be the **TRANSFEREE'S** responsibility to provide its personnel with all other PPE that may be required by NFPA 1901, other NFPA Standards, and 8 CA ADC § 3401 et seq. This shall include, but not be limited to, one Traffic Vest (ANSI / ISEA 207) for each seating position. In addition, we recommend chainsaw chaps be provided.

6. Training

Personnel assigned shall meet wildland fire and ICS standards established in the California Incident Command Certification System (CICCS) (January 2014 version) or NWCG 310-1 (October 2020 version). Personnel staffing **STATE** Type VI Fire Engines shall include the following qualifications: Company Officer (Engine Boss/ENGB), Apparatus Operator (engineer), and Firefighter (FFT1 or FFT2). **TRANSFEREE** agrees to participate in an off-road train-the-trainer course and to adopt an off-road training program for their respective agencies.

7. Dispatching

All movement of the fire engine shall be handled through the official dispatching channels of **TRANSFEREE. TRANSFEREE** dispatchers will recognize and act on all official requests for movement of the fire engine in conformance with the Fire and Rescue Annex (California Fire and Rescue Mutual Aid System) to the State Emergency Plan and its subsequent revisions. **STATE** reserves the right to dispatch, direct the dispatch of, or temporarily reassign the said apparatus and equipment whenever, in the opinion of the Director of the Governor's Office of Emergency Services, their representatives, or Operational Area and Regional Fire

and Rescue Coordinators, such equipment and apparatus is essential to the protection of life and property in another jurisdiction or in the best interest of the **STATE**.

8. Mutual Aid Response

Procedures for mutual aid response shall be in accordance with California Fire Service and Rescue Emergency Mutual Aid Plan.

9. Reimbursable Response

Reimbursement for mutual aid may be provided pursuant to a governor's disaster proclamation or when conditions warrant invoking the California Fire Assistance Agreement, the State of Nevada Cooperative Agreement, the Emergency Management Assistance Compact, or the Interstate Compact as appropriate. There is no other existing provision for mutual aid reimbursement.

10. Temporary Use

TRANSFEREE shall be permitted to use the fire engine for temporary cover of fire stations when emergency conditions warrant, or when regular fire engine is out of service for repairs. In either case, the **TRANSFEREE** shall immediately notify the Operational Area Dispatch Center. The **TRANSFEREE** further agrees that Cover-in or Standby of the fire engine exceeding 90 days is at the discretion of the **STATE.**

11. Temporary Transfer

a. A transfer of the fire engine or any portion thereof by **TRANSFEREE** for any period not exceeding seven consecutive days within a given Operational Area may be made with the consent of the Operational Area Fire and Rescue Coordinator and the **STATE**, providing that at the time such fire engine is received, such Temporary Transferee furnish **TRANSFEREE** and **STATE** a letter to the effect that Temporary Transferee assumes all obligations and criteria of **TRANSFEREE** with respect to such fire engine under this agreement during the period of transfer, including insurance coverage in accordance with Paragraph 13 or 14, as appropriate, and a copy of this Agreement is provided to the Temporary Transferee. Any transfer by **TRANSFEREE** for a period of more than seven consecutive days shall be subject to authorization by the **STATE** and execution of an "Agreement for the Temporary Transfer of Vehicular Equipment", with the agency requesting the transfer.

b. Whenever fire engine is transferred in accordance with the provisions of paragraph 11.a, regular **TRANSFEREE** shall be relieved of its obligations under this agreement during such period of transfer.

c. Complete a written Temporary Cal OES Fire Engine Transfer Record, Exhibit "B". The **TRANSFEREE** will retain one copy, the Temporary Transferee will retain one copy, and one copy will be forwarded to the **STATE**.

12. Reports and Records

TRANSFEREE shall maintain daily and monthly reports on the details of fire engine Use on OES F-101 Form. A Smoke Opacity Test, Pump Test, and Hose Test, and Ladder Test shall be completed annually. Written results of all tests and reports shall be forwarded to the **STATE**, by the end of the calendar year. A recent copy of the tests and reports shall be maintained in the vehicle logbook.

13. Report of Accidents

TRANSFEREE shall immediately notify **STATE** following any and all accidents involving this fire engine. It shall be the responsibility of **TRANSFEREE** to fill out State Form 270, "Report of Automobile Accident," and file the report with the **STATE**. A copy of this report shall be retained by the **TRANSFEREE** and the original and four copies forwarded to the **STATE**.

14. Insurance Protection (Non- State Agencies)

a. **TRANSFEREE** agrees forthwith to furnish evidence of insurance protecting the legal liability of the **TRANSFEREE** and the **STATE** for liability and/or property damage with a combined single limit of 1,000,000.00 per occurrence, by means of a Certificate of Insurance naming State of California as Additional Insured. Said certificate shall contain an agreement by the insurance company that it will not cancel said policy without 15 days prior written notice to the **STATE** and that the **STATE** is not liable for the payment of any premiums or assessments thereon. Said certificate must include the description of the fire engine including VIN, state license number and fire engine number.

b. In the event the **TRANSFEREE** is self-insured, **TRANSFEREE** in lieu of a certificate of insurance shall furnish the **STATE** a written statement of such fact. In such event **TRANSFEREE** agrees to hold the **STATE** harmless from any personal injury or property damage claims arising out of its maintenance, use or operation of the fire engine under the terms of this agreement.

c. Physical damage insurance, including collision coverage and comprehensive coverage, shall be obtained. The **STATE** will be named as a loss payee. The description of the vehicle and the necessary amount of insurance required is outlined in attached Exhibit "C" which is by this reference made a part hereof.

15. Insurance Protection (State Agencies)

Any insurance necessary for coverage of the fire engine shall be the sole responsibility of the department having custody of the vehicle. **TRANSFEREE** agrees to report apparatus as being under its control to the Insurance Officer, Department of General Services.

16. Termination of Agreement

a. Either party may terminate this agreement upon 14 days written notice to other party, or **TRANSFEREE** may relinquish or **STATE** may repossess any portion of the fire engine upon like notice to the other party, except that **STATE** may repossess any portion thereof without written notice whenever it deems the same is not being maintained in accordance with this agreement.

b. Upon the termination of this agreement, **TRANSFEREE** agrees to return said fire engine in the same condition as received, reasonable wear and tear excepted.

c. As inventory changes occur, or items of equipment are replaced, deleted or added by the **STATE** or replaced by **TRANSFEREE**, it is mutually agreed that no amendment to this agreement need be made at the time of the change; provided however, at the termination of this agreement a complete reconciliation of all equipment will be made. **TRANSFEREE** further agrees that all replacements for fire engine or equipment will be made with identical or substantially like items as approved by the **STATE**.

d. Nothing in this agreement shall be construed to create a new property interest or right of action for the **TRANSFEREE**.

17. Unauthorized Use of **STATE** Fire Engine and Equipment

Use of this fire engine other than as specified in paragraph 1 will be considered a breach of this agreement.

18. Use of Radio Equipment

a. **STATE** will furnish at **STATE's** sole cost, radio equipment installed in the fire engine to be operated on the current approved State radio load.

b. **STATE** agrees to maintain said radio equipment without cost to **TRANSFEREE**.

c. The **TRANSFEREE** agrees to operate said radio equipment in accordance with the Rules and Regulations of the Federal Communications Commission.

d. Ownership of said equipment is in the **STATE**, and all applications to the Federal Communications Commission seeking authority to add, modify or replace radio equipment covered by this agreement shall be made by and in the name of the State of California. To activate this agreement and in compliance with the control requirements of the Communications Act of 1934, as amended, the **STATE** hereby deputizes the Chief of the agency of said **TRANSFEREE**, and such volunteers, regularly employed and salaried assistants as shall be designated by the Chief of the agency as his agents to operate said radio equipment as specified in paragraph "c" above.

e. **STATE** assumes no liability hereunder for claims or losses accruing or resulting to any person, firm or corporation furnishing or supplying work, services or material or services in connection with the performance of this agreement or for any claims and losses accruing or resulting to any person, firm or corporation injured or damaged by performance of either party hereunder.

19. Notices

All notices herein provided to be given, or which may be given by either party to the other shall be deemed to have been fully given when made in writing and deposited in the U.S. mail, registered and postage prepaid and addressed as follows: To the **TRANSFEREE** at [INSERT NAME AND ADDRESS OF FIRE AGENCY] and to the **STATE** at Governor's Office of Emergency Services, Fire and Rescue Division, 3650 Schriever Avenue, Mather, CA 95655. The address to which notices shall or may be mailed as aforesaid to either party may be changed by written notice given by such party to the other, as hereinabove provided; but nothing herein contained shall preclude the giving of any such notice by personal service.

20. Alterations and Variations

It is mutually understood and agreed that no alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreements not incorporated herein, and no alterations or variations of the terms hereof unless made in writing between the parties hereto shall be binding on any of the parties hereto.

21. Waivers

The **STATE** may in its sole discretion and for such good cause as it determines waive in writing in whole or in part any requirement of this agreement that fire engine and/or equipment shall be maintained in operating condition, or repaired, or replaced, providing that any such waiver shall be applicable only to the specific fire engine or equipment to which it refers. No failure to enforce any provision of this Agreement shall be construed as a waiver of the provision. Any waiver, in order to be effective, must be in writing and shall only be effective for the instance specified in the writing.

IN WITNESS WHEREOF the parties hereto have executed this agreement upon the date first above written.

TRANSFEREE:

_____

*By:*_____

STATE OF CALIFORNIA:

Mark S. Ghilarducci

Director
Governor's Office of Emergency Services

*By:*_____

Brian S. Marshall
State Fire and Rescue Chief

EXHIBIT "A"
EQUIPMENT INVENTORY: Type VI Fire Engine

QUAN	DESCRIPTION	OES NUMBER	SERIAL NUMBER
	FIRE HOSE		
3	1 ½" NH X 50', Structural Hose		
1	1 ½" NH X 35', Structural Hose		
1	1 ½" NH X 35', Wildland Hose		
1	3" NH X 15' Soft Suction Hose		
8	3" NH X 50 Structural Hose		
3	1 ½" NH X 100', Wildland Hose		
3	1" NPSH X 100', Wildland Hose		
3	5/8" GHT X 100', Wildland Hose		
	HOSE REEL FIRE HOSE		
2	¾" NPSHX 50', Hose Reel		
	SUCTION HOSE		
2	3" NH X 9', Suction Hose		
1	1 ½" NH X 8, Suction Hose		
	NOZZLES		
1	1 ½" NH Nozzle Structural, 30-125 GPM, Pistol Grip		
1	1 ½" NH Nozzle, Structural, 30-125 GPM, Break-Apart		
2	1 ½" NH Nozzle, Wildland, 20-60 GPM		
1	1" NPSH Foam Nozzle, Pistol Grip		
1	¾" GHT Nozzle, Wildland		
4	1" NPSH Nozzle, Wildland, 10-23 GPM		
1	1 ½" NH Nozzle, Wildland w/ Foam Nozzle Attached		
	ADAPTERS AND FITTINGS		
1	2 ½" NH Double Male		
1	2 ½" NH Double Female		
1	2 ½" NH-F X 1 ½" NH-M Reducer		
1	1 ½" NH Double Male		
2	1 ½" NH Double Female		
1	1" NPSH Double Male		
1	1" NPSH Double Female		
1	1 ½" NH-F X 1" NH-M Reducer		
2	1 ½" NH-F X 1" NPSH-M Reducer		
3	1" NPSH-F X ¾" GHT-M Reducer		
1	1 ½" NH-F X 2 ½" NH-M Increaser		
1	¾" GHT-F X 1" NSPH-M Increaser		
1	1" NPSF-F X 1 ½" NH-M Increaser		
1	3" NH-F X 2 ½" NH-F Adapter		
1	1 ½" NPSH-F X 1 ½" NH-M Adapter		
1	1 ½" NH-F X 1 ½" NPSH-M Adapter		
1	1" NH-F X 1" NPSH-M Reducer		
1	1 ½" NH-F X 1 ½" NH-M In-Line Shut-Off		
1	1" NPSH-F X 1" NPSH-M In-Line Shut-Off		
5	¾" GHT-F X ¾" GHT-M In-Line Shut-Off		
	HOSE APPLIANCES		
1	2 ½" NH-F X 1 ½" NH-F X 1 ½" NH-F Gated Wye		
2	1 ½" NH-F X 1 ½" NH-M X 1 ½" NH-M Gated Wye		

1	1" NPSH-F X 1" NPSH-M X 1" NPSH-M Gated Wye		
1	¾" GHT-F X ¾" GHT-M X ¾" GHT-M Gated Wye		
3	1 ½" NH-F X 1 ½" NH-M X 1" NPSH-M Tee		
3	1" NPSH-F X 1" NPSH-M X 1" NPSH-M Tee		
1	3" NH Suction Hose Strainer		
1	1 ½" NH Strainer/Foot Valve		
1	1 ½" NH Floating Strainer		
LADDERS			
1	Little Giant Ladder, 20'		
HAND TOOLS			
1	Pick-Head Axe, 6 LB, 36" Handle		
1	Flat-Head Axe, 6 LB, 36" Handle		
1	Pike Pole, 6'		
1	Rubbish Hook, 6'		
2	Forest Fire Shovel		
1	McLeod		
1	Pulaski		
1	Fire Rake		
1	Council Combination Tool		
2	Hay Hooks		
1	Pipe Wrench, 24"		
1	Bolt Cutters, 24"		
1	Fence Pliers		
HOSE ACCESSORIES			
2	Forestry Spanner Wrench, Combination		
1	Dead-Blow Hammer, 2 LB		
1	Hydrant Wrench		
2	Spanner Wrench		
1	Foam Can Wrench		
1	Hose Roller		
2	Wildland Hose Clamp		
PORTABLE PUMP			
1	Portable Pump, 119 GPM, 64 PSI		
2	2" NPT-F X 1 ½" NH-M Adapter		
1	Fuel Can, 2 ½ Gallon, Regular Fuel		
BACKPACK PUMP			
1	Backpack Pump, 5 Gallon		
DRIP TORCH			
1	Drip Torch		
TRUCK EQUIPMENT			
2	Chock Blocks		
1	Triangle Warning Reflectors		
1	Electronic Road Flare Kit		
1	Traffic Cones, Collapsible Kit,		
1	Jack, 8-Ton		
1	Tow Chain, 25' X 3/8", 6,660 LB Working Load		
CHAIN SAW			
1	Chain Saw, 24" Bar, Standard Chain		
1	Spark Plug, Spare		
1	Air Filter, Spare		
1	Bar, 24", Spare		

1	Bar Oil, 1 Gallon		
1	Chain Saw Tool Kit		
FIRE EXTINGUISHERS			
1	30 LB BC Fire Extinguisher		
1	5 LB ABC Fire Extinguisher		
EXTRICATION EQUIPMENT			
1	Spreader, eDRAULIC		
1	Cutter, eDRAULIC		
1	Ram, eDRAULIC		
	Rechargeable Battery		
1	Battery Charger, Multi-Bank		
MEDICAL EQUIPMENT			
1	Trauma Kit		
1	Burn Kit		
ROPE			
1	Utility Rope, ½" X 100'		
1	Rope Bag		
G.P.S.			
1	Garmin		

EXHIBIT "B"
RADIO INVENTORY: Type VI Fire Engine

QUAN	DESCRIPTION	OES NUMBER	SERIAL NUMBER
	MOBILE RADIOS		
1	Mobile Radio, Bendix-King, KNG M-150		
	PORTABLE RADIOS		
1	Portable Radio, Bendix-King, KNG P-150		
1	Speaker Microphone		
1	Battery Holder		
1	Carrying Case, Leather		

EXHIBIT "C"
TEMPORARY CAL OES FIRE ENGINE TRANSFER RECORD

NO.	A R T I C L E	OES DECAL	QUANTITY
1.	500 GPM Type IV Fire Engine, complete with equipment per attached Exhibit "A" of Agreement for Temporary Transfer of Vehicular Equipment.	OES -	1
2.	License No:		
3.	VIN No:		
4.	Engine Number:		
5.	Proof of Insurance:		
6.	Inventory Completed:		
7.			
8.			
9.			
10.			
11.			

REASON FOR TEMPORARY TRANSFER: _____

SIGNATURES:

_____ Date_____
PERMANENT TRANSFEREE

_____ Date_____
TEMPORARY TRANSFEREE

EXHIBIT "D"
INSURANCE REQUIREMENTS

Part of the agreement through which the **STATE** makes a temporary transfer of vehicular equipment is the agreement on the part of the **TRANSFEREE** to furnish certain evidence of insurance. Your organization, as a transferee of equipment, will want to be mindful of these requirements and assure they are complied with.

Liability Insurance

A certificate of insurance shall be furnished to the **STATE** providing minimum limits of insurance as follows:

BODILY INJURY and PROPERTY DAMAGE LIABILITY $1,000,000.00 PER OCCURANCE

A certificate of insurance will have the following provisions included:

1. The State of California shall be named Loss Payee and Additional Insured.

2. The insurance company shall agree that in the event of cancellation, 15 days prior written notice will be given to the **STATE**.

3. The **STATE** shall not be responsible for premium or assessments.

4. Certificate of Insurance must include the description of the fire engine including identification number, State license number and Cal OES unit number.

Physical Damage Insurance

The transfer agreements place certain responsibilities upon your organization for the safekeeping of the vehicle and equipment. The **STATE** will look to your organization for reimbursement for repair or replacement cost in the event the vehicle or equipment is damaged by misuse or negligence or by other causes, except normal wear and tear, acts of God and conditions over which your organization has no control.

Description of Fire Engine

VEHICLE	VALUE
_____	$215,599.00

License Number: _____
VIN Number: _____
Engine Number: _____

EQUIPMENT

Hose and Appliance	$41,826.00

EXHIBIT "E"

Original text of letter addressed to the California Fire Service outlining the specifications to be considered for a Type VI fire engine assignment:

As a result of the Governor's Blue-Ribbon Commission of the 2003 Fire Siege, the Governor's Office of Emergency Services, Fire and Rescue Division has purchased seventy-nine Type VI fire engines.

Cal OES, Fire and Rescue Division is notifying agencies that are interested in becoming a transferee of the new Type VI fire engines. These fire engines will be assigned within the Cal OES Regions. Agencies desiring to house and staff these fire engines must meet the following criteria for consideration of transfer. All these items must be addressed in your fire engine request.

Training:

- Personnel responding with the fire engine shall meet wildland fire and ICS training standards established in the California Incident Command Certification System (CICCS) or NWCG 310-1 (Current version) for the following positions;
  1 Engine Boss or Company Officer
  1 Apparatus Operator (Engineer)
  1 Firefighter (Type 1 or 2 Firefighter)
- The department has or will adopt a 4X4 Driver Training Program

Cal OES, Fire and Rescue Division Type VI TRANSFEREE will be expected to meet and accept the following work assignments & staffing:

- Backfire, Burnout, Holding, and Mop-Up
- Progressive Hose Lays, Hose Lays supplemented with portable pumps
- Construct Hand lines
- Mobile Pumping
- Operate in Off-Road Environment
- Meet the expected 7-Day minimum assignment period in compliance with the California Fire Assistance Agreement.
- Meet FIRESCOPE compliant 3-person staffing
- The ability to staff 3-person staffing for out of Operational Area dispatches
- The transfer agreement that transfers the fire engine requires that a fire department staff the fire engine for immediate need with 3 fully trained personnel.
- The department should assess if it has the staffing capability to send the engine out (minimum 3 fire fighters) for 7-14 days (excluding travel time)



THIS DRAWING IS AN OVERALL REPRESENTATION OF THE APPARATUS AS PROPOSED.

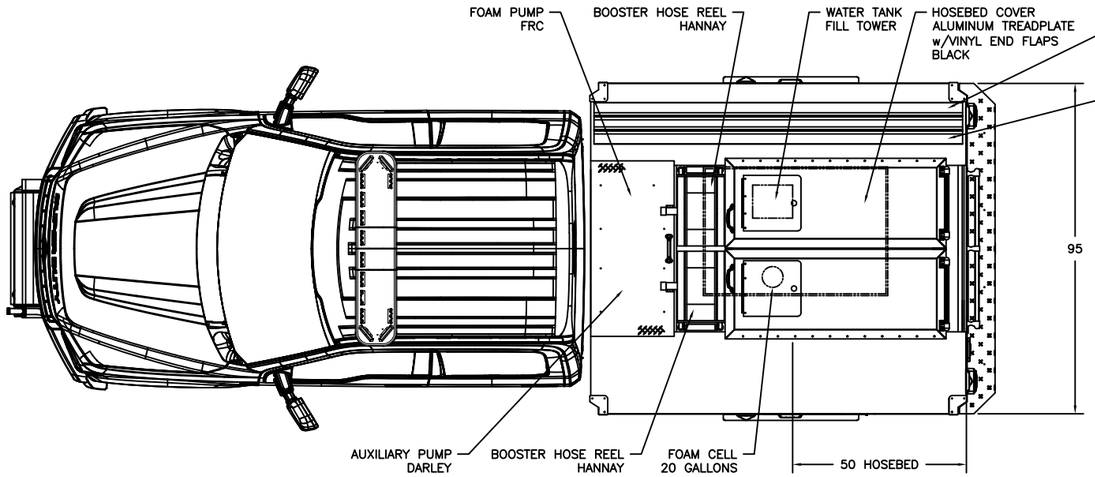
THE EXACT DIMENSIONS, LOCATIONS OF ACCESSORIES AND/OR COMPONENTS MAY BE REVISED PENDING COMPLETE ENGINEERING OF THE CUSTOM REQUIREMENTS OF THE INDIVIDUAL APPARATUS ORDER.

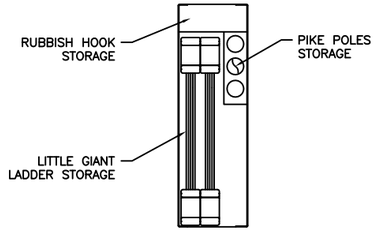
IF THERE IS A DISCREPANCY BETWEEN THE BODYBUILDER PRINT AND THE WRITTEN PROPOSAL: THE SPECIFICATIONS WITHIN THE PROPOSAL PREVAIL.

This drawing along with any changes made and initialed by both the "Fire Department" & HME, Inc, represents what will be constructed and supplied to the "Fire Department." Any changes to the contract specifications and drawing after today's date will be addressed via appropriate change order signed and approved by both the "Fire Department" & HME, Inc.

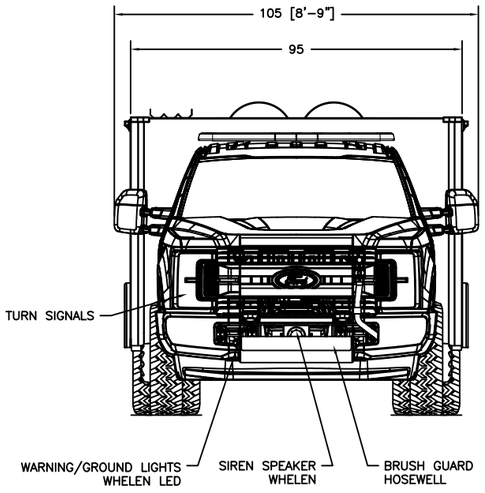
APPROVED BY:_____ TITLE:_____
FIRE DEPARTMENT

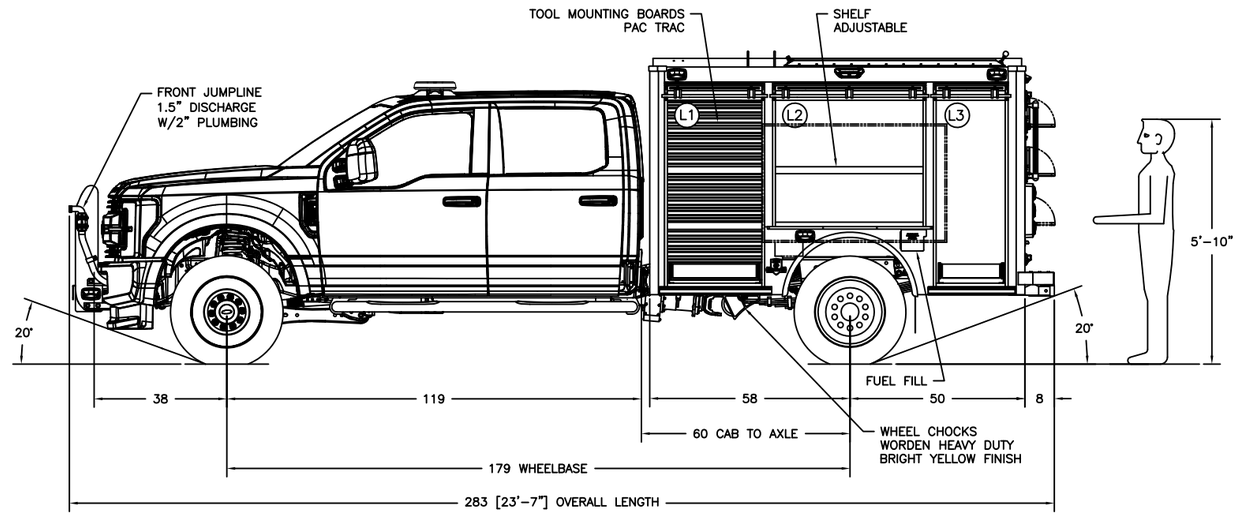
APPROVED BY:_____ TITLE:_____
HME, Incorporated

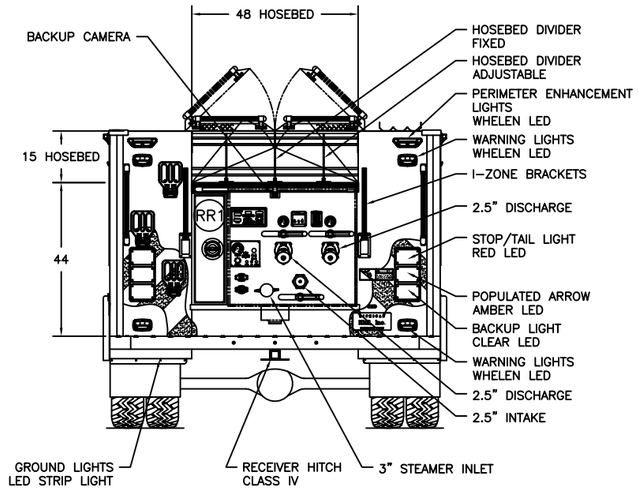




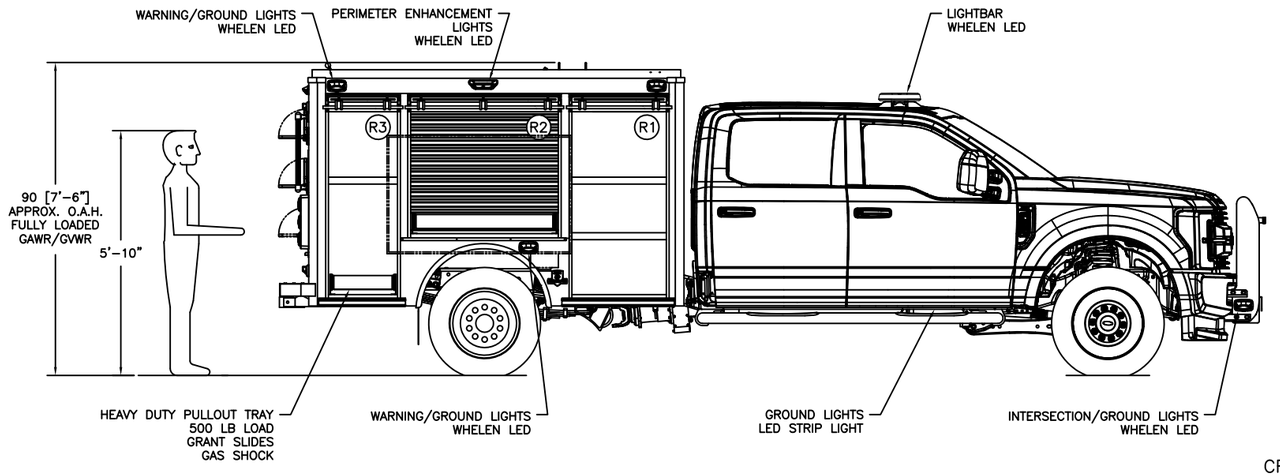
THRU BODY
STORAGE RR1







COMPARTMENTATION						
	BEHIND DOOR			CLEAR OPENING		
COMPT.	WIDTH	HEIGHT	DEPTH	DOOR WIDTH	DOOR HEIGHT	COMPT. VOLUME
L1:	35½"	62"	22"	26"	52½"	28.0 FT³
L2:	44"	45"	22"	42"	35"	25.2 FT³
L3:	23½"	62"	22"	19"	52½"	18.5 FT³
R1:	35½"	62"	22"	26"	52½"	28.0 FT³
R2:	44"	45"	22"	42"	35"	25.2 FT³
R3:	23½"	62"	22"	19"	52½"	18.5 FT³



CREATED WITH AutoCAD®

LET	BY	DATE	REVISION
A	DM	15 APR '19	ORIGINAL RELEASE

HME INCORPORATED
1950 BYRON CENTER AVE.
WYOMING, MI. 49519

THIS PRINT IS PROVIDED ON A RESTRICTED BASIS AND IS NOT TO BE USED IN ANY WAY DETRIMENTAL TO THE INTERESTS OF HME. INC.

NAME
TYPE VI WILDLAND FOR CAL OES FORD

DRAWN	DATE	APPROVED	DRAWING FILE
D. MEAD	03 APR '19	N/A	TYPE 6 WILDLAND FOR CAL OES.DWG

THIRD ANGLE PROJECTION | SIZE B | NUMBER TYPE VI CAL OES | SCALE NTS | SHEET 1 OF 2

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 23

Agenda Item: ABC – Public Convenience or Necessity – Yosemite Axe Throwing

Executive Summary: Under State law, the issuance of a new alcohol retail license is prohibited in any area that has an undue concentration of alcohol outlets or high crime unless a determination is made that the license would serve public convenience or necessity (Cal. Bus. & Prof. Code § 23958.4). The determination of "public convenience or necessity" is either made by the Department of Alcoholic Beverage Control (ABC), or by a local governing body, depending on the license type.

Where the ABC license type necessitates a determination of public convenience or necessity by the local governing body, the local governing body must issue a letter to ABC stating that it has made the finding of public convenience or necessity for ABC to issue a new alcohol retail license.

Requested Action / Suggested Motions: Pass a Resolution Approving Issuance of a Letter of Public Convenience or Necessity (PCN) to the California Department of Alcoholic Beverage Control (ABC) for the Issuance of a Type 40 License for the Premises at 3979 Lake Tahoe Boulevard Unit #1 (Yosemite Axe Throwing), APN 029-083-016.
Responsible Staff Member: Madison Dederick, Assistant Planner

Responsible Staff Member: Madison Dederick, Assistant Planner (530) 542-6022

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - ABC Public Necessity Letter.docx
02-Yosemite Axe Throwing ABC Application 22-086.pdf
03-Resolution PNC 22-086.docx
04-Exhibit A PCN Letter 22-086.docx

City of South Lake Tahoe
Report to City Council

Meeting Date: August 9, 2022

Title: ABC – Public Convenience or Necessity – Yosemite Axe Throwing

Location: 3979 Lake Tahoe Boulevard, Unit # 1

Responsible Staff Members: Madison Dederick, Assistant Planner

Background: Under State law, the issuance of a new alcohol retail license is prohibited in any area that has an undue concentration of alcohol outlets or high crime unless a determination is made that the license would serve public convenience or necessity (Cal. Bus. & Prof. Code § 23958.4). The determination of "public convenience or necessity" is either made by the Department of Alcoholic Beverage Control (ABC), or by a local governing body, depending on the license type.

Where the ABC license type necessitates a determination of public convenience or necessity by the local governing body, the local governing body must issue a letter to ABC stating that it has made the finding of public convenience or necessity for ABC to issue a new alcohol retail license.

Issue and Discussion: **Project Description** This item is before the City Council to consider approval of a Letter of Public Convenience or Necessity (PCN) to the State of California Department of Alcoholic Beverage Control (ABC) for a Type 40 On-Sale Beer license request from Yosemite Axe Throwing at 3979 Lake Tahoe Boulevard, Unit # 1. A Type 40 license authorizes the sale of beer for consumption on or off the premises where sold. No wine or distilled spirits may be on the premises. Full meals are not required; however, sandwiches or snacks must be available. Minors are allowed on the premises.

Yosemite Axe Throwing is currently operating under a special use permit for an amusement and recreation use. Yosemite Axe Throwing is proposing to install a fridge that will be stocked with a variety of bottled and canned beer; no beer will be sold on tap. A Type 40 On-Sale Beer license also requires sandwiches or snacks to be available. Yosemite Axe Throwing will not be altering the facility for any type of food preparation, only small, prepackaged snacks will be available. The sale of beer is considered an accessory use to the primary amusement and recreation use and consistent with the Tourist Core Area Plan. Due to the scope of sales, the proposal does not modify Yosemite Axe Throwing's current operation plan approved though a special use permit. The South Lake Tahoe Police Department has reviewed the request and does not object to the proposed issuance of this type of license to the applicant.

Site Description The business is located within a developed commercial complex at 3979 Lake Tahoe Boulevard. The site is bordered on the east and west by hotels and restaurants. The parcel behind the property is parking for the commercial complex which leads out to Cedar Avenue and residential uses.

Existing Site Factors	
Parcel Size	24,715 ft^2 (estimated)
Assessor's Parcel Number	029-083-016
General Plan Land Use Designation	Tourist Center
Planning Area	Tourist Core Area Plan
Zoning	Tourist Center Mixed-Use (TSC-MU)
Use	Amusement & Recreation
Flood Zone	Area of Minimal Flood Hazard, FEMA Panel 06017C0380F
Airport Land Use Compatibility Plan	Not Applicable

Surrounding Land Uses/Zoning			
	General Plan Land Use	*Zoning*	*Development Status*
North	Tourist Center	TSC-MU	Restaurant & Tourist Accommodations
East	Tourist Center	TSC-C	Commercial & Retail Uses
South	Tourist Center	TSC-MU	Restaurant & Tourist Accommodations
West	Tourist Center	TSC-MU	Residential

Public Notice and Public Comments: The applicant, according to the California Business and Professions Code, Chapter 6, 23985.5(a) has notified all residences within 500 feet of the site. No notices on behalf of the City of South Lake Tahoe are required under California Business and Professions Code, Chapter 6, 23985.5.

However, a notice of public hearing was mailed to property owners within 300 feet of the property on July 29, 2022 and published in the Tahoe Daily Tribune on July 29, 2022 in compliance with Government Code Division 1, Chapter 2.7 (Public Hearings). Any comments received will be transmitted to the City Council and posted on the City web site.

Financial Considerations: There is a potential for additional tax revenue generated by the sale of beer.

Environmental Considerations: The proposed Project is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Granting this PCN will not bring

about any physical change to the environment and will not have any potential for causing a significant effect on the environment.

Policy Implications: The Strategic Plan incorporates the concept of expanding retail opportunities as part of Economic Development. As the City has been endeavoring to “increase the top line”, it is important to encourage and assist private enterprise to create new economic models within the City.

Department of Alcoholic Beverage Control

State of California
Gavin Newsom, Governor

INFORMATION AND INSTRUCTIONS - SECTION 23958.4 B&P

Instructions This form is to be used for all applications for original issuance or premises to premises transfer of licenses.

- Part 1 is to be completed by an ABC employee, given to applicant with pre-application package, with copy retained in holding file or applicant's district file.
- Part 2 is to be completed by the applicant, and returned to ABC.
- Part 3 is to be completed by the local governing body or its designated subordinate officer or body, and returned to ABC.

PART 1 - TO BE COMPLETED BY ABC

GEO CODE :0902

1. APPLICANT'S NAME

YOSEMITE AXE THROWING - 636415

2. PREMISES ADDRESS (Street number and name, city, zip code)

3979 LAKE TAHOE BLVD, UNIT 1, SOUTH LAKE TAHOE, CA 96150-8968

3. LICENSE TYPE

40

4. TYPE OF BUSINESS

- [ ] Full Service Restaurant
- [ ] Deli or Specialty Restaurant
- [ ] Cafe/Coffee Shop
- [ ] Bed & Breakfast:
  - [ ] Wine only
  - [ ] All
- [ ] Hofbrau/Cafeteria
- [ ] Comedy Club
- [ ] Brew Pub
- [ ] Theater
- [ ] Cocktail Lounge
- [ ] Night Club
- [ ] Tavern: Beer
- [ ] Tavern: Beer & Wine
- [ ] Private Club
- [ ] Veterans Club
- [ ] Fraternal Club
- [ ] Wine Tasting Room
- [ ] Supermarket
- [ ] Liquor Store
- [ ] Drug/Variety Store
- [ ] Membership Store
- [ ] Department Store
- [ ] Florist/Gift Shop
- [ ] Service Station
- [ ] Convenience Market
- [ ] Convenience Market w/Gasoline
- [ ] Swap Meet/Flea Market
- [ ] Drive-in Dairy
- [X] Other - describe: Indoor Family Entertainment

5. COUNTY POPULATION	6. TOTAL NUMBER OF LICENSES IN COUNTY	7. RATIO OF LICENSES TO POPULATION IN COUNTY
195362	N/A [ ] On-Sale [ ] Off-Sale	1-501 [X] On-Sale [ ] Off-Sale
8. CENSUS TRACT NUMBER	**9. NO. OF LICENSES ALLOWED IN CENSUS TRACT**	**10. NO. OF LICENSES EXISTING IN CENSUS TRACT**
316.01	4 [X] On-Sale [ ] Off-Sale	38 [X] On-Sale [ ] Off-Sale

11. IS THE ABOVE CENSUS TRACT OVERCONCENTRATED WITH LICENSES? (i.e., does the ratio of licenses to population in the census tract exceed the ratio of licenses to population for the entire county?)

- [x] Yes, the number of existing licenses exceeds the number allowed
- [ ] No, the number of existing licenses is lower than the number allowed

12. DOES LAW ENFORCEMENT AGENCY MAINTAIN CRIME STATISTICS?

- [ ] Yes (Go to Item #13)
- [x] No (Go to Item #20)

13. CRIME REPORTING DISTRICT NUMBER	14. TOTAL NUMBER OF REPORTING DISTRICTS	15. TOTAL NUMBER OF OFFENSES IN ALL REPORTING DISTRICTS
N/A	N/A	N/A
16. AVERAGE NO. OF OFFENSES PER DISTRICT	**17. 120% OF AVERAGE NUMBER OF OFFENSES**	**18. TOTAL NUMBER OF OFFENSES IN REPORTING DISTRICT**
N/A	N/A	N/A

19. IS THE PREMISES LOCATED IN A HIGH CRIME REPORTING DISTRICT? (i.e., has a 20% greater number of reported crimes than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency)

- [ ] Yes, the total number of offenses in the reporting district equals or exceeds the total number in item #17
- [ ] No, the total number of offenses in the reporting district is lower than the total number in item #17

20. CHECK THE BOX THAT APPLIES (check only one box)

- [ ] a. If "*No*" is checked in both item #11 *and* item #19, *Section 23958.4 B&P does not apply* to this application, and no additional information will be needed on this issue. Advise the applicant to bring this completed form to ABC when filing the application.
- [ ] b. If "*Yes*" is checked in either item #11 *or* item #19, *and* the applicant is applying for a non-retail license, a retail bona fide public eating place license, a retail license issued for a hotel, motel or other lodging establishment as defined in Section 25503.16(b) B&P, or a retail license issued in conjuction with a beer manufacturer's license, or winegrower's license, advise the *applicant to complete Section 2* and bring the completed form to ABC when filing the application or as soon as possible thereafter.
- [X] c. If "*Yes*" is checked in either item #11 *or* item #19, *and* the applicant is applying for an off-sale beer and wine license, an off-sale general license, an on-sale beer license, an on-sale beer and wine (public premises) license, or an on-sale general (public premises) license, advise the *applicant to take this form to the local governing body, or its designated subordinate officer or body to have them complete Section 3*. The completed form will need to be provided to ABC in order to process the application.

Governing Body/Designated Subordinate Name: South Lake Tahoe Police Dept. ATTN: Chief of Police 1352 Johnson Blvd. South Lake Tahoe, CA 96150

FOR DEPARTMENT USE ONLY

PREPARED BY (Name of Department Employee)

TA - Tiffany Aitaro

PART 2 - TO BE COMPLETED BY THE APPLICANT (If box #20b is checked)

21. Based on the information on the reverse, the Department may approve your application if you can show that public convenience or necessity would be served by the issuance of the license. Please describe below the reasons why issuance of another license is justified in this area. You may attach a separate sheet or additional documention, if desired. Do *not* proceed to Part 3.

22. APPLICANT SIGNATURE

23. DATE SIGNED

PART 3 - TO BE COMPLETED BY LOCAL OFFICIALS (If box #20c is checked)

The applicant named on the reverse is applying for a license to sell alcoholic beverages at a premises where undue concentration exists (i.e., an over-concentration of licenses and/or a higher than average crime rate as defined in Section 23958.4 of the Business and Professions Code). Sections 23958 and 23958.4 of the Business and Professions Code requires the Department to deny the application unless the local governing body of the area in which the applicant premises are located, or its designated subordinate officer or body, determines within 90 days of notification of a completed application that public convenience or necessity would be served by the issuance.
Please complete items #24 to #30 below and certify or affix an official seal, or attach a copy of the Council or Board resolution or a signed letter on official letterhead stating whether or not the issuance of the applied for license would serve as a public convenience or necessity.

24. WILL PUBLIC CONVENIENCE OR NECESSITY BE SERVED BY ISSUANCE OF THIS ALCOHOLIC BEVERAGE LICENSE?

☐ Yes ☐ No ☐ See Attached (i.e., letter, resolution, etc.)

25. ADDITIONAL COMMENTS, IF DESIRED (may include reasons for approval or denial of public convenience or necessity):

26. CITY/COUNTY OFFICIAL NAME

27. CITY/COUNTY OFFICIAL TITLE

28. CITY/COUNTY OFFICIAL PHONE NUMBER

29. CITY/COUNTY OFFICIAL SIGNATURE

30. DATE SIGNED

Resolution 2022-XX

Adopted by the City of South Lake Tahoe City Council

August 9, 2022

Approving Issuance of a Letter of Public Convenience or Necessity (PCN) to the California Department of Alcoholic Beverage Control (ACB) for the Issuance of a Type 40 License for the Premises at 3979 Lake Tahoe Boulevard Unit #1 (Yosemite Axe Throwing), APN 029-083-016

BACKGROUND

A. Pursuant to applicable provisions of the Business and Professions Code, the Department of Alcoholic Beverage Control (hereinafter "ABC") is charged with the responsibility of reviewing applications and issuance of licenses for the sale and /or manufacture of alcoholic beverages in the State of California.

B. Section 23958 of the Business and Professions Code provides that ABC shall deny an application for a license if issuance of that license would tend to create law enforcement problem, or if issuance would result in or add to an undue concentration of licenses, excepted as provided in Section 23958.4 of said Business and Professions Code.

C. Section 23958.4 of the Business and Professions Code provides that, notwithstanding the limitations of Section 23958, ABC shall issue a license if the applicant shows that "public convenience or necessity" would be served by the issuance of such license.

D. Section 23958.4 further provides that the determination of "public convenience or necessity" shall be made by ABC with regard to certain applications and shall be made by the local governing body of the area in which the applicant premises are located with regard to certain other applications.

E. As a local governing body within the meaning of said Section 23958.4 of the Business and Profession Code, the City Council of South Lake Tahoe (hereinafter the "City Council") has the discretion to determine when the public convenience or necessity would be served by allowing an alcohol license in an area where there is an undue concentration of licenses.

F. Under state law Section 23790 of the Business and Professions Code, ABC may not issue an alcohol license if it violates an existing zoning ordinance.

G. The subject site is zoned mixed use and is in a designated town center and operates under a special use permit for amusement and recreation.

H. Yosemite Axe Throwing has applied for a Type 40 On-Sale Beer License that authorizes the sale of beer for consumption on or off the premises where sold.

I. The City has determined that the issuance of a of PCN is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3). Section 15061(b)(3) is a general rule exemption applying to projects that have no possibility of having a significant impact on the environment. The determination that the public convenience or necessity that would be served by the issuance of a Type 40 ABC license would not cause environmental impacts as there is no direct physical effect.

J. The City of South Lake Tahoe has prepared a Letter of Public Convenience or Necessity provided as Exhibit A attached hereto.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City of South Lake Tahoe City Council:

1. Finds that the public convenience or necessity would be served by the proposed sale of beer at Yosemite Axe Throwing, 3979 Lake Tahoe Boulevard Unit #1, APN 029-083-016.
2. Authorizes and directs the Planning Manager to issue the Letter of Public Convenience or Necessity attached hereto as Exhibit A.

Adopted by the City of South Lake Tahoe City Council at a meeting on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CITY OF
SOUTH LAKE TAHOE

August 9, 2022 Certified Mail

State Department of Alcoholic Beverage Control
2400 Del Paso Road, Suite 155
Sacramento CA, 95834

SUBJECT: Letter of Public Convenience or Necessity for Yosemite Axe Throwing, located at 3979 Lake Tahoe Blvd. Unit #1, South Lake Tahoe, CA 96150

Attention:

This letter is regarding the Yosemite Axe Throwing application for a Type 40 On-Sale Beer License for 3979 Lake Tahoe Boulevard Unit #1. The California Department of Alcoholic Beverage Control (ABC), under state statute, must review and issue licenses for the sale and/or manufacture of alcoholic beverages. State law provides that ABC shall deny an application for a license if the issuance of that license would either create a law enforcement problem or result in or add to an undue concentration of licenses unless a determination is made that public convenience or necessity would be served by the issuance of that license.

Pursuant to Section 23958.4 of the California Business and Professions Code, the City of South Lake Tahoe City Council must issue a letter of Public Convenience or Necessity (PCN) for ABC to grant Yosemite Axe Throwing a Type 40 On-Sale Beer License due to “undue concentration” in census tract 316.01. The census tract is allowed 4 on-sale licenses, while 38 have been issued. ABC requires the City of South Lake Tahoe to make a finding of public convenience or necessity before a new alcohol license may be issued in census tract 316.01.

If you have any questions or concerns, please contact Madison Dederick, Assistant Planner, at (530) 542-6022 or mdederick@cityofslt.us.

Sincerely,

John Hitchcock
Planning Manager

David Stevenson
Chief of Police

EXHIBIT A

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 24

Agenda Item: Review Policy for Publicly Visible Art on Private Property

Executive Summary: At the May 10, 2022, Art, Culture, and Tourism (ACT) Commission meeting, staff was directed to draft a new policy for public art located on private property. On June 14, 2022, the ACT Commission reviewed a draft policy and provided staff with feedback, as well as discussed amending the application fees. The ACT Commission reviewed the revised policy and proposed application fees on July 12, 2022. The item before the Council is to consider a resolution adopting a review policy for publicly visible art on private property and amending the master fee schedule to establish no fee for public murals and a $250 fee for all other publicly visible art.

Requested Action / Suggested Motions: Pass a Resolution adopting a review policy for publicly visible art on private property and amending the master fee schedule to establish no fee for public murals and a $250 fee for all other publicly visible art.
Responsible Staff Member: Madison Dederick, Assistant Planner

Responsible Staff Member: Madison Dederick, Assistant Planner (530) 542-6022

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report-Art Review Policy.docx
02-Resolution-Art Review Policy
03-2003 Planning Department On-Site Private Art Policy.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: August 9, 2022

Title: Review Policy for Publicly Visible Art on Private Property

Location: Citywide

Responsible Staff Member: Madison Dederick, Assistant Planner

Background: At the May 10, 2022, Art, Culture, and Tourism (ACT) Commission staff was directed to draft a new policy for public art located on private property. On June 14, 2022, the ACT Commission reviewed a draft policy and provided staff with feedback, as well as discussed amending the application fees. The ACT Commission reviewed the revised policy and proposed application fees on July 12, 2022.

Issue and Discussion: The duties and responsibilities of the ACT Commission include the following: (1) Act in advisory capacity to the City Council and no express authority or power to act on behalf of the City; (2) Review proposed policies on Arts, Culture and Tourism programs and report findings; and (3) Review proposed public art projects and make recommendations for the appropriation of funds for specific projects.

The recommendation of the ACT Commission includes adoption of the Publicly Visible Art Review Policy included in the attached resolution. The policy would require publicly visible art to be reviewed by the ACT Commission for consistency with specified criteria. The ACT Commission further recommends an amendment to the Master Fee Schedule to establish no fee for public murals and a $250 fee for all other publicly visible art.

The recommendation before the Council aligns with all three of the ACT Commissions' duties and responsibilities. Additionally, the new policy aligns with Goal 3.3 of the City's strategic plan for an Arts and Cultural Program by ensuring that art on private property provides a safe and quality experience for our residents and visitors.

Financial Implications: If the new fees of $0 for murals and $250 for all other visible public art are adopted, the financial cost of providing services to process applications will not be recovered. The estimated average amount of staff time to review art installation application is twenty (20) hours.

However, providing this service at little to no cost aligns with Goal 3.3 of the City's 2021-2026 Strategic Plan, to invest in arts and culture. If the amendment to the Master Fee Schedule is not adopted and the new policy is adopted, the application would continue to be processed as a Minor Design Review with a fee of $925.00.

Environmental Considerations: The proposed policy and fee schedule amendment is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Most projects proposed under the public art review policy would be exempted from CEQA under Section 15304, Minor Alterations to Land. However, project level review would be conducted at the time of project application review.

Policy Implementations: The proposed policy would replace the current department policy for art on private property and designate the ACT Commission as the approval body for publicly visible art on private property.

Resolution 2022-XX

Adopted by the City of South Lake Tahoe
City Council

August 9, 2022

Review Policy for Publicly Visible Art On Private Property

BACKGROUND

A. On February 21, 2003, the Development Service Department established a policy for the review of “on-site” private art.

B. The Art, Culture and Tourism Commission was established by Resolution 2021-061 with the following duties and responsibilities:

   i. Act in advisory capacity to the City Council and no express authority or power to act on behalf of the City.

   ii. Review proposed policies on Arts, Culture and Tourism programs and report findings.

   iii. Review proposed public arts projects and make recommendations for the appropriation of funds for specific projects.

C. At the May 10, 2022, Art, Culture and Tourism Commission meeting, staff was directed to create a new public art review policy based on the Commission’s discussions during the meeting.

D. On July 12, 2022, the Art, Culture and Tourism Commission recommended the City Council adopt the review policy for publicly visible art and amend the master fee schedule to establish no fee for public murals and a $250 fee for all other publicly visible art.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City of South Lake Tahoe City Council:

1. Adopts the following policy for review of public art (replacing the Department policy), to ensure that art on private property provides a safe and quality experience for our residents and visitors:

   a. Applications for all private art shall be submitted to the City’s Development Service Department. Planning staff will review the application for completeness and then present the submitted Public Art Application to the Arts, Culture, and Tourism Commission at the next scheduled meeting.

   b. The Art, Culture and Tourism Commission will review the proposal for consistency with the following findings:

      i. Art shall be consistent with the mission, vision, and core values of the Art, Culture and Tourism Commission;

ii. Art shall be consistent with the mission, vision, and values of the City Strategic Plan;

iii. Art pieces are to reflect a degree of originality and should not duplicate other art pieces;

iv. Art must exhibit good craftsmanship and be able to withstand the stresses of the mountain environment;

v. Art shall not be construed as signage through means of any character, letter, figure, symbol, model or device or combination of these used to attract attention or convey a message and which is readable from a public street, public recreation area, bicycle trail or from Lake Tahoe.

c. The Art, Culture and Tourism Commission will make a recommendation directing staff to either approve or deny the application. Upon recommendation of approval, staff and the Commission may condition the permit, including but not limited to, location, site enhancements, lighting, or obtaining building permits to ensure the art is consistent with the above findings.

2. Adopts an amendment to the Master Fee Schedule to include the following fees:

a. A zero-dollar ($0) fee for public murals.

b. A two-hundred-and-fifty-dollar fee ($250) fee for non-mural publicly visible art.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date: _____
Devin Middlebrook, Mayor

Attest:

_____ Date: _____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

PLANNING DEPARTMENT POLICY

"On-site" private art policy*

To: Staff
Fr: Gary A. Marchio
Dt: February 21, 2003

In response to a private sector desire to place art on their property and a desire on behalf of the City to provide for a safe and quality experience for our residents and visitors, the following private art findings are to be made:

Findings:

- **Art to be a reflection of the Lake Tahoe mountain lifestyle theme.**
- **Art may be realistic or contemporary interpretations of the theme.**
- **Art pieces are to reflect a degree of originality and not duplicative other art pieces within the area.**
- **Art on the private property shall not be construed as signage for the use as defined within the Sign Ordinance, as follows:**

  94. "Sign" means any character, letter, figure, symbol, model or device or combination of these used to attract attention or convey a message and which is visible from a street, public recreation area, bicycle trail or from Lake Tahoe. The term includes banners, pennants, streamers, moving mechanisms and lights. The term does not include scoreboards or ball field signs where the sign is oriented to the recreation use.
- **Art must be exhibit good craftsmanship and able to withstand the stresses of the mountain environment.**

Process for approval.

1. The approval of all private art shall be a responsibility of the City Planning staff and approved either as a part of the project review process or a separate process outside of project review.
2. Staff shall consult with the Lake Tahoe Community College Art Department Head (Dave Foster) to evaluate the art for consistency with the above findings.
3. Staff may condition the art, including but not limited to, location, site enhancements, lighting, obtaining the required Building Permits, etc., to insure the art is consistent with the above findings.

THIS POLICY IS EFFECTIVE IMMEDIATELY

Approved:

Teri Jamin

Teri Jamin, Community Development Director

*For public art on public property in the Stateline area, see "Stateline Arts Master Plan", May 1997.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 25

Agenda Item: Program Update and Potential Expansion/Modification of "Lease to Locals" Rental Incentive Grant Program

Executive Summary: City Council will receive an update regarding the operational status of the Lease to Locals rental incentive grant program with a recommendation to extend the operation of the program with modifications to the program guidelines based on data, information, and experience collected during the operation of the pilot program.

Requested Action / Suggested Motions: Pass a Motion directing staff to prepare an amendment to the Professional Services Agreement with Landing Locals for subsequent City Council approval to allow for continued administration of the program through 2023 and allocate the $214,000 that was set aside for a property management incentive grant to continue funding the existing program.
Responsible Staff Member: Zach Thomas, Housing Manager

Responsible Staff Member: Zach Thomas, Housing Manager (530) 542-7400

Reviewed and Approved By:
Hilary Roverud, Director of Development Services
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Lease to Locals Expansion.docx
02-Program-Guidelines-12-8-21.pdf
03-PSA C-137-2021 Landing Locals.pdf
04-Res 2021-082 Long Term Rental Grant Pilot Program.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: Program Update and Potential Expansion/Modification of "Lease to Locals" Rental Incentive Grant Program

Location: Citywide

Responsible Staff Member: Zach Thomas, Housing Manager (530) 542-7400

Background: At its August 3, 2021 meeting, the City Council was presented potential strategies to incentivize the use of existing vacant housing stock to convert to long-term rental housing. Initially, these strategies were informed in part by results of a survey done in conjunction with Tahoe Home Connection. The survey was sent to second home owners and sought to inquire about potential incentives that may encourage the conversion of vacant properties for long-term rentals. After the staff presentation and discussion by the City Council, direction was given to staff to finalize a scope of work with Landing Locals to administer a pilot rental incentive grant program.

At its October 19, 2021 meeting, the City Council adopted a resolution appropriating $500,000 in American Rescue Plan Act (ARPA) funds to initiate the long-term rental incentive grant pilot program and authorized the City Manager to enter into a Professional Services Agreement (PSA) with Landing Locals to administer the program. The resolution allocated $86,000 for program administration and marketing costs as well as $200,000 for incentive grants to property owners. Staff was also directed to initiate a Request for Proposals (RFP) to use $214,000 for a property management incentive program. A recommendation for entering into a PSA with a property management company was to be brought to council at a future date along with updates regarding the rental incentive program success.

Upon entering into the PSA, City staff and Landing Locals finalized the program guidelines consistent with the parameters approved by the City Council and launched the program in December under the name "Lease to Locals".

While the Lease to Locals program guidelines are more detailed, the program consists of the following basic structure approved by the City Council:

- Household average income cannot be more than 125% of the Area Median Income (AMI)
- Properties cannot already be used as a long-term rental (but did incentivize the conversion of month-to-month leases to long-term leases)
- Properties must be rented for at least 12 months and are subject to a rent cap based on the size of the house
- Incentive payments are $2,000 per local resident housed

Issue and Discussion: Given the originality and unknown impact of the program, Lease to Locals was initiated as a pilot program by the City Council. In much the same way that the second homeowner survey provided some preliminary information to conceptually guide the development of the program guidelines, data collected during actual program operation provides even more powerful insight regarding the direction of the program moving forward.

At approximately mid-way through its first year, the Lease to Locals program has built significant “brand recognition” which has proven valuable in the spring and summer months to increase interest in what are typically busy times for the real estate and rental markets. As of the date of this report the program has housed 23 residents with another 31 residents in the process of completing applications, leases and income verification. This will bring the total to 54 people housed which is slightly more than half of the original 100 residents ($200,000) budgeted for.

Program guidelines were designed to cast a wide net to allow for maximum flexibility in program implementation by striving to unlock new long-term rental units and improve housing stability for households in month-to-month rental situations while also not limiting tenants that may have seasonal employment that fluctuates geographically.

As had been anticipated, data, information and experience collected during the operation of the pilot program is now serving to provide meaningful insight regarding future operation of the program.

Key Findings

1) Program Success - The program is successful and on track to expend the initial $200,000 in grant funding during the first year (Providing incentive grants for 100 residents).
2) Property Management Incentive - Little, if any, need for a property management incentive has been identified. Property owners have not identified a lack of property management services as a barrier to renting long-term.
3) Local Employment Requirement - While the 125% Area Median Income cap has helped ensure that moderate income households are served by the program, it has not prevented moderate-income remote workers from also benefiting from the program. It was initially thought that remote-workers would generally exceed the income cap and therefore not use the program. However, data suggests a notable amount of moderate-income remote workers have sought to use the program.

Based on the findings noted above, staff recommends allocating the remaining $214,000 to continue the program for another year and modify the program guidelines consistent with key finding and data collected during the operation of the pilot program:

Key Recommendations

1) Extend the program through the end of 2023. This would require bringing an amended PSA with Landing Locals back to Council for approval to allow for continued administration of the program.

2) Add in a regional employment requirement – Adding a requirement that at least 50% of household adults over the age of 18 years work at least 20 hours per week for an employer based in the “South Shore” as defined in the South Shore Housing Needs Assessment. While adults not working locally can live at properties participating in the program, only locally employed adults may count towards the property owner receiving the grant.
3) Further defining that grant payments are made for “Qualifying Tenants” by clarifying the regional employment requirement and adding the definition that a child or children in the household can be considered as one additional qualifying tenant. Also, add further clarification that a qualifying tenant may not be an immediate family member (son, daughter, brother, sister, parent, including step or in-law relations) of the owner.
4) Remove the current rent caps per unit size ($2,000 for 1 bedroom, $2,500 for 2 bedroom, $2,800 for 3 bedroom and $3,100 for 4+ bedroom) and the corresponding maximum number of grants per unit size and replace it with a rent cap of $3,500 per property. Data has shown this system works better in addressing the unique circumstance of individual properties and allowing moderate-income buyers (one of the target demographics of the program) to rent properties that often fall more within this price range.
5) Remove the ability for landlords operating existing long-term but month-to-month rentals to participate. As the program matures, this will help focus the effort on “unlocking” new units for long-term rental rather than the broader strategy of simply encouraging long-term rentals.

Financial Implications: The ARPA established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and assist efforts to mitigate impacts on communities, residents, and businesses. Council Resolution 2021-082 appropriated $500,000 in ARPA funds into account 320-30003 Long-Term Rental Incentive Grant Pilot Program to initiate the program. The current PSA with Landing Locals for administration of the program includes a budget of $286,000 of which $86,000 is allocated to Professional Services and marketing cost, and $200,000 to Grant Payments. An additional $214,000, originally allocated to a property management incentive program, can be reallocated to the grant program. If directed by City Council, staff will bring back an amended PSA with Landing Locals for approval of the long-term rental incentive grant pilot program extension through the end of 2023.

Environmental Considerations: The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications: The effort to increase the use of existing housing stock for long-term rental is identified as the first housing action item in the City’s 2021-2026 Strategic Plan.

The Lease to Locals program is also consistent with the following adopted General Plan Housing Element policies and programs:

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-3 The City shall encourage a range of housing options so that people who work in South Lake Tahoe can choose to live in the City.

Policy 2-5 The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the City.

Program 3-9 Landlord/Tenant Matching Program

City of South Lake Tahoe Lease to Locals Pilot Program Guidelines

1.0 PROGRAM OVERVIEW

Background: The Lease to Locals Pilot Program (the "Program"), offers cash incentives to property owners who convert their underutilized housing units to rentals for qualified households. The goal of the program is to increase the supply of rental housing available for moderate and low income households.

Who the Program Serves:
The target population served with the Program are households that average no more than 125% of the Area Median Income (AMI) which is $79,688 (2021 published AMI) for an individual per standards set by the California Department of Housing and Community Development for El Dorado County.

Program Definitions:

Underutilized Housing Unit: For the purpose of the Program, an "underutilized housing unit" is one that is occupied less than full-time and not currently being rented long-term (30 days or more). Examples include rooms in primary homes, short-term rentals, vacation and second homes.

Long-Term Rental: For the purpose of the Program, a long-term lease is defined as 12-months. The goal of the program is to secure long-term leases.

Definition of a Household: For the purpose of the Program, a household is defined as related adults (e.g.family/marriage) or unrelated adults living together in one house. To be considered a household, all residents in the home must live together in a home as their primary residence.

Definition of a Tenant: For the purpose of the Program, a tenant is a single person applying to be matched into a rental unit in South Lake Tahoe for use as their primary residence.

Definition of an Adult: For this Program, Adult is considered 18 years or older.

2.0 PROGRAM ADMINISTRATION

The City will administer the Lease to Locals Program with support from a third-party administrator, Landing Locals. Landing Locals is a California Benefit Corporation, based in Truckee, Calif. with a mission to unlock new rentals for local employees in resort towns.

1. City of South Lake Tahoe Role: The City will oversee and fund the Program. This includes managing a contract with Landing Locals, grant disbursements and program evaluation.
2. Grant Amounts: The City will offer a $2,000 grant per tenant housed through the Program, with a maximum amount of incentives based on the unit size in the table below. In the case of families with children, in order to encourage rentals to larger families, children under age 18 will be counted as tenants for

the purpose of calculating grant payments.

1. Maximum Rental Rate: To ensure affordability the Program requires that units 1 bedroom or greater in size be priced at or below the Maximum Rental Rate called out in the table below. Rooms or Studios do not have a maximum rental rate.

2. Grant Administration: The City will issue grant payments to property owners as follows: 50% of total grant within 30-days of the start of the lease and 50% at successful close of 12 month lease.
3. Grant Disbursements: Prior to grant disbursements, the City will review documentation submitted by Landing Locals including: a copy of signed lease agreement (by landlord and tenant(s)), proof of income for all tenants over 18, homeowner W-9, and check request form.
4. Landing Locals Role: Per the executed annual scope of services and contract, Landing Locals will provide the following services for the Program: program development, customer service, marketing, compliance, reporting, and processing applications per Program Guidelines.

	Monthly Rent Not to Exceed	Maximum number of Grants Per Unit*	Maximum Total Grant Amount per Unit
Room or Studio	N/A	1	$2,000
1 bedroom	$2,000	2	$4,000
2 bedroom	$2,500	3	$6,000
3 bedroom	$2,800	4	$8,000
4 bedroom or greater	$3,100	5	$10,000

* The maximum number of grants possible per unit is based on the size of the unit and number of tenants. For Example, a 3 bedroom unit can qualify for up to 4 grants ($8,000) if four qualifying tenants rent the property. If a 3 bedroom unit is rented to only 2 qualifying tenants, the property owner would only receive 2 grants ($4,000).

3.0 PROGRAM DURATION

The Program is a one-year pilot program that starts on Dec 15, 2021. Quarterly, staff will review program progress, housing needs and scope of service from Landing Locals to determine recommendations to City Council on continuance and/or modifications of the Program.

4.0 ELIGIBILITY FOR HOMEOWNERS

1. Grant Application**:** Homeowners must submit a complete on-line form and sign a self-certification checklist with Landing Locals and comply with the following criteria to have their home considered for the grant program.

1.1. **Location:** The home must be located within the City-limits of South Lake Tahoe.

1.2. **Status:** The home must be a legally permitted dwelling unit and each bedroom in the property must have a door and window.

1.1. **New Rental:** The unit must have not already been an existing long-term rental in the past 18 months.

1.2. **Eligible Properties:** Properties must be single-family homes, townhomes, privately-owned condos or vacant rooms in owner-occupied properties. Multi-family rental properties are not eligible for the program.

1.3. **Ownership:** The applicant must be the owner of the property or able to represent the owner or ownership group legally.

1.4. **Property Condition:** The home or room must meet basic health and safety criteria per CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 13. HOUSING, PART1.5. REGULATIONS OF BUILDINGS USED FOR HUMAN HABITATION, CHAPTER 2. RULES AND REGULATIONS.

1.5. **Signed Lease Agreement And Complete Lease Packet:** The homeowner must complete the Lease Packet and sign a Lease Agreement with qualified tenants.

1.6. **Successful Six-Month Lease Checks:** Homeowners must successfully meet lease agreements for the full length of the lease and will be checked for compliance, by Landing Locals, via phone/emails interviews, at six months. Failure to meet lease requirements at either of these points could disqualify the homeowner for grant payments.

1. Contingency:

1.1. **Change of Ownership**: If the property is sold during the lease period, the lease agreement is broken and the homeowner is disqualified from the Program. In this case, Landing Locals would work to place the tenants into another property or work with new owners to submit an application to the Program. The new owners could qualify for the second half of the grant payment if they continue to rent to the existing tenants for the remainder of the lease in place.

1.1. **Failure to Comply with Lease**: If the homeowner does not meet lease agreements at the six-month mark because of an eviction or move-out, Landing Locals will work with homeowners to rectify the situation. If an agreement cannot be reached, the homeowner will be disqualified from receiving the second installment of the grant disbursements but will not be required to pay back the first installment of the grant.

1.2. **Property Condition:** If the property is deemed in violation of CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 13. HOUSING, PART 1.5. REGULATIONS OF BUILDINGS USED FOR HUMAN HABITATION, CHAPTER 2. RULES AND REGULATIONS the grant payment(s) can be withheld.

5.0 ELIGIBILITY REQUIREMENTS FOR TENANTS

1. Income Qualification:

The average annual income of all adult residents of a household (related or unrelated) can be no more than 125% of the area median income ($79,688) as set by CA Dept. of Housing and Community Development.

1.1. Documentation: Each adult applicant in the household must submit the following documentation along with their applications in order to determine total household income:

- Copy of driver's license or other photo ID for each adult.
- Verification of annual gross income for each adult as follows:
  - Related households: Tax returns (prior year)
  - Unrelated households. For each adult over 18 need one of the following:
    - Copy of W-2 (1 year)
    - A recent pay stub (past three months) or an offer letter or email from the employer that verifies total annual gross income for the new position.
    - Summary of unemployment benefits for the year
    - Trust fund disbursement statements
    - Spousal support or alimony payments
    - Other explanation of income in a written format

6.0 PROGRAM EVALUATION

Annually, the Program will be evaluated to ensure City resources are being efficiently utilized. City staff will produce a program report using the following criteria to measure success of the program:

- Number of people served (including children)
- Number of homes unlocked
- Types/Sizes of units unlocked
- Rental prices for each home, average per room
- Income of renters (area median income of each adult in the home) being served
- Number of rentals extended beyond 12-month lease program
- Program participant surveys (homeowners and tenants)

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CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 1st day of December, 2021 by and between the City of South Lake Tahoe, a municipal corporation ("City") and Landing Locals ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for one year.

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3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed $86,000 without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents.
   All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

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and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

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

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

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maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquireany interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would beaffected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect tohis/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

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b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

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costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

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at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

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b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies.

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The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

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

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: Colin Frolich, Chief Executive Officer
10418 Donner Pass Road Unit C
Truckee CA 96161

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City, which shall not be unreasonably withheld. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation

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on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

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23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

i. The dangers of drug abuse in the workplace;
ii. The person's or organization's policy of maintaining a drug-free workplace;
iii. Any available counseling, rehabilitation and employee assistance program; and
iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

i. Will receive a copy of the Consultant's drug-free policy statement; and
ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

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25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

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

31. Time is of the Essence. Time is of the essence for this Agreement.

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

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

CITY OF SOUTH LAKE TAHOE:

By Joe Irvin

Joseph Irvin, City Manager

Date 11/15/2021

CONSULTANT:

By Colin Frolich

Colin Frolich, Chief Executive Officer

Date 11/12/2021

Business License # 330062

APPROVED AS TO FORM:

By Heather Stroud

Heather Stroud, City Attorney

Date 11/15/2021

ATTEST:

By

Susan Blankenship,
City Clerk

Date 11/15/2021

Attachments:

Exhibit A – Scope of Services

Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

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EXHIBIT A

SCOPE OF SERVICES

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Scope of Work

To: Zach Thomas - Housing Manager, City of South Lake Tahoe

From: Colin Frolich, Chief Executive Officer
Kai Frolich, Chief Impact Officer
(530) 213-3093
hello@landinglocals.com
10418 Donner Pass Road Unit C
Truckee CA 96161

Date: Oct 5, 2021

Re: Scope of Work to Administer The Long-Term Rental Grant Pilot Program for The City of South Lake Tahoe

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The Long-Term Rental Grant Program (the "Program"), originally piloted in Truckee, is geared at increasing the inventory of rental homes for local households. Long-term rental inventory is added to the local housing market by offering homeowners a one-time cash grant to encourage property owners to convert their homes and rooms into long-term rentals.

The following scope of work and budget are intended to respond to the City of South Lake Tahoe's desire to test an incentive program to respond to the local-housing crisis residents face.

Incentive Structure

1. Incentive Amount
2. Term of Leases Permitted
3. Type of Properties allowed
4. Tenant Employment Restrictions

(1) Incentive Amount:
$2,000 grant per local housed (including children), up to $10,000 per home, with "local" defined below. The grant will be broken up into two payments: One at lease signing, and one at the 12-month mark

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(2) Term of Lease
Property owner would be required to sign a 12-month lease with the tenant(s)

(3) Type of Units Allowed
First and foremost, we want to ensure that the properties and rooms participating in the Program were not previously long-term rentals and we are unlocking new housing units. Target housing inventory for the Program includes short-term rentals with expired permits, vacation and second homes, or rooms that are empty due to changes in property use or ownership (converting an office, empty nesters, recently purchased properties, etc.).

There are two requirements for the property:

1. The following types of housing units that will be eligible in the program:
    - Single family homes, townhomes, and condos
    - Room rentals (must be owner-occupied property)
2. The property must be located in the city limits of South Lake Tahoe.

(4) Tenant Qualification Requirements:
Household income must not exceed 125% of the Area Median Income (AMI). For unrelated adults we will take the average of the income of each of the adults in the household.

Program Tasks

The following outlines the tasks that Landing Locals will complete to help administer the Program for the City of South Lake Tahoe.

1) Outreach and Education
Working with local homeowners, property managers, realtors, and other real estate professionals to get the word out about the program and ensure they understand how it works and how they can qualify for the incentive. This includes building a dedicated webpage on LandingLocals.com and dedicated (530) phone number for the program.

2) Customer Service
Responding to all inbound inquiries via web, email, and phone for qualifying properties to ensure homeowners understand the program and how they can qualify for the grant.. landing Locals will compile feedback on the program to inform program modifications.

3) Administration
Working with Staff to ensure we have backend operations to process and approve the grants. This includes setting up systems like Excel Spreadsheets and Dropbox folder. Landing Locals would review leases, qualify tenants, and ensure property owners receive grant payment(s). To process the grants, Landing Locals will provide the City Staff with:

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- A signed copy of the lease agreement signed by property owner/manager and tenant(s)
- A w9 and check request from the property owner
- Supporting Income verification (w2, paystub, or tax return) to ensure household income does not exceed 125% AMI

4) Reporting
We'd identify a cadence for meeting and reporting out to stakeholders (Staff, Council). We'd provide bi-weekly updates to Staff on results vs. targets and feedback we are hearing from renters, homeowners, property managers, and the public.

5) Auditing
Landing Locals would ensure the full lease term was executed and tenants are still meeting employment/income requirements by following up directly with the tenant and landlord. Landing Locals would also report back on the landlord's intentions after the initial lease to see what units remain long term rentals and which ones go back to their original use.

Proposed Program Budget and Timing

Dec 1, 2021 — Nov 30, 2022

Housing Grants: $200,000
- up to 100 housing grants at $2,000/each

Administration Fee: $72,000
- Billed monthly at $6,000/mo

Marketing/Advertising Costs: $14,000
- Postcard Mailing to Second-Home Owners ($4,000)
    - $0.40 per postcard to 10k addresses
- Various other marketing opportunities including setting up website, print, digital, and outreach opportunities geared at property owners ($10,000)

Total Budget = $286,000

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EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$86,000**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$ 86,000**

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EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Colin Frolich, Chief Executive Officer

By: DocuSigned by: Colin Frolich 9BDC323C4A7A46C...

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Resolution 2021-082

Adopted by the City of South Lake Tahoe
City Council

October 19, 2021

Authorizing $500,000 of American Rescue Plan Act (ARPA) funds for use toward a long-term rental incentive pilot program

BACKGROUND

A. The American Rescue Plan Act (ARPA) (Public Law No. 117-2) was signed into law by the President of the United States on March 11, 2021.

B. The Act appropriated Coronavirus State and Local Fiscal Recovery Funds for allocation by the U.S. Department of the Treasury to states, counties, metropolitan cities, and small cities with population under 50,000 (referred to as non-entitlement units of local government).

C. On June 15, 2021 the City Council adopted Resolution 2021-052 establishing the special fund “Local Fiscal Recovery Fund” and authorizing the Director of Finance to accept all funds received under the American Rescue Plan Act and deposit them in the Local Fiscal Recovery Fund.

D. On June 15, 2021 the City Council considered a list of potential projects for ARPA funding and requested that City staff develop a Long-Term Rental Incentive Pilot Program for ARPA funding appropriation of $500,000.

E. As economic conditions and workforce behaviors changed as a result of the Coronavirus pandemic, the City of South Lake Tahoe experienced heightened real estate activity due to worker ability to work remotely and live further from their place of employment. This heightened market impacted the supply of single-family residences available for rent as homes previously used as rentals sold to owners looking to live in the home. These impacts contributed to an existing shortage of long-term rental supply and increased rental rates.

F. The City of South Lake Tahoe has historically had a large inventory of vacant “second homes” along with Vacation Home Rentals (VHRs) that have lost permits as a result of measure T, the owners of which maybe incentivized to convert to long-term rentals.

G. The impact to the housing market occurred at a time when many workers within the community lost wages as businesses dependent on tourism and recreation were impacted by the Coronavirus pandemic. As businesses and public agencies became able to return to pre pandemic operations, re-hiring workers became a barrier due to a shortage of rental housing availability.

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BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Finds that establishment of a Long-Term Rental Incentive Grant Pilot Program will address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector.
2. Authorizes the appropriation of ARPA funds into the fiscal year 2021/2022 budget as follows:
   Local Fiscal Recovery Fund/ARPA Account Number: 264-01952
   ARPA Revenue 33132: $500,000
   Transfer out to Housing CIP 50036: $500,000

   LT Rental Incentive Pilot Program Housing CIP Account Number: 320-30003
   Transfer In from ARPA 36375: $500,000
   Professional services 42020: $86,000
   Grant payments 4XXXX: $200,000
   Property Maintenance Incentive Program Expenses 4XXXX: $214,000

Adopted by the City of South Lake Tahoe City Council on October 19, 2021 by the following vote:

Yes: Bass, Creegan, Friedrich, Middlebrook and Wallace

Date: 10/21/2021

Tamara Wallace, Mayor

Attest:

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 26

Agenda Item: An Ordinance Amending City Code Chapter 3.45 (Purchasing) to clarify language regarding Bidding Process and Update Public Contract Procurement Thresholds (First Reading)

Executive Summary: The City Council adopted the California Uniform Public Construction Cost Accounting Act (CUPCCAA) on April 1, 2014. CUPCCAA is a voluntary streamlined, public project procurement program established by the State of California. These procedures and procurement thresholds have been in the City Code, Purchasing- title 3.45 Article II, since approval in 2014. The threshold limits determining Formal versus Informal bidding are established by the State of California and are adjusted periodically. Updates are proposed to increase these thresholds to align with the CUPCCAA established posted thresholds, as well as to clarify language in Bid Protest Section 3.45.020 E. and Section 3.45.030 Informal Bidding C. regarding the award criteria for Professional Services Agreements. Staff is recommending removing Section 3.45.210 Blanket Purchase Orders, which are no longer used since most staff members use a City issued Cal Card for most small purchases.

Requested Action / Suggested Motions: Pass a Motion to Hold a First Reading (By Title Only) of an Ordinance amending Chapter 3.45 (Purchasing) of the South Lake Tahoe City Code to clarify language regarding bidding process and update Public Contract procurement thresholds, and refer to second reading for an adoption to the September 6, 2022, meeting.
Responsible Staff Member: Lori Marino, Principal Management Analyst

Responsible Staff Member: Lori Marino, Principal Management Analyst (530) 542-7410

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report-Ordinance - Amendment Purchasing.docx
02-Ordinance - Amending Chapter 3.45 (Purchasing).docx
03-CSLT City Code_Purchasing_ Chapter 3 Redline Aug 2022.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 9, 2022

Title: An Ordinance Amending City Code Chapter 3.45 (Purchasing) to clarify language regarding bidding process and update Public Contract procurement thresholds

Location: Citywide

Responsible Staff Member: Lori Marino, Principal Management Analyst (530) 542- 7410

Background: The City Council adopted a comprehensive new Purchasing code to include and adopt the California Uniform Public Construction Cost Accounting Act (CUPCCAA) on April 1, 2014. CUPCCAA is a voluntary streamlined, public project procurement program, in which to use it, the City is required to adopt an ordinance setting forth its procedures for formal and informal bidding and adopt a resolution to become part of the CUPPCAA. These procedures and procurement thresholds have been in the City Code, Purchasing- title 3.45 Article II, since approval in 2014. The threshold limits determining Formal versus Informal bidding are established by the State of California and are adjusted periodically. Adjustments are permitted as necessary in the City Code. Since other minor clarifications are being made to City Code 3.45, the threshold limits can be updated and clarified as well.

Issue and Discussion: The proposed updates to section 3.45 of the City Code include the following updates:

- Section 3.45.020 Formal competitive bidding, subsection E. Bid Protests: Clarify the type of Bids subject to Bid Protests. Bid protests are permissible for Bid awards, not RFP or Concessionaire awards.

- Section 3.45.030 Informal Bidding, subsection C: Clarify the evaluation criteria in an award for Professional Services Agreements (PSA). A PSA is awarded a contract based solely upon evaluation of the qualifications held by responsible bidders, as opposed to the lowest responsible quote required with a BID award.

- Section 3.45.110 Director of public works authority: Increase thresholds from $45,000 to $60,000 and from $175,000 to $200,000 for public projects contracts per the State Uniform Public Construction Cost Accounting Legislative Act.

- Section 3.45.120 Formal competitive bidding and Section 3.45.130 Informal bidding: Increase thresholds from $175,000 to $200,000 for public projects subject to formal competitive bidding.

- Section 3.45.210: Remove Blanket Purchase Orders, which are no longer utilized within the City, as staff uses Cal Card procurement cards for most small purchases.

Financial Implications: City Code along with Financial Policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City's assets and resources.

Environmental Considerations: These Amendments are exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: Applicable adopted policies include:
Finance Policy – Procurement Policy and Procedures

Ordinance 2022-XXX

Adopted by the City of South Lake Tahoe City Council

September 6, 2022

Amending Chapter 3.45-Purchasing of the South Lake Tahoe City Code to clarify language regarding Bidding Process and update Public Contract procurement thresholds.

FINDINGS

A. The City Council previously adopted regulations, policies, and procedures associated with making the City's purchase of materials, supplies, equipment, nonpublic and public projects.

B. Section 3.45.020 E. Bid Protests proposes to clarify the type of Bids subject to Bid Protests. Bid protests are permissible for Bid awards. Request for Proposals or Concessionaire awards are not based on quantitative bids; they are awarded based on qualifications and are not subject to Bid Protests.

C. Section 3.45.030 Informal Bidding, C, proposes to clarify the evaluation criteria in awarding a Professional Services Agreements (PSA). A PSA is awarded based solely upon evaluation of the qualifications held by responsible bidders, as opposed to the lowest responsible quote required with a BID award.

D. Article II, Public Contracts and the Uniform Public Construction Cost Accounting Act, sections 3.45.110 and 3.45.120, propose increases to the bidding thresholds per the established State of California thresholds.

E. Section 3.45.210 proposes to remove Blanket Purchase Orders which are no longer used within the City. City issued Cal Card procurement cards are used for most small purchases, eliminating the need for Blanket Purchase Orders.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. Chapter 3.45 of Title 3 of the South Lake Tahoe City Code is hereby adopted to read as follows:

Article I. Purchasing of Materials, Supplies, Equipment, and Nonpublic Projects
3.45.020 Formal competitive bidding.

Where the cost of materials, supplies, equipment and services for nonpublic projects equals or exceeds a sum set forth by separate resolution of the city council, the city manager shall require that a formal competitive bidding process be used by advertising on PlanetBids or another medium of similar scope and circulation. Where the cost of materials, supplies, equipment and services for nonpublic projects is less than the sum set forth by separate resolution of the city council, the city may select a contractor, supplier or provider without using a formal competitive bidding process. The

city manager shall implement procedures for formal competitive bidding. Such procedures shall include the following guidelines:

A. Invitations to Bid, RFPs, and RFQs. Invitations to bid, requests for proposals (RFP) and requests for qualifications (RFQ) shall include specifications that describe the material, supplies, equipment and services for nonpublic projects with sufficient particularity to allow for competitive bidding and evaluation. The specifications shall also describe the functions and performance that are required.

B. Bid Opening. A bid opening will occur at a time and place noticed in the invitation to bid, RFP or RFQ.

C. Award of Contracts. Contracts for materials, supplies, equipment and services for nonpublic projects shall be awarded to the lowest qualified responsible bidder with the following exception: Where a contract is for professional services, the city is authorized to award contracts based solely upon evaluation of the qualifications held by responsible bidders.

D. Waiver of Defects and Technicalities. The city may waive defects and technicalities when to do so would be in the best interests of the city.

E. Bid Protests.

1. A nonselected bidder may protest award of an Invitation to Bid by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. A nonselected proposer may not protest the award of a Professional Service or Concessionaire Agreement.

2. The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

3. Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

F. Local Business Preference. The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

G. Bidder's Security. When deemed necessary, bidders' security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of the contract.

3.45.030 Informal bidding.

Where the cost of materials, supplies, equipment and services for nonpublic projects is less than a sum set forth by separate resolution of the city council, the city manager shall require that an informal bidding process be used. The city manager shall implement procedures for informal bidding. Such procedures shall include the following guidelines:

A. The city manager or his or her designee shall obtain three quotes for the materials, supplies, equipment or services for nonpublic projects; documentation of said quotes shall be submitted to the finance department.

B. Though the quotes need not be submitted to the city in writing, for each quote received, the city manager or his or her designee shall document the quote in writing.

C. The city manager or his or her designee shall select the lowest responsible quote, with the following exception: where a contract is for professional services, the city is authorized to award contracts based solely upon evaluation of the qualifications held by responsible bidders.

3.45.040 Control procedures.

The city manager shall institute procedures for the execution of contracts and purchase orders as required herein. The city attorney shall approve the form and legality of all written agreements prior to the execution thereof.

3.45.050 Bifurcation of purchases.

No acquisition of materials, supplies, equipment or services from a single vendor, provider or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

3.45.060 Sole source purchases.

Where an acquisition would otherwise be subject to competitive bidding, the acquisition of materials, supplies, equipment or services from a sole source may be permitted only where the requesting department submits to the finance department and the city attorney’s office an explanation as to why a sole source is necessary and in the best interest of the city.

3.45.070 Emergency purchases.

Whenever the procedures set forth in this chapter would result in hazardous delays, loss to the city, or damage to life, health or convenience of citizens, the city manager or his/her designee may purchase materials, supplies, equipment or services.

3.45.080 Environmentally preferable products.

The city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

3.45.090 Cooperative purchasing.

Where another governmental agency performs a solicitation and/or bid process for the city and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based on an agreement or cooperative purchasing program pursuant to authority granted by statute or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the city manager that the governmental agency conducted a competitive bidding process, the city may purchase materials, supplies and equipment based upon the governmental agency's solicitation and/or bid process without complying with the bidding requirements of this chapter.

3.45.095 Valid business and professions tax certificate.[1]

The city shall not render payment to any vendor or professional services provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate.

Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act

3.45.100 Requirements for public projects.

Awarding contracts for public projects shall be in accordance with the Uniform Public Construction Cost Accounting Act (the "Act") (Public Contract Code Section 22000 et seq. or any successor provision thereto) for all public projects except those in which grant funds require alternate bidding procedures.

3.45.110 Director of public works authority.

A. Public project contracts of $60,000 or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Public project contracts of $200,000 or less may be executed by the director of public works or his or her designee in accordance with the provisions of this article. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.120 Formal competitive bidding.

Public projects of greater than $200,000 shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.130 Informal bidding.

A. Monetary Limit. Public contracts of $200,000 or less may be let to contract by informal procedures as set forth in this section. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Contractors List. The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.

C. Notice Inviting Informal Bids. Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

a. If there is no list of qualified contractors maintained by the city for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the California Uniform Construction Cost Accounting Commission.

b. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

c. The notice inviting informal bids shall include specifications that describe the public project with sufficient particularity to allow for competitive bidding and evaluation. The specifications shall also describe the functions and performance that are required.

3.45.140 Waiver of irregularities and rejection of bids.

A. At its discretion, the city may waive any irregularity in any bid received and award the contract.

B. At its discretion, the city may reject all bids presented and may readvertise the project.

C. At its discretion, the city may abandon the project.

3.45.150 Lowest responsible bidder.

Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

A. The ability, capacity and skill of the bidder to perform the contract or provide the service required;

B. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;

C. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;

D. The ability of the bidder to provide future maintenance for service for the public project.

3.45.160 Prohibition against splitting projects.

It shall be unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading the requirements of the Act.

3.45.170 Change orders.

The director of public works is delegated authority to approve, without seeking new bids, contract change orders to public projects up to the combined amounts authorized in this chapter so long as the combined amounts are within the approved project budget.

3.45.180 Emergencies.

In cases of emergency, when repair or replacements are necessary, the governing body may proceed to replace or repair any public facility by complying with Public Contract Code Section 22050.

Article III. Expenditure of City Funds

3.45.190 Award of contracts by city council.

All contracts for supplies and services involving an expenditure beyond the spending limit authority of a department or employee shall be awarded by the city council.

3.45.200 Procurement methods.

Expenditure of city funds for all materials, supplies, equipment and services (for both public projects and nonpublic projects) shall be made using the following methods:

A. City-issued CalCards, or other approved credit cards, shall be used for purchases of materials, supplies, and equipment of a monetary amount set forth by separate resolution of the city council. Where city-issued CalCards are not accepted, invoices accompanied by a city purchase order may be used for purchases of materials, supplies, and equipment equal to this amount.

B. Invoices (submitted to the city's accounts payable division) shall be used for purchases of materials, supplies and equipment of a monetary amount set forth by separate resolution of the city council.

C. Invoices accompanied by a city purchase order signed by a city employee possessing the authority to approve such a purchase order shall be used for all services of a monetary amount set forth by separate resolution of the city council.

D. Written contracts shall be used for all materials, supplies, equipment, and services of a monetary amount set forth by separate resolution of the city council.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Clerk is directed to certify this ordinance and cause it to be published in the manner required by law.

SECTION 4. This ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on August 9, 2022 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

Chapter 3.45

PURCHASING

Sections:

Article I. Purchasing of Materials, Supplies, Equipment, and Nonpublic Projects

3.45.020 Formal competitive bidding.
3.45.030 Informal bidding.
3.45.040 Control procedures.
3.45.050 Bifurcation of purchases.
3.45.060 Sole source purchases.
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3.45.080 Environmentally preferable products.
3.45.090 Cooperative purchasing.
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Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act

3.45.100 Requirements for public projects.
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3.45.130 Informal bidding.
3.45.140 Waiver of irregularities and rejection of bids.
3.45.150 Lowest responsible bidder.
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Article III. Expenditure of City Funds

3.45.190 Award of contracts by city council.
3.45.200 Procurement methods.
~~3.45.210 Blanket purchase orders.~~

Article I. Purchasing of Materials, Supplies, Equipment, and Nonpublic Projects

3.45.020 Formal competitive bidding.

Where the cost of materials, supplies, equipment and services for nonpublic projects equals or exceeds a sum set forth by separate resolution of the city council, the city manager shall require that a formal competitive bidding process be used by advertising on PlanetBids or another medium of similar scope and circulation. Where the cost of materials, supplies, equipment and services for nonpublic projects is less than the sum set forth by separate resolution of the city council, the city may select a contractor, supplier or provider without using a formal competitive bidding process. The city manager shall implement procedures for formal competitive bidding. Such procedures shall include the following guidelines:

A. Invitations to Bid, RFPs, and RFQs. Invitations to bid, requests for proposals (RFP) and requests for qualifications (RFQ) shall include specifications that describe the material, supplies, equipment and services for nonpublic projects with sufficient particularity to allow for competitive bidding and evaluation. The specifications shall also describe the functions and performance that are required.

B. Bid Opening. A bid opening will occur at a time and place noticed in the invitation to bid, RFP or RFQ.

C. Award of Contracts. Contracts for materials, supplies, equipment and services for nonpublic projects shall be awarded to the lowest qualified responsible bidder with the following exception: Where a contract is for professional

services, the city is authorized to award contracts based solely upon evaluation of the qualifications held by responsible bidders.

D. Waiver of Defects and Technicalities. The city may waive defects and technicalities when to do so would be in the best interests of the city.

E. Bid Protests.

1. A nonselected bidder may protest award of an Invitation to Bid ~~contract~~ by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. A nonselected proposer may not protest the award of a Professional Service or Concessionaire Agreement.

2. The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

3. Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

F. Local Business Preference. The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

G. Bidder's Security. When deemed necessary, bidders' security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of the contract. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-1)

3.45.030 Informal bidding.

Where the cost of materials, supplies, equipment and services for nonpublic projects is less than a sum set forth by separate resolution of the city council, the city manager shall require that an informal bidding process be used. The city manager shall implement procedures for informal bidding. Such procedures shall include the following guidelines:

A. The city manager or his or her designee shall obtain three quotes for the materials, supplies, equipment or services for nonpublic projects; documentation of said quotes shall be submitted to the finance department.

B. Though the quotes need not be submitted to the city in writing, for each quote received, the city manager or his or her designee shall document the quote in writing.

C. The city manager or his or her designee shall select the lowest responsible quote.~~.~~ (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-2) with the following exception: where a contract is for professional services, the city is authorized to award contracts based solely upon evaluation of the qualifications held by responsible bidders.

3.45.040 Control procedures.

The city manager shall institute procedures for the execution of contracts and purchase orders as required herein. The city attorney shall approve the form and legality of all written agreements prior to the execution thereof. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-3)

3.45.050 Bifurcation of purchases.

No acquisition of materials, supplies, equipment or services from a single vendor, provider or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-4)

3.45.060 Sole source purchases.
Where an acquisition would otherwise be subject to ~~formal~~ competitive bidding, the acquisition of materials, supplies, equipment or services from a sole source may be permitted only where the requesting department submits to the finance department and the city attorney's office an explanation as to why a sole source is necessary and in the best interest of the city. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-5)

3.45.070 Emergency purchases.
Whenever the procedures set forth in this chapter would result in hazardous delays, loss to the city, or damage to life, health or convenience of citizens, the city manager or his/her designee may purchase materials, supplies, equipment or services. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-6)

3.45.080 Environmentally preferable products.
The city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-7)

3.45.090 Cooperative purchasing.
Where another governmental agency performs a solicitation and/or bid process for the city and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based on an agreement or cooperative purchasing program pursuant to authority granted by statute or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the city manager that the governmental agency conducted a competitive bidding process, the city may purchase materials, supplies and equipment based upon the governmental agency's solicitation and/or bid process without complying with the bidding requirements of this chapter. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-8)

3.45.095 Valid business and professions tax certificate.[1]
The city shall not render payment to any vendor or professional services provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate. (Ord. 1109 § 1 (Exh. A))

Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act

3.45.100 Requirements for public projects.
Awarding contracts for public projects shall be in accordance with the Uniform Public Construction Cost Accounting Act (the "Act") (Public Contract Code Section 22000 et seq. or any successor provision thereto) for all public projects except those in which grant funds require alternate bidding procedures. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-20)

3.45.110 Director of public works authority.
A. Public project contracts of $60,000~~45,000~~ or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Public project contracts of $200~~175~~,000 or less may be executed by the director of public works or his or her designee in accordance with the provisions of this article. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-21) This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.120 Formal competitive bidding.
Public projects of greater than $200~~175~~,000 shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22) This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.130 Informal bidding.

A. Monetary Limit. Public contracts of $200~~175~~,000 or less may be let to contract by informal procedures as set forth in this section. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Contractors List. The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.

C. Notice Inviting Informal Bids. Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

a. If there is no list of qualified contractors maintained by the city for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the California Uniform Construction Cost Accounting Commission.

b. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

c. The notice inviting informal bids shall include specifications that describe the public project with sufficient particularity to allow for competitive bidding and evaluation. The specifications shall also describe the functions and performance that are required. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-23)

3.45.140 Waiver of irregularities and rejection of bids.

A. At its discretion, the city may waive any irregularity in any bid received and award the contract.

B. At its discretion, the city may reject all bids presented and may readvertise the project.

C. At its discretion, the city may abandon the project. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-24)

3.45.150 Lowest responsible bidder.

Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

A. The ability, capacity and skill of the bidder to perform the contract or provide the service required;

B. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;

C. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;

D. The ability of the bidder to provide future maintenance for service for the public project. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-25)

3.45.160 Prohibition against splitting projects.

It shall be unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading the requirements of the Act. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-26)

3.45.170 Change orders.

The director of public works is delegated authority to approve, without seeking new bids, contract change orders to public projects up to the combined amounts authorized in this chapter so long as the combined amounts are within the approved project budget. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-27)

3.45.180 Emergencies.
In cases of emergency, when repair or replacements are necessary, the governing body may proceed to replace or repair any public facility by complying with Public Contract Code Section 22050. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-28)

Article III. Expenditure of City Funds

3.45.190 Award of contracts by city council.
All contracts for supplies and services involving an expenditure beyond the spending limit authority of a department or employee shall be awarded by the city council. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-30)

3.45.200 Procurement methods.
Expenditure of city funds for all materials, supplies, equipment and services (for both public projects and nonpublic projects) shall be made using the following methods:

A. City-issued CalCards, or other approved credit cards, shall be used for purchases of materials, supplies, and equipment of a monetary amount set forth by separate resolution of the city council. Where city-issued CalCards are not accepted, invoices accompanied by a city purchase order may be used for purchases of materials, supplies, and equipment equal to this amount.

B. Invoices (submitted to the city's accounts payable division) shall be used for purchases of materials, supplies and equipment of a monetary amount set forth by separate resolution of the city council.

C. Invoices accompanied by a city purchase order signed by a city employee possessing the authority to approve such a purchase order shall be used for all services of a monetary amount set forth by separate resolution of the city council.

D. Written contracts shall be used for all materials, supplies, equipment, and services of a monetary amount set forth by separate resolution of the city council. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-31)

~~**3.45.210 Blanket purchase orders.**~~
~~Blanket purchase orders may be issued when a department or employee has budget authority to incur such expenses. The blanket purchase order shall serve as authority to make purchases within the established monetary limits. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-32)~~

[1] Code reviser's note: Ord. 1109 adds the provisions of this section as Section 3.45.100. The section has been editorially renumbered to avoid duplication of numbering.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 9, 2022
Agenda Item #: 27

Agenda Item: Agenda Planning Calendar

Executive Summary:

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member: Joseph Irvin, City Manager

Responsible Staff Member:

Reviewed and Approved By:

Attachments:

APC - 08 04 2022.pdf

2022 Agenda Planning Calendar (Updated 08 04 2022)

Department		Agenda Item	Agenda Section
Aug. 23, 9		**Budget Workshop**	
	Pub Works	Formal CIP Presentation for Adoption	UB
		Contract to Herback for Tahoe Valley & Greenbelt Project and accept Grant	Consent
Sept. 6, 9 a.m.	**City Manager**	TRPA Presentation on Regional Planning and VMT Plan	
	City Clerk	City Council Protocols (Travel Rembursements CB/TW 6/7/2022	
	Dev Services	CDBG CV-1 Subrecipient Agreement Amendment	NB
		City/CTC land exchange	
		Sugar Pine Village SuperNofa Resolution	consent
	Finance	Financial Policy Update -Donations	Consent
		Financial Policy Update - Investment Policy	Consent
		Quarterly budget report	Consent
		Quarterly investment report	Consent
	Parks & Rec	Parks Foundation MOU	
	Police	OTS Traffic Enforcement Grant	
	Pub Works	Authorization for Grant Submittal for Safe Streets and Roads for All (SS4A)	NB

2022 Agenda Planning Calendar (Updated 08 04 2022)

		Pilot Traffic Calming Projects for Lakeview (Al Tahoe) & High Woods Neighborhood	NB
		PSA Right of Way Support Services Pioneer Trail Ped Imp Project Phase II	Consent
		Broadband Presentation	UB
		Award of Contract for AnnualSnow Operations	Consent
		Adoption of Dark Sky Standard	UB
		Award of Contract for Custodial Services	Consent
		Facility Assessment Award	Consent
		State Water Resources Control Board Proposition 1 Grant Funding	Consent
		Title VI Plan Adoption	
		Johnson Blvd Underground Utility District Boundary	NB
		Professional Services Agreement for Barton Ave & 2nd Street Drainage Project	Consent
		Award of Professional Services Agreement for Pioneer Trail Project	Consent
Sept. 20, 5:30	**Pub Works**	Rec Center Award - Phase II	
		Bijou Creek Park Project Update	UB
		Professional Services Agreement for Pavement Management Program Update	Consent
	Fire	LHMP Adoption	
Oct. 4, 9 a.m.	**City Clerk**	Conflict of Interest Code Update	

2022 Agenda Planning Calendar (Updated 08 04 2022)

		Approval of Solicitation for Applications to Boards & Commissions	
		Ordinance Increasing City Council Compensation (First Reading)	
	City Manager	SW Gas Prestentation Renewable Energy Goals	Presentation
		Tesla Contract	
	Dev Services	California Building Code - Local Code Adoption	
		TCAP Amendment – Montreal	
	Finance	GANN Limit	Consent
		Budget Carry-Forward	
	Pub Works	Airport Rate Study Presentation	NB
	Police	Discussion on Potential Gun Safety Measures	NB
Nov. 1, 9 a.m.	**City Clerk**	Ordinance Increasing City Council Compensation (Second Reading)	
		Resolution Increasing City Treasurer Compensation	
	Public Works	Broadband Master Plan Adoption	
Nov. 15, 5:30	**City Manager**	Juvenile Treatment Center Discussion	
	PD/CM/PR/DS	Commission Annual Reports	
Dec.13, 9 a.m.	**City Clerk**	Resolution Certification of Election Results	

2022 Agenda Planning Calendar (Updated 08 04 2022)

		City Council Re-Organization	
		Oath of Office	
		2023 Meeting Schedule	
		City Council Assignments to Boards and Commissions Discussion	
		League - New Mayors and Council Members Attendance	
		City Employee Recognitions	
Pub Works		California Tahoe Conservancy Proposition 1 Grant Funding ($550,000)	Consent
		Grant Funding for the Tahoe Valley Stormwater & Greenbelt Project move to Dec.	Consent
Unscheduled/Pending			
	City Attorney	Parking Garage License Agreement with Verizon	
	City Attny/PW	Undergrounding Utilities	
		Amendments to Small Cell Policy	
		Liberty Utilities Franchise Agreement	
	City Clerk	Records Management Policy (Updated)	
		Policy - Use of Personal Devices for City Business	
	City Manager	Potential new City slogan	

2022 Agenda Planning Calendar (Updated 08 04 2022)

	Customer satisfaction survey(s)
Dev Services	Inclusionary housing ordinance
	Plan Area Statement Update for Tourist Accommodation Uses
	PLHA Moderate Income Homebuyer Administration PSA
	Tourist Core Area Plan Amendment: 3828 Montreal Rd
	RFP for consulting firms for Bijou / Al Tahoe Area Plan and Bijou Parks Master Plan
	Plan Area Statement 111 amendment
	Single Room Occupancy Program Amendments
	Outside Eating Code Review (coverage, seating, parking etc)
Fire	Weed abatement/nusance Program - Defensable Space
	Fire Marshal
Parks & Rec	Bijou Park Master Plan
	Bijou Golf Course "Rock the Lake" Event and Review
Public Works	Award Engineering and Construction Contract South Hangar Taxi Lane Rehab
	Award Contract PD - Community Recource Center Renovations
	SEED Solar Photovoltaic Project PPA

2022 Agenda Planning Calendar (Updated 08 04 2022)

Award - James and Eloise Drainage Improvement Project Phase 1
Airport Deferred Maintenance Plan