# CITY OF RANCHO CORDOVA

CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE CRA/RCFC

Monday, August 17, 2015

5:30 PM – Regular Meeting

## AGENDA

Robert J. McGarvey, Mayor

David Sander, Vice Mayor

Donald Terry, Council Member

Linda Budge, Council Member

Dan Skoglund, Council Member

# CITY OF RANCHO CORDOVA

## CONCURRENT MEETING
## CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

**City Hall**
**2729 Prospect Park Drive, Rancho Cordova**

**Monday, August 17, 2015**

**5:30 PM – Regular Meeting**
**David B. Roberts Council Chambers**

# AGENDA

## 1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Budge, Sander, Skoglund, Terry and Mayor McGarvey.

## 2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

## 3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

## 4. INVOCATION

Dr. David Davidson-Methot from St. Clement's Episcopal Church of Rancho Cordova will give the invocation.

## 5. PRESENTATIONS

5.1 Conquering The Great Race Presentation by Ashley Downton, Communications Specialist and George E. Johnson II, President of Eppie's Great Race Foundation.

5.2 The City of Rancho Cordova was Designated Bicycle Friendly Community, at the Bronze Level by the League of American Bicyclists. Presentation Given by Steven Pas, Bicycling Advocates for Rancho Cordova (BARC) and Jim Brown, Sacramento Area Bicycle Advocates (SABA) and a League of American Bicyclists, Bicycle Friendly Community Application Reviewer.

## 6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk. For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

## 7. COUNCIL REPORTS

## 8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

8.1 **Subject:** Meeting Minutes of August 3, 2015 Special and Regular City Council Meeting.
**Recommendation:** Adopt minutes.

8.2 **Subject:** Quarterly Treasurers Report.
**Recommendation:** The report be received and filed.
**Result of Recommended Action:** The Treasurer's Report is required to be submitted to the City Council at least quarterly in accordance with California Government Code Section 53600 et. seq. The purpose of the treasurer's report is to update the City Council and the public on the status of the City's cash balances and investments, and highlight material changes from one period to another.
**Staff Report:** Liisa Behrends, Acting Finance Director.
**Advances Goal:** 4.

8.3 **Subject:** An Ordinance of the City Council of the City of Rancho Cordova Amending Table 23.325-1 in Section 23.325.020, Convention Overlay Zoning District, of the Zoning Code to Add "Grocery Stores/Supermarkets" to the Allowable Land Use Categories.
**Recommendation:** Waive the second reading and adopt Ordinance 11-2015.
**Result of Recommended Action:** Approval of Ordinance 11-2015 would amend Table 23.325-1 to add "Grocery store/supermarket' to the Land Use Category and allow said use by right throughout the Convention Overlay zone.
**Staff Report:** Jessica Jordan, Principal Planner.
**Advances Goals:** 2, 6.

8.4 **Subject:** An Ordinance of the City Council of the City of Rancho Cordova Adding Chapter 10.25 to the Rancho Cordova Municipal Code Establishing a Preferential Residential Parking Permit Program to Assist Residents in High Volume Parking Areas.
**Recommendation:** Waive second reading and adopt Ordinance No. 12-2015.

**Result of Recommended Action:** Adoption of Ordinance No. 12-2015 would allow the City of Rancho Cordova to establish a preferential residential parking permit program.
**Staff Report:** Albert Stricker, Interim Public Works Director.
**Advances Goals:** 1, 2.

8.5 **Subject:** Resolution Setting the Terms of Employment for Interim City Manager, Cyrus Abhar.
**Recommendation:** Staff recommends the City Council adopt the attached Resolution setting the terms of employment for Interim City Manager, Cyrus Abhar.
**Result of Recommended Action:** Adoption of Resolution No. 94-2015 will establish the terms of employment for Cyrus Abhar, who was appointed Interim City Manager at the June 30th City Council meeting, including setting a monthly salary of $17,466 per month, an 8% increase over his current salary as Public Works Director/Chief Building Officer and Acting Assistant City Manager.
**Staff Report:** Adam U. Lindgren, City Attorney.
**Advances Goals:** 1, 2, 3, 4, 5, 6.

8.6 **Subject:** Resolution Designating Voting Delegate and Alternates for the 2015 League of California Cities Annual Business Meeting.
**Recommendation:** Adopt Resolution No. 109-2015.
**Result of Recommended Action:** The Voting Delegate or Alternate will be able to represent the City by voting at the Annual Business Meeting at the League of California Cities Conference.
**Staff Report:** Mindy Cuppy, City Clerk.
**Advances Goals:** 1, 3.

8.7 **Subject:** Resolution Cancelling the December 21, 2015 Regular City Council Meeting.
**Recommendation:** Adopt Resolution No. 112-2015.
**Result of Recommended Action:** Adoption of this resolution will approve cancelling the previously schedule December 21, 2015 regular city council meeting.
**Staff Report:** Mindy Cuppy, MMC, City Clerk.
**Advances Goal:** 5.

8.8 **Subject:** Resolution Authorizing the City Manager to Execute On-call Contract No. 82-2015 in the Amount of $850,000 to Salaber Associates, Inc. for Construction Management Services for Locally Funded Projects and On-call Contract No. 83-2015 in the Amount of $860,000 with Salaber Associates, Inc. for Construction Management Services for Federally Funded Projects.
**Recommendation:** Adopt Resolution No.101-2015.
**Result of Recommended Action:** Adoption of this resolution would authorize the City Manager to execute two on-call contracts with Salaber Associates, Inc.:

1. A three-year on-call contract with Salaber Associates, Inc. in the amount of $850,000 for on-call construction management services for locally funded projects; and
2. A three-year on-call contract in the amount of $860,000 for on-call construction management services for federally funded projects.

**Staff Report:** Albert Stricker, Interim Public Works Director and Chris Boyer, Associate Civil Engineer.
**Advances Goals:** 1, 2, 5.

8.9 **Subject:** Resolution Awarding Construction Contract No. 81-2015 in the Amount of $456,916 to May Han Electric Inc. DBA M&M Electric for the International Drive/Femoyer Street Intersection Signal Improvement Project.
**Recommendation:** Adopt Resolution No.105-2015.
**Result of Recommended Action:** Adoption of this resolution will award construction contract No.81-2015 to May Han Electric Inc. dba M&M Electric in the amount of $456,916.00 to construct the International Drive/Femoyer Street Intersection Signal Improvement Project.
**Staff Report:** Albert Sticker, Interim Public Works Director and Chris Boyer, Associate Civil Engineer.
**Advances Goals:** 1, 2, 5.

8.10 **Subject:** Resolutions Authorizing the City Manager to Execute a Fifth Amendment and Execute a New Three Year Contract with Interwest Consulting Group to Continue Providing On-call Building Plan Check, Inspection and Permitting Services.
**Recommendation:** Adopt Resolution No. 106-2015 and Resolution No. 107-2015.
**Result of Recommended Action:** Adoption of Resolution No. 106-2015 will authorize the City Manager to execute contract amendment 19-2009-5 with Interwest Consulting Group to increase the on-call contract by $14,340.88. Adoption of Resolution No. 107-2015 will authorize the Interim City Manager to execute a new three year on-call contract with Interwest Consulting Group in the amount of $1,050,000.
**Staff Report:** Joe Cuffe, Interim Building Official.
**Advances Goal:** 5.

8.11 **Subject:** Resolution Amending the Fiscal 2014/2015 Adopted Budget for the City of Rancho Cordova.
**Recommendation:** Adopt Resolution 104-2015.
**Result of Recommended Action:** The 2014/2015 Adopted Budget will be amended to reflect variances in expenses not originally anticipated in the budget. This amendment will bring our actual anticipated expenditures in line with our approved appropriations for those specific items.
**Staff Report:** Liisa Behrends, Interim Finance Director.
**Advances Goal:** 5.

8.12 **Subject:** A Resolution of the City Council of the City of Rancho Cordova Authorizing the City Manager and the City Attorney to Execute Certain Documents Required by the State Board of Equalization (BOE) to Collect the City's Utility Users Tax (UUT) on Prepaid Wireless Services and Authorizing the Examination of Prepaid Mobile Telephone Services Surcharges and Local Charge Records.
**Recommendation:** Adopt Resolution 90-2015.
**Result of Recommended Action:** Adoption of this Resolution will allow the BOE to collect UUT for prepaid wireless service as approved by AB 1717.
**Staff Report:** Michelle Mingay, Senior Finance Analyst.
**Advances Goal:** 5.

8.13 **Subject:** Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova Approving the Recognized Obligation Payment Schedule (ROPS) 15-16B and Administrative Budget for the Six Month Period Covering January 1, 2016 Through June 30, 2016.
**Recommendation:** Adopt Resolution No. SA-02-2015.
**Result of Recommended Action:** Adoption of this resolution will allow the Rancho Cordova Successor Agency to make payments on obligations listed on the Recognized Obligation Payment Schedule (ROPS) and establishes the administrative budget for

the next six month period; to the extent funds are available.
**Staff Report:** Michelle Mingay, Finance Department.
**Advances Goal:** 5.

8.14 **Subject:** Support for the California Product Stewardship Council (CPSC) by Endorsing Extended Producer Responsibility and Authorizing Funding for CPSC.
**Recommendation:** Adopt Resolution No. 111-2015 endorsing legislative support for Extended Producer Responsibility (EPR) and authorizing funding support for the California Product Stewardship Council (CPSC) in the amount of $1,500 per year for three years, through Fiscal Year 2017/18.
**Result of Recommended Action:** Adoption of this resolution endorses legislative support for EPR by the City of Rancho Cordova and pledges funding to the CPSC in support of their efforts to advocate for local governments and ratepayers with regards to the management of certain problematic consumer products, including those banned from landfill disposal.
**Staff Report:** Steve Harriman, Public Works Division Manager.
**Advances Goals:** 1, 2, 5.

8.15 **Subject:** Resolution Authorizing the City Manager to Execute Contract Amendment for On-call Professional Services with Environmental Science Associates for the White Rock Road Widening Project.
**Recommendation:** Adopt Resolution No. 108-2015.
**Result of Recommended Action:** Adoption of this resolution will authorize the City Manager to execute contract amendment No.122-2014-1 for on-call professional services with Environmental Science Associates (ESA) to increase the contract amount from $100,000 to $300,000 to accommodate the environmental process for the White Rock Road Widening Project.
**Staff Report:** Albert Stricker, Interim Public Works Director and Kathy Garcia, Senior Engineer.
**Advances Goal:** 5.

8.16 **Subject:** Resolution Approving the First Amendment to the First Restated Agreement for Legal Services with Meyers Nave.
**Recommendation:** Staff recommends the City Council adopt the attached Resolution.
**Result of Recommended Action:** Adoption of Resolution No. 110-2015 will authorize the Mayor to execute the First Amendment to the First Restated Agreement for Legal Services with Meyers Nave.
**Staff Report:** Cyrus Abhar, Interim City Manager.
**Advances Goals:** 1, 2, 3, 4, 5, 6.

8.17 **Subject:** Appointment of Labor Negotiators.
**Recommendation:** Appoint Cyrus Abhar, Interim City Manager, and Adam Lindgren, City Attorney, as Labor Negotiators.
**Result of Recommended Action:** The City Council shall appoint negotiators in open session prior to any closed session to discuss labor negotiations. Appointment of negotiators will allow the City Council and negotiators to hold a closed session which is currently scheduled for later on this agenda.
**Advances Goal:** 5.

8.18 **Subject:** Appointment of Real Property Negotiators.
**Recommendation:** Appoint Cyrus Abhar, Interim City Manager, and Adam Lindgren, City Attorney, as Real Property Negotiators.

**Result of Recommended Action:** The City Council shall appoint negotiators in open session prior to any closed session to discuss real property negotiations. Appointment of negotiators will allow the City Council and negotiators to hold a closed session which is currently scheduled for later on this agenda.
**Advances Goal:** 5.

## 9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

9.1 **Subject:** Ordinance Adding A Small Residential Rooftop Solar Energy System Review process to the Rancho Cordova Municipal Code.
**Recommendation:** Adoption of this Ordinance will amend Sections 16.07.010 through 16.07.060 to the City of Rancho Cordova Municipal Code titled "Expedited Permit Process for Small Residential Rooftop Solar Energy Systems."
**Result of Recommended Action:** Waive first reading and introduce Ordinance 10-2015.
**Staff Report:** Joe Cuffe, Interim Building Official.
**Advances Goals:** 1, 3, 5, 6.

## 10. PUBLIC HEARING ITEMS

10.1 **Subject:** City-sponsored Zoning Code Amendments – Urban Agriculture Ordinance.
**Recommendation:** Introduce and waive first reading of Ordinance 14-2015.
**Result of Recommended Action:** The City sponsored Zoning Code Amendments would add Chapter 23.904.020 (Urban Agriculture), add Urban Agriculture as a defined use to Chapter 23.1101.020 (Definitions), and amend tables 23.310.-1, 23.313-1, and 23.316-1 to add Urban Agriculture as an allowed use. These amendments would allow the selling of produce grown on site in residential and commercial zones subject to the design standards contained in the code amendments.
**Staff Report:** Bret Sampson, Senior Planner.
**Advances Goals:** 1, 2, 6.

## 11. REGULAR CALENDAR ITEMS

NONE.

## 12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

## 13. CITY MANAGER'S REPORT

## 14. ADJOURNMENT

Mayor Skoglund will adjourn the meeting to closed session in the Community Board Room.

## 15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Budge, Sander, Skoglund, Terry and Mayor McGarvey.

## 16. CLOSED SESSION

Council may adjourn to Closed Session to discuss the following item(s):

CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Cyrus Abhar, Interim City Manager; and Adam Lindgren, City Attorney
Unrepresented employee: Police Chief

CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: 2897 Kilgore Road, Rancho Cordova, CA 95670
Agency negotiator: Cyrus Abhar, Interim City Manager, and Adam Lindgren, City Attorney
Negotiating parties: City of Rancho Cordova, Rancho Cordova Police Department (via the Sacramento County Sheriff’s Office)
Under negotiation: Lease price and payment terms

## 17. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in Closed Session.

## 18. ADJOURNMENT

## ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

| **CITYWIDE GOALS -** (Adopted March 27, 2012) | |
|---|---|
| 1. | Promote the Positive Image of Rancho Cordova |
| 2. | Ensure a Safe, Inviting and Livable Community |
| 3. | Empower Responsible Citizenship |
| 4. | Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges |
| 5. | Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management |
| 6. | Drive Diverse Economic Opportunities |

| ***UPCOMING MEETINGS*** | |
|---|---|
| *Tuesday, August 25, 2015* | *City Council Special Meeting/Work Session (5:30 PM)* |
| *Tuesday, September 8, 2015* | *City Council Special Meeting/(4:00 PM)/Regular Meeting (5:30 PM)* |
| *Tuesday, September 15, 2015* | *City Council Special Meeting/Work Session (5:30 PM)* |
| *Monday, September 21, 2015* | *City Council Regular Meeting (5:30 PM)* |
| *Monday, October 5, 2015* | *City Council Special Meeting (4:00 PM)/Regular Meeting (5:30 PM)* |
| *Monday, October 19, 2015* | *City Council Regular Meeting (5:30 PM)* |
| *Tuesday, October 27, 2015* | *City Council Special Meeting/Work Session (5:30 PM)* |
| *Monday, November 2, 2015* | *City Council Special Meeting (4:00 PM)/Regular Meeting (5:30 PM)* |
| *Monday, November 16, 2015* | *City Council Regular Meeting (5:30 PM)* |
| *Monday, December 7, 2015* | *City Council Special Meeting (4:00 PM)/Regular Meeting (5:30 PM)* |
| *Tuesday, December 15, 2015* | *City Council Special Meeting/Work Session (5:30 PM)* |
| *Monday, December 21, 2015* | *City Council Regular Meeting (5:30 PM)* |

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

| DEPARTMENTAL GENERAL TELEPHONE NUMBERS | |
|---|---|
| Building and Safety Division | (916) 851-8760 |
| City Attorney's Office | (916) 556-1531 |
| City Clerk's Department | (916) 851-8720 |
| City Manager's Office | (916) 851-8800 |
| Communications Department | (916) 851-8791 |
| Economic Development Department | (916) 851-8780 |
| Finance Department | (916) 851-8730 |
| Housing Division | (916) 851-8784 |
| Human Resources Department | (916) 851-8740 |
| IT Department | (916) 851-8700 |
| Neighborhood Services – Animal Services | (916) 851-8770 |
| Parks & Recreation (Cordova Recreation & Park District) | (916) 362-1841 |
| Planning Department | (916) 851-8750 |
| Public Works Department | (916) 851-8710 |
| Rancho Cordova Police Department | (916) 875-9600 |
| Redevelopment Department | (916) 851-8780 |
| Sac Metro Fire District | (916) 859-4300 |

The Rancho Cordova City Council/Successor Agency to the CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

## CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, MMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, August 17, 2015 Regular Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, August 13, 2015 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed Thursday, August 13, 2015 at Rancho Cordova, California.

Mindy Cuppy

Mindy Cuppy, MMC, City Clerk

CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

**City Hall**
**2729 Prospect Park Drive, Rancho Cordova**

**Monday, August 03, 2015**

**4:00 PM – Special Meeting**
**American River North**

**5:30 PM – Regular Meeting**
**David B. Roberts Council Chambers**

# DRAFT MINUTES

## 1. STUDY SESSION - CALL TO ORDER/ROLL CALL

Mayor McGarvey called the special meeting to order in the American River Community Room North at 4:09 PM.

Council Members Present: McGarvey, Sander, Terry, Budge, Skoglund

Council Members Absent: None

Staff Members Present: Lindgren, Cuppy, Abhar, Busch, Haven, Holt, Downton, Stricker, Ibrahim, Ulm, Leitner

## 2. PUBLIC COMMENT

Mayor McGarvey opened the public comment period. There were no speakers. Mayor McGarvey closed the public comment period.

## 3. SPECIAL MEETING ITEM

3.1 **Subject:** Branding Strategic Communications Plan.

**ACTION:** Discussion item only; no action taken.

## 4. ADJOURNMENT OF STUDY SESSION

Mayor McGarvey adjourned the meeting to the regular meeting at 4:57 PM.

## 5. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor McGarvey called the regular meeting to order in the David B. Roberts Council Chambers at 5:37 PM.

Council Members Present: McGarvey, Sander, Terry, Budge, Skoglund

Council Members Absent: None

Staff Members Present: Lindgren, Cuppy, Abhar, Busch, Goold, Haven, Simpson, Chan, Flory, Mingay, Stricker, Brown, Snipes, Hadley, Ducharme, Shah, Jordan, Sosa, Downton, Holt

## 6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedules.

## 7. PLEDGE OF ALLEGIANCE

Albert Stricker led the pledge.

## 8. INVOCATION

Mike Hughes from United Methodist Church of Rancho Cordova gave the invocation.

## 9. PRESENTATIONS

9.1 10 Year Service Awards Presented by Lisa Brown, Interim Human Resources Manager and Cyrus Abhar, Interim City Manager.

9.2 Introduction of New City Employee, Russell Ducharme and Walid Shah, Code Enforcement Officers Given by Kerry Simpson, Neighborhood Services Manager.

9.3 Recognition of Mayor McGarvey's Birthday.

## 10. PUBLIC COMMENT

Mayor McGarvey opened the public comment period. The following individuals addressed the Council:

- Carol Kraus following up on the commitment of Cordova Blue Marlins parent board to be informed and to encourage communication and co-operation with the Rancho Cordova City Council and CRPD.
- Joyce Higdon in support of the Hagan Community Pool.

Mayor McGarvey closed the public comment period.

## 11. COUNCIL REPORTS

Council reported on events since the last meeting.

## 12. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

**ACTION:** Motion to approve by Budge second by Terry;
Carried by a 5:0 roll call vote.

12.1 **Subject:** Meeting Minutes of July 6, 2015 Regular City Council Meeting and July 15, 2015 Special City Council Meeting.
**Recommendation:** Adopt minutes.

12.2 **Subject:** Annexation of Zinfandel Village Project to the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).
**Recommendation:** Adopt Resolution No. 87-2015.
**Result of Recommended Action:** Adoption of Resolution No. 87-2015 approves Annexation Map. No. 17 for the Zinfandel Village Project to Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (hereinafter "CFD No. 2008-1"). There is no financial impact to existing residents.
**Staff Report:** Elizabeth Sparkman, Senior Engineer.
**Advances Goal:** 5.

12.3 **Subject:** Resolution In Support of National Safe-Digging Day, August 11, 2015.
**Recommendation:** Adopt Resolution No. 103-2015.
**Result of Recommended Action:** The City of Rancho Cordova shows its support for California Safe Digging Day and encourages all excavators, homeowners, and professional contractors to call 811 in advance of all digging projects.
**Staff Report:** Mindy Cuppy, MMC, City Clerk.
**Advances Goals:** 2, 3.

12.4 **Subject:** Resolution Approving Memorandum of Understanding (MOU) between City and County of Sacramento Environmental Management Department for Enforcement of Storm Water Ordinance at Commercial and Industrial Facilities in Rancho Cordova.
**Recommendation:** Adoption Resolution No. 95-2015.
**Result of Recommended Action:** Adoption of this Resolution will authorize the City Manager to execute a Memorandum of Understanding (MOU) with the County of Sacramento Environmental Management Department (EMD) for enforcement of the City's Storm Water Ordinance (Chapter 15.12) at commercial and industrial facilities in Rancho Cordova.
**Staff Report:** Britton Snipes, Senior Engineer.
**Advances Goals:** 1, 2, 5.

12.5 **Subject:** An Ordinance of the City Council of the City of Rancho Cordova Adding Chapter 10.25 to the Rancho Cordova Municipal Code Establishing a Preferential Residential Parking Permit Program to Assist Residents in High Volume Parking Areas.
**Recommendation:** Adopt Ordinance No. 12-2015.
**Result of Recommended Action:** Adoption of Ordinance No. 12-2015 would allow the City of Rancho Cordova to establish a preferential residential parking permit program.
**Staff Report:** Albert Stricker, Senior Engineer.
**Advances Goals:** 1, 2.

## 13. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

Mayor McGarvey opened the public hearing. There were no speakers. Mayor McGarvey closed the public hearing.

**ACTION:** Motion to approve by Sander second by Budge;
Carried by a 5:0 roll call vote.

13.1 **Subject:** KP Beats Bar and Nightclub Conditional Use Permit; Project No. DD8566 – Located at 10947 Olson Drive.
**Recommendation:** Adopt Resolution 98-2015.
**Result of Recommended Action:** Adoption of Resolution 98-2015 would grant the applicant's request for a Conditional Use Permit (CUP) to permit a Bar and Nightclub with live entertainment in conjunction with alcohol and food sales at an existing karaoke facility. This resolution would be forwarded to the Department of Alcohol Beverage Control (ABC), which would allow the applicant to proceed in obtaining a liquor license to sell alcohol in conjunction with its live entertainment and limited food sales.
**Staff Report:** Matthew Diaz, Associate Planner.
**Advances Goals:** 1, 2.

13.2 **Subject:** Resolution Approving the Abandonment of a Drainage Easement Located on Southwest Corner of Data Drive and Disk Drive (APN 072-0680-072).
**Recommendation:** Adopt Resolution No. 96-2015.
**Result of Recommended Action:** Adoption of this resolution will abandon a drainage easement located near the southwest corner of Data and Disk Drives.
**Staff Report:** Cyrus Abhar, Interim City Manager.
**Advances Goal:** 2.

## 14. PUBLIC HEARING ITEMS

**ACTION:** Motion to reorder the agenda to take the remaining action items in the following order: 14.3, 15.1, 14.1, 14.2, by Budge second by Skoglund;
Carried by a 5:0 roll call vote.

14.1 **Subject:** 2738 Sunrise Boulevard Zoning Code Text Amendment, Conditional Use Permit; Project No. DD8590 – Located at 2738 Sunrise Boulevard.
**Recommendation:** Introduce and waive the first reading of Ordinance 11-2015 and adopt Resolution 97-2015.
**Result of Recommended Action:** Approval of Ordinance 11-2015 would amend Table 23.325-1 to add "Grocery store/supermarket' to the Land Use Category and allow said use by right throughout the Convention Overlay zone. Adoption of Resolution 97-2015 would approve a Conditional Use Permit for alcoholic beverage sales incidental to retail and/or grocery sales at 2738 Sunrise Boulevard.
**Staff Report:** Jessica Jordan, Principal Planner.
**Advances Goals:** 2, 6.

Mayor McGarvey opened the public hearing. There were no speakers. Mayor McGarvey closed the public hearing.

**ACTION:** Motion to approve by Terry second by Budge;
Carried by a 5:0 roll call vote.

14.2 **Subject:** Verizon Wireless "Rossmoor" Telecommunication Facility Conditional Use Permit; Project No. DD8561 – Located at 10720 Coloma Road. Item continued from

July 6, 2015 regular City Council Meeting.
**Recommendation:** Staff recommends that City Council take one of the following actions:

1. Adopt Resolution 92-2015;
2. Direct the applicant to modify the project in a specific manner to address Council concerns; or
3. Direct staff to prepare a modified Resolution denying the proposed project.

**Result of Recommended Action:** Adoption of Resolution 92-2015 would allow the applicant to receive the Conditional Use Permit for the installation of a new telecommunication facility located at First Baptist Church, 10720 Coloma Road. The approval will allow for the construction of 85 foot tower within a fenced 24' x 56' leased area on the property. This telecommunication facility will be unmanned and will provide increased Verizon service to an underserved area of Rancho Cordova.
**Staff Report:** Nicholas Sosa, Assistant Planner.
**Advances Goals:** 2, 5, 6.

Mayor McGarvey opened the public hearing. The following individuals addressed the council:

- Applicant Brad Kortick with Verizon Wireless addressed the Council.
- Pastor Tom Jones with First Baptist Church answered Council questions.

Mayor McGarvey closed the public hearing.

**ACTION:** Motion to approve Bell Tower design by Terry second by Sander;
Carried by a 5:0 roll call vote.

14.3 **Subject:** Public Hearing on, and Adoption of, the Fiscal Years 2015-2017 Operating Budget for the City of Rancho Cordova and the Adoption of the Five-Year Capital Improvement Plan 2014-2018.
**Recommendation:** That Council :
Receive input from the public on the Proposed Budget for Fiscal Years 2015-2017 for the City of Rancho Cordova. Direct staff to process changes discussed during the public hearing, if any, and return with a Fiscal Years 2015-2017 Proposed Budget for final deliberation at this meeting or on August 17, 2015. If no changes are directed, the Proposed Budget and Five Year Capital Improvement Plan (CIP) can be adopted immediately following the public hearing by adopting:

a) Resolution 99-2015 Approving the Operating Budget for the Fiscal Year July 1, 2013 through June 30, 2015 and Providing for the Appropriations and Expenditures of all Sums.
b) Resolution 100-2015 Approving the Five Year Capital Improvement Plan for the Five Fiscal Years beginning July 1, 2016 and ending June 30, 2020.

**Result of Recommended Action:** The public hearing will provide the public the opportunity to have input on the fiscal years 2015-2017 budget prior to adoption of same by council. Once adopted by council, the Budget will be used to guide the financial operations of the City for the period of July 1, 2015 through June 30, 2017, and serves as the legal authority for spending. Adoption of the Five Year Capital Improvement Plan will provide a spending plan and timeline for approved projects and ensures that adequate resources are set aside to provide funding for these multiple year, large scale projects.
**Staff Report:** Cyrus Abhar, Interim City Manager.
**Advances Goal:** 5.

Mayor McGarvey opened the public hearing. The following individuals addressed the council:

- Dan Lynch encouraging city council continued push for Hagan Park pool renovation.

Mayor McGarvey closed the public hearing.

**ACTION:** Motion to approve by Terry second by Budge;
Carried by a 5:0 roll call vote.

## 15. REGULAR CALENDAR ITEMS

15.1 **Subject:** Community Enhancement Fund (Measure "H") Discussion and Implementation.
**Recommendation:** Staff recommends that the City Council finalize budget discussions for the "Community Enhancement Fund (aka: Measure "H" fund) for the planned FY 15-16 budget; and, implementation structure for the allocation and administration of said fund, and approve Resolution No. 102-2015 establishing budget amounts and next steps for grants, City Council projects, and Staff-recommended projects.
**Result of Recommended Action:** Approval of Resolution No. 102-2015 will establish budget amounts for Measure H grant application projects, City Council projects, and Staff-recommended projects; it will also establish next steps regarding project implementation.
**Staff Report:** Aaron Busch, Community Development Director.
**Advances Goals:** 1, 2, 3, 5, 6.

**ACTION:** Motion to approve by Terry second by Sander;
Carried by a 5:0 roll call vote.

## 16. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

Council asked for a discussion regarding a Measure H oversight committee and an accounting of current council requests for future agenda items.

## 17. CITY MANAGER'S REPORT

Interim City Manager Cyrus Abhar reported on staffing changes and recruitments.

## 18. ADJOURNMENT

Mayor McGarvey adjourned the meeting at 8:10 PM in memory of Jerry Johnson.

## 19. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor McGarvey called the closed session to order in the Community Board Room at 8:24 PM.

## 20. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS Agency designated representative: City Attorney Adam Lindgren Unrepresented employee: Interim City Manager Per Government Code Section 54957.6.

Council Members Present: McGarvey, Sander, Terry, Budge, Skoglund

Council Members Absent: None

Staff Members Present: Lindgren

**ACTION:** Discussion item only; no action taken.

City Attorney Evaluation of Performance (Per Government Code Section 54957).

Council Members Present: McGarvey, Sander, Terry, Budge, Skoglund

Council Members Absent: None

Staff Members Present: Lindgren, Abhar

**ACTION:** Discussion item only; no action taken.

## 21. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that there was no reportable action taken in closed session.

## 22. ADJOURNMENT

Mayor McGarvey adjourned the meeting at 9:19 PM.

______________________________
Mindy Cuppy, MMC, City Clerk

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Liisa Behrends, Acting Finance Director

**SUBJECT:** Treasurer's Report – June 30, 2015

## RECOMMENDATION

This report is informational only. It is recommended that the City Council receive and file the June 2015 Treasurer's Report.

## RESULT OF RECOMMENDED ACTION

The Treasurer's Report is required to be submitted to the City Council at least quarterly in accordance with California Government Code Section 53600 et. seq. The purpose of the treasurer's report is to update the City Council and the public on the status of the City's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the second quarter of calendar year 2015, ending June 30, 2015 and is in compliance with the State's reporting requirements.

## BACKGROUND

Attached is the quarterly Treasurer's report for the period ending June 30, 2015. Treasurer's reports are provided to Council on a quarterly basis.

At March 31, 2014 the current value of the City's total portfolio was $101.8 million. Since that time, the balances increased by $10 million with an ending balance of $111.8 million as of June 30, 2015. This increase is typical as we received our second property tax distribution in May. The funds are held as follows:

| | |
|---|---|
| Cash at Banking Institutions | $ 5,857,648 |
| Local Agency Investment Fund (LAIF) | 9,234,401 |
| California Asset Management Program (CAMP) Pool | 41,857,523 |
| California Asset Management Program (CAMP) Investments | 28,373,906 |
| Wells Fargo Adv Treasury Investments (Cutwater) | 26,481,678 |
| | $ 111,805,156 |

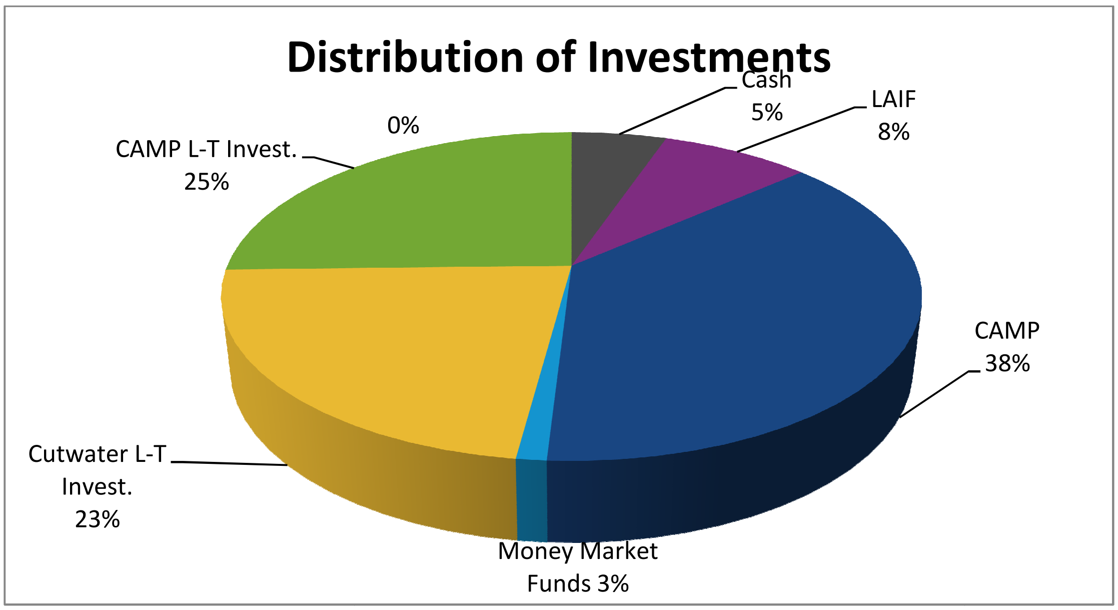
At June 30, the General Fund Cash and Investments balance was $24.5 million, while the remaining $87.3 million were restricted to specific activities and were recorded in Special Revenue, Enterprise, Internal Service or Agency Funds.

The overall portfolio is well diversified with $53.5 million invested in marketable securities. $52 million is invested in short-term investments that are considered liquid (LAIF, CAMP, and money markets). The remainder consists of $5.8 million on deposit with our banks. Staff, in conjunction with our financial advisors, periodically reviews the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and our short-term cash needs.

Cash and short-term investments increased by $13 million while long-term investments decreased by $4.6 million.

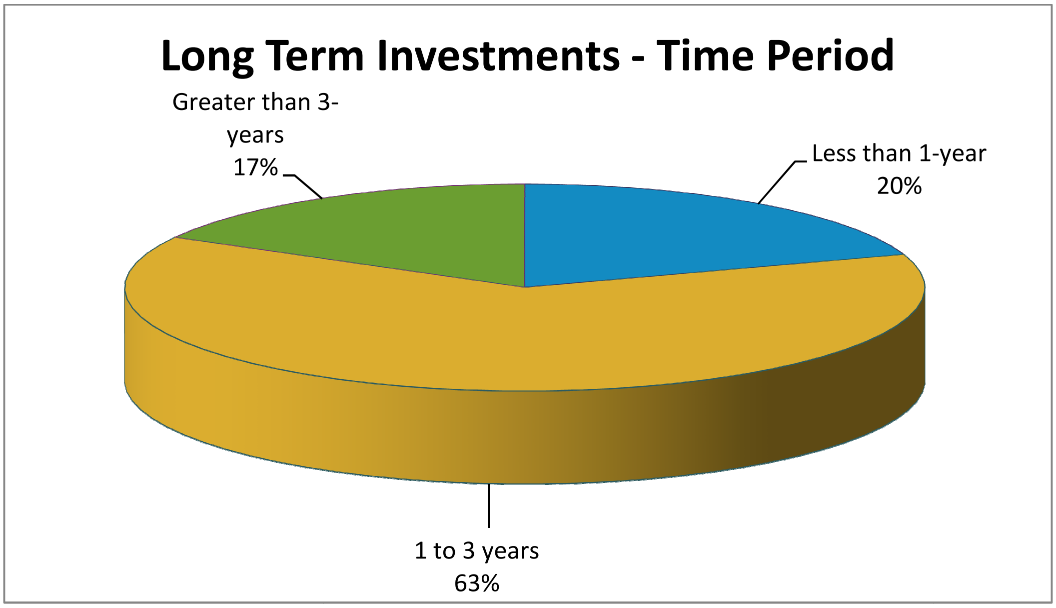
Staff thoroughly reviews investment statements and makes appropriate inquiries of CAMP, LAIF, and MBIA, as necessary, to confirm the existence and viability of the City's assets. The City invests conservatively in investment policy options in accordance with California State Government Code. The long-term assets are in securities that can be held to maturity, thus are less vulnerable to the fluctuations of the market. All securities are in compliance with the City's investment policy. There are sufficient funds to meet the City's expenditure requirements for the next six months.

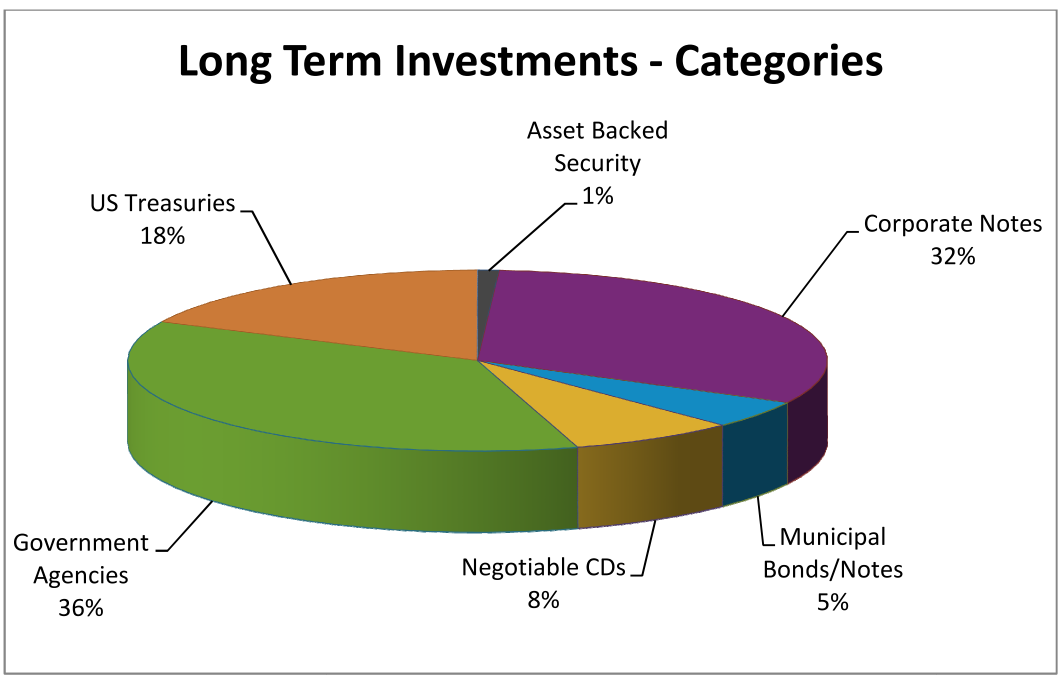
The distributions of investments are displayed in the following chart:



## Analysis of long-term investments:

| | Par Value | Current Value | Percent of L-T Investments |
|---|---|---|---|
| Less than 1-year | $ 10,600,000 | $ 10,624,756 | 19.84% |
| 1 to 3 years | 33,532,532 | 33,835,828 | 63.19% |
| Greater than 3-years | 9,070,000 | 9,082,385 | 16.96% |
| | $ 53,202,532 | $ 53,542,969 | 100.00% |




**ATTACHMENT(S)**

1. Treasurer's Report for June 30, 2015

# Rancho Cordova
# Treasurer's Report
# June 30, 2015

| | Yield % | Par Value | Cost | Current Value | Maturity Date |
|---|---|---|---|---|---|
| **Cash and Cash Equivalents** | | | | | |
| Wells Fargo Bank | | $ 5,806,989 | $ 5,806,989 | $ 5,806,989 | n.a. |
| Bank of Sacramento | | 50,659 | 50,659 | 50,659 | n.a. |
| | | $ 5,857,648 | $ 5,857,648 | $ 5,857,648 | |
| **Local Agency Investment Fund (LAIF)** | 0.25 | $ 9,234,401 | $ 9,234,401 | $ 9,234,401 | n.a. |
| **California Asset Management Program (CAMP)** | | $ 41,857,523 | $ 41,857,523 | $ 41,857,523 | n.a. |
| **Wells Fargo Adv Treasury Plus MMF (MBIA)** | | $ 1,312,615 | $ 1,312,615 | $ 1,312,615 | n.a. |
| **Long-Term Investments - Cutwater/MBIA:** | | | | | |
| Pfizer Inc | 0.91 | $ 1,000,000 | $ 1,004,140 | $ 1,003,580 | 3/16/2015 |
| Federal Farm Credit Bank Notes | 1.1 | 725,000 | 731,869 | 725,480 | 7/20/2015 |
| U.S. Treasury Notes | 0.59 | 750,000 | 784,219 | 751,055 | 7/31/2015 |
| Fannie Mae Notes | 0.87 | 750,000 | 773,407 | 753,547 | 10/26/2015 |
| Union Bank NA | 0.8 | 500,000 | 524,060 | 508,796 | 6/6/2016 |
| Federal Farm Credit Bank Notes | 0.46 | 750,000 | 750,960 | 751,475 | 6/17/2016 |
| U.S. Treasury Notes | 0.98 | 500,000 | 512,461 | 506,094 | 7/31/2016 |
| Federal Home Loan Bank Notes | 0.52 | 1,100,000 | 1,100,550 | 1,100,675 | 8/26/2016 |
| Coca Cola Co | 0.7 | 500,000 | 513,440 | 506,044 | 9/1/2016 |
| PNC Bank NA | 0.94 | 500,000 | 504,690 | 502,103 | 10/3/2016 |
| U.S. Treasury Notes | 0.63 | 500,000 | 500,000 | 501,016 | 12/15/2016 |
| Colgate-Palm Co | 1.06 | 500,000 | 503,540 | 503,822 | 1/15/2017 |
| IBM Corp | 1 | 750,000 | 755,655 | 755,775 | 2/6/2017 |
| U.S. Treasury Notes | 0.74 | 750,000 | 752,461 | 754,043 | 2/28/2017 |
| Federal Home Loan Bank Notes | 0.9 | 2,000,000 | 2,000,000 | 2,003,222 | 3/30/2017 |
| Berkshire Hathaway | 1.01 | 400,000 | 409,253 | 404,298 | 5/15/2017 |
| Federal Home Loan Bank Notes | 0.95 | 2,000,000 | 2,003,280 | 2,009,314 | 7/28/2017 |
| Federal Home Loan Bank Notes | 1.07 | 750,000 | 750,375 | 750,834 | 8/10/2017 |
| PEPSICO Inc | 1.31 | 500,000 | 498,965 | 500,830 | 8/13/2017 |
| Fannie Mae Notes | 0.99 | 1,500,000 | 1,494,165 | 1,503,557 | 8/28/2017 |
| Federal Home Loan Bank Notes | 1 | 750,000 | 750,000 | 751,623 | 9/15/2017 |
| Fannie Mae Notes | 1 | 500,000 | 501,350 | 501,348 | 9/20/2017 |
| Federal Home Loan Bank Notes | 1.15 | 750,000 | 748,875 | 750,977 | 11/17/2017 |
| JP Morgan Chase | 1.8 | 400,000 | 474,708 | 440,598 | 1/15/2018 |
| Wells Fargo | 1.49 | 400,000 | 400,124 | 399,250 | 1/16/2018 |
| Wal-Mart | 1.38 | 400,000 | 480,332 | 446,656 | 2/15/2018 |
| Federal Home Loan Bank Notes | 0.89 | 1,000,000 | 1,006,580 | 1,003,462 | 2/28/2018 |
| Fannie Mae Notes | 1.06 | 1,000,000 | 998,750 | 997,472 | 4/30/2018 |
| GE Capital | 1.65 | 400,000 | 475,296 | 442,729 | 5/1/2018 |
| GE Capital | 2.14 | 450,000 | 519,899 | 498,070 | 5/1/2018 |
| Apple Inc. | 1.17 | 400,000 | 396,704 | 395,956 | 5/3/2018 |
| Federal Home Loan Bank Notes | 1.66 | 750,000 | 749,625 | 750,265 | 7/30/2018 |
| Federal Home Loan Bank Notes | 1.22 | 1,000,000 | 1,000,000 | 995,099 | 10/29/2018 |
| Sub-total | | $ 24,925,000 | $ 25,369,733 | $ 25,169,063 | |

| Long-Term Investments -CAMP: | | Par Value | Original Cost | Current Value | Maturity Date |
|---|---|---|---|---|---|
| UBS Finance Deleware LLC Comm Paper | 0.28 | $ 600,000 | $ 599,155 | $ 599,953 | 7/16/2015 |
| JP Morgan Chase Bank NA (Floating) | 0.43 | 550,000 | 550,567 | 550,069 | 7/30/2015 |
| Fannie Mae Notes | 0.93 | 425,000 | 436,790 | 427,010 | 10/26/2015 |
| FHLB (Ex-Callable) Global Notes | 0.39 | 550,000 | 549,835 | 550,173 | 12/30/2015 |
| Skandinaviska Enskilda BY NT Float CD | 0.56 | 600,000 | 600,000 | 600,416 | 1/4/2016 |
| U.S. Treasury Notes | 0.31 | 75,000 | 75,097 | 75,100 | 1/31/2016 |
| CA ST TXBL GO Bonds | 0.93 | 200,000 | 200,676 | 200,586 | 2/1/2016 |
| Cisco Systems Inc Global Notes | 0.62 | 75,000 | 82,890 | 77,309 | 2/22/2016 |
| GlaxosmithKline Cap Inc Global | 0.73 | 400,000 | 399,716 | 400,620 | 3/18/2016 |
| Fannie Mae Global Notes | 0.54 | 540,000 | 539,384 | 540,749 | 3/30/2016 |
| Westpac Banking Corp NY LT Float CD | 0.41 | 575,000 | 575,000 | 575,348 | 4/15/2016 |
| Rabobank Nederland NV NY CD | 0.71 | 600,000 | 600,000 | 598,236 | 5/6/2016 |
| Freddie Mac Global Notes | 0.5 | 130,000 | 129,992 | 130,177 | 5/13/2016 |
| Toyota Motor Credit Corp | 0.81 | 255,000 | 254,895 | 255,166 | 5/17/2016 |
| Bank of Novia Scotia Hous CD Float | 0.28 | 550,000 | 549,668 | 549,913 | 6/10/2016 |
| Calleguas Wtr Dist, CA Rev Bonds | 1.42 | 500,000 | 500,000 | 502,340 | 7/1/2016 |
| Wells Fargo & Co. | 1.28 | 360,000 | 359,654 | 361,526 | 7/20/2016 |
| Goldman Sachs Bank USA CD | 0.9 | 500,000 | 500,000 | 500,933 | 8/12/2016 |
| HSBC Bank USA NA CD | 0.88 | 200,000 | 200,000 | 200,125 | 8/15/2016 |
| Berkshire Hathaway Fin Global Notes | 0.97 | 330,000 | 329,825 | 330,693 | 8/15/2016 |
| American Honda Finance Global Notes | 1.24 | 205,000 | 204,287 | 205,586 | 10/7/2016 |
| CA ST Dept of Water Txbl Rev Bonds | 0.99 | 140,000 | 140,000 | 140,081 | 12/1/2016 |
| Apple Inc Corp Note | 1.07 | 700,000 | 699,629 | 702,094 | 5/5/2017 |
| John Deere Capital Corp Notes | 1.14 | 435,000 | 434,796 | 435,292 | 6/12/2017 |
| Toronto Dominion Bank NY YCD | 1.25 | 550,000 | 550,000 | 549,997 | 6/16/2017 |
| HSBC USA Inc | 1.35 | 190,000 | 189,711 | 189,909 | 6/23/2017 |
| Freddie Mac Global Notes | 0.96 | 350,000 | 350,490 | 351,920 | 6/29/2017 |
| CA Earthquake Auth Txbl Rev Bonds | 1.82 | 150,000 | 150,000 | 150,687 | 7/1/2017 |
| OR State TXBL GO Bonds | 1.14 | 200,000 | 200,000 | 200,440 | 8/1/2017 |
| Palo Alto USD, CA GO Bonds | 1.4 | 550,000 | 550,000 | 552,129 | 8/1/2017 |
| Ford ABS 2014-C A2 | 0.61 | 527,532 | 527,514 | 527,553 | 8/15/2017 |
| Wells Fargo & Co. | 1.43 | 300,000 | 299,703 | 300,769 | 9/8/2017 |
| US Bank NA Cincinnati (Callable) CD | 1.41 | 550,000 | 549,115 | 549,693 | 9/11/2017 |
| IBM Copr Notes | 1.41 | 600,000 | 693,852 | 657,808 | 9/14/2017 |
| American Express Credit Corp Notes | 1.6 | 200,000 | 199,732 | 200,652 | 9/22/2017 |
| Fannie Mae Global Notes | 1.08 | 575,000 | 570,555 | 575,263 | 10/26/2017 |
| CA ST TXBL GO Bonds | 1.66 | 510,000 | 511,821 | 515,365 | 11/1/2017 |
| HSBC USA Inc Notes | 1.51 | 200,000 | 199,964 | 199,563 | 11/13/2017 |
| ConocoPhillips (callable) Global Notes | 1.58 | 400,000 | 391,320 | 396,986 | 12/15/2017 |
| IBM Copr Notes | 1.23 | 300,000 | 299,085 | 298,095 | 2/6/2018 |
| JP Morgan Chase Corp Notes (Callabe) | 1.71 | 275,000 | 274,929 | 274,034 | 3/1/2018 |
| Chevron Corp Notes | 1.37 | 100,000 | 100,000 | 99,958 | 3/2/2018 |
| Exxon Mobil Corporate Notes | 1.31 | 600,000 | 600,000 | 599,513 | 3/6/2018 |
| Freddie Mac Global Notes | 0.93 | 650,000 | 648,284 | 647,741 | 3/7/2018 |
| American Honda Finance Corp Notes | 1.55 | 225,000 | 224,699 | 225,023 | 3/13/2018 |
| General Elec CAP Corp Global Notes | 1.58 | 600,000 | 601,338 | 601,745 | 4/2/2018 |
| PEPSICO, Inc Corp Notes | 1.25 | 250,000 | 249,970 | 248,960 | 4/30/2018 |
| Microsoft Corp Global Notes | 1.01 | 145,000 | 144,909 | 144,174 | 5/1/2018 |
| Apple Inc Global Notes | 1.08 | 265,000 | 264,022 | 262,321 | 5/3/2018 |
| Univ of Cal Txbl Rev Bonds | 2.05 | 385,000 | 385,000 | 392,604 | 5/15/2018 |
| Berkshire Hathaway Notes | 1.31 | 210,000 | 209,878 | 210,023 | 5/15/2018 |
| Fannie Mae Global Notes | 1.19 | 250,000 | 246,213 | 248,504 | 5/21/2018 |
| Fannie Mae Global Notes | 1.05 | 500,000 | 495,775 | 497,008 | 5/21/2018 |
| Cisco Systems Inc Corp Note | 1.66 | 475,000 | 474,919 | 476,688 | 6/15/2018 |
| Chevron Corp Global Notes | 1.72 | 380,000 | 380,000 | 382,266 | 6/24/2018 |
| U.S. Treasury Notes | 1.43 | 1,895,000 | 1,899,960 | 1,919,724 | 8/31/2018 |

| | | | | | |
|---|---|---|---|---|---|
| U.S. Treasury Notes | 1.47 | 200,000 | 198,172 | 200,688 | 10/31/2018 |
| U.S. Treasury Notes | 1.34 | 400,000 | 398,641 | 401,375 | 10/31/2018 |
| Fannie Mae Global Notes | 1.62 | 300,000 | 300,009 | 303,630 | 11/27/2018 |
| U.S. Treasury Notes | 1.41 | 300,000 | 297,902 | 300,750 | 11/30/2018 |
| U.S. Treasury Notes | 1.54 | 550,000 | 549,055 | 555,028 | 1/31/2019 |
| U.S. Treasury Notes | 1.61 | 850,000 | 846,049 | 857,770 | 1/31/2019 |
| U.S. Treasury Notes | 1.33 | 600,000 | 600,984 | 602,110 | 2/28/2019 |
| U.S. Treasury Notes | 1.31 | 200,000 | 197,336 | 196,266 | 9/30/2019 |
| U.S. Treasury Notes | 1.41 | 525,000 | 515,710 | 515,197 | 9/30/2019 |
| U.S. Treasury Notes | 1.45 | 850,000 | 832,900 | 834,129 | 9/30/2019 |
| U.S. Treasury Notes | 1.4 | 650,000 | 652,641 | 650,356 | 10/31/2019 |
| Sub-total | | $ 28,277,532 | $ 28,334,011 | $ 28,373,906 | |

**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. 11-2015**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING TABLE 23.325-1 IN SECTION 23.325.020, CONVENTION OVERLAY ZONING DISTRICT, OF THE ZONING CODE TO ADD "GROCERY STORE/SUPERMARKETS" TO THE ALLOWABLE LAND USE CATEGORIES**

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**

**Section 1.** Purpose and Declarations.

**WHEREAS**, on May 26, 2015, the City of Rancho Cordova ("City") received an application from JB Company Management L.P. ("Applicant") for a Zoning Code Amendment to allow "grocery stores/supermarkets" by right in the Convention Overlay Zoning District; and

**WHEREAS**, Table 23.325-1 of Section 23.325.020 of the City's Zoning Code currently regulates the allowed uses within the overlay zone; and

**WHEREAS**, the proposed Zoning Code amendment would modify the table to add "Grocery stores/Supermarkets" as a land use category and allow such uses by right in the Convention Overlay Zoning District; and

**WHEREAS**, these amendments were analyzed and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Section 15061 (General Rule); and

**WHEREAS**, on August 3, 2015, the City Council held a properly noticed public hearing at which it received a report from City staff, oral and written testimony from the public, and deliberated on the item.

**Section 2.** Findings.

A. CEQA Compliance. The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Section 15061 (General Rule). The proposed Zoning Code text amendment to allow grocery stores within the Convention Overlay Zone in an activity anticipated within the scope of the General Plan EIR and requires no further environmental review. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162. Furthermore, this is a procedural change in the Zoning Code that will not result in a direct, or reasonably foreseeable indirect, physical change in the environment. Therefore, adoption of the Ordinance is not subject to CEQA pursuant to Guidelines Section 15060(c)(2).

B. Consistency with the General Plan. The proposed Zoning Code Amendment ("Amendment" or "proposed Amendment") is consistent with the General Plan as required by Government Code Section 65454. The Amendment is consistent with and implements the following provisions of the City's adopted General Plan:

<u>General Plan Goals, Policies, and Actions</u>:

§ Land Use Action.1.1.1 – Regularly evaluate the mix of land uses as the City grows to analyze build out conditions, market conditions, etc.

Finding: The proposed Zoning Code Amendment would allow for grocery stores to be located within the Convention Overlay Zone by right. The amendment would not detract from the intended Convention Center uses that are desired within the area. Rather, this type of use would be supportive of such uses should goods such as grocery items be needed by commercial uses and/or visitors to the convention area.

**Section 3.** <u>Amendments</u>. The City Council hereby adopts the amendments to Table 23.325-1: Allowed Use Provisions in the Convention Overlay Zoning District as follows (additions in bold):

**Table 23.325-1 (Excerpt)**

| **Land Use Category** | **Convention Overlay Zoning District** | **Special Use Regulations** |
|---|---|---|
| Drive-In and Drive-Through Sales and Service | N | RCMC 23.910.030 |
| **Grocery Stores/Supermarket** | **P** | |
| Home Improvement Supplies | AUP | |

Only those amendments in bold are adopted herein.

**Section 4.** <u>Severability</u>. If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

**Section 5.** <u>Effective Date</u>

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of ___________, 2015 by the following vote:

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

_____________________________
Robert J. McGarvey, Mayor

**ATTEST:**

_____________________________
Mindy Cuppy, MMC, City Clerk

# CITY OF RANCHO CORDOVA

## ORDINANCE NO. 12-2015

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 10.25 TO THE RANCHO CORDOVA MUNICIPAL CODE ESTABLISHING A PREFERENTIAL RESIDENTIAL PERMIT PARKING PROGRAM

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**

**Section 1.** Purpose and Declarations.

**WHEREAS**, the City of Rancho Cordova continues to grow and expand, with an increasing number of people living, working, visiting and attending school in the City; and

**WHEREAS**, the City's growth has increased the number of vehicles traveling in the City, and there is increasing competition for a finite number of parking spaces; and

**WHEREAS**, certain residential neighborhoods in the City have experienced a significant increase in the number of vehicles parking on neighborhood streets, sometimes preventing residents from parking near their homes and thereby negatively affecting the social and economic well-being of the community; and

**WHEREAS**, the City believes that it is important for quality of life in the City for the City's residents to be able to conveniently park near their homes, to be safe in their neighborhoods, and to preserve the property value in such neighborhoods; and

**WHEREAS**, the City is adopting a preferential residential permit parking program to assist residents in securing parking in residential areas regularly adversely affected by nonresident parked vehicles.

**Section 2.** Amendment of the Municipal Code. Chapter 10.25 of the Rancho Cordova Municipal Code is hereby added to read as follows:

Chapter 10.25

**PREFERENTIAL RESIDENTIAL PERMIT PARKING PROGRAM**

Sections:

**Section 10.25.005 Title.**

This chapter shall be known and cited as the “Preferential Residential Permit Parking Program.”

**Section 10.25.010 Purpose.**

The purpose of this chapter is to establish a preferential residential permit parking program within the City to assist Residents in securing parking in Residential areas regularly adversely affected by nonresident parked vehicles.

**Section 10.25.020 Definitions.**

For the purposes of this chapter, the following definitions shall apply, unless the context clearly indicates otherwise:

“Dwelling unit” means a house, apartment or other residence with an assigned address as used by the U.S. Postal Service or as listed in the county directory.

“Lease” means that a person pays rent or other remuneration for use of a parcel of real property as his or her residence or place of business.

"Motor vehicle" includes an automobile, truck, motorcycle, or other motor-driven form of transportation not in excess of ten thousand (10,000) pounds gross weight.

"Parking restrictions" means the days, times, hour limitations imposed on motor vehicles parked in a residential permit parking area pursuant to this Chapter.

"Resident" means a person who dwells in the residential area on a permanent basis.

"Residential area" means a contiguous or nearly contiguous area where residents dwell and which contains public streets and highways.

"Residential permit parking area" means a residential area designated as herein provided wherein motor vehicles displaying a valid permit as described herein shall be exempt from the parking restrictions or prohibitions established pursuant to this chapter.

"Resident permit" means a permit issued by the City of Rancho Cordova for use on a resident vehicle while parked in a residential permit parking area.

"Resident vehicle" means a motor vehicle owned or under the control of a resident and regularly parked in the residential area in which the resident resides.

"Public Works Director" means the manager of the Public Works Department with the powers and duties as provided in this Title.

10.25.030 Designation of Residential Permit Parking Areas.

The City Council may, in its discretion, designate by resolution, any residential area as a residential permit parking area in which motor vehicles displaying a valid parking permit may stand/or be parked without limitation. Said resolution shall also state the applicable parking restrictions and the fees to be charged upon permit issuance.

10.25.040 Designation Criteria.

A. A residential area shall be deemed eligible for consideration as a residential permit parking area if the residential area is adversely affected by nonresident parked vehicles for any extended period during the day or night, on weekends, or during holidays.

B. In determining whether a residential area may be designated as a residential permit parking area, pursuant to sections 10.25.050 and 10.25.060, the Public Works Director and the City Council shall take into account factors which include, but are not limited to the following:

1. The extent of the desire and need of the residents for residential permit parking;

2. The extent to which on-street parking is occupied by motor vehicles during the period proposed for parking restrictions;

3. The extent to which vehicles parking in the area during the period proposed for parking restrictions are commuter vehicles rather than resident vehicles.

10.25.050 Designation Process.

A. Persons desiring a residential permit parking program in a residential area shall consult with the Public Works Director to tentatively establish the boundaries of the area proposed for designation.

B. Upon receipt of a petition from a group of neighborhood residents or appropriate neighborhood association indicating that at least sixty percent (60%) of the residents are in favor of permit parking in the residential area proposed for designation, the Public Works Director shall evaluate the proposal to determine the appropriate residential permit parking restrictions for the area.

C. Within thirty (30) days of the completion of the Public Works Director's evaluation to determine appropriate residential permit parking restrictions for the area, the Public Works Director shall notice, as herein provided, a public hearing or hearings on the subject of the proposed residential permit parking area. Said hearing or hearings shall be conducted for the purpose of ascertaining boundaries for the proposed residential permit parking area as well as the appropriate restrictions on parking.

D. Notice of the public hearing or hearings provided for herein shall be mailed generally in the neighborhood, and to those institutions generating a significant volume of nonresident parking in the neighborhood. The notice shall clearly state the purpose of the hearing, the location and boundaries tentatively considered for the proposed residential permit parking area and, if applicable, the approximate permit fee to be charged. During such hearing or hearings, any interested person shall be entitled to appear and be heard.

E. Within thirty (30) days after completion of the public hearing(s) the Public Works Director shall mail out notices to the residents of the proposed residential permit parking area. Said notices shall provide information on the proposed location and boundaries of the area and the proposed residential permit parking restrictions therein. Residents of the proposed residential permit parking area may return the notices indicating their support or opposition to the area.

10.25.060 Recommendation of the Public Works Director.

A. Following the designation process described in Section 10.25.050, the Public Works Director shall issue a written recommendation to the City Council whether to designate the residential area under consideration as a residential permit parking area within sixty (60) days after the close of public hearings pursuant to Section 10.25.050(D) of this chapter. Such recommendation shall be based upon the record of the hearing or hearings, the evaluation performed, the petition submitted, and the returned notices received from the residents indicating support for or opposition to the program.

B. The recommendation of the Public Works Director shall set forth the significant subjects and concerns raised at the public hearing or hearings conducted, the proposed boundaries of the residential permit parking area, the proposed parking restrictions, and the support for the program shown by the returned notices from the residents.

C. If the City Council desires, it will adopt a resolution establishing the program for the area including the boundaries, parking restrictions, fees, if any, and any other applicable provisions.

D. The designation process and designation criteria set forth in this chapter shall also be utilized by the Public Works Director in determining whether to recommend removal of designation as a residential permit parking area from a particular residential area.

10.25.070 Issuance of Permits.

A. Parking permits shall be issued by the Public Works Director. Each such permit shall state or reflect the particular residential permit parking area, the license number of the motor vehicle for which it is issued, and any additional information required by the Public Works Director to enforce the provisions of this chapter. No more than one (1) parking permit shall be issued to each motor vehicle for which application is made. The requirements governing the manner in which persons shall qualify for parking permits in each residential permit parking area shall be as established by this Chapter. B. Parking permits may be issued for motor vehicles only upon application of the following persons:

1. A resident of the residential permit parking area who owns a motor vehicle registered with the California Department of Motor Vehicles at the address where the resident lives;

2. A resident of the residential permit parking area who has a leased or possesses a company-owned vehicle which is regularly parked in the area;

3. A person who owns or leases commercial property located in the residential permit parking area and actively engages in business activity within a residential permit parking area. However, no more than one (1) parking permit may be issued for each motor vehicle registered to the business establishment at the address in the designated area;

4. An owner of residential property that is located within the residential permit parking area.

10.25.080 Visitor Permits.

The Public Works Director is authorized, upon application, to issue visitor permits to residents and owners or lessees of commercial property located within a residential permit parking area for use by bona fide visitors therein. Such a visitor permit shall have all the rights and privileges of a regular permit, except as provided in sections 10.25.130 and 10.25.140 of this chapter. The requirements governing the manner in which persons shall qualify for visitor permits in each residential permit parking area shall be established by this Chapter.

10.25.090 Posting of Residential Permit Parking Area.

Upon the adoption of the City Council of a resolution designating a residential permit parking area, the Public Works Director shall cause appropriate signs and markings to be erected in the area, indicating prominently thereon the parking and restrictions, prohibitions, and conditions under which permit parking shall be exempt.

10.25.100 Display of Permit.

Residential Parking Permits shall be affixed to the left rear bumper of the residents vehicle, hung from an inside rear view mirror or lying flat and clearly visible on the dashboard of the vehicle to which it is assigned.

Visitor Parking permit shall be hung from an inside rear view mirror or lying flat and clearly visible on the dashboard of the visitor's vehicle.

Failure to display a current, valid permit shall be prima facie evidence that the citation is valid.

10.25.110 Permit Parking Exemption.

A resident motor vehicle or nonresident motor vehicle on which is displayed a valid parking permit as provided for herein shall be permitted to park in the residential permit parking area for which the permit has been issued without being limited by parking restrictions established pursuant to this chapter.

Said motor vehicle shall not be exempt, however, from other parking regulations or prohibitions established pursuant to other relevant portions of the municipal code or Vehicle Code. All other motor vehicles parked within a residential permit parking area shall be subject to the parking restrictions adopted as provided in this chapter as well as the penalties provided for herein.

A residential parking permit shall not guarantee or reserve to the holder thereof an on-street parking space within the designated residential permit parking area.

10.25.120 Permit Term—Application and Renewal.

Except as provided otherwise herein, each parking permit issued shall be valid for one (1) year or such other period of time as designated by the Public Works Director from the date of issuance. Permits may be renewed annually or for some other period of time as designated by the Public Works Director upon reapplication in the manner required by the Public Works Director. Each application or reapplication for a parking permit shall contain information sufficient to identify the applicant, his or her residence address or address of real property owned or leased within residential permit parking area, the license number of the motor vehicle for which application is made, and such other information that may be deemed relevant by the Public Works Director.

10.25.130 Permit Fees.

The fee, if any, for eligible residents within the residential parking permit area for a residential parking permit or a visitor permit shall be established by resolution of the City Council.

10.25.140 Penalty Provisions.

A. It is a violation of this chapter, unless expressly provided to the contrary herein, for any person to park a motor vehicle contrary to the parking restrictions established pursuant hereto. Said violation shall be subject to civil penalty as specified in the resolution by the City Council pursuant to Section 10.24.020 of this Title.

B. It is unlawful and a violation of this chapter for a person to falsely represent himself or herself as eligible for a parking permit or to furnish false information in order to obtain a permit. Said violation shall by punishable by a fine not to exceed five hundred dollars ($500.00) or by imprisonment for a period not exceeding six (6) months, or both.

C. It is a violation of this chapter, unless expressly provided to the contrary herein, for a person holding a valid parking permit issued pursuant to this chapter, to permit the use or display of such permit on a motor vehicle other than that for which the permit is issued. Such conduct shall constitute a violation of this chapter both by the person holding the valid parking permit and the person who so uses or displays the permit on a motor vehicle other than that for which it is issued. Said violation shall be subject to civil penalty as specified in the resolution adopted by the City Council pursuant to Section 10.24.020 of this Title.

D. It is a violation of this chapter to use, or allow to be used, a visitor permit for a non-resident commuter who desires to park in the residential parking permit area. Said use of a visitor permit for commuter parking shall constitute a violation of this chapter both by the person to whom the visitor permit was issued and by the registered owner of the vehicle upon which the visitor permit is displayed. Said violation shall be subject to civil penalty as specified in the resolution adopted by the City Council pursuant to Section 10.24.020 of this Title.

E. It is unlawful and a violation of this chapter for a person to copy, produce or otherwise bring into existence a facsimile or counterfeit parking permit in order to evade parking restrictions applicable in a residential permit parking area. It is also a violation to sell, transfer, exchange or assign any residential, visitor or temporary permit. Upon conviction thereof, the person shall be punishable by a fine not exceeding five hundred dollars ($500.00) or be imprisoned for a period not exceeding six (6) months, or both.

10.25.150 Applicability to Parking Control Vehicles.

The provisions of Chapter 10.25 of this Code shall not be construed to prohibit the stopping, standing or parking of parking control vehicles while such vehicles are being used in parking control enforcement, provided, however, that this section shall not supersede provisions of this Title, which expressly refer to or regulate parking control vehicles.

As used in this section the term “parking control vehicles” means:

Any vehicle used by an authorized official of the City during the enforcement of parking and registration regulations pursuant to the chapters of this Code and the California Vehicle Code.

10.25.160 Annexation of Residential Streets to Residential Permit Parking Areas.

Whenever the City Council finds that residential streets adjacent to a residential permit parking area have all-day, on-street parking congestion, then upon recommendation by the Public Works Director, such residential streets may be added by resolution to said residential permit parking area. A petition of sixty percent (60%) or more of the residents of said streets with affirmative responses seeking permit parking shall be required prior to implementation of residential permit parking restrictions.

10.25.170 Modifications of Restrictions.

On-street parking restrictions within a residential permit parking area may be changed by resolution of the City Council based on recommendation by the Public Works Director.

10.40.180 Deletion of Residential Streets from Residential Permit Parking Areas.

A. The City Council may initiate a proceeding to delete a street from a designated residential permit parking area by adopting a resolution of intention to delete.

B. The resolution shall include:

1. A declaration of intention by the City Council to delete;

2. A description of the street or streets to be deleted; and

3. The date, time and place of a public hearing to consider the proposed deletion.

C. At least ten (10) days before the hearing, notice of the hearing shall be published in a newspaper of general circulation, posted not more than two hundred (200) feet apart along the street or streets proposed for deletion, and mailed to all persons who testified before the City Council at public hearings in which the establishment of the residential parking permit area was considered.

D. At the hearing, the City Council shall take into account the factors specified in Section 10.25.04(B) of this chapter. The City Council may adopt a resolution deleting the street or streets described in the resolution of intention.

**Section 3.** Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

2461182.1

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Adam U. Lindgren, City Attorney

**SUBJECT:** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA SETTING THE COMPENSATION TERMS FOR CYRUS ABHAR AS INTERIM CITY MANAGER**

## RECOMMENDATION

Adopt a resolution setting the compensation terms for Cyrus Abhar as Interim City Manager.

## RESULT OF RECOMMENDED ACTION

Adoption of Resolution 94-2015 will establish the monthly salary amount for Interim City Manager Cyrus Abhar at $17,466 per month, retroactive to July 1, 2015.

## BACKGROUND

Following the resignation of the prior City Manager, Brian Nakamura, the City Council appointed Cyrus Abhar to the position of Interim City Manager at a special meeting on June 30, 2015. The terms of his employment were set in Resolution 93-2015, with the exception of salary terms. Under the Brown Act, compensation for city executive officers may only be addressed at regular meetings.

Resolution 94-2015 sets Mr. Abhar's monthly salary at $17,466.00 per month, which represents "Step B1" on the current City Manager salary scale adopted by the Council. This is an eight percent (8%) increase over Mr. Abhar's current monthly salary of $16,144.00, which represents compensation for his role as Public Works Director/Chief Building Official, Acting Assistant City Manager, and a ten percent (10%) additional amount for his role as traffic engineer and land surveyor. The increase will be retroactive to July 1, 2015. The $17,466 monthly salary is nine percent (9%) less than the $19,298.00 monthly salary received by the prior City Manager.

Mr. Abhar has been employed with the City since 2004 as its Public Works Director and additionally as the City's Chief Building Official since May 2010, and most recently he served as the Acting Assistant City Manager. When his service as Interim City Manager ends, Cyrus Abhar will return to the position of Public Works Director and his monthly salary level will return to the salary he received as Public Works Director and Chief Building Official.

## ATTACHMENT

Resolution No. 94-2015.

2490993.1

# CITY OF RANCHO CORDOVA

## RESOLUTION NO. 94-2015

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA SETTING THE COMPENSATION TERMS FOR CYRUS ABHAR AS INTERIM CITY MANAGER

**WHEREAS**, the City Council appointed Cyrus Abhar to serve as Interim City Manager in Resolution No. 93-2015 at its June 30, 2015 special meeting and also approved the terms of employment for this position, with the exception of compensation; and

**WHEREAS,** the City Council now desires to set the compensation for Cyrus Abhar in his role as Interim City Manager until a new City Manager is selected and starts work for the City; and

**WHEREAS,** the compensation set forth below represents an eight percent (8%) increase in the monthly salary currently received by Cyrus Abhar in his role as Public Works Director, Chief Building Official, and Acting Assistant City Manager; and it is nine percent (9%) less than the monthly salary of the prior City Manager; and

**WHEREAS,** following his service as Interim City Manager, the City Council wants Cyrus Abhar to continue his employment by returning to his role as its Public Works Director and Chief Building Official.

**NOW THEREFORE,** the City Council of the City of Rancho Cordova hereby resolves that:

1. While employed as Interim City Manager, Cyrus Abhar shall receive a monthly salary of $17,466.00 per month, which amount is “Step B1” on the current City Manager salary scale adopted by the City Council. Cyrus Abhar’s benefits, other than salary and salary-driven benefits, are not changed by this Resolution.

2. The compensation terms set forth here shall be retroactive to July 1, 2015.

3. The terms of employment for Cyrus Abhar as Interim City Manager, set forth in Resolution No. 93-2015, are not changed by this Resolution.

4. When his service as Interim City Manager ends, Cyrus Abhar’s monthly salary level will return to the salary he received as Public Works Director and Chief Building Official (including the additional ten percent (10%) for professional licenses held).

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this ______ day of _______________ 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

2490947.1

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Mindy Cuppy, MMC, City Clerk

**SUBJECT:** **RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES FOR THE 2015 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE TO BE HELD SEPTEMBER 30-OCTOBER 2, 2014 IN SAN JOSE, CALIFORNIA**

## RECOMMENDATION

Adopt Resolution No. 109-2015, designating Council Member David Sander as Voting Delegate and Council Member Robert J. McGarvey as Voting Alternate for the 2015 Annual League of California Cities Conference.

## RESULT OF RECOMMENDED ACTION

The Voting Delegate or Alternate will be able to represent the City by voting at the Annual Business Meeting at the League of California Cities Conference.

## BACKGROUND

The 2015 Annual League of California Cities Conference is scheduled for September 30 through October 2, 2014 in San Jose, California. An important part of the Annual Conference is the Annual Business Meeting scheduled for Friday, October 2 at 12:00 PM. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate.

## ATTACHMENT

Resolution No. 109-2015.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 109-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DESIGNATING A VOTING DELEGATE AND VOTING ALTERNATE FOR THE 2015 ANNUAL LEAGUE OF CALIFORNIA CITIES CONFERENCE BUSINESS MEETING**

**WHEREAS**, the 2015 Annual League of California Cities Conference will be held on September 30 through October 2, 2014 in San Jose, California; and

**WHEREAS**, in order to vote at the Annual Business Meeting, the City Council must designate its voting delegate and may designate voting delegate alternates.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** that Vice Mayor David Sander is designated as the City's Voting Delegate and Mayor Robert J. McGarvey as the Alternate Voting Delegate for the 2015 Annual League of California Cities Conference.

**BE IT FURTHER RESOLVED** that the City Clerk will submit a certified copy of this Resolution to the League of California Cities by September 18, 2015.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the __ day of __________, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Mindy Cuppy, City Clerk

**SUBJECT:** **RESOLUTION CANCELLING THE DECEMBER 21, 2015 REGULAR CITY COUNCIL MEETING**

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## RECOMMENDATION

Adopt Resolution No. 112-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of this resolution will approve cancelling the previously scheduled December 21, 2015 regular city council meeting.

## BACKGROUND

The City Council typically holds its regular meetings on the first and third Mondays of every month. In December of each year Council approves its regular and special council meeting schedule for the following year.

Staff is proposing to close City Hall to the public during the week of December 21-25 in observance of the winter holidays and would need to cancel the previously scheduled December 21, 2015 regular city council meeting. City Hall will reopen on Monday, December 28 in order to accommodate end-of-year activities.

Staff has considered the upcoming schedule of items for the agenda and at this time there are no issues that would be negatively impacted by the cancellation of the meeting.

## ATTACHMENT

Resolution No. 112-2015.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 112-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA CANCELLING THE DECEMBER 21, 2015 REGULAR CITY COUNCIL MEETING**

**WHEREAS**, regular city council meetings of the City of Rancho Cordova are generally held on the first and third Monday of each month; and

**WHEREAS**, in December of each year Council approves its regular and special council meeting schedule for the following year; and

**WHEREAS**, City Hall will be closed to the public during the week of December 21-25, 2015 and will reopen on Monday, December 28, 2015; and

**WHEREAS**, staff has considered the upcoming schedule of items for the council meeting agenda and at this time there are no issues that would be negatively impacted by the cancellation of this meeting; and

**WHEREAS**, the City Council has determined that cancellation of the December 21, 2015 regular city council meeting is acceptable, as the cancellation will not have undue impact on the City's ability to conduct business during this time.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** does hereby cancel the regular meeting previously scheduled for December 21, 2015 and directs the City Clerk to post a public notice notifying the public of the date and time of the cancelled regular city council meeting.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Albert Stricker, Interim Public Works Director

**SUBJECT:** **RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ON-CALL CONTRACT NO. 82-2015 IN THE AMOUNT OF $850,000 WITH SALABER ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR LOCALLY FUNDED PROJECTS AND ON-CALL CONTRACT NO. 83-2015 IN THE AMOUNT OF $860,000 WITH SALABER ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR FEDERALLY FUNDED PROJECTS**

## RECOMMENDATION

Adopt Resolution No. 101-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of this resolution would authorize the City Manager to execute two on-call contracts with Salaber Associates, Inc.:

1. A three-year on-call contract in the amount of $860,000 for on-call construction management services for federally funded projects
2. A three-year on-call contract with Salaber Associates, Inc. in the amount of $850,000 for on-call construction management services for locally funded projects

## BACKGROUND

In order to provide flexibility to adapt to a variable development and construction market, the Public Works Department employs the assistance of qualified consultants for construction management, inspection and plan review services. The on-call contracts allow the City to draw upon greater resources, thus increasing the ability to handle workload peaks and maintain efficient response times. Salaber Associates, Inc. was selected for these contracts based on a competitive proposal and interview process completed July 2015.

Adoption of this resolution would authorize the City to enter into two contracts with Salaber Associates, Inc.:

1. A State/Federal on-call contract that lists specific federally funded projects and estimated construction management costs. The State/Federally funded contract requirements do not allow the flexibility to add or replace projects on the list and therefore an additional locally funded contract is necessary as noted below.

2. A locally funded on-call contract that would allow the flexibility to provide construction management services for projects to be determined including community Enhancement Fund Projects, Development Inspection and other City construction projects.

The contract amounts were determined based on expected projects and rates of construction.

## FISCAL IMPACT

Construction Management of Capital Improvement Projects is paid through various funding sources earmarked for the projects. Construction management and inspection of private development projects are fully recoverable through direct billing to developers. These services do not impact the general fund.

## ATTACHMENTS

Resolution No. 101-2015 including Exhibit 1, Contract No. 83-2015 and Exhibit 2 Contract No. 82-2015.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 101-2015**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ON-CALL CONTRACT NO. 82-2015 IN THE AMOUNT OF $850,000 WITH SALABER ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR LOCALLY FUNDED PROJECTS AND ON-CALL CONTRACT NO. 83-2015 IN THE AMOUNT OF $860,000 WITH SALABER ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR FEDERALLY FUNDED PROJECTS**

**WHEREAS**, the City of Rancho Cordova wishes to contract with a professional engineering firm to provide on-call construction management services for locally and federally funded projects; and

**WHEREAS**, the City of Rancho Cordova wishes to contract with Salaber Associates, Inc. for consulting services in the amount not to exceed $850,000 for locally funded projects and $860,000 for federally funded projects; and

**WHEREAS**, the cost of those services will exceed the maximum amount the City manager has authorization to approve; and

**WHEREAS**, there are sufficient funds budgeted to cover the costs of the contracts.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** does authorize the City Manager to execute contract No. 82-2015 in the amount of $850,000 and contract No. 83-2015 in the amount of $860,000 with Salabar Associates, Inc., drafts attached as **Exhibit 1** and **Exhibit 2** in a form approved by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________

Mindy Cuppy, MMC, City Clerk

EXHIBIT 1
**CONTRACT NO.: 83-2015**

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND
SALABER ASSOCIATES, INC.**

THIS AGREEMENT for professional services is made by and between the City of Rancho Cordova, a California municipal corporation ("City" or "LOCAL AGENCY"), and Salaber Associates, Inc., a ("Professional" or "CONSULTANT") as of August 17, 2015.

**Section 1.** **SERVICES**. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Services attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

**1.1** **Performance Period.**

**1.1.1** This contract shall go into effect on August 17, 2015, contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY'S Contract Administrator. The contract shall end on June 1, 2018, unless extended by contract amendment. The time provided to CONSULTANT to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

**1.1.2** CONSULTANT is advised that any recommendation for contract award is not binding on LOCAL AGENCY until the contract is fully executed and approved by LOCAL AGENCY.

**1.2.3** The period of performance for each specific project shall be in accordance with the Task Order for that project. If work on a Task Order is in progress on the expiration date of this contract, the terms of the contract shall be extended by contract amendment.

**1.2** **Standard of Performance.** Professional shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession. Professional shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Professional's profession.

**1.3** **Assignment of Personnel.** Professional shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Professional shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons. There shall be no change in Professional's Project

Manager or members of the project team, as listed in the approved Cost Proposal, which is a part of this contract, without prior written approval by City's Contract Administrator.

**1.4** **Time.** Professional shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Professional's obligations hereunder.

**1.5** **Consultant's Reports or Meetings**.

**1.5.1** If this Agreement does require "on call" consulting services:

**a**. CONSULTANT shall submit progress reports on each specific project in accordance with the Task Order. These reports shall be submitted at least once a month. The report should be sufficiently detailed for LOCAL AGENCY's Contract Administrator or Project Coordinator to determine if CONSULTANT is performing to expectations, is on schedule, to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

**b**. CONSULTANT's Project Manager shall meet with LOCAL AGENCY's Contract Administrator or Project Coordinator, as needed, to discuss progress on the project(s).

**1.6** **Inspection of Work**. CONSULTANT and any subconsultant shall permit LOCAL AGENCY, the state (and the FHWA if federal participating funds are used in this contract) to review and inspect the project activities and files at all reasonable times during the performance period of this contract including review and inspection on a daily basis.

**Section 2.** **COMPENSATION.** City hereby agrees to pay Professional a sum not to exceed $860,000.00, notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Professional's Cost Proposal, attached as Exhibit B, regarding the amount of compensation, this Agreement shall prevail. City shall pay Professional for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The consideration to be paid to Professional as provided herein, shall be in compensation for all of Professional's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided. Professional shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Professional shall not bill City for duplicate services performed by more than one person.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

**2.1** **Invoices.** Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Professional and each employee, agent, and subcontractor of Professional performing services hereunder, as well as a separate notice when the total number of hours of work by Professional and any individual employee, agent, or subcontractor of Professional reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- The Professional's signature.

**2.2** **Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Professional.

**2.3** **Final Payment.** City shall pay the last 10% of the total sum due pursuant to this Agreement within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

**2.4** **Total Payment.** City shall pay for the services to be rendered by Professional pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Professional in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Professional submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

**2.5** **Hourly Fees.** Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit B.

**2.6** **Reimbursable Expenses.** Reimbursable expenses, if any, are set forth in Exhibit B. Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

**2.7** **Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

**2.8** **Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 8, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

**2.9** **Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

**2.10** **State Prevailing Wage Rates**. For contracts where a portion of the proposed work to be performed are crafts affected by state labor laws: (For more information see Chapter 10.1 of the Caltrans Local Assistance Procedures Manual.)

**2.10.1** CONSULTANT shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.

**2.10.2** Any subcontract entered into as a result of this contract, if for more than $25,000 for public works construction or more than $15,000 for the alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Article.

**2.10.3** When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

**2.11** **Retention of Funds**. Any subcontract entered into as a result of this Contract shall contain all of the provisions of this section

No retainage will be held by the Agency from progress payments due the prime consultant. Any retainage held by the prime consultant or subconsultants from progress payments due subconsultants shall be promptly paid in full to subconsultants within 30 days after the subconsultant's work is satisfactorily completed. Federal law (49 CFR 26.29) requires that any delay or postponement of payment over the 30 days may take place only for good cause and with the Agency's prior written approval. Any violation of this provision shall subject the violating prime consultant or subconsultant to the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant, deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultant and subconsultants.

**Section 3.** **FACILITIES AND EQUIPMENT.** Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Professional's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

**Section 4.** **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

**4.1** **Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Professional does not have any employees.

**4.2 Commercial General and Automobile Liability Insurance.**

**4.2.1 General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability 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. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

**4.2.2 Minimum scope of coverage.** Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

**4.2.3** **Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

f. CONSULTANT agrees that the bodily injury liability insurance herein provided for, shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the term of this contract, CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the contract, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of LOCAL AGENCY. In the event CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, LOCAL AGENCY may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.

**4.3** **Professional Liability Insurance.** Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000) covering the licensed professionals' errors and omissions.

**4.3.1** Any deductible or self-insured retention shall not exceed $150,000 per claim.

**4.3.2** An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

**4.3.3** The following provisions shall apply if the professional liability coverages are written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

**4.4** **All Policies Requirements.**

**4.4.1** **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

**4.4.2** **Verification of coverage.** Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**4.4.3** **Subcontractors.** Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**4.4.4** **Deductibles and Self-Insured Retentions.** Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

**4.4.5** **Waiver of Subrogation.** Professional hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Professional agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

**4.4.6** **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

**4.4.7** City shall not be responsible for any premiums or assessments on any insurance policies required under this Agreement.

**4.5** **Remedies.** In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

- § Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- § Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or

- § Terminate this Agreement.

**Section 5. INDEMNIFICATION AND PROFESSIONAL'S RESPONSIBILITIES.**

**5.1** **General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

**5.2** **PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

**5.3** **Design Professionals.** Notwithstanding Sections 5.1 and 5.2, to the extent that the services under this Agreement include design professional services subject to

California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

**Section 6. STATUS OF PROFESSIONAL.**

**6.1 Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Professional accomplishes services rendered pursuant to this Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee to become eligible for a claim for PERS benefits.

**6.2 Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

**Section 7. LEGAL REQUIREMENTS.**

**7.1 Governing Law.** The laws of the State of California shall govern this Agreement.

**7.2 Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code Section 1770 and following, and any copyright, patent or trademark law. Professional's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

**7.3** **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

**7.4** **Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain valid Business Licenses from City during the term of this Agreement.

**7.5** **Nondiscrimination and Equal Opportunity/ Statement of Compliance.**

**7.5.1** Professional's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that Professional has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.

**7.5.2** During the performance of this Contract, Professional and its sub-professionals shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Professional and subprofessionals shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Professional and subprofessionals shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Professional and its subprofessionals shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

**7.5.3** Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

**7.6 Safety**

**7.6.1** Professional shall comply with OSHA regulations applicable to Professional regarding necessary safety equipment or procedures. Professional shall comply with safety instructions issued by City Safety Officer and other City representatives. Professional personnel shall wear hard hats and safety vests at all times while working on the construction project site.

**7.6.2** Pursuant to the authority contained in Section 591 of the Vehicle Code, City has determined that such areas are within the limits of the project and are open to public traffic. Professional shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Professional shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.

**7.6.3** Any subcontract entered into as a result of this contract, shall contain all of the provisions of this Article.

**7.6.4** Professional must have a Division of Occupational Safety and Health (CAL-OSHA) permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

## Section 8. TERMINATION

**8.1 Termination.** LOCAL AGENCY reserves the right to terminate this contract upon thirty (30) calendar days written notice to CONSULTANT with the reasons for termination stated in the notice. LOCAL AGENCY may terminate this contract with CONSULTANT should CONSULTANT fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, LOCAL AGENCY may proceed with the work in any manner deemed proper by LOCAL AGENCY. If LOCAL AGENCY terminates this contract with CONSULTANT, LOCAL AGENCY shall pay CONSULTANT the sum due to CONSULTANT under this contract prior to termination, unless the cost of completion to LOCAL AGENCY exceeds the funds remaining in the contract. In which case the overage shall be deducted from any sum due CONSULTANT under this contract and the balance, if any, shall be paid to CONSULTANT upon demand. The maximum amount for which the Government shall be liable if this contract is terminated is $86,000.00 dollars.

Professional may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, City may condition payment of any compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.

**8.2** **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.

**8.3** **Amendments.** The parties may amend this Agreement only by a writing signed by all the parties. Professional shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by City's Contract Administrator.

**8.4** **Assignment and Subcontracting.**

**8.4.1** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator. Any subcontract in excess of $25,000 entered into as a result of this contract, shall contain all the provisions stipulated in this contract to be applicable to subcontractors. Any substitution of subcontractors must be approved in writing by City's Contract Administrator prior to the start of work by the subcontractor.

**8.4.2** Nothing contained in this contract or otherwise, shall create any contractual relation between LOCAL AGENCY and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to LOCAL AGENCY for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT's obligation to pay its subconsultant(s) is an independent obligation from LOCAL AGENCY'S obligation to make payments to the CONSULTANT.

**8.4.3** CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this contract shall be subcontracted without written authorization by LOCAL AGENCY's Contract Administrator, except that, which is expressly identified in the approved Cost Proposal.

**8.4.4** CONSULTANT shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to CONSULTANT by LOCAL AGENCY.

**8.4.5** Any subcontract in excess of $25,000 entered into as a result of this contract shall contain all the provisions stipulated in this contract to be applicable to subconsultants.

**8.4.6** Any substitution of subconsultant(s) must be approved in writing by LOCAL AGENCY's Contract Administrator prior to the start of work by the subconsultant(s).

**8.5** **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.

**8.6** **Options upon Breach by Professional.** If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

**8.6.1** Immediately terminate the Agreement;

**8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;

**8.6.3** Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or

**8.6.4** Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 2 if Professional had completed the work.

## Section 9. KEEPING AND STATUS OF RECORDS.

9.1 **Records Created as Part of Professional's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants, and LOCAL AGENCY shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. The state, State Auditor, LOCAL AGENCY, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of CONSULTANT and it's certified public accountants (CPA) work papers that are pertinent to the contract and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of $25,000 shall contain this provision.

9.2 **Professional's Books and Records.** Professional 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 the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.

9.3 **Inspection and Audit of Work and Records.** Any records or documents that Section 9.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement. Professional and any subcontractor shall permit City, the state, and the FHWA if federal participating funds are used in this contract;

to review and inspect the project activities and files at all reasonable times during the performance period of this contract including review and inspection on a daily basis.

**9.4 Confidentiality of Data.**

**9.4.1** All financial, statistical, personal, technical, or other data and information relative to City's operations, which are designated confidential by City and made available to Professional in order to carry out this contract, shall be protected by Professional from unauthorized use and disclosure.

**9.4.2** Permission to disclose information on one occasion, or public hearing held by City relating to the contract, shall not authorize Professional to further disclose such information, or disseminate the same on any other occasion.

**9.4.3** Professional shall not comment publicly to the press or any other media regarding the contract or City's actions on the same, except to City's staff, Professional's own personnel involved in the performance of this contract, at public hearings or in response to questions from a Legislative committee.

**9.4.4** Professional shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this contract without prior review of the contents thereof by City, and receipt of City's written permission.

**9.4.5** Any subcontract entered into as a result of this contract shall contain all of the provisions of this Article.

**9.4.6** All information related to the construction estimate is confidential, and shall not be disclosed by Professional to any entity other than City.

**9.5 Ownership of Data.**

**9.5.1** Upon completion of all work under this contract, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this contract will automatically be vested in City; and no further agreement will be necessary to transfer ownership to City. Professional shall furnish City all necessary copies of data needed to complete the review and approval process.

**9.5.2** It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the construction of the project for which this contract has been entered into.

**9.5.3** Professional is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by City of the machine-readable information and data provided by Professional under this contract; further, Professional is not liable for claims, liabilities, or losses arising out of, or connected with any use by City of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as many be authorized in writing by Professional.

**9.5.4** Applicable patent rights provisions regarding rights to inventions shall be included in the contracts as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

**9.5.5** City may permit copyrighting reports or other agreement products. If copyrights are permitted; the agreement shall provide that the FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

**9.5.6** Any subcontract in excess of $25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.

**9.6 Audit Review Procedures.**

**9.6.1** Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement, shall be reviewed by LOCAL AGENCY'S Chief Financial Officer.

**9.6.2** Not later than 30 days after issuance of the final audit report, CONSULTANT may request a review by LOCAL AGENCY'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.

**9.6.3** Neither the pendency of a dispute nor its consideration by LOCAL AGENCY will excuse CONSULTANT from full and timely performance, in accordance with the terms of this contract.

**9.6.4** If the total Compensation under this Agreement as stated in Section 2 above is greater than $150,000, CONSULTANT and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is CONSULTANT's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by LOCAL AGENCY contract manager to conform to the audit or review recommendations.

CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the contract by this reference if directed by LOCAL AGENCY at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the contract and disallowance of prior reimbursed costs.

**9.6.5** If the total Compensation under this Agreement as stated in Section 2 above is greater than $3,500,000, CONSULTANT Cost Proposal is subject to a CPA ICR Audit Work Paper Review by Caltrans' Audit and Investigation (Caltrans). Caltrans, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Cost Proposal shall be adjusted by the CONSULTANT and approved by the LOCAL AGENCY Contract Administrator to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Refusal by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the contract terms and cause for termination of the contract and disallowance of prior reimbursed costs.

**9.6.5.1** During a Caltrans' review of the ICR audit work papers created by the CONSULTANT's independent CPA, Caltrans will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If Caltrans identifies significant issues during the review and is unable to issue a cognizant approval letter, LOCAL AGENCY will reimburse the CONSULTANT at a provisional ICR until a FAR compliant ICR [e.g. 48 CFR, part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials Audit Guide; and other applicable procedures and guidelines] is received and approved by A&I. Provisional rates will be as follows:

(a) If the proposed rate is less than 150% - the provisional rate reimbursed will be 90% of the proposed rate.

(b) If the proposed rate is between 150% and 200% - the provisional rate will be 85% of the proposed rate.

(c) If the proposed rate is greater than 200% - the provisional rate will be 75% of the proposed rate.

**9.6.5.2** If Caltrans is unable to issue a cognizant letter per paragraph 9.6.5.1 above, Caltrans may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three (3) months of the effective date of the management letter. Caltrans will then have up to six (60 months to review the CONSULTANT's and/or the independent CPA's revisions.

**9.6.5.3** If the CONSULTANT fails to comply with the provisions of this Section 9.6.5, or if Caltrans is still unable to issue a cognizant approval letter after the revised independent CPA-audited ICR is submitted, overhead cost reimbursement will be limited to the provisional ICR that was established upon initial rejection of the ICR and set forth in paragraph 9.6.5.1 above for all rendered services. In this event, this provisional ICR will become the actual and final ICR for reimbursement purposes under this contract.

**9.6.5.4** CONSULTANT may submit to LOCAL AGENCY final invoice only when all of the following items have occurred: (1) Caltrans approves or rejects the original or revised independent CPA-audited ICR; (2) all work under this contract has been completed to the satisfaction of LOCAL AGENCY; and, (3) Caltrans has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO local agency no later than 60 days after occurrence of the last of these items.

The provisional ICR will apply to this contract and all other contracts executed between LOCAL AGENCY and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

## Section 10 MISCELLANEOUS PROVISIONS.

**10.1** **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

**10.2** **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Sacramento or in the United States District Court for the Eastern District of California.

**10.3** **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**10.4** **No Implied Waiver of Breach**. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**10.5** **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

**10.6** **Use of Recycled Products.** Professional shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

**10.7** **Conflict of Interest.**

**10.7.1** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

**10.7.2** Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

**10.7.3** Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

**10.7.4** **Federal Funding Provisions Related to Conflict of Interest.** Any subcontract in excess of $25,000 entered into as a result of this contract, shall contain all of the provisions of this Article 10.7.4.

**10.7.4.1** CONSULTANT shall disclose any financial, business, or other relationship with LOCAL AGENCY that may have an impact upon the outcome of this contract, or any ensuing LOCAL AGENCY construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing LOCAL AGENCY construction project, which will follow.

**10.7.4.2** CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this contract.

**10.7.4.3** CONSULTANT hereby certifies that neither CONSULTANT, nor any firm affiliated with CONSULTANT will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this contract. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.

**10.7.4.4** Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this contract shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this contract.

**10.7.4.5** CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this contract. An affiliated firm is one, which is subject to the control of the same persons through joint- ownership, or otherwise.

**10.7.4.6** CONSULTANT further certifies that neither CONSULTANT, nor any firm affiliated with CONSULTANT, will bid on any construction subcontracts included within the construction contract. Additionally, CONSULTANT certifies that no person working under this contract is also employed by the construction contractor for any project included within this contract.

**10.7.4.7** Except for subconsultants whose services are limited to materials testing, no subconsultant who is providing service on this contract shall have provided services on the design of any project included within this contract.

**10.8** **Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

**10.9** **Contract Administration.** This Agreement shall be administered by Chris Boyer ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

**10.10** **Notices.** All notices hereunder and communications regarding interpretation of the terms of this contract and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

Any written notice to Professional shall be sent to:

Salaber Associates, Inc.,
Attention: Bob LoRusso
11290 Point East Dr., #215
Rancho Cordova, CA 95742
Email Address (for Insurance Update Requests):
rlorusso@saiservices.com

Any written notice to City shall be sent to:

Chris Boyer
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**10.11** **Professional Seal.** Where applicable in the determination of the contract administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

| |
|---|
| ______________________________________ <br> Seal and Signature of Registered Professional with report/design responsibility. |

**10.12** **Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, the Cost Proposal attached hereto and incorporated herein as Exhibit B, as well as 10-I, 10,J, 10-01, 10-02, 17-F, 10-P, 12-B, 10-V, and 10-F represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.

**10.13** **IRS Form W-9.** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

## Section 11 FUNDING PROVISIONS.

**11.1 Prohibition of Expending City, State, or Federal Funds for Lobbying.**

**11.1.1** CONSULTANT certifies to the best of his or her knowledge and belief that:

**(a)** No state, federal or local agency appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.

**(b)** 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 federal 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, or cooperative agreement; CONSULTANT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

**11.1.2** 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 of not less than $10,000 and not more than $100,000 for each such failure.

**11.1.3** CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed $100,000 and that all such sub recipients shall certify and disclose accordingly.

**11.2 Statement of Compliance**

**11.2.1** CONSULTANT's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that CONSULTANT has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.

**11.2.2** During the performance of this Contract, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40*),* marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

**11.2.3** If any federal funding is used for this project:

**(a)** The Consultant shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

**(b)** The Consultant, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the

Consultant shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

**11.3 Rebates, Kickbacks or other Unlawful Consideration.** CONSULTANT warrants that this contract was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any LOCAL AGENCY employee. For breach or violation of this warranty, LOCAL AGENCY shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

**11.4 Debarment and Suspension Certification.**

**11.4.1** CONSULTANT's signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (nonprocurement)", which certifies that he/she or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to LOCAL AGENCY.

**11.4.2** Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

**11.4.3** Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

**11.5 Evaluation of Professional.** Professional's performance will be evaluated by City. A copy of the evaluation will be sent to Professional for comments. The evaluation together with the comments shall be retained as part of the contract record.

**11.6 National Labor Relations Board Certification.** In accordance with Public Contract Code Section 10296, Professional hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against Professional within the immediately preceding two-year period, because of Professional's failure to comply with an order of a federal court that orders Professional to comply with an order of the National Labor Relations Board.

**11.7 Equipment Purchase**.

**11.7.1** Prior authorization in writing, by LOCAL AGENCY's Contract Administrator shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.

**11.7.2** For purchase of any item, service or consulting work not covered in CONSULTANT's Cost Proposal and exceeding $5,000 prior authorization by LOCAL AGENCY's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

**11.7.3** Any equipment purchased as a result of this contract is subject to the following: "CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, LOCAL AGENCY shall receive a proper refund or credit at the conclusion of the contract, or if the contract is terminated, CONSULTANT may either keep the equipment and credit LOCAL AGENCY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established LOCAL AGENCY procedures; and credit LOCAL AGENCY in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by LOCAL AGENCY and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by LOCAL AGENCY." 49 CFR, Part 18 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

**11.7.4** All subcontracts in excess $25,000 shall contain the above provisions.

**11.8 Disputes.**

**11.8.1** Any dispute, other than audit, concerning a question of fact arising under this contract that is not disposed of by agreement shall be decided by a committee consisting of City's Contract Administrator and Albert Stricker, Interim Public Works Director, who may consider written or verbal information submitted by Professional.

**11.8.2** Not later than 30 days after completion of all work under the contract, Professional may request review by City Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

**11.8.3** Neither the pendency of a dispute, nor its consideration by the committee will excuse Professional from full and timely performance in accordance with the terms of this contract.

**11.9** **<u>Cost Principles.</u>**

**11.9.1** CONSULTANT agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

**11.9.2** CONSULTANT also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

**11.9.3** Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 49 CFR, Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by CONSULTANT to LOCAL AGENCY.

**11.9.4** All subcontracts in excess of $25,000 shall contain the above provisions

**11.10** **<u>Disadvantaged Business Enterprise Participation.</u>**

**11.10.1** This contract is subject to 49 CFR, Part 26 entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs". Consultants who obtain DBE participation on this contract will assist Caltrans in meeting its federally mandated statewide overall DBE goal.

**11.10.2** The goal for DBE participation for this contract is 3%. Participation by DBE consultant or subconsultants shall be in accordance with information contained in the Consultant Proposal DBE Commitment (Exhibit 10-O1), or in the Consultant Contract DBE Information (Exhibit 10-O2) attached hereto and incorporated as part of the Contract. If a DBE subconsultant is unable to perform, CONSULTANT must make a good faith effort to replace him/her with another DBE subconsultant, if the goal is not otherwise met.

**11.10.3** DBEs and other small businesses, as defined in 49 CFR, Part 26 are encouraged to participate in the performance of contracts financed in whole or in part with federal funds. CONSULTANT or subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. CONSULTANT shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of US DOT-assisted agreements. Failure by CONSULTANT to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as LOCAL AGENCY deems appropriate.

**11.10.4** Any subcontract entered into as a result of this contract shall contain all of the provisions of this section.

**11.10.5** A DBE firm may be terminated only with prior written approval from LOCAL AGENCY and only for the reasons specified in 49 CFR 26.53(f). Prior to requesting LOCAL AGENCY consent for the termination, CONSULTANT must meet the procedural requirements specified in 49 CFR 26.53(f).

**11.10.6** A DBE performs a Commercially Useful Function (CUF) when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether a DBE is performing a CUF, evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the, contract is commensurate with the work it is actually performing, and other relevant factors.

**11.10.7** A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, examine similar transactions, particularly those in which DBEs do not participate.

**11.10.8** If a DBE does not perform or exercise responsibility for at least thirty percent (30%) of the total cost of its contract with its own work force, or the DBE subcontracts a greater portion of the work of the contract than would be expected on the basis of normal industry practice for the type of work involved, it will be presumed that it is not performing a CUF.

**11.10.9** CONSULTANT shall maintain records of materials purchased or supplied from all subcontracts entered into with certified DBEs. The records shall show the name and business address of each DBE or vendor and the total dollar amount actually paid each DBE or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE prime consultants shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.

**11.10.10** Upon completion of the Contract, a summary of these records shall be prepared and submitted on the form entitled, "Final Report-Utilization of Disadvantaged Business Enterprise (DBE), First-Tier Subconsultants" CEM-2402F [Exhibit 17-F, of the LAPM], certified correct by CONSULTANT or CONSULTANT's authorized representative and shall be furnished to the Contract Administrator with the final invoice. Failure to provide the summary of DBE payments with the final invoice will result in twenty-five percent (25%) of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to CONSULTANT when a satisfactory "Final Report-Utilization of Disadvantaged Business Enterprises (DBE), First-Tier Subconsultants" is submitted to the Contract Administrator.

**11.10.11** If a DBE subconsultant is decertified during the life of the contract, the decertified subconsultant shall notify CONSULTANT in writing with the date of decertification. If a subconsultant becomes a certified DBE during the life of the Contract, the subconsultant shall notify CONSULTANT in writing with the date of certification. Any changes should be reported to LOCAL AGENCY's Contract Administrator within 30 days.

**11.11** **Covenant Against Contingent Fees.** The Consultant warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the consultant; to solicit or secure this contract; and that he/she has not paid or agreed to pay any company or person other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award, or formation of this Agreement. For breach or violation of this warranty, the local agency shall have the right to annul this contract without liability, or at its discretion; to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee**.**

**11.12** **Funding Requirements.**

**11.12.1** It is mutually understood between the parties that this contract may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

**11.12.2** This contract is valid and enforceable only, if sufficient funds are made available to LOCAL AGENCY for the purpose of this contract. In addition, this contract is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or LOCAL AGENCY governing board that may affect the provisions, terms, or funding of this contract in any manner.

**11.12.3** It is mutually agreed that if sufficient funds are not appropriated, this contract may be amended to reflect any reduction in funds.

**11.12.4** LOCAL AGENCY has the option to void the contract under the 30-day termination clause pursuant to Article VI, or by mutual agreement to amend the contract to reflect any reduction of funds.

**11.13 Claims Filed by City's Construction Contractor**.

**11.13.1** If claims are filed by LOCAL AGENCY's construction contractor relating to work performed by CONSULTANT's personnel, and additional information or assistance from CONSULTANT's personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with LOCAL AGENCY'S construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

**11.13.2** CONSULTANT's personnel that LOCAL AGENCY considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from LOCAL AGENCY. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT's personnel services under this contract.

**11.13.3** Services of CONSULTANT's personnel in connection with LOCAL AGENCY's construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this contract in order to resolve the construction claims.

**11.13.4** Any subcontract in excess of $25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement. The two Parties to this contract, hereby agree that this contract constitutes the entire agreement which is made and concluded in duplicate between the parties. Both of these Parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this contract as evidenced by the signatures below.

EXHIBIT 1
**CONTRACT NO.: 83-2015**

| City of Rancho Cordova | Professional |
|---|---|
| ____________________________ | ____________________________ |
| **Brian Nakamura, City Manager** | **[NAME, TITLE]** |
| Date: ____________________ | Date: ____________________ |

Attest:

____________________________
**Mindy Cuppy, CMC, City Clerk**

Date: ____________________

Approved as to Form:

____________________________
**Adam Lindgren**, **City Attorney**

Date: ____________________

Attachments:
Exhibit A – Scope of Services
Exhibit B – Cost Proposal
Exhibit 10-I – Notice to Proposers DBE Information
Exhibit 10-O1 – Professional's Proposal DBE Commitment
Exhibit 10-O2 – Professional Contract DBE Information
Exhibit 17-F – Final Report – Utilization of DBE First Tier Subcontractors
Exhibit 10-Q – Nonlobbying Certification for Federal-Aid Contracts
Exhibit 12-B – Bidder's List of Subcontractors (DBE and Non-DBE) [*For construction contracts only*]

*Last Revised May 18, 2015*

# EXHIBIT A

## SCOPE OF SERVICES

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A. Consultant Services

Detail based on the services to be furnished should be provided by CONSULTANT. Nature and extent should be verified in the negotiations to make precise statements to eliminate subsequent uncertainties and misunderstandings. Reference to the appropriate standards for design or other standards for work performance stipulated in consultant contract should be included. Describe acceptance criteria, and if the responsible consultant/engineer shall sign all Plans, Specifications and Estimate (PS&E) and engineering data furnished under the contract including registration number. Environmental documents are not considered complete until a Caltrans District Senior Environmental Planner signs the Categorical Exclusion, a Caltrans Deputy District Director signs the Finding of No Significant Impact, or the Caltrans District Director signs the Record of Decision [see Chapter 6, "*Environmental Procedures*" in the LAPM, and the *Standard Environmental Reference*].

B. Right of Way

State whether Right of Way requirements are to be determined and shown by CONSULTANT, whether land surveys and computations with metes and bounds descriptions are to be made, and whether Right of Way plots are to be furnished.

C. Surveys

State whether or not the CONSULTANT has the responsibility for performing preliminary or construction surveys.

D. Subsurface Investigations

State specifically whether or not CONSULTANT has responsibility for making subsurface investigations. If borings or other specialized services are to be made by others under the supervision of CONSULTANT, appropriate provisions are to be incorporated. Archaeological testing and data recovery guidance can be found in the *Standard Environmental Reference*.

E. Local Agency Obligations

All data applicable to the project and in possession of LOCAL AGENCY or another agency, or government that are to be made available to CONSULTANT are referred to in the contract. Any other assistance or services to be furnished to CONSULTANT are to be stated clearly.

F. Conferences, Visits to Site, Inspection of Work

The contract provides for conferences as needed, visits to the site, and inspection of the work by representatives of the state, or FHWA. Costs incurred by CONSULTANT for meetings, subsequent to the initial meeting shall be included in the fee.

G. Checking Shop Drawings

For contracts requiring the preparation of construction drawings, make provision for checking shop drawings. Payment for checking shop drawings by CONSULTANT may be included in the contract fee, or provision may be made for separate payment.

H. Consultant Services During Construction

The extent, if any of CONSULTANT's services during the course of construction as material testing, construction surveys. etc., are specified in the contract together with the method of payment for such services.

I. Documentation and Schedules

Contracts where appropriate, shall provide that CONSULTANT document the results of the work to the satisfaction of LOCAL AGENCY, and if applicable, the State and FHWA. This may include preparation of progress and final reports, plans, specifications and estimates, or similar evidence of attainment of the contract objectives.

J. Deliverables and Number of Copies

The number of copies of papers or documents to be furnished, such as reports, brochures, sets of plans, specifications, or Right of Way plots is specified. Provision may be made for payment for additional copies.

# EXHIBIT B

# COST PROPOSAL

*A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in CONSULTANTs Cost Proposal above. The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this Contract.*

*B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are in the cost proposal and identified in the cost proposal and in the executed Task Order.*

*C. Specific projects will be assigned to CONSULTANT through issuance of Task Orders.*

*D. After a project to be performed under this contract is identified by LOCAL AGENCY, LOCAL AGENCY will prepare a draft Task Order; less the cost estimate. A draft Task Order will identify the scope of services, expected results, project deliverables, period of performance, project schedule and will designate a LOCAL AGENCY Project Coordinator. The draft Task Order will be delivered to CONSULTANT for review. CONSULTANT shall return the draft Task Order within ten (10) calendar days along with a Cost Estimate, including a written estimate of the number of hours and hourly rates per staff person, any anticipated reimbursable expenses, overhead, fee if any, and total dollar amount. After agreement has been reached on the negotiable items and total cost; the finalized Task Order shall be signed by both LOCAL AGENCY and CONSULTANT.*

*E. Task Orders may be negotiated for a lump sum (Firm Fixed Price) or for specific rates of compensation, both of which must be based on the labor and other rates set forth in CONSULTANT's Cost Proposal.*

*F. Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal.*

*G. When milestone cost estimates are included in the approved Cost Proposal, CONSULTANT shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such estimate.*

*H. Progress payments for each Task Order will be made monthly in arrears based on services provided and actual costs incurred.*

*I. CONSULTANT shall not commence performance of work or services until this contract has been approved by LOCAL AGENCY, and notification to proceed has been issued by LOCAL AGENCY'S Contract Administrator. No payment will be made prior to approval or for any work performed prior to approval of this contract.*

*J. A Task Order is of no force or effect until returned to LOCAL AGENCY and signed by an authorized representative of LOCAL AGENCY. No expenditures are authorized on a project and work shall not commence until a Task Order for that project has been executed by LOCAL AGENCY.*

*K. CONSULTANT will be reimbursed, as promptly as fiscal procedures will permit upon receipt by LOCAL AGENCY'S Contract Administrator of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than 45 calendar days after the performance of work for which CONSULTANT is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone, on each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this contract number, project title and Task Order number. Credits due LOCAL AGENCY that include any equipment purchased under the provisions of Article XI Equipment Purchase of this contract, must be reimbursed by CONSULTANT prior to the expiration or termination of this contract. Invoices shall be mailed to LOCAL AGENCY's Contract Administrator at the following address:*

*City of Rancho Cordova*
*Chris Boyer*
*2729 Prospect Park Drive*
*Rancho Cordova, CA 95670*

*L. The period of performance for Task Orders shall be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Contract.*

*M. The total amount payable by LOCAL AGENCY for an individual Task Order shall not exceed the amount agreed to in the Task Order, unless authorized by contract amendment.*

*N. If the Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.*

*O. Task Orders may not be used to amend this Agreement and may not exceed the scope of work under this Agreement.*

*P. The total amount payable by LOCAL AGENCY for all Task Orders resulting from this contract shall not exceed $ 860,000.00. It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under this contract through Task Orders.*

*Q. All subcontracts in excess of $25,000 shall contain the above provisions.*

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

**Give Form to the requester. Do not send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ ----------

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Social security number**

☐☐☐ – ☐☐ – ☐☐☐☐

**Employer identification number**

☐☐ – ☐☐☐☐☐☐☐

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here** **Signature of U.S. person** ▶ **Date** ▶

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

• An individual who is a U.S. citizen or U.S. resident alien,

• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,

• An estate (other than a foreign estate), or

• A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

***Example.*** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

### Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

### Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

**Note.** Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

## Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|---|---|
| Interest and dividend payments | All exempt payees except for 9 |
| Broker transactions | Exempt payees 1 through 5 and 7 through 13. Also, C corporations. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 5 |
| Payments over $600 required to be reported and direct sales over $5,000 [1] | Generally, exempt payees 1 through 7 [2] |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

### Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

### Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account [1] |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor [2] |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee [1] |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner [1] |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner [3] |
| 6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A)) | The grantor* |
| **For this type of account:** | **Give name and EIN of:** |
| 7. Disregarded entity not owned by an individual | The owner |
| 8. A valid trust, estate, or pension trust | Legal entity [4] |
| 9. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11. Partnership or multi-member LLC | The partnership |
| 12. A broker or registered nominee | The broker or nominee |
| 13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B)) | The trust |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

YEAR

CALIFORNIA FORM

# 2013 Withholding Exemption Certificate 590

**This form can only be used to certify exemption from nonresident withholding under California Revenue and Taxation Code (R&TC) Section 18662. Do not use this form for exemption from wage withholding.**

**File this form with your withholding agent.** (Please type or print)

Withholding agent's name

Payee's name | Payee's ☐ SSN or ITIN ☐ FEIN ☐ CA corp. no. ☐ CA SOS file no

Address (number and street, PO Box, or PMB no.) | Apt. no./ Ste. no.

City | State | ZIP Code

Read the following carefully and check the box that applies to the payee.

I certify that for the reasons checked below, the payee named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual.

☐ **Individuals — Certification of Residency:**
I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Who is a Resident, for the definition of a resident.

☐ **Corporations:**
The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return and withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information F, What is a Permanent Place of Business, for the definition of permanent place of business.

☐ **Partnerships or limited liability companies (LLC):**
The above-named partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return and will withhold on foreign and domestic nonresident partners or members when required. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.

☐ **Tax-Exempt Entities:**
The above-named entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 ______ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit Sharing Plans:**
The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Trusts:**
At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly notify the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**
I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

☐ **Nonmilitary Spouse of a Military Servicemember:**
I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

**CERTIFICATE:** Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Payee's name and title (type or print) ______________________ Daytime telephone no.________________

Payee's signature ▶ ________________________________________ Date ______________

# Instructions for Form 590

## Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

## General Information

For purposes of California income tax, references to a spouse, husband, or wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

**Private Mail Box (PMB)** – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

**Foreign Address** – Enter the information in the following order: City, Country, Province/ Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country's name.

## A Purpose

Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding. California residents or entities should complete and present Form 590 to the withholding agent. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless told by the Franchise Tax Board (FTB) that the form should not be relied upon.

**Important – This form cannot be used for exemption from wage and real estate withholding.**

- If you are an employee, any wage withholding questions should be directed to the FTB General Information number, 800.852.5711. Employers should call **888**.745.3886 or go to **edd.ca.gov**.
- Sellers of California real estate use Form 593-C, Real Estate Withholding Certificate, to claim an exemption from real estate withholding.

## B Requirement

R&TC Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on the following, but is not limited to:

- Payments to nonresidents for services rendered in California.
- Distributions of California source income made to domestic nonresident S corporation shareholders, partners and members and allocations of California source income made to foreign partners and members.
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business.
- Payments to nonresidents for royalties with activities in California.
- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Prizes and winnings received by nonresidents for contests in California.

However, withholding is optional if the total payments of California source income are $1,500 or less during the calendar year.

For more information on withholding get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines. To get a withholding publication see General Information H, Publications, Forms, and Additional Information.

**Backup Withholding** – Beginning on or after January 1, 2010, with certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the FTB. The California backup withholding rate is 7% of the payment. For California purposes, dividends, interests, and any financial institutions release of loan funds made in the normal course of business are exempt from backup withholding. For additional information on California backup withholding, go to **ftb.ca.gov** and search for **backup withholding**.

If a payee has backup withholding, the payee must contact the FTB to provide a valid Taxpayer Identification Number (TIN) before filing a tax return. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp No.); or California Secretary of State (SOS) file number. Failure to provide a valid TIN will result in the denial of the backup withholding credit. For more information go to **ftb.ca.gov** and search for **backup withholding**.

**Who is Excluded from Withholding** – The following are excluded from withholding and completing this form:

- The United States and any of its agencies or instrumentalities
- A state, a possession of the United States, the District of Columbia, or any of its political subdivisions or instrumentalities
- A foreign government or any of its political subdivisions, agencies, or instrumentalities

## C Who Certifies this Form

Form 590 is certified by the payee. An incomplete certificate is invalid and the withholding agent should not accept it. If the withholding agent receives an incomplete certificate, the withholding agent is required to withhold tax on payments made to the payee until a valid certificate is received. In lieu of a completed certificate on the preprinted form, the withholding agent may accept as a substitute certificate a letter from the payee explaining why the payee is not subject to withholding. The letter must contain all the information required on the certificate in similar language, including the under penalty of perjury statement and the payee's taxpayer identification number. The withholding agent must retain a copy of the certificate or substitute for at least four years after the last payment to which the certificate applies, and provide it upon request to the FTB.

For example, if an entertainer (or the entertainer's business entity) is paid for a performance, the entertainer's information must be provided. **Do not** submit the entertainer's agent or promoter information.

The grantor of a grantor trust shall be treated as the payee for withholding purposes. Therefore, if the payee is a grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors on the trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

## D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose.

An individual is still considered outside California for other than a temporary or transitory purpose if return visits to California do not total more than 45 days during any taxable year covered by an employment contract.

This provision does not apply if an individual has income from stocks, bonds, notes, or other intangible personal property in excess of $200,000 in any taxable year in which the employment-related contract is in effect.

A spouse/RDP absent from California for an uninterrupted period of at least 546 days to accompany a spouse/RDP under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, and FTB Pub. 1032, Tax Information for Military Personnel, or call the FTB at 800.852.5711 or 916.845.6500.

## E Military Spouse Residency Relief Act (MSRRA)

Generally, for tax purposes you are considered to maintain your existing residence or domicile. If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:

- A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in compliance with military orders.
- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders.

**Domicile** is defined as the one place:

- Where you maintain a true, fixed, and permanent home
- To which you intend to return whenever you are absent

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders.

Note: California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA.

Income of a military servicemember's nonmilitary spouse for services performed in California is not California source income subject to state tax if the spouse is in California to be with the servicemember serving in compliance with military orders, and the servicemember and spouse have the same domicile in a state other than California.

For additional information or assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032.

## F What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California SOS. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

## G Withholding Agent

Keep Form 590 for your records. **Do not** send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see General Information H.

The payee must notify the withholding agent if any of the following situations occur:

- The individual payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold and report the withholding using Form 592, Resident and Nonresident Withholding Statement, and remit the withholding using Form 592-V, Payment Voucher for Resident and Nonresident Withholding. Form 592-B, Resident and Nonresident Withholding Tax Statement, is retained by the withholding agent and a copy is given to the payee.

## H Additional Information

To get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND
COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: **888**.792.4900
916.845.4900
Fax: 916.845.9512

You can download, view, and print California tax forms and publications at **ftb.ca.gov**.

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT MS F284
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

For all other questions unrelated to withholding or to access the TTY/TDD numbers, see the information below.

**Internet and Telephone Assistance**

Website: **ftb.ca.gov**
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

**Asistencia Por Internet y Teléfono**

Sitio web: **ftb.ca.gov**
Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos
TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla

**EXHIBIT 2**
**CONTRACT NO.: 82-2015**

**PROFESSIONAL SERVICES AGREEMENT BETWEEN**
**THE CITY OF RANCHO CORDOVA AND**
**SALABER ASSOCIATES, INC.**

THIS AGREEMENT for professional services is made by and between the City of Rancho Cordova, a California municipal corporation ("City" or "LOCAL AGENCY"), and Salaber Associates, Inc., a ("Professional" or "CONSULTANT") as of August 17, 2015.

**Section 1.** **SERVICES**. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

**1.1** **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on July 1, 2018, the date of completion specified in Exhibit A. Professional shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

**1.2** **Standard of Performance.** Professional shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession. Professional shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Professional's profession.

**1.3** **Assignment of Personnel.** Professional shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Professional shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

**1.4** **Time.** Professional shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Professional's obligations hereunder.

**Section 2.** **COMPENSATION.** City hereby agrees to pay Professional a sum not to exceed $850,000.00, notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Professional's proposal, attached as Exhibit B, regarding the amount of compensation, the Agreement shall prevail. City shall pay Professional for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Professional for services rendered pursuant to this Agreement. Professional shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Professional shall not bill City for duplicate services performed by more than one person.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

**2.1** **Invoices.** Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- § Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- § The beginning and ending dates of the billing period;
- § A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- § At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- § The total number of hours of work performed under the Agreement by Professional and each employee, agent, and subcontractor of Professional performing services hereunder, as well as a separate notice when the total number of hours of work by Professional and any individual employee, agent, or subcontractor of Professional reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- § The Professional's signature.

**2.2** **Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Professional.

**2.3** **Final Payment.** City shall pay the last 10% of the total sum due pursuant to this Agreement within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

**2.4** **Total Payment.** City shall pay for the services to be rendered by Professional pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Professional in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Professional submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

**2.5** **Hourly Fees.** Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit B.

**2.6** **Reimbursable Expenses.** Reimbursable expenses, if any, are set forth in Exhibit B. Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

**2.7** **Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

**2.8** **Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 8, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

**2.9** **Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

**Section 3.** **FACILITIES AND EQUIPMENT.** Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Professional's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

**Section 4.** **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

**4.1** **Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Professional does not have any employees.

**4.2** **Commercial General and Automobile Liability Insurance.**

**4.2.1** **General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability 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. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

**4.2.2** **Minimum scope of coverage.** Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

**4.2.3** **Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

**4.3** **Professional Liability Insurance.** Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000) covering the licensed professionals' errors and omissions.

**4.3.1** Any deductible or self-insured retention shall not exceed $150,000 per claim.

**4.3.2** An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

**4.3.3** The following provisions shall apply if the professional liability coverages are written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

**4.4** **All Policies Requirements.**

**4.4.1** **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

**4.4.2** **Verification of coverage.** Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.4.3 **Subcontractors.** Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.4 **Deductibles and Self-Insured Retentions.** Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.4.5 **Waiver of Subrogration.** Professional hereby agrees to waive subrogration which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

4.4.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

4.5 **Remedies.** In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

§ Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- § Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or

- § Terminate this Agreement.

## Section 5. INDEMNIFICATION AND PROFESSIONAL'S RESPONSIBILITIES.

**5.1** **General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

**5.2** **PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

**5.3** **Design Professionals.** Notwithstanding Sections 5.1 and 5.2, to the extent that the services under this Agreement include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

**Section 6. STATUS OF PROFESSIONAL.**

**6.1 Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Professional accomplishes services rendered pursuant to this Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee to become eligible for a claim for PERS benefits.

**6.2 Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

**Section 7. LEGAL REQUIREMENTS.**

**7.1 Governing Law.** The laws of the State of California shall govern this Agreement.

**7.2 Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, and any copyright, patent or trademark law. Professional's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 **Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain valid Business Licenses from City during the term of this Agreement.

7.5 **Nondiscrimination and Equal Opportunity.** Professional shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Professional under this Agreement. Professional shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Professional thereby.

Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

## Section 8. TERMINATION AND MODIFICATION.

8.1 **Termination.** City may cancel this Agreement at any time and without cause upon written notification to Professional.

Professional may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Professional shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.

8.2 **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.

8.3 **Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

8.4 **Assignment and Subcontracting.** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

8.5 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.

8.6 **Options upon Breach by Professional.** If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

**8.6.1** Immediately terminate the Agreement;

**8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;

**8.6.3** Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or

**8.6.4** Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 2 if Professional had completed the work.

## Section 9. KEEPING AND STATUS OF RECORDS.

9.1 **Records Created as Part of Professional's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

9.2 **Professional's Books and Records.** Professional 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 the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

## Section 10 MISCELLANEOUS PROVISIONS.

10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Sacramento or in the United States District Court for the Eastern District of California.

**10.3** **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**10.4** **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**10.5** **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

**10.6** **Use of Recycled Products.** Professional shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

**10.7** **Conflict of Interest.** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

**10.8** **Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

**10.9** **Contract Administration.** This Agreement shall be administered by Chris Boyer ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

**10.10** **<u>Notices.</u>** Any written notice to Professional shall be sent to:
Salaber Associates, Inc.,
Attention: Bob LoRusso
11290 Point East Dr., #215
Rancho Cordova, CA 95742
Email Address (for Insurance Update Requests):
rlorusso@saiservices.com

Any written notice to City shall be sent to:
Chris Boyer
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**10.11** **<u>Professional Seal.</u>** Where applicable in the determination of the contract administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

| |
|---|
| ______________________________________<br>Seal and Signature of Registered Professional with report/design responsibility. |

**10.12** **<u>Integration.</u>** This Agreement, including the scope of work attached hereto and incorporated herein as <u>Exhibit A</u>, and the compensation schedule attached hereto and incorporated herein as <u>Exhibit B</u>, represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.

**10.13** **<u>IRS Form W-9.</u>** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

| CITY OF RANCHO CORDOVA | PROFESSIONAL |
|---|---|
| ______________________________ | ______________________________ |
| **Cyrus Abhar, Interim City Manager** | **Robert Salaber, President** |
| Date: ____________________ | Date: ____________________ |

Attest:

______________________________
**Mindy Cuppy, MMC, City Clerk**

Date: ____________________

Approved as to Form:

______________________________
**Adam Lindgren**, **City Attorney**

Date: ____________________

*Last Revised July 31, 2012*

## EXHIBIT A

## SCOPE OF SERVICES

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# EXHIBIT B

## COMPENSATION SCHEDULE

Form **W-9**
(Rev. September 2007)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

**Give form to the requester. Do not send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ -------
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

**Part I** **Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Social security number**

or

**Employer identification number**

**Part II** **Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here** **Signature of U.S. person ▶** **Date ▶**

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

*Example.* Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

## Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

| **IF** the payment is for . . . | **THEN** the payment is exempt for . . . |
| --- | --- |
| Interest and dividend payments | All exempt recipients except for 9 |
| Broker transactions | Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker |
| Barter exchange transactions and patronage dividends | Exempt recipients 1 through 5 |
| Payments over $600 required to be reported and direct sales over $5,000[1] | Generally, exempt recipients 1 through 7[2] |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account [1] |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor [2] |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee [1] |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner [1] |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner [3] |
| **For this type of account:** | **Give name and EIN of:** |
| 6. Disregarded entity not owned by an individual | The owner |
| 7. A valid trust, estate, or pension trust | Legal entity [4] |
| 8. Corporate or LLC electing corporate status on Form 8832 | The corporation |
| 9. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 10. Partnership or multi-member LLC | The partnership |
| 11. A broker or registered nominee | The broker or nominee |
| 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.consumer.gov/idtheft* or 1-877-IDTHEFT(438-4338).

Visit the IRS website at *www.irs.gov* to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

| YEAR | Withholding Exemption Certificate | CALIFORNIA FORM |
|---|---|---|
| 2010 | (This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. Do not use this form for exemption from wage withholding.) | 590 |

**File this form with your withholding agent.** (Please type or print)

Withholding agent's name

Vendor/Payee's name

Vendor/Payee's ☐ SOS file no. ☐ SSN or ITIN ☐ CA corp. no. ☐ FEIN

Address (number and street, PO Box, or PMB no.)

Apt. no./ Ste. no.

City

State

ZIP Code

Read the following carefully and check the box that applies to the vendor/payee.

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual.

☐ **Individuals — Certification of Residency:**
I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Who is a Resident, for the definition of a resident.

☐ **Corporations:**
The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return and withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information F, What is a Permanent Place of Business, for the definition of permanent place of business.

☐ **Partnerships or Limited Liability Companies (LLC):**
The above-named partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return and will withhold on foreign and domestic nonresident partners or members when required. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a Limited Liability Partnership (LLP) is treated like any other partnership.

☐ **Tax-Exempt Entities:**
The above-named entity is exempt from tax under California R&TC Section 23701 ______ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**
The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Trusts:**
At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly notify the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**
I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

☐ **Nonmilitary Spouse of a Military Servicemember:**
I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

**CERTIFICATE:** Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Vendor/Payee's name and title (type or print) ________________________________ Daytime telephone no. ________________

Vendor/Payee's signature ▶ ________________________________________________ Date ________________

- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders

**Domicile** is defined as the one place:

- Where you maintain a true, fixed and permanent home
- To which you intend to return whenever you are absent

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders (Note: California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA ).

For assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032, Tax Information for Military Personnel.

## F What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California SOS. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

## G Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see General Information H.

The vendor/payee must notify the withholding agent if any of the following situations occur:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold and report the withholding using Form 592, Resident and Nonresident Withholding Statement, and remit the withholding using Form 592-A, Payment Voucher for Foreign Partner or Member Withholding. Form 592-B, Resident and Nonresident Withholding Tax Statement, is retained by the withholding agent and a copy is given to the payee.

## H Publications, Forms, and Additional Information

You can download, view, and print California tax forms and publications at ftb.ca.gov.

To have publications or forms mailed to you or to get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND
COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: 888.792.4900
916.845.4900
Fax: 916.845.9512

For all other questions unrelated to withholding or to access the TTY/TDD numbers, see the information below.

**Internet and Telephone Assistance**

Website: ftb.ca.gov
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

**Asistencia Por Internet y Teléfono**

Sitio web: ftb.ca.gov
Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos
TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla

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AGENDA ITEM 8.8

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Albert Stricker, Interim Public Works Director

**SUBJECT:** **RESOLUTION AWARDING CONSTRUCTION CONTRACT NO.81-2015 IN THE AMOUNT OF $456,916 TO MAY HAN ELECTRIC INC. DBA M&M ELECTRIC FOR THE INTERNATIONAL DRIVE/FEMOYER STREET INTERSECTION SIGNAL IMPROVEMENT PROJECT**

## RECOMMENDATION

Adopt Resolution No. 105-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of this resolution will award construction contract No.81-2015 to May Han Electric Inc. dba M&M Electric in the amount of $456,916.00 to construct the International Drive/Femoyer Street Intersection Signal Improvement Project.

## BACKGROUND

The work to be performed under this contract consists of furnishing all labor, materials, and equipment for construction of new vehicle and pedestrian traffic signal improvements and LED street lights at the intersection of International Dr. and Kaiser Permanente driveway/Femoyer St. together with associated detector loops, hand holes, conductors, conduit and pullboxes, slurry seal, thermoplastic striping and markings and other incidental work. This contract also includes construction of ADA curb ramps, curb, gutter, sidewalk, modified medians and a driveway.

Bids were solicited on the City's Website, CIPList.com and the Sacramento, Placer and El Dorado County Builders Exchanges on June 23, 2015. Bids for the project were publicly opened on Monday, July 20, 2015. A total of five bids were received. The lowest responsible base bid was $456,916.00 submitted by May Han Electric Inc. dba M&M Electric.

## FISCAL IMPACT

Funding for this project will consist of $275,100 in Community Development Block Grant (CBDG) Funding. The remaining balance will be funded from the Capital Infrastructure and Gas Tax Funds.

This project is included in the 2015/2016 budget.

## ATTACHMENT

Resolution No. 105-2015 including Exhibit 1 Contract No. 81-2015.

# CITY OF RANCHO CORDOVA

## RESOLUTION NO. 105-2015

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AWARDING CONSTRUCTION CONTRACT NO. 81-2015 IN THE AMOUNT OF $456,916 TO MAY HAN ELECTRIC INC. DBA M&M ELECTRIC FOR THE INTERNATIONAL DRIVE/FEMOYER STREET INTERSECTION SIGNAL IMPROVEMENT PROJECT

**WHEREAS**, Bids were solicited on the City's Website, CIPList.com and the Sacramento, Placer and El Dorado County Builders Exchanges on June 23, 2015. Bids for the project were publicly opened on Monday, July 20, 2015. A total of five bids were received. The lowest responsible base bid was $456,916.00 submitted by May Han Electric Inc. dba M&M Electric; and

**WHEREAS**, adoption of this resolution will award construction contract No. 81-2015 with May Han Electric Inc. dba M&M Electric in the amount of $456,916 for the International Drive/Femoyer Street Intersection Signal Improvement Project; and

**WHEREAS**, the International Drive/Femoyer Street Intersection Signal Improvement Project will install a traffic signal AT the International Drive and Femoyer Street intersection.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** does authorize the City Manager to execute contract No. 81-2015 in the amount of $456,916 with May Han Electric Inc. dba M&M Electric, Contractor, attached as **Exhibit 1**.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

EXHIBIT 1
CONTRACT NO. 81- 2015

**CONSTRUCTION SERVICES AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND MAY HAN ELECTRIC INC. DBA M&M ELECTRIC FOR THE INTERNATIONAL DRIVE/FEMOYER STREET INTERSECTION SIGNAL IMPROVEMENT PROJECT**

THIS AGREEMENT made and entered into between the City of Rancho Cordova ("City") and May Han Electric Inc. dba M&M Electric ("Contractor") as of August 17, 2015.

**W I T N E S S E T H:**

**WHEREAS**, the City Council for the City heretofore caused plans and specifications for the International Drive/Femoyer Street Intersection Signal Improvement Project ("Project") to be prepared, and therefore did approve and adopt said plans and specifications; and

**WHEREAS**, the City Council for the City did cause to be published for the time and in the manner required by law, a notice inviting sealed bids for the performance of said work; and

**WHEREAS**, the notice was published on June 23, 2015 on the CIPList.com and the City of Rancho Cordova website ("Notice"); and

**WHEREAS**, the Contractor, in response to such Notice, submitted to the City Council for the City within the time specified in said Notice, and in the manner provided for therein, a sealed bid for the performance of the Project specified in said plans and specifications, which said bid and proposal, and other bids and proposals submitted in response to said Notice, the City Council opened and canvassed in the manner provided by law; and

**WHEREAS**, the Contractor was the lowest responsible bidder for the performance of said Project, and said City Council for the City as a result of the canvass of said bids, did determine and declare Contractor to be the lowest responsible bidder for said Project and award to a contract therefore.

**NOW THEREFORE**, in consideration of the promises herein, it is mutually agreed between the parties hereto as follows:

**Section 1.** **CONTRACT DOCUMENTS.** The following documents are by this reference incorporated in and made a part of this Agreement: The County of Sacramento, Standard Construction Specifications dated January 2008; the Special Provisions; the contract drawings, all addenda; the Notice to Contractors; the Proposal; all required bonds; and all supplemental Agreements covering alterations, amendments, or extensions to the contract. The documents which describe the work to be performed are sometimes collectively referred to herein as the Plans and Specifications.

**Section 2.** **SCOPE OF WORK.** The Contractor will furnish all labor, materials, services, transportation, appliances, and mechanical workmanship required for Contract No. 81-2015, as provided for and set forth in said Plans and Specifications, or in either of them, which said Plans and Specifications are hereby referred and by such reference incorporated herein and made a part of this Agreement. All of the said work done under this Agreement shall be under the supervision of and performed to the satisfaction of the Public Works Director of the City of Rancho Cordova who shall have the right to reject any and all materials and supplies furnished by the Contractor which do not comply with the Plans and Specifications, together with the right to require the Contractor to replace any and all work furnished by the Contractor which shall not either in workmanship or material be in strict accordance with the Plans and Specifications.

**Section 3.** **COMPLETION**. Said work shall be completed and ready for acceptance.

**Section 4.** **PAYMENT**. Attached hereto as Exhibit "A" and by reference made a part hereof, is the bid and proposal of Contractor. Said bid and proposal will contain, as required by the terms of said specifications, the full and complete schedule of the different items with the lump sums or unit prices as so specified. The City agrees in consideration of the work to be performed for the Project herein and subject to the terms and conditions thereof, to pay Contractor all sums of money which may become due to Contractor in accordance with the terms of the aforesaid bid and proposal, and this Agreement, to wit: four hundred fifty-six thousand nine hundred sixteen dollars ($456,916). Said sum shall be paid in accordance with Section 8 of the Standard Specifications. With respect to that portion of the above sum as is based upon the estimated quantities specified for the general scope of the work to be performed herein, actual payment will be based upon the quantities as measured upon completion. No payment made under this Agreement shall be construed to be an acceptance of defective work or improper materials.

**Section 5.** **PREVAILING WAGES.** Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the Project contemplated under this Agreement shall be paid to all workers, laborers and mechanics employed in the execution of said Project by Contractor, or by any subcontractor doing or contracting to do any part of said Project. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection at 2729 Prospect Park Drive, Rancho Cordova, CA 95670, the office of the Clerk of the City. Contractor shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director for the California Department of Industrial Relations.

**Section 6.** **INSURANCE**. The Contractor shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability, auto, worker's compensation and builders' risk insurance as required by the specifications.

**Section 7.** **WORKERS' COMPENSATION CERTIFICATION.** By execution of this Agreement, the Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

**Section 8.** **PERFORMANCE AND PAYMENT BONDS**. The Contractor shall, before beginning said work for the Project, file two bonds with the City, each made payable to the City. These bonds shall be issued by a surety company authorized to do business in the State of California, and shall be maintained during the entire life of the Agreement at the expense of the Contractor. One bond shall be in the amount of one hundred percent (100%) of the Agreement and shall guarantee the faithful performance of the Agreement. The second bond shall be the payment bond required by California Civil Code Section 3247 et seq.,, and shall be in the amount of one hundred percent (100%) of the Agreement. Any alterations made in the specifications which are a part of this Agreement or in any provision of this Agreement shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of California Civil Code Sections 2819 and 2845.

**Section 9. INDEMNIFICATION.**

**9.1** **Contractor's Performance.** To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its governing Board, officers, directors, agents, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and all costs incidental thereto, including cost of defense, settlement, arbitration, and reasonable attorneys' fees arising out of, pertaining to, or resulting from the acts or omissions of anyone else directly or indirectly acting on behalf of the Contractor, or for which the Contractor is legally liable under law, regardless of whether caused in part by a party indemnified hereunder.

**9.2** **No Limitation of Liability for Indemnification.** The indemnities set forth in this Section shall not be limited by the insurance requirements set forth in the Contract.

**Section 10. MISCELLANEOUS PROVISIONS.**

**10.1** This Agreement shall bind and inure to the heirs, devisees, assignees, and successors in interest of Contractor and to the successors in interest of Contractor in the same manner as if such parties had been expressly named herein. All times stated herein or in the contract documents are of the essence hereof. As used in this instrument the singular includes the plural, and the masculine includes the feminine and the neuter. This Agreement may create a possessory interest subject to property taxation, and Contractor may be subject to the payment of property taxes levied on such interest.

**10.2** **Contract Administration.** This Agreement shall be administered by Chris Boyer, Associate Engineer ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

**10.3** **Notices.** Any written notice to Consultant shall be sent to:

Audrey Daugherty
May Han Electric dba M&M Electric
1600 Auburn Blvd
Sacramento, CA 95815

Any written notice to City shall be sent to:

Chris Boyer, Associate Civil Engineer
City of Rancho Cordova
Department of Public Works
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**10.4** **IRS Form W-9.** Contractor shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

**IN WITNESS WHEREOF**, the City Council and Contractor have caused this Agreement to be executed as of the day and year first above written.

CITY OF RANCHO CORDOVA:

______________________________
**Cyrus Abhar, Interim City Manager**

______________________________
Date

CONTRACTOR:

______________________________
**Audrey Daugherty, President**

______________________________
Date

Attest:

______________________________
**Mindy Cuppy, City Clerk**

______________________________
Date

Approved as to Form:

______________________________
**Adam U. Lindgren, City Attorney**

______________________________
Date

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Joe Cuffe, Interim Building Official

**SUBJECT:** **RESOLUTION AUTHORIZING THE INTERM CITY MANAGER TO EXECUTE A FIFTH AMENDMENT AND EXECUTE A NEW CONTRACT WITH INTERWEST CONSULTING GROUP TO CONTINUE PROVIDING ON-CALL BUILDING PLAN REVIEW AND INSPECTION SERVICES FOR THE BUILDING & SAFETY DIVISION.**

## RECOMMENDATION

Adopt Resolution 106-2015 and Resolution 107-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of Resolution No. 106-2015 will authorize the Interim City Manager to execute a fifth and final amendment to Contract No. 19-2009 with Interwest Consulting Group. The amendment will increase the on-call contract by $14,340.88.

Adoption of Resolution No. 107-2015 will authorize the Interim City Manager to execute a new three year on-call contract with Interwest Consulting Group in the amount of $1,050,000 for plan review, inspection and permit services through June 30, 2015.

## BACKGROUND

The City initially entered into Contract No. 19-2009 with Interwest Consulting Group in 2009 and since that time has amended the contract four times to increase the amount and extend the term to continue to provide on-call plan review, inspection and permit services. This fifth and final amendment is necessary to increase the total compensation amount by $14,340.88 in order to fully pay the final invoice for FY 14/15 under this contract, bringing the total compensation amount to $854,340.88. Following payment of the final invoice, Contract 19-2009 will be closed and the City will enter into a new contract for services.

In evaluating the level work performed under the existing contract, and projecting the plan check, inspection and permit services to be provided by Interwest Consulting Group over the next three years, it is estimated that the annual cost would be about $350,000 per year for a total contract of $1,050,000. To remain competitive, it has been negotiated with Interwest that the billing rates will be the same as under the prior contract and that there will be no increase in the rates during the term of the new contract.

## FISCAL IMPACT

Costs for services are provided by building permit revenues; there is no impact to the City's general fund.

## ATTACHMENTS

1. Resolution No. 106-2015 including Exhibit A, Contract No.19-2009.
2. Resolution No. 107-2015 including Exhibit A, Contract No. 84-2015.

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 106-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT 19-2009-5 WITH INTERWEST CONSULTING GROUP**

**WHEREAS**, on April 1, 2009, the City of Rancho Cordova executed Contract No. 19-2009 with Interwest Consulting Group to provide on-call building plan review and inspection services to the Building and Safety Division; and

**WHEREAS**, the City evaluated the need for services and executed a Contract Amendment on April 29, 2010 increasing the amount to $100,000 and extending the term of services to June 30,2012; and

**WHEREAS**, the City executed a Second Contract Amendment on January 18, 2011 increasing the amount to $300,000 and extending the term of services to June 30,2013; and

**WHEREAS**, the City executed a Third Contract Amendment on March 19, 2012 increasing the amount to $840,000, extending the term of services to January 1,2015 and a Fourth Contract Amendment on January 1, 2015, extending the term of services to March 1, 2017; and

**WHEREAS**, the City wishes to extend the contract amount by $14,340.88 in order to pay the final invoice for June 2015, under this contract; and

**WHEREAS**, those services will exceed the maximum amount the City Manager has the authorization to approve.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** that the Council authorizes the City Manager to execute a contract amendment with Interwest Consulting Group (**Exhibit A**) in a form approved by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ___ day of __________, 2015 by the following vote:

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

______________________________
Robert McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

**EXHIBIT A**
**CONTRACT NO. 19-2009-5**

# FIFTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND INTERWEST CONSULTING GROUP

This Fifth Amendment to the Agreement for Professional Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and Interwest Consulting Group ("Professional") as of _______________, 2015. City and Professional are hereinafter collectively referred to as the "Parties."

## RECITALS

**WHEREAS**, the Parties entered into a Professional Services Agreement ("PSA") dated April 1, 2009 for the purpose of providing building plan review, inspection services, permit processing services, and additional relevant services; and

**WHEREAS**, this Amendment will increase the contract amount by Fourteen Thousand, Three Hundred Forty Dollars and Eighty-Eight Cents ($14,340.88) bringing the total contract amount to Eight Hundred Fifty-four Thousand, Three Hundred Forty Dollars and Eight-eight Cents. ($854,340.88), and

**WHEREAS**, the Parties agree that changes to the term and services provided for in the PSA are necessary in order for the City to continue receiving services by Professional.

**NOW, THEREFORE**, the Parties hereto agree as follows:

## AGREEMENT

1. Section 2 of the PSA, "Compensation," provides for the City to pay Professional a sum not to exceed Eight Hundred, Forty Thousand Dollars ($840,000). The Parties agree to amend Section 2 of the PSA in order to increase the compensation amount to pay Professional for additional services. The first sentence of Section 2 of the PSA is amended to read as follows:

   "City hereby agrees to pay Professional a sum not to exceed Eight Hundred Fifty-four Thousand, Three Hundred Forty Dollars and Eight-eight Cents. ($854,340.88), notwithstanding any contrary indication that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

2. All other terms and conditions in the PSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.

3. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

**EXHIBIT A**
**CONTRACT NO. 19-2009-5**

**IN WITNESS WHEREOF**, the Parties have executed this Amendment on the day and year first above written.

**CITY OF RANCHO CORDOVA**

____________________________
**Cyrus Abhar**, Interim City Manager

Date:__________________

Attest:

____________________________
**Mindy Cuppy**, MMC, City Clerk

Date:__________________
Approved as to Form:

____________________________
**Adam Lindgren**, City Attorney

Date:__________________

**PROFESSIONAL**

____________________________
**Ron Beehler, SE**
**Northern CA Division Manager**

Date:__________________

**ATTACHMENT 2**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 107-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE AN ON-CALL CONTRACT WITH INTERWEST CONSULTING GROUP**

**WHEREAS**, the City has evaluated the need for on-call plan check, inspection and permit services over the next three years at a total estimated amount of $1,050,000; and

**WHEREAS**, those services will exceed the maximum amount the City Manager has the authorization to approve.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** that the Council authorizes the City Manager to execute a new on-call contract with Interwest Consulting Group (**Exhibit A**) in a form approved by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ____ day of _________, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

**EXHIBIT A**
**CONTRACT NO.: 84-2015**

**ON-CALL PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND INTERWEST CONSULTING GROUP**

THIS AGREEMENT for on-call professional services is made by and between the City of Rancho Cordova, a California municipal corporation ("City"), and Interwest Consulting Group, a ("Professional") as of _________________, 2015.

**Section 1.** **SERVICES**. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

**1.1** **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2018, the date of completion specified in Exhibit A. Professional shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

**1.2** **Standard of Performance.** Professional shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession. Professional shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Professional's profession.

**1.3** **Assignment of Personnel.** Professional shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Professional shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

**1.4** **Time.** Professional shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Professional's obligations hereunder.

**Section 2.** **COMPENSATION.** City hereby agrees to pay Professional a sum not to exceed One Million and Fifty Thousand Dollars ($1,050,000), notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Professional's proposal, attached as Exhibit B, regarding the amount of compensation, the Agreement shall prevail. City shall pay Professional for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Professional for services rendered pursuant to this Agreement. Professional shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Professional shall not bill City for duplicate services performed by more than one person.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

**2.1** **Invoices.** Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Professional and each employee, agent, and subcontractor of Professional performing services hereunder, as well as a separate notice when the total number of hours of work by Professional and any individual employee, agent, or subcontractor of Professional reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- The Professional's signature.

**2.2** **Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Professional.

**2.3** **Final Payment.** City shall pay the last 10% of the total sum due pursuant to this Agreement within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

**2.4** **Total Payment.** City shall pay for the services to be rendered by Professional pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Professional in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Professional submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

**2.5** **Hourly Fees.** Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit B.

**2.6** **Reimbursable Expenses.** Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

**2.7** **Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

**2.8** **Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 8, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

**2.9** **Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

**Section 3.** **FACILITIES AND EQUIPMENT.** Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Professional's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

**Section 4.** **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

**4.1** **Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Professional does not have any employees.

**4.2** **Commercial General and Automobile Liability Insurance.**

**4.2.1** **General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability 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. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

**4.2.2** **Minimum scope of coverage.** Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

**4.2.3** **Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

**4.3** **Professional Liability Insurance.** Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000) covering the licensed professionals' errors and omissions.

**4.3.1** Any deductible or self-insured retention shall not exceed $150,000 per claim.

**4.3.2** An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

**4.3.3** The following provisions shall apply if the professional liability coverages are written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

**4.4** **All Policies Requirements.**

**4.4.1** **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

**4.4.2** **Verification of coverage.** Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**4.4.3** **Subcontractors.** Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**4.4.4** **Deductibles and Self-Insured Retentions.** Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

**4.4.5** **Waiver of Subrogration.** Professional hereby agrees to waive subrogration which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

**4.4.6** **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

**4.5** **Remedies.** In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

§ Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or

- Terminate this Agreement.

## Section 5. INDEMNIFICATION AND PROFESSIONAL'S RESPONSIBILITIES.

**5.1 General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

**5.2 PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

**5.3 Design Professionals.** Notwithstanding Sections 5.1 and 5.2, to the extent that the services under this Agreement include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

**Section 6. STATUS OF PROFESSIONAL.**

**6.1 Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Professional accomplishes services rendered pursuant to this Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee to become eligible for a claim for PERS benefits.

**6.2 Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

**Section 7. LEGAL REQUIREMENTS.**

**7.1 Governing Law.** The laws of the State of California shall govern this Agreement.

**7.2 Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, and any copyright, patent or trademark law. Professional’s failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

**7.3 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

**7.4** **Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain valid Business Licenses from City during the term of this Agreement.

**7.5** **Nondiscrimination and Equal Opportunity.** Professional shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Professional under this Agreement. Professional shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Professional thereby.

Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

## Section 8. TERMINATION AND MODIFICATION.

**8.1** **Termination.** City may cancel this Agreement at any time and without cause upon written notification to Professional.

Professional may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Professional shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.

**8.2** **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.

**8.3** **Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

**8.4** **Assignment and Subcontracting.** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

**8.5** **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.

**8.6** **Options upon Breach by Professional.** If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

**8.6.1** Immediately terminate the Agreement;

**8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;

**8.6.3** Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or

**8.6.4** Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 2 if Professional had completed the work.

## Section 9. KEEPING AND STATUS OF RECORDS.

**9.1** **Records Created as Part of Professional's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

**9.2** **Professional's Books and Records.** Professional 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 the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.

**9.3** **Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

## Section 10 MISCELLANEOUS PROVISIONS.

**10.1** **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

**10.2** **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Sacramento or in the United States District Court for the Eastern District of California.

**10.3** **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**10.4** **No Implied Waiver of Breach**. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**10.5** **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

**10.6** **Use of Recycled Products.** Professional shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

**10.7** **Conflict of Interest.** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

**10.8** **Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

**10.9** **Contract Administration.** This Agreement shall be administered by Joe Cuffe ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

**10.10** **Notices.** Any written notice to Professional shall be sent to:

Ron Beehler
8150 Sierra College Boulevard, Suite 100
Roseville, CA 95661
Email Address (for Insurance Update Requests)
rbeehler@interwestgrp.com

Any written notice to City shall be sent to:
Joe Cuffe
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**10.11** **Professional Seal.** Where applicable in the determination of the contract administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

| |
|---|
| ______________________________________<br>Seal and Signature of Registered Professional with report/design responsibility. |

**10.12** **Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, and the compensation schedule attached hereto and incorporated herein as Exhibit B, represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.

**10.13** **IRS Form W-9.** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

**EXHIBIT A**
**CONTRACT NO.: 84-2015**

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY OF RANCHO CORDOVA

___________________________
**Cyrus Abhar, Interim City Manager**

Date: ____________________

PROFESSIONAL

___________________________
**Ron Beehler, SE**
**Northern CA Division Manager**

Date: ____________________

Attest:

___________________________
**Mindy Cuppy, MMC, City Clerk**

Date: ____________________

Approved as to Form:

___________________________
**Adam Lindgren**, **City Attorney**

Date: ____________________

*Last Revised July 31, 2012*

Last Revised July 31, 2012

# EXHIBIT A

## SCOPE OF SERVICES

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# EXHIBIT B

## COMPENSATION SCHEDULE

Form **W-9**
(Rev. September 2007)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

**Give form to the requester. Do not send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ -------
☐ Other (see instructions) ▶
☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

**Part I** **Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Social security number**

or

**Employer identification number**

**Part II** **Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here** **Signature of U.S. person ▶** **Date ▶**

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

• The U.S. grantor or other owner of a grantor trust and not the trust, and

• The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

*Example.* Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

## Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

| **IF** the payment is for . . . | **THEN** the payment is exempt for . . . |
|---|---|
| Interest and dividend payments | All exempt recipients except for 9 |
| Broker transactions | Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker |
| Barter exchange transactions and patronage dividends | Exempt recipients 1 through 5 |
| Payments over $600 required to be reported and direct sales over $5,000[1] | Generally, exempt recipients 1 through 7[2] |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account [1] |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor [2] |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee [1] |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner [1] |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner [3] |
| **For this type of account:** | **Give name and EIN of:** |
| 6. Disregarded entity not owned by an individual | The owner |
| 7. A valid trust, estate, or pension trust | Legal entity [4] |
| 8. Corporate or LLC electing corporate status on Form 8832 | The corporation |
| 9. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 10. Partnership or multi-member LLC | The partnership |
| 11. A broker or registered nominee | The broker or nominee |
| 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.consumer.gov/idtheft* or 1-877-IDTHEFT(438-4338).

Visit the IRS website at *www.irs.gov* to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

YEAR **2010**

# Withholding Exemption Certificate

**(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. Do not use this form for exemption from wage withholding.)**

CALIFORNIA FORM **590**

**File this form with your withholding agent.** (Please type or print)

Withholding agent's name

Vendor/Payee's name

Vendor/Payee's ☐ SSN or ITIN ☐ SOS file no. ☐ CA corp. no. ☐ FEIN

Address (number and street, PO Box, or PMB no.)

Apt. no./ Ste. no.

City

State

ZIP Code

Read the following carefully and check the box that applies to the vendor/payee.

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual.

☐ **Individuals — Certification of Residency:**
I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Who is a Resident, for the definition of a resident.

☐ **Corporations:**
The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return and withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information F, What is a Permanent Place of Business, for the definition of permanent place of business.

☐ **Partnerships or Limited Liability Companies (LLC):**
The above-named partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return and will withhold on foreign and domestic nonresident partners or members when required. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a Limited Liability Partnership (LLP) is treated like any other partnership.

☐ **Tax-Exempt Entities:**
The above-named entity is exempt from tax under California R&TC Section 23701 ______ (insert letter) or Internal Revenue Code Section 501(c) ______ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**
The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Trusts:**
At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly notify the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**
I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

☐ **Nonmilitary Spouse of a Military Servicemember:**
I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

**CERTIFICATE:** Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Vendor/Payee's name and title (type or print) ______________________ Daytime telephone no.______________

Vendor/Payee's signature ▶ ________________________________ Date ______________

- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders

**Domicile** is defined as the one place:

- Where you maintain a true, fixed and permanent home
- To which you intend to return whenever you are absent

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders (Note: California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA ).

For assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032, Tax Information for Military Personnel.

## F What Is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California SOS. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

## G Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see General Information H.

The vendor/payee must notify the withholding agent if any of the following situations occur:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold and report the withholding using Form 592, Resident and Nonresident Withholding Statement, and remit the withholding using Form 592-A, Payment Voucher for Foreign Partner or Member Withholding. Form 592-B, Resident and Nonresident Withholding Tax Statement, is retained by the withholding agent and a copy is given to the payee.

## H Publications, Forms, and Additional Information

You can download, view, and print California tax forms and publications at ftb.ca.gov.

To have publications or forms mailed to you or to get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND
COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: 888.792.4900
916.845.4900
Fax: 916.845.9512

For all other questions unrelated to withholding or to access the TTY/TDD numbers, see the information below.

**Internet and Telephone Assistance**

Website: **ftb.ca.gov**
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

**Asistencia Por Internet y Teléfono**

Sitio web: **ftb.ca.gov**
Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos
TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla

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# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Liisa Behrends, Interim Finance Director

**SUBJECT:** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING THE OPERATING BUDGET FOR THE FISCAL YEAR 2014/2015, PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

## RECOMMENDATION

Adopt Resolution No. 104-2015 amending the Fiscal Year 2014/15 Adopted Budget to establish the Community Enhancement/Measure H Fund and amending the budget for the Traffic Mitigation Impact Fee Fund and Storm Drain Enterprise Fund.

## RESULT OF RECOMMENDED ACTION

The Fiscal Year 2014/15 Adopted Budget will be amended to reflect variances in expenses not originally anticipated in the budget. This amendment will bring our approved appropriations for these specific funds in line with our actual anticipated expenditures for Fiscal Year 2014/15. The General Fund does not require a budget increase, however an adjustment to the transfers out is needed with an offsetting decrease in professional services.

## BACKGROUND

The City operates on a fiscal year that begins July 1 and ends June 30 of each year. The City financial operations are governed by a "budget document". The Fiscal Years 2013/14 and 2014/15 Proposed Budget was first submitted to Council in a workshop on May 20, 2013 and was adopted by the City Council on June 3, 2013. The budget was subsequently amended on June 16, 2014 to include additional grant funding that was secured by the Public Works Department. The budget was again amended on June 1, 2015.

In conjunction with the Finance Director and the City Manager, city departments monitor their budgets very closely throughout the year. Since the appropriations set the legal spending limit, the Finance Department is requesting an amendment to the budget to adjust for these variations. Attachment 1 illustrates the funds in question and highlights the proposed amendments, which are required for the following purposes:

Community Enhancement/Measure H Fund

A budget amendment is required to establish the new fund to account for the Community Enhancement/Measure H monies. The new Community Enhancement/Measure H fund will allow the Council to have discretion over how these revenues are to be spent as well as allowing for the transparency and accountability the Council and public have requested.

Special Revenue Funds

Significant capital improvements have been funded by the Traffic Mitigation Impact Fee Fund, including the Rancho Cordova Parkway Interchange, Femoyer Street and White Rock Road Improvements.

Enterprise Funds

At the beginning of this year, Public Works transitioned the operation of the Storm Drain system from the County of Sacramento to City staff. A budget amendment is required to reflect the additional monies spent for repairs and maintenance.

## ATTACHMENT

Resolution No. 104-2015 including **(Exhibit A)** Schedule of Proposed Budget Adjustments By Fund.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 104-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING THE OPERATING BUDGET FOR THE FISCAL YEAR 2014/2015, PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

**RECITALS**

**WHEREAS**, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Years 2013/14 and 2014/15 Proposed Budget; and

**WHEREAS,** after examination, deliberation and due consideration, the City Council has approved the same with the passage of Resolution No. 63-2013; and

**WHEREAS**, to keep the budget current it becomes necessary to amend the budget and various schedules on a periodic basis as events necessitate; and

**WHEREAS**, the Fiscal Year 2014/15 will be amended as shown on the attached Exhibit A.

**DECISION**

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

1. The Fiscal Year 2014/15 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments; and

2. That the amounts stated in the Schedule of Proposed Budget Amendments shall become and thereafter be appropriated to funds stated therein and said monies are hereby appropriated; and

3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ___ day of __________, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

**EXHIBIT A**

**City of Rancho Cordova**
**Proposed Expenditure Budget Adjustments**
**Fiscal Year 2014-2015**

| Fund Number | Fund Name | Original Adopted Expenditure Budget | Proposed Adjustment | Proposed Final Expenditure Budget |
|---|---|---|---|---|
| **General Funds:** | | | | |
| 1100 | Community Enhancement/Measure H Fund | $ - | 475,000 | $ 475,000 |
| **Special Revenue Funds:** | | | | |
| 2250 | Traffic Mitigation Impact Fees | $ 1,037,000 | 1,200,000 | $ 2,237,000 |
| **Enterprise Funds:** | | | | |
| 5300 | Storm Drain | $ 2,000,000 | 200,000 | $ 2,200,000 |

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Michelle Mingay, Senior Finance Analyst

**SUBJECT:** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO EXECUTE CERTAIN DOCUMENTS REQUIRED BY THE STATE BOARD OF EQUALIZATION TO COLLECT THE CITY'S UTILITY USERS' TAX ON PREPAID WIRELESS SERVICES AND AUTHORIZING THE EXAMINATION OF PREPARED MOBILE TELEPHONE SERVICE CHARGES AND LOCAL CHARGE RECORDS**

## RECOMMENDATION

Adopt Resolution No. 90-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of this Resolution will authorize the State Board of Equalization (BOE) to collect the City's Utility Users' Tax (UUT) for prepaid mobile telephone services (also referred to as prepaid wireless) as approved by AB 1717.

## BACKGROUND

Traditionally, a city's UUT is collected by telecommunications service providers who include the charge on their customers' monthly invoices. In contrast to this arrangement, customers who purchase prepaid wireless or mobile telephone services usually avoid paying any UUT due to collection complications. With prepaid mobile telephone services, there is no contract, no monthly invoices, and the prepaid wireless services are usually sold by retailers, not service providers themselves. It is estimated that approximately 70% of all prepaid wireless services are sold by retailers. Since these transactions bypass our local UUT collect channels, the City has experienced a significant loss of revenues as customers expand their use of prepaid wireless telephone services. Additionally, traditional phone plan users are treated disparately since the burden of the UUT is not equally shared among all telephone users.

Beginning January 1, 2016, AB 1717 will take effect and solve the collection problem by requiring California retailers and online sellers to collect the local UUT at the same time they collect sales tax on other retail products, based on the point of sale (for retail stores in our City). Under this new law, all local jurisdictions have to contract with the State Board of Equalization (BOE) in order to receive UUT imposed on consumers of prepaid mobile phone service. It should be noted that AB 1717 has a sunset provision of 2020, but it is expected that the Legislature will permanently renew AB 1717 if the actual cost of collection proves to be reasonable and the level of collections are as anticipated.

In order to receive the UUT collected by the BOE commencing on January 1, 2016, the City Manager and the City Attorney must execute certain documents required by the State BOE on or before September 1, 2015. This agreement between the City and the BOE allow for the collection of local charges by the State. If the City elects not to contract with the BOE, it will not receive this revenue. The documents also authorize certain City employees and our UUT revenue consultants to examine the local charge records and surcharges on prepaid mobile telephone services.

**FISCAL IMPACT**

Beginning January 1, 2016, AB 1717 will take effect and allow the City to commence collecting Utility User's Tax (UUT) on prepaid wireless services. While the actual impact of this new revenue source is unknown, the City's UUT revenue consultant (Muni Services) estimates it will range from 15% to 20% of current UUT telecommunication revenues. This estimate is a statewide average, and individual cities will vary depending on their demographics and the number of large retail stores (located in a city) selling prepaid wireless services. For our City, this 15-20% increase equates to an estimated annual UUT of $91,000 to $121,200. The City will be required to reimburse the State Board of Equalization (BOE) for its implementation costs, with the City's share estimated to be approximately 5 to 6% of the total amounts collected on behalf of the City, or approximately $4,600 to $6,100 annually. The BOE costs, and the City's proportionate share, are expected to decline after the first year. The estimated net impact to the Fiscal Year 2015/16 General Fund Operating Budget is an increase of revenues of approximately $25,000.

**ATTACHMENTS**

1. Resolution No. 90-2015
2. Agreement with the State Board of Equalization
3. Certification
4. UUT Ordinance No. 9-2010

2504333.1

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 90-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO EXECUTE CERTAIN DOCUMENTS REQUIRED BY THE STATE BOARD OF EQUALIZATION TO COLLECT THE CITY'S UTILITY USERS' TAX ON PREPAID WIRELESS SERVICES AND AUTHORIZING THE EXAMINATION OF PREPAID MOBILE TELEPHONY SERVICE SURCHARGES AND LOCAL CHARGE RECORDS**

**WHEREAS**, the Utility Users' Tax Ordinance No. 9-2010 of the City of Rancho Cordova and the Local Prepaid Mobile Telephony Services Collection Act, the City of Rancho Cordova (the "City"), authorize the imposition and collection of a utility users' tax (UUT) ; and

**WHEREAS,** the City seeks to enter into an agreement with the State Board of Equalization (the "Board") to perform all functions incident to the administration and collection of the prepaid mobile telephony services surcharge and local charges (Rev. & Tax. Code, § 42101.5); and

**WHEREAS**, the Board the requires that the City execute certain documents regarding the collection of the City's UUT including, authorizing, by resolution, the examination of records relating to the prepaid mobile telephone services surcharge; submitting a certification by the City Attorney of the City's UUT ordinance and other related documents on or before September 1, 2015 in order to commence collection of the City's UUT for prepaid mobile telephone services by January 1, 2016; and

**WHEREAS,** the City deems it desirable and necessary for authorized representatives of the City to examine confidential prepaid mobile telephony services surcharge and local charge records pertaining to the prepaid mobile telephony services surcharge and local charges collected by the Board for the City pursuant to that contract; and

**WHEREAS**, Sections 42110 and 42103 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from the prepaid mobile telephony services surcharge and local charge records of the Board.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA THAT:**

1. The City Manager and City Attorney are authorized to execute an agreement with the State Board of Equalization and submit required documents, attached hereto as Exhibits A, B, and C and as approved by the City Attorney, to administer and collect the City's UUT for prepaid wireless services.

**ATTACHMENT 1**

2. The City Manager, Assistant City Manager, Finance Director (including anyone serving in such capacity on an interim basis) or such other person or persons as either of them may designate (each an "Authorized Officer") in writing to the Board is hereby authorized to examine prepaid mobile telephony services surcharge and local charge records of the Board pertaining to prepaid mobile telephony services surcharge and local charges collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of the City's prepaid mobile telephony services surcharge and local charges by the Board pursuant to the contract. The Authorized Officers of the City are hereby authorized to examine those prepaid mobile telephony services surcharge and local charge records of the Board for purposes related to the following governmental functions of the City:

    a. Compliance and enforcement of the Utility Users' Tax (local charge)

    b. Administrative functions set out in City's Utility Users' Tax Ordinance No. 9-2010

    c. Legal interpretation and enforcement of Utility Users' Tax Ordinance, including but not limited to refunds and defense of claims against Ordinance.

3. That MuniServices, LLC, the City's UUT revenue consultant, is hereby designated to examine the prepaid mobile telephony services surcharge and local charge records of the Board pertaining to prepaid mobile telephony services surcharge and local charges collected for the City by the Board. The City's contract with MuniServices LLC meets the conditions and limitations set forth in Revenue and Taxation Code Section 42110, subd. (b)(2) and Section 42103, subd. (g), including but not limited to:

    a. Has an existing contract with the City that authorized the person to examine the prepaid mobile telephony service surcharges and local charge records;

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

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

___________________________
Robert J. McGarvey, Mayor

**ATTEST:**

___________________________
Mindy Cuppy, MMC, City Clerk

Local Jurisdiction _______________

# AGREEMENT FOR STATE COLLECTION AND ADMINISTRATION OF LOCAL CHARGES

This Agreement is for the purpose of implementing the Local Prepaid Mobile Telephony Services Collection Act (Part 21.1, commencing with Section 42100) of Division 2 of the Revenue and Taxation Code), hereinafter referred to as the Local Charge Act. The ________________________________ and the State Board of Equalization, hereinafter called
Insert name of local jurisdiction
the Board, do agree as follows:

## ARTICLE I
DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in this Agreement they shall be interpreted to mean the following:

**A. "Administrative Expenses"** means all expenses incurred by the Board in the administration and collection of the local charges, including preparation and wind down costs which are reimbursable to the Board from the revenues collected by the Board on behalf of the local jurisdiction.

**B. "Contingent Fee"** includes, but is not limited to, a fee that is based on a percentage of the tax liability reported on a return, a fee that is based on a percentage of the taxes owed, or a fee that depends on the specific tax result attained.

**C. "Direct Seller"** means a prepaid Mobile Telephony Service (MTS) provider or service supplier, as defined in section 41007, that makes a sale of prepaid mobile telephony services directly to a prepaid consumer for any purpose other than resale in the regular course of business. A direct seller includes, but is not limited to, a telephone corporation, a person that provides an interconnected Voice over Internet Protocol (VoIP) service, and a retailer as described in section 42004(b)(1).

**D. "Local Charges"** means a utility user tax imposed on the consumption of prepaid mobile telephony services, as described in section 42102, and charges for access to communication services or to local "911" emergency telephone systems imposed by a local jurisdiction, as described in section 42102.5.

**E. "Local Jurisdiction" or "local agency"** means a city, county, or city and county, which includes a charter city, county, or city and county of this State, which has adopted an ordinance imposing a local charge of the kind described in Part 21.1 of Division 2 of the Revenue and Taxation Code and has entered into a contract with the Board to perform all functions incident to the collection of the local charges.

**F. "Ordinance"** means an ordinance of a local jurisdiction imposing a local charge, including any local enactment relating to the filing of a refund or a claim arising under the ordinance, attached hereto, as amended from time to time.

**G. "Quarterly local charges"** means the total amount of local charges transmitted by the Board to a local jurisdiction for a calendar quarter, as set forth in section 42106(a)(1).

**H. "Refund"** means the amount of local charges deducted by the Board from a local jurisdiction's quarterly local charges in order to pay that jurisdiction's share of a local charge refund due to one taxpayer.

**I. "Section" –** all section references are to the Revenue and Taxation Code.

**J. "Seller"** means a person that sells prepaid mobile telephony service to a person in a retail transaction.

## ARTICLE II
## BOARD ADMINISTRATION AND COLLECTION OF LOCAL CHARGES

**A. Administration.** The Board and the local jurisdiction agree that the Board shall perform functions incident to the collection of the local charges from sellers that are not direct sellers.

**B. Collection.** The Board shall collect the local charges in the same manner as it collects the prepaid MTS Surcharge in the Prepaid Mobile Telephony Services Surcharge Collection Act, subject to specified limitations in the Local Charge Act for which the local jurisdiction is responsible, as set forth in Article III of this Agreement.

**C. Audits.** The Board's audit duties shall be limited to verification that the seller that is not a direct seller complied with the Local Charge Act.

**D. Other applicable laws.** The Board and the local jurisdiction agree that all provisions of law applicable to the administration and operation of the Local Charge Act, Prepaid Mobile Telephony Services Surcharge Collection Act, and the Fee Collection Procedures Law (FCPL) shall be applicable to the collection of local charges. References in the FCPL to feepayer include a person required to pay the local charge, including the seller. All future amendments to applicable laws are automatically incorporated into this Agreement.

**E. Deposit of Local Charges.** All local charges collected by the Board shall be deposited in the Local Charges for Prepaid Mobile Telephony Services Fund in the State Treasury to be held in trust for the local taxing jurisdiction. Local charges shall consist of all taxes, charges, interest, penalties, and other amounts collected and paid to the Board, less payments for refunds and reimbursement to the Board for expenses incurred in the administration and collection of the local charges, including preparation and wind-down costs.

**F. Allocation of Expenses.** The Board shall allocate the total combined annual expenses incurred for administration and collection pursuant to the Prepaid Mobile Telephony Services Surcharge Collection Act and the Local Charge Act on a pro rata basis according to revenues collected for: (1) the emergency telephone users surcharge portion of the prepaid MTS surcharge, (2) the Public Utilities Commission surcharges portion of the prepaid MTS surcharge, and (3) local charges. The Board shall charge a local jurisdiction its pro rata share of the Board's cost of collection and administration.

**G. Transmittal of money.** All local charges collected by the Board shall be transmitted to the local jurisdiction once in each calendar quarter. Transmittals may be made by mail or by deposit to the account of the local jurisdiction in a bank designated by that jurisdiction. The Board shall furnish a statement quarterly indicating the amounts paid and withheld for expenses of the Board.

**H. Rules.** The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and collection of local charges and the distribution of the local charges collected.

**I. Security.** The Board agrees that any security which it hereafter requires to be furnished under the FCPL section 55022 will be upon such terms that it also will be available for the payment of the claims of the local jurisdiction for local taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it, and the local jurisdiction shall not participate in any security now held by the Board.

**J. Records of the Board.**

1. Information obtained by the local jurisdiction from the examination of the Board's records shall be used by the local jurisdiction only for purposes related to the collection of the prepaid mobile telephony services surcharge and local charges by the Board pursuant to this Agreement.

2. When requested by resolution of the legislative body of a local jurisdiction, the Board shall permit any duly authorized officer or employee or other person designated by that resolution to examine any information for its own jurisdiction that is reasonably available to the Board regarding the proper collection and remittance of a local charge of the local jurisdiction by a seller, including a direct seller, subject to the confidentiality requirements of sections 7284.6, 7284.7 and 19542. (sections 42110(b), 42103(e).).

3. The resolution of the local jurisdiction shall certify that any person designated by the resolution, other than an officer and an employee, meets all of the following conditions:

a. Has an existing contract with the local jurisdiction that authorizes the person to examine the prepaid MTS surcharge and local charge records.

b. Is required by that contract with the local jurisdiction to disclose information contained in or derived from, those records only to an officer or employee of the local jurisdiction authorized by the resolution to examine the information.

c. Is prohibited by that contract from performing consulting services for a seller during the term of that contract.

d. Is prohibited by that contract from retaining information contained in, or derived from, those prepaid MTS surcharge and local charge records, after that contract has expired.

4. Any third party contract between the local jurisdiction and an entity or person authorized by the local jurisdiction to request information from the Board shall be subject to the following limitations:

a. Any third party shall, to the same extent as the Board, be subject to Section 55381, relating to unlawful disclosures.

b. A third party contract shall not provide, in whole or in part, in any manner a contingent fee arrangement as payment for services rendered.

5. Information obtained by examination of Board records shall be used only for purposes related to the collection of the prepaid MTS surcharge and local charges by the board pursuant to the contract, or for purposes related to other governmental functions of the local jurisdiction set forth in the resolution.

6. If the Board believes that any information obtained from the Board's records related to the collection of the prepaid MTS surcharge and local charges has been disclosed to any person not authorized or designated by the resolution of the local jurisdiction, or has been used for purposes not permitted by section 42110(b), the board may impose conditions on access to its local charge records that the board considers reasonable, in order to protect the confidentiality of those records. (section 42110 (c).)

7. The costs incurred by the Board in complying with a request for information shall be deducted by the Board from those revenues collected by the Board on behalf of the local jurisdiction making the request, as authorized by section 42110(b)(1).

## ARTICLE III
## LOCAL JURISDICTION
## ADMINISTRATION AND RESPONSIBILITIES

**A. The local jurisdictions shall be solely responsible for all of the following:**

1. Defending any claim regarding the validity of the ordinance in its application to prepaid mobile telephony service. The claim shall be processed in accordance with the provisions of the local ordinance that allows the claim to be filed.

2. Interpreting any provision of the ordinance, except to the extent specifically superseded by section 42105 of the Local Charge Act. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

3. Responding to specified consumer claims for refund involving: (1) rebutting the presumed location of the retail transaction; (2) a consumer claim of exemption from the local charge under the ordinance; or (3) any action or claim challenging the validity of a local tax ordinance, in whole or part. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

4. Refunding the taxes in the event a local jurisdiction or local government is ordered to refund the tax under the local ordinance.

5. Reallocating local charges as a result of correcting errors relating to the location of the point of sale of a seller or the known address of a consumer, for up to two past quarters from the date of knowledge.

6. Collecting local charges on prepaid mobile telephony service and access to communication services or access to local 911 emergency telephone systems imposed on direct sellers.

7. Enforcement, including audits, of the collection and remittance of local charges by direct sellers pursuant to the ordinance.

8. The local jurisdiction shall be the sole necessary party defendant on whose behalf the local charge is collected in any action seeking to enjoin collection of a local charge by a seller, in any action seeking declaratory relief concerning a local charge, in any action seeking a refund of a local charge, or in any action seeking to otherwise invalidate a local charge. There shall be no recovery from the State for the imposition of any unconstitutional or otherwise invalid local charge that is collected under the Local Act.

9. Entering into an agreement with the Board to perform the functions incident to the collection of the local charges imposed on sellers that are not direct sellers.

10. Submitting an executed Certification to the Board, certifying that:

(a) the local jurisdiction's ordinance applies the local charge to prepaid mobile telephony services;

(b) the amount of the rate charged for access to local 911 emergency telephone systems or access to communications services complies with the requirements of section 42102.5; and/or applies the tiered rate for the utility user tax, as identified in section 42102.

(c) The local jurisdiction shall further certify that it agrees to indemnify and to hold harmless the Board, its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this Agreement.

11. Submitting signed documents to the Board to include agreement(s), certification, copy of ordinance(s), and resolution(s).

12. Providing payment to the Board of the local jurisdiction's pro rata share of the Board's cost of collection and administration as established pursuant to subdivision (e) of section 42020.

# ARTICLE IV
# LOCAL CHARGES

**A. Local Charges – Timeliness – This part shall remain in effect until proposed California Code of Regulations, title 18, section 2460 is adopted by the Board and approved by the Office of Administrative Law.**

**1. Ordinances in effect as of September 1, 2015.**
On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to section 42101.5. Thereafter, all subsequently enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), and (4).

2. New charges. When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

**3. Increases in local charges.** When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

**4. Inaccurate rate posted on the Board's website.** When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate.

**A. Local Charges – Timeliness – This part shall take effect and supersede the above "Local Charges – Timeliness section when California Code of Regulations, title 18, section 2460 is adopted by the Board and approved by the Office of Administrative Law.**

**1. Ordinances in effect as of September 1, 2015.** On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to section 42101.5.

In the event a local jurisdiction does not enter into a contract with the Board by September 1, 2015, the local jurisdiction may enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year. Thereafter, all subsequently enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), (4) and (5) of this subdivision.

**2. New charges.** When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

**3. Increases in local charges.** When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

**4. Advance written notification.** When a local charge is about to expire or decrease in rate, the local jurisdiction imposing the local charge shall notify the Board in writing of the upcoming change, not less than 110 days prior to the date the local charge is scheduled to expire or decrease. The change shall become operative on the first day of the calendar quarter commencing after the specified date of expiration or decrease in rate.

If advance written notice is provided less than 110 days prior to the specified date of expiration or decrease in rate, the change shall become operative on the first day of the calendar quarter commencing more than 60 days after the specified date of expiration or decrease.

**5. Inaccurate Rate Posted on the Board's Web site.** When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated and the local jurisdiction failed to provide advance written notice pursuant to paragraph 4 of this subdivision, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate. The local jurisdiction shall promptly notify the Board in writing of any such discrepancies with the posted rate that are known or discovered by the local jurisdiction.

## ARTICLE V
## COMPENSATION

The local jurisdiction agrees to pay the Board its pro rata share of the Board's cost of collection and administration of the local charges, as established pursuant to section 42020, subdivision (e). Such amounts shall be deducted from the local charges collected by the Board for the local jurisdiction.

## ARTICLE VI
## MISCELLANEOUS PROVISIONS

**A. Communications.** Communications and notices may be sent by first-class United States Mail. A notification is complete when deposited in the mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0001

Attention: Supervisor,
Local Revenue Allocation Unit

Communications and notices to be sent to the local jurisdiction shall be addressed to:

**B. Term.** The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on the first day of the calendar quarter next succeeding the date of such approval, but in no case before the operative date of the local jurisdiction's ordinance, nor on a day other than the first day of a calendar quarter. This Agreement shall be renewed automatically from year to year until January 1, 2020, when the Local Charge Act is repealed, unless a statute enacted prior to that date extends that date. In such event, this Agreement will continue to renew automatically from year to year to the date authorized by statute.

**STATE BOARD OF EQUALIZATION**

By______________________________
Administrator,
Return Analysis and Allocation Section

LOCAL
JURISDICTION_________________

By______________________________
*(Signature on this line)*

________________________________
*(Type name here)*

________________________________
*(Type title here)*

# CERTIFICATION

I, ________________ am authorized to sign this certification on behalf of _________________.
(Insert name of local jurisdiction)

I certify to the following:

*Please check all the following that apply to your jurisdiction:*

1. ___ **911 Charges/Access to Communication Services** - Ordinance No. ____ of the ________________ (Insert name of local jurisdiction) imposes the local charge set forth in the ordinance to prepaid mobile telephony services for access to communication services or to local 911 emergency telephone systems. As required by section 42102.5, the percentage reflecting the rate for access to the local 911 emergency telephone systems or access to communications services is ________.

2. ___ **Utility User Tax** - Ordinance No. ____ of the ________________ (Insert name of local jurisdiction) imposes the local charge set forth in the ordinance to the consumption of prepaid mobile telephony services. The tiered rate for the utility user tax, as identified in section 42102 is ___________.

3. The _________________ (Insert name of local jurisdiction) agrees to indemnify and to hold harmless the Board of Equalization (Board), its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this agreement.

Executed in the __________________________________ (Insert name of local jurisdiction) on ___________________ (Add date).

Printed name ____________________________________

Title of person ______________________________

# ORDINANCE NO. 9-2010

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 3.40 OF THE RANCHO CORDOVA MUNICIPAL CODE WITH RESPECT TO A UTILITY USERS' TAX

**WHEREAS,** the City desires to update the definitions of telecommunication and video (cable-like) services in the City's Municipal Code Chapter 3.40 pertaining to the utility users' tax in order that taxpayers be treated the same regardless of the technology used; and

**WHEREAS,** California Constitution Article XIIIC, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS,** California Constitution Article XIIIC, Section 2, provides that a measure proposing to impose, extend or increase a general tax must be consolidated with a regularly scheduled general election for members of the City Council.

**THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:**

SECTION 1: Chapter 3.40 of the Municipal Code is hereby deleted and replaced in its entirety to read as follows:

## CHAPTER 3.40

## UTILITY USERS' TAX

**3.40.010 Short Title.**

This Chapter shall be known as the "Utility Users' Tax Ordinance" of the City.

**3.40.020 Definitions.**

The following words and phrases whenever used in this Chapter shall be construed as defined in this section.

(a) "Ancillary telecommunication services" means services that are associated with or incidental to the provision, use or enjoyment of telecommunications services, including but not limited to the following services:

(1) "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunications services used to reach the conference bridge.

(2) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

(3) "Directory assistance" means an ancillary service of providing telephone number information, and/or address information.

(4) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

(5) "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.

(b) "Ancillary video services" means services that are associated with or incidental to the provision or delivery of video services, including but not limited to electronic program guide services, search functions, recording services, or other interactive services or communications that are associated with or incidental to the provision, use or enjoyment of video services.

(c) "Billing Address" shall mean the mailing address of the service user where the service supplier submits invoices or bills for payment by the customer.

(d) "City" shall mean the City of Rancho Cordova.

(e) "Gas" shall mean natural or manufactured gas or any alternate hydrocarbon fuel which may be substituted therefor.

(f) "Mobile Telecommunications Service" has the meaning and usage as set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124) and the regulations thereunder.

(g) "Month" shall mean a calendar month.

(h) "Non-Utility Service Supplier" means:

(1) a service supplier, other than a supplier of electric distribution services to all or a significant portion of the City, which generates electricity for sale to others, and shall include but is not limited to any publicly-owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator (*15 U.S.C. Section 79z-5a*), municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity;

(2) an electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the City, which sells or supplies electricity or supplemental services to electricity users within the City; or

(3) a gas service supplier, aggregator, marketer or broker, other than a supplier of gas distribution services to all or a significant portion of the City, which sells or supplies gas or supplemental services to gas users within the City.

(i) "Paging service" means a "telecommunications service" that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

(j) "Person" shall mean, without limitation, any natural individual, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and non-profit), municipal district or municipal corporation (other than the City), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

(k) "Place of Primary Use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer.

(l) "Post-paid telecommunication service" means the telecommunication service obtained by making a payment on a telecommunication-by-telecommunication basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a service number which is not associated with the origination or termination of the telecommunication service.

(m) "Prepaid telecommunication service" means the right to access telecommunication services, which must be paid for in advance and which enables the origination of telecommunications using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

(n) "Private telecommunication service" means a telecommunication service that entitles the customer to exclusive or priority use of a telecommunications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels. A telecommunications channel is a physical or virtual path of telecommunications over which signals are transmitted between or among customer channel termination points (i.e., the location where the customer either inputs or receives the telecommunications).

(o) "Service Address" shall mean the residential street address or the business street address of the service user. For a telecommunication or video service user, "service address" means either:

(1) The location of the service user's telecommunication or video equipment from which the communication originates or terminates, regardless of where the communication is billed or paid; or,

(2) If the location in subsection (1) of this definition is unknown (*e.g.,* mobile telecommunications service or VoIP service), the service address shall mean- the location of the service user's place of primary use.

(3) For prepaid telecommunication service, "service address" shall mean the location associated with the service number, or if unknown, the point of sale of the services.

(p) "Service Supplier" shall mean any entity or person, including the City, that provides telecommunication or video service to a user of such service within the City.

(q) "Service User" shall mean a person required to pay a tax imposed under the provisions of this Article.

(r) "State" shall mean the State of California.

(s) "Streamlined Sales and Use Tax Agreement shall mean the multi-state agreement commonly known and referred to as the Streamlined Sales and Use Tax Agreement, and as it is amended from time to time.

(t) "Tax Administrator" means the Finance Director of the City or his or her designee.

(u) "Telecommunications services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points, whatever the technology used. The term "telecommunications services" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such services are referred to as voice over internet protocol (VoIP) services or are classified by the Federal Telecommunications Commission as enhanced or value added, and includes video and/or data services that is functionally integrated with "telecommunication services". "Telecommunications services" include, but are not limited to the following services, regardless of the manner or basis on which such services are calculated or billed: ancillary telecommunication services; intrastate, interstate, and international telecommunication services; mobile telecommunications service; prepaid telecommunication service; post-paid telecommunication service; private telecommunication service; paging service; 800 service (or any other toll-free numbers designated by the Federal Telecommunications Commission); 900 service (or any other similar numbers designated by the Federal Telecommunications Commission for services whereby subscribers who call in to pre-recorded or live service).

(v) "Video Programming" means those programming services commonly provided to subscribers by a "video service supplier" including but not limited to basic services, premium services, audio services, video games, pay-per-view services, video on demand, origination programming, or any other similar services, regardless of the content of such video programming, or the technology used to deliver such services, and regardless of the manner or basis on which such services are calculated or billed.

(w) "Video Services" means "video programming" and any and all services related to the providing, recording, delivering, use or enjoyment of "video programming" (including origination programming and programming using Internet Protocol, e.g., IP-TV and IP-Video) using one or more channels by a "video service supplier", regardless of the technology used to deliver, store or provide such services, and regardless of the manner or basis on which such services are calculated or billed, and includes ancillary video services, data services, "telecommunication services", or interactive communication services that are functionally integrated with "video services".

(x) "Video Service Supplier" means any person, company, or service which provides or sells one or more channels of video programming, or provides or sells the capability to receive one or more channels of video programming, including any telecommunications that are ancillary, necessary or common to the provision, use or enjoyment of the video programming, to or from a business or residential address in the City, where some fee is paid, whether directly or included in dues or rental charges for that service, whether or not public rights-of-way are utilized in the delivery of the video programming or telecommunications. A "video service supplier" includes, but is not limited to, multichannel video programming distributors [as defined in 47 U.S.C.A. Section 522(13)]; open video systems (OVS) suppliers; and suppliers of cable television; master antenna television; satellite master antenna television; multichannel multipoint distribution services (MMDS); video services using internet protocol (e.g., IP-TV and IP-Video, which provide, among other things, broadcasting and video on demand), direct broadcast satellite to the extent federal law permits taxation of its video services, now or in the future; and other suppliers of video services (including two-way communications), whatever their technology.

(y) VoIP (voice over internet protocol) means the digital process of making and receiving real-time voice transmissions over any Internet Protocol network.

(z) "800 service" means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission.

(aa) "900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for: collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900" service, and any subsequent numbers designated by the Federal Communications Commission.

**3.40.030 Constitutional, Statutory and Other Exemptions.**

(a) Nothing in this Chapter shall be construed as imposing a tax upon any person or service when the imposition of such tax upon such person or service would be in violation of a federal or state statute, the Constitution of the United States or the Constitution of the State.

(b) Any service user that is exempt from the tax imposed by this Chapter pursuant to subsection (a) of this section shall file an application with the Tax Administrator for an exemption; provided, however, this requirement shall not apply to a service user that is a state or federal agency or subdivision with a commonly recognized name for such service. Said application shall be made upon a form approved by the Tax Administrator and shall state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and shall include the names of all utility service suppliers serving that service user. If deemed exempt by the Tax Administrator, such service user shall give the Tax Administrator timely written notice of any change in utility service suppliers so that the Tax Administrator can properly notify the new utility service supplier of the service users' tax exempt status. A service user that fails to comply with this section shall not be entitled to a refund of utility users' taxes collected and remitted to the Tax Administrator from such service user as a result of such noncompliance.

The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

The City Council may, by resolution, establish one or more classes of persons or one or more classes of utility service otherwise subject to payment of a tax imposed by this Chapter and provide that such classes of persons or service shall be exempt, in whole or in part from such tax for a specified period of time.

**3.40.040 Telecommunication Users' Tax.**

(a) There is hereby imposed a tax upon every person in the City using telecommunication services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the City, are used, in whole or in part, within the City's boundaries, and such services are subject to taxation under this Chapter. There is also a rebuttable presumption that prepaid telecommunication services sold within the City are used, in whole or in part, within the City and are therefore subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used for purposes of imposing the tax. As used in this Section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.

(b) "Mobile Telecommunications Service" shall be sourced in accordance with the sourcing rules set forth in the *Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124).* The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, sourcing rules for the taxation of other telecommunication services, including but not limited to post-paid telecommunication services, prepaid telecommunication services, VoIP, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multi-jurisdictional taxation (*e.g.,* Streamline Sales and Use Tax Agreement).

(c) The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those telecommunication services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(d) As used in this section, the term "telecommunication services" shall include, but are not limited to charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features(including but not limited to call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital downloads that are not "ancillary telecommunications services", such as books, music, ringtones, games, and similar digital products.

(e) To prevent actual multi-jurisdictional taxation of telecommunication services subject to tax under this section, any service user, upon proof to the Tax Administrator that the service user has previously paid the same tax in another state or local jurisdiction on such telecommunication services, shall be allowed a credit against the tax imposed to the extent of the amount of such tax legally imposed in such other state or local jurisdiction; provided, however, the amount of credit shall not exceed the tax owed to the City under this section.

(f) The tax on telecommunication services imposed by this section shall be collected from the service user by the service supplier. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

**3.40.050 Video Users' Tax.**

(a) There is hereby imposed a tax upon every person in the City using video services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the video service supplier or its billing agent. There is a rebuttable presumption that video services, which are billed to a billing or service address in the City, are used, in whole or in part, within the City's boundaries, and such services are subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used for purposes of imposing the tax.

(b) As used in this section, the term "charges" shall include, but is not limited to, charges for the following:

(1) regulatory fees and surcharges, franchise fees and access fees (PEG);

(2) initial installation of equipment necessary for provision and receipt of video services;

(3) late fees, collection fees, bad debt recoveries, and return check fees;

(4) activation fees, reactivation fees, and reconnection fees;

(5) video programming and video services;

(6) ancillary video programming services (e.g., electronic program guide services, search functions, recording functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of the video services);

(7) equipment leases (e.g., remote, recording and/or search devises; converters); and,

(8) service calls, service protection plans, name changes, changes of services, and special services.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the video services.

(d) The Tax Administrator may issue and disseminate to video service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those video services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(e) The tax imposed by this section shall be collected from the service user by the video service supplier, its billing agent, or a reseller of such services. In the case of video service, the service user shall be deemed to be the purchaser of the bulk video service (e.g., an apartment owner), unless such service is resold to individual users, in which case the service user shall be the ultimate purchaser of the video service. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth ($20^{th}$) day of the following month.

**3.40.060 Electricity Users Tax.**

(a) There is hereby imposed a tax upon every person using electricity in the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such electricity, and for any supplemental services or other associated activities directly related to and/or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent. Notwithstanding the foregoing, the first forty-five dollars ($45.00) in total monthly charges made for electrical energy to a residential service user shall be exempt from the tax levied by this Section 3.40.060.

(b) As used in this section, the term "charges" shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

(1) energy charges;

(2) distribution or transmission charges;

(3) metering charges;

(4) stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar charges for supplemental services to self-generation service users;

(5) customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public purpose program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use or enjoyment of electric service; and,

(6) charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the electricity or services related to the provision of such electricity.

(d) The Tax Administrator, from time to time, may survey the electric service suppliers to identify the various unbundled billing components of electric retail service that they commonly provide to residential and commercial/industrial customers in the of the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electric service. The Tax Administrator, thereafter, may issue and disseminate to such electric service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) As used in this section, the term "using electricity" shall not include the mere receiving of such electricity by an electrical corporation or governmental agency at a point within the City for resale.

(f) The tax on electricity provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20th) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.

**3.40.070 Gas Users' Tax.**

(a) There is hereby imposed a tax upon every person using gas in the City, which is transported and delivered through a pipeline or by mobile transport. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent, and shall apply to all uses of gas, including but not limited to, heating, electricity generation, and the use of gas as a component of a manufactured product. Notwithstanding the foregoing, the charges made for the baseline rate usage approved by the California Public Utilities Commission for gas furnished to a residential service user shall be exempt from the tax levied by this Section 3.40.080.

(b) As used in this section, the term "charges" shall apply to all services, components and items for gas service that are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

(1) the commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production and delivery of such gas), which is delivered through a gas pipeline distribution system;

(2) gas transportation charges (including interstate charges to the extent not included in commodity charges);
(3) storage charges; provided, however, that the service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction where such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;

(4) capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use or enjoyment of gas service; and,

(5) charges, fees, or surcharges for gas services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the gas or services related to the delivery of such gas.

(d) The Tax Administrator, from time to time, may survey the gas service suppliers to identify the various unbundled billing components of gas retail service that they commonly provide to residential and commercial/industrial customers in the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The Tax Administrator, thereafter, may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) There shall be excluded from the calculation of the tax imposed in this section, charges made for gas which is to be resold and delivered through a pipeline distribution system.

(f) The tax on gas provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for gas imposed by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator, on or before the twentieth (20th) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20th) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.

**3.40.080 Collection of Tax from Service Users Receiving Direct Purchase of Gas or Electricity.**

(a) Any service user subject to the tax imposed by Section 3.40.060 or by Section 3.40.070 of this Chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not under the jurisdiction of this Chapter; or which, for any other reason, is not having the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the City, including any related supplemental services, shall report said fact to the Tax Administrator and shall remit the tax due directly to the Tax Administrator within thirty (30) days of such use, based on the charges for, or value of, such gas or electricity, or supplemental services, as provided in subsection (b). In lieu of paying said actual tax, the service user may, at its option, remit to the Tax Administrator within thirty (30) days of such use an estimated amount of tax measured by the tax billed in the previous month, or upon the payment pattern of similar customers of the service supplier using similar amounts of gas or electricity, provided that the service user shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator in writing, may be applied against any subsequent tax bill that becomes due.

(b) The Tax Administrator may require said service user to identify its non-utility service supplier, and otherwise provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the administrative cost of calculating the tax in the opinion of the Tax Administrator is excessive, the Tax Administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the service supplier that is the primary supplier of gas or electricity within the City. Rate schedules for this purpose shall be available from the City.

**3.40.090 Sewer Tax.**

(a) There is hereby imposed a tax upon every person in the City using sewer services within the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such sewer service. The tax shall be paid by the person using such sewer service.

(b) As used in this section, the term “charges” shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of sewer service; or, ii) currently are or historically have been included in a single or bundled rate for sewer service to retail customers. The term “charges” shall include, but is not limited to, the following charges:

(1) customer charges, late charges, service establishment or reestablishment charges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use or enjoyment of sewer service; and,

(2) charges, fees, or surcharges for sewer services or programs, which are mandated by the City, a state or federal agency, whether or not such

charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) The tax on sewer service imposed by this section shall be collected from the service user by the sewer service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

**3.40.100 Bundling Taxable Items with Non-Taxable Items.**

If any nontaxable charges are combined with and not separately stated from taxable service charges on the customer bill or invoice of a service supplier, the combined charge is subject to tax unless the service supplier identifies, by reasonable and verifiable standards, the portions of the combined charge that are nontaxable and taxable through the service supplier's books and records kept in the regular course of business, and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. If the service supplier offers a combination of taxable and non-taxable services, and the charges are separately stated, then for taxation purposes, the values assigned the taxable and non-taxable services shall be based on its books and records kept in the regular course of business and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. The service supplier has the burden of proving the proper valuation and apportionment of the taxable and non-taxable services.

**3.40.110 Substantial Nexus / Minimum Contacts.**

For purposes of imposing a tax or establishing a duty to collect and remit a tax under this Chapter, "substantial nexus" and "minimum contacts" shall be construed broadly in favor of the imposition, collection and/or remittance of the utility users tax to the fullest extent permitted by state and federal law, and as it may change from time to time by judicial interpretation or by statutory enactment. Any telecommunication service (including VoIP) used by a person with a service address in the City, which service is capable of terminating a call to another person on the general telephone network, shall be subject to a rebuttable presumption that "substantial nexus/minimum contacts" exists for purposes of imposing a tax, or establishing a duty to collect and remit a tax, under this Chapter. A service supplier shall be deemed to have sufficient activity in the City for tax collection and remittance purposes if its activities include, but are not limited to, any of the following: maintains or has within the City, directly or through an agent, affiliate, or subsidiary, a place of business of any nature; solicits business in the City by employees, independent contractors, resellers, agents or other representatives; solicits business in the City on a continuous, regular, seasonal or systematic basis by means of advertising that is broadcast or relayed from a transmitter within the City or distributed from a location within the City; or advertises in newspapers or other periodicals printed and published within the City or through materials distributed in the City by means other than the United States mail; or if there are activities performed in the City on behalf of the service supplier that are significantly associated with the service supplier's ability to establish and maintain a market in the City for the provision of utility services that are subject to a tax under this Chapter.

**3.40.120 Duty to Collect-Procedures.**

(a) **Collection by Service Suppliers.** The duty of service suppliers to collect and remit the taxes imposed by the provisions of this Chapter shall be performed as follows:

(1) The tax shall be collected by service suppliers insofar as practicable at the same time as, and along with, the collection of the charges made in accordance with the regular billing practice of the service supplier. Where the amount paid by a service user to a service supplier is less than the full amount of the charge and tax which was accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. In those cases where a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 3.40.160 shall apply.

(2) The duty of a service supplier to collect the tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user where all charges normally included in such regular billing are subject to the provisions of this Chapter. Where a service user receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.

(b) **Filing Return and Payment.** Each person required by this Chapter to remit a tax shall file a return to the Tax Administrator, on forms approved by the Tax Administrator, on or before the due date. The full amount of the tax collected shall be included with the return and filed with the Tax Administrator. The Tax Administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this Chapter. Returns are due immediately upon cessation of business for any reason. Pursuant to *Revenue and Tax Code Section 7284.6*, the Tax Administrator, and its agents, shall maintain such filing returns as confidential information that is exempt from the disclosure provisions of the Public Records Act.

**3.40.130 Collection Penalties – Service Suppliers.**

(a) Taxes collected by service supplier from a service user are delinquent if not received by the Tax Administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the Tax Administrator on the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the City's account on the following business day.

(b) If the person required to collect and/or remit the utility users' tax fails to collect the tax (by failing to properly assess the tax on one or more services or charges on the customer's billing) or fails to remit the tax collected on or before the due date, the Tax Administrator shall attach a penalty for such delinquencies or deficiencies at the rate of fifteen (15%) percent of the total tax that is delinquent or deficient in the remittance, and shall pay interest at the rate of and 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.

(c) The Tax Administrator shall have the power to impose additional penalties upon persons required to collect and remit taxes pursuant to the provisions of this Chapter for fraud or gross negligence in reporting or remitting at the rate of fifteen (15%) percent of the amount of the tax collected and/or required to be remitted, or as recomputed by the Tax Administrator.

(d) For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax herein required to be paid.

(e) Notwithstanding the foregoing, the Tax Administrator may, in his or her discretion, modify the due dates of this Chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism.

**3.40.140 Actions to Collect.** Any tax required to be paid by a service user under the provisions of this Chapter shall be deemed a debt owed by the service user to the City. Any such tax collected from a service user which has not been remitted to the Tax Administrator shall be deemed a debt owed to the City by the person required to collect and remit and shall no longer be a debt of the service user. Any person owing money to the City under the provisions of this Chapter shall be liable to an action brought in the name of the City for the recovery of such amount, including penalties and interest as provided for in this Chapter, along with any collection costs incurred by the City as a result of the person's noncompliance with this Chapter, including, but not limited to, reasonable attorneys fees. Any tax required to be collected by a service supplier or owed by a service user is an unsecured priority excise tax obligation under *11 U.S.C.A. Section 507(a)(8)(C)*. Service suppliers who seek to collect charges for service in bankruptcy proceedings shall also include in any such claim the amount of taxes due the City for those services, unless the Tax Administrator determines that such duty is in conflict with any federal or state law, rule, or regulation or that such action would be administratively impractical.

**3.40.150 Deficiency Determination and Assessment – Tax Application Errors.**

(a) The Tax Administrator shall make a deficiency determination if he or she determines that any service supplier or service user required to pay, collect, and/or remit taxes pursuant to the provisions of this Chapter has failed to pay, collect, and/or remit the proper amount of tax by improperly or failing to apply the tax to one or more taxable services or charges. Nothing herein shall require that the Tax Administrator institute proceedings under this Section 3.40.150 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) The Tax Administrator shall mail a notice of such deficiency determination to the person or entity allegedly owing the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax from the date on which the tax should have been received by the City. Within fourteen (14) calendar days after the date of service of such notice, the person or entity allegedly owing the tax may request in writing to the Tax Administrator for a hearing on the matter.

(c) If the person or entity allegedly owing the tax fails to request a hearing within the prescribed time period, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the City. If the person requests a hearing, the Tax Administrator shall cause the matter to be set for hearing, which shall be scheduled within thirty (30) days after receipt of the written request for hearing. Notice of the time and place of the hearing shall be mailed by the Tax Administrator to such person or entity at least ten (10) calendar days prior to the hearing, and, if the Tax Administrator desires said person or entity to produce specific records at such hearing, such notice may designate the records requested to be produced.

(d) At the time fixed for the hearing, the Tax Administrator shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the Tax Administrator, the hearing may be continued from time to time for the purpose of allowing the presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the Tax Administrator shall issue a final assessment (or non-assessment), thereafter, by confirming, modifying or rejecting the original deficiency determination, and shall mail a copy of such final assessment to person or entity owing the tax. The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

(e) Payment of the final assessment shall become delinquent if not received by the Tax Administrator on or before the thirtieth (30th) day following the date of receipt of the notice of final assessment. The penalty for delinquency shall be fifteen percent (15%) on the total amount of the assessment, along with interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid. The applicable statute of limitations regarding a claim by the City seeking payment of a tax assessed under this Chapter shall commence from the date of delinquency as provided in this subsection (e).

(f) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

**3.40.160 Administrative Remedy - Non-Paying Service Users.**

(a) Whenever the Tax Administrator determines that a service user has deliberately withheld the amount of the tax owed by the service user from the amounts remitted to a person required to collect the tax, or whenever the Tax Administrator deems it in the best interest of the City, he or she may relieve such person of the obligation to collect the taxes due under this Chapter from certain named service users for specific billing periods. To the extent the service user has failed to pay the amount of tax owed for a period of two (2) or more billing periods, the service supplier shall be relieved of the obligation to collect taxes due. The service supplier shall provide the City with the names and addresses of such service users and the amounts of taxes owed under the provisions of this Chapter. Nothing herein shall require that the Tax Administrator institute proceedings under this Section 3.40.160 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of fifteen percent (15%) of the total tax that is owed, and shall pay interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.

(c) The Tax Administrator shall notify the non-paying service user that the Tax Administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which billing was made by the person required to collect the tax; or, should the service user have a change of address, to his or her last known address.

(d) If the service user fails to remit the tax to the Tax Administrator within thirty (30) days from the date of the service of the notice upon him or her, the Tax Administrator may impose an additional penalty of fifteen percent (15%) of the amount of the total tax that is owed.

**3.40.170 Additional Powers and Duties of the Tax Administrator.**

(a) The Tax Administrator shall have the power and duty to enforce each and all of the provisions of this Chapter.

(b) The Tax Administrator may adopt administrative rules and regulations consistent with provisions of this Chapter for the purpose of interpreting, clarifying, carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be on file in the Tax Administrator's office. To the extent that the Tax Administrator determines that the tax imposed under this Chapter shall not be collected in full for any period of time from any particular service supplier or service user, that determination shall be considered an exercise of the Tax Administrator's discretion to settle disputes and shall not constitute a change in taxing methodology for purposes of *Government Code Section 53750* or otherwise. The Tax Administrator is not authorized to amend the City's methodology for purposes of *Government Code Section 53750* and the City does not waive or abrogate its ability to impose the utility users' tax in full as a result of promulgating administrative rulings or entering into agreements.

(c) Upon a proper showing of good cause, the Tax Administrator may make administrative agreements, with appropriate conditions, to vary from the strict requirements of this Chapter and thereby: (1) conform to the billing procedures of a particular service supplier so long as said agreements result in the collection of the tax in conformance with the general purpose and scope of this Chapter; or, (2) to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. A copy of each such agreement shall be on file in the Tax Administrator's office, and are voidable by the Tax Administrator or the City at any time.

(d) The Tax Administrator may conduct an audit, to ensure proper compliance with the requirements of this Chapter, of any person required to collect and/or remit a tax pursuant to this Chapter. The Tax Administrator shall notify said person of the initiation of an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed a period of three (3) years next preceding the date of receipt of the written notice by said person from the Tax Administrator. Upon completion of the audit, the Tax Administrator may make a deficiency determination pursuant to Section 3.40.150 of this Chapter for all taxes (and applicable penalties and interest) owed and not paid, as evidenced by information provided by such person to the Tax Administrator. If said person is unable or unwilling to provide sufficient records to enable the Tax Administrator to verify compliance with this Chapter, the Tax Administrator is authorized to make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.

(e) Upon receipt of a written request of a taxpayer, and for good cause, the Tax Administrator may extend the time for filing any statement required pursuant to this Chapter for a period of not to exceed forty-five (45) days, provided that the time for filing the required statement has not already passed when the request is received. No penalty for delinquent payment shall accrue by reason of such extension. Interest shall accrue during said extension at the rate of 75/100ths (0.75%) percent per month, prorated for any portion thereof.

(f) The Tax Administrator shall determine the eligibility of any person who asserts a right to exemption from, or a refund of, the tax imposed by this Chapter.

(g) Notwithstanding any provision in this Chapter to the contrary, the Tax Administrator may waive any penalty or interest imposed upon a person required to collect and/or remit for failure to collect the tax imposed by this Chapter if the non-collection occurred in good faith. In determining whether the non-collection was in good faith, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence.

The Tax Administrator may also participate with other UUT public agencies in conducting coordinated compliance reviews with the goal of achieving administrative efficiency and uniform tax application determinations, where possible. To encourage full disclosure and on-going cooperation on annual compliance reviews, the Tax Administrator, and its agents, may enter into agreements with the tax-collecting service providers and grant prospective only effect on any changes regarding the taxation of services or charges that were previously deemed by the service provider, in good faith and without gross negligence, to be non-taxable. In determining whether the non-collection was in good faith and without gross negligence, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence.

**3.40.180 Records.**

(a) It shall be the duty of every person required to collect and/or remit to the City any tax imposed by this Chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and remittance to the Tax Administrator, which records the Tax Administrator shall have the right to inspect at a reasonable time.

(b) The City, through the City Council, may issue an administrative subpoena to compel a person to deliver, to the Tax Administrator, copies of all records deemed necessary by the Tax Administrator to establish compliance with this Chapter, including the delivery of records in a common electronic format on readily available media if such records are kept electronically by the person in the usual and ordinary course of business. As an alternative to delivering the subpoenaed records to the Tax Administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the City on or before the due date, provided that such person shall reimburse the City for all reasonable travel expenses incurred by the City to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those persons designated by the City to conduct the inspection.

(c) The Tax Administrator is authorized to execute a non-disclosure agreement approved by the City Attorney to protect the confidentiality of customer information pursuant to *California Revenue and Tax Code Sections 7284.6 and 7284.7.*

(d) If a service supplier uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the service supplier shall: i) provide to the Tax Administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the service supplier to bill, collect, and/or remit the tax to the City; and, ii) upon request of the Tax Administrator, deliver, or effect the delivery of, any information or records in the possession of such billing agent or billing aggregator that, in the opinion of the Tax Administrator, is necessary to verify the proper application, calculation, collection and/or remittance of such tax to the City .

(e) If any person subject to record-keeping under this section unreasonably denies the Tax Administrator access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, then the Tax Administrator may impose a penalty of $500 on such person for each day following: i) the initial date that the person refuses to provide such access; or, ii) the due date for production of records as set forth in the administrative subpoena. This penalty shall be in addition to any other penalty imposed under this Chapter.

### 3.40.190 Refunds.

Whenever the amount of any tax has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, it may be refunded as provided in this section:

(a) The Tax Administrator may refund any tax that has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, provided that no refund shall be paid under the provisions of this section unless the claimant or his or her guardian, conservator, executor, or administrator has submitted a written claim to the Tax Administrator within one year of the overpayment or erroneous or illegal collection of said tax. Such claim must clearly establish claimant's right to the refund by written records showing entitlement thereto. Nothing herein shall permit the filing of a claim on behalf of a class or group of taxpayers unless each member of the class has submitted a written claim under penalty of perjury as provided by this subsection. It is the intent of the City Council that the one year written claim requirement of this subsection be given retroactive effect; provided, however, that any claims which arose prior to the commencement of the one year claims period of this subsection, and which are not otherwise barred by a then applicable statute of limitations or claims procedure, must be filed with the Tax Collector as provided in this subsection within ninety days following the effective date of this ordinance.

(b) The City Manager, where the claim is less than the settlement authority established in 2.04.110 of the Municipal Code, or the City Council where the claim is in excess of that amount, shall act upon the refund claim within forty-five (45) days of the initial receipt of the refund claim. Said decision shall be final. If the City Manager/City Council fails or refuses to act on a refund claim within the forty-five (45) day period, the claim shall be deemed to have been rejected by the City Manger/City Council on the forty-fifth (45th) day. The Tax Administrator shall give notice of the action in a form which substantially complies with that set forth in California Government Code Section 913.

(c) The filing of a written claim pursuant to California Government Code Section 935 is a prerequisite to any suit thereon. Any action brought against the City pursuant to this section shall be subject to the provisions of California Government Code Sections 945.6 and 946.

(d) Notwithstanding the notice provisions of subsection (a) of this Section, the Tax Administrator may, at his or her discretion, give written permission to a service supplier, who has collected and remitted any amount of tax in excess of the amount of tax imposed by this Chapter, to claim credit for such overpayment against the amount of tax which is due the City upon a subsequent monthly return(s) to the Tax Administrator, provided that: i) such credit is claimed in a return dated no later than one year from the date of overpayment or erroneous collection of said tax; ii) the Tax Administrator is satisfied that the underlying basis and amount of such credit has been reasonably established; and, iii) in the case of an overpayment by a service user to the service supplier that has been remitted to the City, the Tax Administrator has received proof, to his or her satisfaction, that the overpayment has been refunded by the service supplier to the service user in an amount equal to the requested credit.

### 3.40.200 Appeals.

(a) The provisions of this section apply to any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator. Any person aggrieved by any decision (other than a decision relating to a refund pursuant to Section 3.40.200 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator, shall be required to comply with the appeals procedure of this section. Compliance with this section shall be a prerequisite to a suit thereon. [*See Government Code Section 935(b)*]. Nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

(b) If any person is aggrieved by any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator; he or she may appeal to the City Manager by filing a notice of appeal with the City Clerk within fourteen (14) days of the date of the decision, deficiency determination, assessment, or administrative ruling of the Tax Administrator which aggrieved the service user or service supplier.

(c) The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager, no more than thirty (30) days from the receipt of the appeal. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least five (5) calendar days prior to the hearing. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party, the Tax Administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

(d) Based upon the submission of such evidence and the review of the City's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within fourteen (14) days after the conclusion of the hearing and shall state the reasons for the decision. The notice shall specify that the decision is final and that any petition for judicial review shall be filed within ninety (90) days from the date of the decision in accordance with *Code of Civil Procedure Section 1094.6.*

(e) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

**3.40.210 No Injunction/Writ of Mandate.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this City or against any officer of the City to prevent or enjoin the collection under this Chapter of any tax or any amount of tax required to be collected and/or remitted.

**3.40.220 Notice of Changes to Ordinance.**

If a tax under this Chapter is added repealed, increased, reduced, or the tax base is changed, the Tax Administrator shall follow the notice requirements of *California Public Utilities Code Section 799.*

**3.40.230 Effect of State and Federal Reference/Authorization.**

Unless specifically provided otherwise, any reference to a state or federal statute in this Chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any subsequent amendment thereto, or to any subsequent change of interpretation thereto by a state or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would require voter approval under California law, or to the extent that such change would result in a tax decrease (as a result of excluding all or a part of a utility service, or charge therefor, from taxation). Only to the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

To the extent that the City's authorization to collect or impose any tax imposed under this Chapter is expanded or limited as a result of changes in state or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

**3.40.240 Independent Audit of Tax Collection, Exemption, Remittance, and Expenditure.**

The City shall annually verify that the taxes owed under this Chapter have been properly applied, exempted, collected, and remitted in accordance with this Chapter, and properly expended according to applicable municipal law. The annual verification shall be performed by a qualified independent third party and the review shall employ reasonable, cost-effective steps to assure compliance, including the use of sampling audits. The verification shall not be required of tax remitters where the cost of the verification may exceed the tax revenues to be reviewed.

**3.40.250 Remedies Cumulative.**

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (*Government Code Section 12650 et seq.*) and the California Unfair Practices Act (*Business and Professions Code Section 17070 et seq.*), are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

**3.40.260 Interaction with Prior Tax.**

(a) Collection of Tax by Service Providers. Service providers shall begin to collect the tax imposed by this amended Chapter 3.40 as soon as feasible after the effective date of the Chapter, but in no event later than permitted by *Section 799* of the *California Public Utilities Code*.

(b) Satisfaction of Tax Obligation by Service Users. Prior to April 1, 2011, any person who pays the tax levied pursuant to Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, with respect to any charge for a service shall be deemed to have satisfied his or her obligation to pay the tax levied pursuant to Chapter 3.40 as amended herein, with respect to that charge. The intent of this paragraph is to prevent the imposition of multiple taxes upon a single utility charge during the transition period from the prior Utility Users' Tax ordinance to the amended Utility Users' Tax ordinance (which transition period ends April 1, 2011) and to permit service providers or other persons with an obligation to remit the tax hereunder, during that transition period, to satisfy their collection obligations by collecting either tax.

(c) In the event that a final court order should determine that the election enacting this Chapter 3.40 (as amended herein) is invalid for whatever reason, or that any tax imposed under this Chapter 3.40 (as amended herein) is invalid in whole or in part, then the taxes imposed under

Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, shall automatically continue to apply with respect to any service for which the tax levied pursuant to this Chapter has been determined to be invalid. Such automatic continuation shall be effective beginning as of the first date of service (or billing date) for which the tax imposed by this Chapter is not valid. However, in the event of an invalidation, any tax (other than a tax that is ordered refunded by the court or is otherwise refunded by the City) paid by a person with respect to a service and calculated pursuant to this Chapter 3.40 (as amended herein) shall be deemed to satisfy the tax imposed under Chapter 3.40, as it existed prior to its amendment as provided herein, on that service, so long as the tax is paid with respect to a service provided no later than six months subsequent to the date on which the final court order is published.

**SECTION 2.** **Effective Date.** This Chapter shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November2, 2010, as confirmed by the City Council's declaration of the vote.

**SECTION 3.** **Amendment or Repeal.** Chapter 3.40 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Chapter XIIIC of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax.

2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.

3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance).

4. The collection of the tax imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

**SECTION 4.** **Severability.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**SECTION 5.** **Ratification of Prior Tax.** The voters of the City of Rancho Cordova hereby ratify and approve the past collection of the Utility Users' Tax under Chapter 3.40 of the Municipal Code as it existed prior to the effective date of this Ordinance.

**APPROVED** by the following vote of the People of the City of Rancho Cordova on November 2, 2010

**ADOPTED** by Declaration of the vote by the City Council of the City of Rancho Cordova on December 6, 2010:

**AYES:** Budge, Sander, Skoglund, McGarvey, and Mayor Cooley

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

Ken Cooley, Mayor

**ATTEST:**

Mindy Cuppy, CMC, City Clerk

**APPROVED AS TO FORM:**

Adam U. Lindgren, City Attorney

AGENDA ITEM 8.12

SUCCESSOR AGENCY TO THE FORMER

Community Redevelopment Agency

OF THE CITY OF RANCHO CORDOVA

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Rancho Cordova Successor Agency Director and Members

**FROM:** Michelle Mingay, Senior Finance Analyst

**SUBJECT:** **A RESOLUTION OF THE RANCHO CORDOVA SUCCESSOR AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16B) AND ADMINISTRATIVE BUDGET FOR JANUARY THROUGH JUNE 2016**

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## RECOMMENDATION

Adopt Resolution No. SA-02-2015 Approving a Recognized Obligation Payment Schedule (the "ROPS 15-16B") and Administrative Budget for January 1, 2016 through June 30, 2016.

## RESULT OF RECOMMENDED ACTION

Approval of this resolution will allow the Rancho Cordova Successor Agency to make payments on obligations listed on ROPS 15-16B and establishes the administrative budget for the six month period; to the extent funds are available.

**ADVANCES GOALS:** 5.

## BACKGROUND

Assembly Bill 1x 26 (Stats. 2011, chap.5) added a new Part 1.85 to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.)*, which was subsequently modified by the California Supreme Court in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231 and by Assembly Bill 1484 (Stats. 2012, chap. 26, effective June 27, 2012) (the "Dissolution Act"), and in accordance therewith, all redevelopment agencies in the State of California, including the Community Redevelopment Agency of the City of Rancho Cordova (the "Redevelopment Agency"), were dissolved effective February 1, 2012. Also on this date, all assets, properties, contracts, leases, books and records, building, and equipment of the former Redevelopment Agency were transferred to the Rancho Cordova Successor Agency (the "Successor Agency").

The Successor Agency is required by Section 34177(l) of the Dissolution Act to adopt a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period. The ROPS functions as the Successor Agency's claim for property tax revenue, and general authorization, to pay enforceable obligations. It lists the outstanding obligations of the former Redevelopment Agency, the obligation amount that will be due during the six-month reporting period along with the funding source for each obligation. The Successor Agency can only pay, and will only be allocated property tax revenue by the County Auditor-Controller (the "County AC") for payments of obligations listed on the ROPS; to the extent property tax revenue is available.

Assembly Bill 1484 made certain adjustments and additions to the Dissolution Act procedure for the adoption of a ROPS. New subdivision (m) of Section 34177 states that the Successor Agency must submit an Oversight Board approved ROPS to the Department of Finance (the "DOF") and the County AC no fewer than 90 days (March 1st) before the date of property tax distribution (June 1st). The DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the ROPS is submitted.

ROPS 15-16B is attached to the resolution submitted for approval on the template provided by the DOF. As required by AB 1484, ROPS 15-16B includes a reconciliation of the estimated to actual activity for the ROPS 14-15B, which covers the period of January 1, 2015 through June 30, 2015.
ROPS 15-16B includes all of the items from previous ROPS with the following exceptions:

- The following Line Item has been retired by the Agency and has been removed from the ROPS:
    - Line Item 22 – Appraisal Services – this item is being retired. The Appraisal will be completed during the current ROPS period.

In accordance with Dissolution Act requirements, the Successor Agency will submit the adopted ROPS 15-16B to the Oversight Board for review and approval, at their February board meeting. At the same time the ROPS 15-16B is submitted to the Oversight Board, a copy will also be provided to the county administrative officer, the County AC, and the DOF for review. Following the Oversight Board's approval of ROPS 15-16B, the Successor Agency will submit a certified copy of the ROPS electronically to the DOF to complete the Dissolution Act reporting requirements and start the 45 day review period.

It is important for the reporting process to be completed by the March deadline to avoid significant penalties which have been added to §34177(m)(2) of the Dissolution Act. Those penalties include a civil penalty of $10,000 per day for each day the ROPS is not submitted to the DOF and a 25% reduction to the maximum administrative cost allowance.

**ATTACHMENT**

Resolution No. SA-02-2015 with Exhibits.

# RESOLUTION NO SA-02-2015

## A RESOLUTION OF THE RANCHO CORDOVA SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16B) AND ADMINISTRATIVE BUDGET FOR JANUARY THROUGH JUNE 2016

**WHEREAS**, pursuant to Assembly Bill 1X 26 (Stats. 2011, chap. 5), a new Part 1.85 was added to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et. seq*.), which was subsequently modified by the California Supreme Court in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231 and by Assembly Bill 1484 (Stats. 2012, chap. 26, effective June 27, 2012) (the "Dissolution Act"), and in accordance therewith, all redevelopment agencies in the State of California, including the Community Redevelopment Agency of the City of Rancho Cordova (the "Redevelopment Agency"), were dissolved effective February 1, 2012; and

**WHEREAS**, pursuant to the Dissolution Act, the City of Rancho Cordova became the successor agency (the "Successor Agency") to the former Redevelopment Agency and, by operation of law under Section 34175(b) of the Dissolution Act, all assets, properties, contracts, leases, books and records, building, and equipment of the former Redevelopment Agency (the "redevelopment assets") were transferred to the Successor Agency, on February 1, 2012; and

**WHEREAS**, Section 34177(I) of the Dissolution Act requires the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS") for each six month fiscal period, which lists the outstanding obligation of the former Redevelopment Agency and the source of funds for the payments; and

**WHEREAS**, the Successor Agency has prepared a ROPS for the January 1, 2016 through June 30, 2016, period ("ROPS 15-16B"), attached hereto as (**Exhibit A)**; and

**WHEREAS**, the Successor Agency has prepared the administrative budget (**Exhibit B)**, which estimates the cost for the Successor Agency to comply with the requirements associated with winding down the affairs of the agency.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE BOARD MEMBERS OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA** that:

1. The Successor Agency hereby approves the ROPS 15-16B for the period January 1, 2016 through June 30, 2016, attached hereto as Exhibit A.

2. The Successor Agency hereby approves the Administrative Budget for the period January 1, 2016 through June 30, 2016, attached hereto as Exhibit B.

2. The Successor Agency Secretary is hereby directed to transmit the ROPS 15-16B to the Oversight Board for approval before transmitting the ROPS 15-16B to the Sacramento County Auditor-Controller, State Department of Finance, and the State Controller.

**PASSED AND ADOPTED** by the Board Members of the Rancho Cordova Successor Agency on the _____ day of _____________, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Agency Chair

**ATTEST:**

______________________________
Mindy Cuppy, CMC, Agency Secretary

## Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

**Name of Successor Agency:** **Rancho Cordova**

**Name of County:** Sacramento

| | **Current Period Requested Funding for Outstanding Debt or Obligation** | **Six-Month Total** |
|---|---|---|
| **A** | **Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):** | **$ 227,500** |
| B | Bond Proceeds Funding (ROPS Detail) | - |
| C | Reserve Balance Funding (ROPS Detail) | 227,500 |
| D | Other Funding (ROPS Detail) | - |
| **E** | **Enforceable Obligations Funded with RPTTF Funding (F+G):** | **$ -** |
| F | Non-Administrative Costs (ROPS Detail) | - |
| G | Administrative Costs (ROPS Detail) | - |
| **H** | **Total Current Period Enforceable Obligations (A+E):** | **$ 227,500** |

| | **Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding** | |
|---|---|---|
| **I** | Enforceable Obligations funded with RPTTF (E): | - |
| J | Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | - |
| **K** | **Adjusted Current Period RPTTF Requested Funding (I-J)** | **$ -** |

| | **County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding** | |
|---|---|---|
| L | Enforceable Obligations funded with RPTTF (E): | - |
| M | Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | - |
| **N** | **Adjusted Current Period RPTTF Requested Funding (L-M)** | **-** |

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name                    Title

/s/

Signature                    Date

**AGENDA ITEM 8.13**

**EXHIBIT A**

# Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
## January 1, 2016 through June 30, 2016
## (Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| | | | | | | | | $ 10,383,468 | | $ - | $ 227,500 | $ - | $ - | $ - | $ 227,500 |
| 14 | Mills Station Crossing/Property | Property | 1/1/2014 | 6/30/2016 | Terra Care Associates | Monthly property/landscape | Rancho Cordova | 2,500 | N | | 2,500 | | | | $ 2,500 |
| 15 | Statutory Payment | Miscellaneous | 2/1/2011 | 8/6/2036 | City of Rancho Cordova as the Successor Housing Agency | Low/Moderate Housing Replacement Obligation (est.) | Rancho Cordova Redevelopment | | N | | | | | | $ - |
| 16 | Administrative Allowance | Admin Costs | 2/1/2011 | 6/30/2035 | City of Rancho Cordova | Staff Cost to wind down former redevelopment agency activities (est.) | Rancho Cordova Redevelopment | 4,750,000 | N | | 125,000 | | | | $ 125,000 |
| 22 | Appraisal Services | Property Dispositions | 1/1/2014 | 6/30/2016 | Integra Realty Resources or comparable business | Appraisal services for Successor Agency Land (est.) (This amount will only be needed if the service has not already been provided in ROPS 14-15B) | Rancho Cordova Redevelopment | | Y | | - | | | | $ - |
| 23 | Direct Levys | Property Maintenance | 7/1/2015 | 12/31/2015 | Sacramento County | Direct levys due for Successor Agency Property (est.) | Rancho Cordova Redevelopment | - | N | | - | | | | $ - |
| 28 | Reimbursement Agreement (reauthorized by Oversight Board) | City/County Loans After 6/27/11 | 9/9/2013 | 8/6/2036 | City of Rancho Cordova | Loan Repayment pursuant to AB 1484 §34191.4 (b). Total Obligation amount represents outstanding balance at June 30, 2015; amounts will be updated each ROPS period to reflect accrued interest and/or payments | Rancho Cordova Redevelopment | 5,630,968 | N | | 100,000 | | | | $ 100,000 |
| 30 | | | | | | | | | N | | | | | | $ - |
| 31 | | | | | | | | | N | | | | | | $ - |
| 32 | | | | | | | | | N | | | | | | $ - |
| 33 | | | | | | | | | N | | | | | | $ - |
| 34 | | | | | | | | | N | | | | | | $ - |
| 35 | | | | | | | | | N | | | | | | $ - |
| 36 | | | | | | | | | N | | | | | | $ - |
| 37 | | | | | | | | | N | | | | | | $ - |
| 38 | | | | | | | | | N | | | | | | $ - |
| 39 | | | | | | | | | N | | | | | | $ - |
| 40 | | | | | | | | | N | | | | | | $ - |
| 41 | | | | | | | | | N | | | | | | $ - |
| 42 | | | | | | | | | N | | | | | | $ - |
| 43 | | | | | | | | | N | | | | | | $ - |
| 44 | | | | | | | | | N | | | | | | $ - |
| 45 | | | | | | | | | N | | | | | | $ - |
| 46 | | | | | | | | | N | | | | | | $ - |
| 47 | | | | | | | | | N | | | | | | $ - |
| 48 | | | | | | | | | N | | | | | | $ - |
| 49 | | | | | | | | | N | | | | | | $ - |
| 50 | | | | | | | | | N | | | | | | $ - |
| 51 | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
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| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

EXHIBIT A

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 68 | | | | | | | | | N | | | | | | $ - |
| 69 | | | | | | | | | N | | | | | | $ - |
| 70 | | | | | | | | | N | | | | | | $ - |
| 71 | | | | | | | | | N | | | | | | $ - |
| 72 | | | | | | | | | N | | | | | | $ - |
| 73 | | | | | | | | | N | | | | | | $ - |
| 74 | | | | | | | | | N | | | | | | $ - |
| 75 | | | | | | | | | N | | | | | | $ - |
| 76 | | | | | | | | | N | | | | | | $ - |
| 77 | | | | | | | | | N | | | | | | $ - |
| 78 | | | | | | | | | N | | | | | | $ - |
| 79 | | | | | | | | | N | | | | | | $ - |
| 80 | | | | | | | | | N | | | | | | $ - |
| 81 | | | | | | | | | N | | | | | | $ - |
| 82 | | | | | | | | | N | | | | | | $ - |
| 83 | | | | | | | | | N | | | | | | $ - |
| 84 | | | | | | | | | N | | | | | | $ - |
| 85 | | | | | | | | | N | | | | | | $ - |
| 86 | | | | | | | | | N | | | | | | $ - |
| 87 | | | | | | | | | N | | | | | | $ - |
| 88 | | | | | | | | | N | | | | | | $ - |
| 89 | | | | | | | | | N | | | | | | $ - |
| 90 | | | | | | | | | N | | | | | | $ - |
| 91 | | | | | | | | | N | | | | | | $ - |
| 92 | | | | | | | | | N | | | | | | $ - |
| 93 | | | | | | | | | N | | | | | | $ - |
| 94 | | | | | | | | | N | | | | | | $ - |
| 95 | | | | | | | | | N | | | | | | $ - |
| 96 | | | | | | | | | N | | | | | | $ - |
| 97 | | | | | | | | | N | | | | | | $ - |
| 98 | | | | | | | | | N | | | | | | $ - |
| 99 | | | | | | | | | N | | | | | | $ - |
| 100 | | | | | | | | | N | | | | | | $ - |
| 101 | | | | | | | | | N | | | | | | $ - |
| 102 | | | | | | | | | N | | | | | | $ - |
| 103 | | | | | | | | | N | | | | | | $ - |
| 104 | | | | | | | | | N | | | | | | $ - |
| 105 | | | | | | | | | N | | | | | | $ - |
| 106 | | | | | | | | | N | | | | | | $ - |
| 107 | | | | | | | | | N | | | | | | $ - |
| 108 | | | | | | | | | N | | | | | | $ - |
| 109 | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
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| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |

EXHIBIT A

# Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
## January 1, 2016 through June 30, 2016
## (Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 126 | | | | | | | | | N | | | | | | $ - |
| 127 | | | | | | | | | N | | | | | | $ - |
| 128 | | | | | | | | | N | | | | | | $ - |
| 129 | | | | | | | | | N | | | | | | $ - |
| 130 | | | | | | | | | N | | | | | | $ - |
| 131 | | | | | | | | | N | | | | | | $ - |
| 132 | | | | | | | | | N | | | | | | $ - |
| 133 | | | | | | | | | N | | | | | | $ - |
| 134 | | | | | | | | | N | | | | | | $ - |
| 135 | | | | | | | | | N | | | | | | $ - |
| 136 | | | | | | | | | N | | | | | | $ - |
| 137 | | | | | | | | | N | | | | | | $ - |
| 138 | | | | | | | | | N | | | | | | $ - |
| 139 | | | | | | | | | N | | | | | | $ - |
| 140 | | | | | | | | | N | | | | | | $ - |
| 141 | | | | | | | | | N | | | | | | $ - |
| 142 | | | | | | | | | N | | | | | | $ - |
| 143 | | | | | | | | | N | | | | | | $ - |
| 144 | | | | | | | | | N | | | | | | $ - |
| 145 | | | | | | | | | N | | | | | | $ - |
| 146 | | | | | | | | | N | | | | | | $ - |
| 147 | | | | | | | | | N | | | | | | $ - |
| 148 | | | | | | | | | N | | | | | | $ - |
| 149 | | | | | | | | | N | | | | | | $ - |
| 150 | | | | | | | | | N | | | | | | $ - |
| 151 | | | | | | | | | N | | | | | | $ - |
| 152 | | | | | | | | | N | | | | | | $ - |
| 153 | | | | | | | | | N | | | | | | $ - |
| 154 | | | | | | | | | N | | | | | | $ - |
| 155 | | | | | | | | | N | | | | | | $ - |
| 156 | | | | | | | | | N | | | | | | $ - |
| 157 | | | | | | | | | N | | | | | | $ - |
| 158 | | | | | | | | | N | | | | | | $ - |
| 159 | | | | | | | | | N | | | | | | $ - |
| 160 | | | | | | | | | N | | | | | | $ - |
| 161 | | | | | | | | | N | | | | | | $ - |
| 162 | | | | | | | | | N | | | | | | $ - |
| 163 | | | | | | | | | N | | | | | | $ - |
| 164 | | | | | | | | | N | | | | | | $ - |
| 165 | | | | | | | | | N | | | | | | $ - |
| 166 | | | | | | | | | N | | | | | | $ - |
| 167 | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

EXHIBIT A

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 184 | | | | | | | | | N | | | | | | $ - |
| 185 | | | | | | | | | N | | | | | | $ - |
| 186 | | | | | | | | | N | | | | | | $ - |
| 187 | | | | | | | | | N | | | | | | $ - |
| 188 | | | | | | | | | N | | | | | | $ - |
| 189 | | | | | | | | | N | | | | | | $ - |
| 190 | | | | | | | | | N | | | | | | $ - |
| 191 | | | | | | | | | N | | | | | | $ - |
| 192 | | | | | | | | | N | | | | | | $ - |
| 193 | | | | | | | | | N | | | | | | $ - |
| 194 | | | | | | | | | N | | | | | | $ - |
| 195 | | | | | | | | | N | | | | | | $ - |
| 196 | | | | | | | | | N | | | | | | $ - |
| 197 | | | | | | | | | N | | | | | | $ - |
| 198 | | | | | | | | | N | | | | | | $ - |
| 199 | | | | | | | | | N | | | | | | $ - |
| 200 | | | | | | | | | N | | | | | | $ - |
| 201 | | | | | | | | | N | | | | | | $ - |
| 202 | | | | | | | | | N | | | | | | $ - |
| 203 | | | | | | | | | N | | | | | | $ - |
| 204 | | | | | | | | | N | | | | | | $ - |
| 205 | | | | | | | | | N | | | | | | $ - |
| 206 | | | | | | | | | N | | | | | | $ - |
| 207 | | | | | | | | | N | | | | | | $ - |
| 208 | | | | | | | | | N | | | | | | $ - |
| 209 | | | | | | | | | N | | | | | | $ - |
| 210 | | | | | | | | | N | | | | | | $ - |
| 211 | | | | | | | | | N | | | | | | $ - |
| 212 | | | | | | | | | N | | | | | | $ - |
| 213 | | | | | | | | | N | | | | | | $ - |
| 214 | | | | | | | | | N | | | | | | $ - |
| 215 | | | | | | | | | N | | | | | | $ - |
| 216 | | | | | | | | | N | | | | | | $ - |
| 217 | | | | | | | | | N | | | | | | $ - |
| 218 | | | | | | | | | N | | | | | | $ - |
| 219 | | | | | | | | | N | | | | | | $ - |
| 220 | | | | | | | | | N | | | | | | $ - |
| 221 | | | | | | | | | N | | | | | | $ - |
| 222 | | | | | | | | | N | | | | | | $ - |
| 223 | | | | | | | | | N | | | | | | $ - |
| 224 | | | | | | | | | N | | | | | | $ - |
| 225 | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |
| | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

# Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 242 | | | | | | | | | N | | | | | | $ - |
| 243 | | | | | | | | | N | | | | | | $ - |
| 244 | | | | | | | | | N | | | | | | $ - |
| 245 | | | | | | | | | N | | | | | | $ - |
| 246 | | | | | | | | | N | | | | | | $ - |
| 247 | | | | | | | | | N | | | | | | $ - |
| 248 | | | | | | | | | N | | | | | | $ - |
| 249 | | | | | | | | | N | | | | | | $ - |
| 250 | | | | | | | | | N | | | | | | $ - |
| 251 | | | | | | | | | N | | | | | | $ - |
| 252 | | | | | | | | | N | | | | | | $ - |
| 253 | | | | | | | | | N | | | | | | $ - |
| 254 | | | | | | | | | N | | | | | | $ - |
| 255 | | | | | | | | | N | | | | | | $ - |
| 256 | | | | | | | | | N | | | | | | $ - |
| 257 | | | | | | | | | N | | | | | | $ - |
| 258 | | | | | | | | | N | | | | | | $ - |
| 259 | | | | | | | | | N | | | | | | $ - |
| 260 | | | | | | | | | N | | | | | | $ - |
| 261 | | | | | | | | | N | | | | | | $ - |
| 262 | | | | | | | | | N | | | | | | $ - |
| 263 | | | | | | | | | N | | | | | | $ - |
| 264 | | | | | | | | | N | | | | | | $ - |
| 265 | | | | | | | | | N | | | | | | $ - |
| 266 | | | | | | | | | N | | | | | | $ - |
| 267 | | | | | | | | | N | | | | | | $ - |
| 268 | | | | | | | | | N | | | | | | $ - |
| 269 | | | | | | | | | N | | | | | | $ - |
| 270 | | | | | | | | | N | | | | | | $ - |
| 271 | | | | | | | | | N | | | | | | $ - |
| 272 | | | | | | | | | N | | | | | | $ - |
| 273 | | | | | | | | | N | | | | | | $ - |
| 274 | | | | | | | | | N | | | | | | $ - |
| 275 | | | | | | | | | N | | | | | | $ - |
| 276 | | | | | | | | | N | | | | | | $ - |
| 277 | | | | | | | | | N | | | | | | $ - |
| 278 | | | | | | | | | N | | | | | | $ - |
| 279 | | | | | | | | | N | | | | | | $ - |
| 280 | | | | | | | | | N | | | | | | $ - |
| 281 | | | | | | | | | N | | | | | | $ - |
| 282 | | | | | | | | | N | | | | | | $ - |
| 283 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

# Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 300 | | | | | | | | | N | | | | | | $ - |
| 301 | | | | | | | | | N | | | | | | $ - |
| 302 | | | | | | | | | N | | | | | | $ - |
| 303 | | | | | | | | | N | | | | | | $ - |
| 304 | | | | | | | | | N | | | | | | $ - |
| 305 | | | | | | | | | N | | | | | | $ - |
| 306 | | | | | | | | | N | | | | | | $ - |
| 307 | | | | | | | | | N | | | | | | $ - |
| 308 | | | | | | | | | N | | | | | | $ - |
| 309 | | | | | | | | | N | | | | | | $ - |
| 310 | | | | | | | | | N | | | | | | $ - |
| 311 | | | | | | | | | N | | | | | | $ - |
| 312 | | | | | | | | | N | | | | | | $ - |
| 313 | | | | | | | | | N | | | | | | $ - |
| 314 | | | | | | | | | N | | | | | | $ - |
| 315 | | | | | | | | | N | | | | | | $ - |
| 316 | | | | | | | | | N | | | | | | $ - |
| 317 | | | | | | | | | N | | | | | | $ - |
| 318 | | | | | | | | | N | | | | | | $ - |
| 319 | | | | | | | | | N | | | | | | $ - |
| 320 | | | | | | | | | N | | | | | | $ - |
| 321 | | | | | | | | | N | | | | | | $ - |
| 322 | | | | | | | | | N | | | | | | $ - |
| 323 | | | | | | | | | N | | | | | | $ - |
| 324 | | | | | | | | | N | | | | | | $ - |
| 325 | | | | | | | | | N | | | | | | $ - |
| 326 | | | | | | | | | N | | | | | | $ - |
| 327 | | | | | | | | | N | | | | | | $ - |
| 328 | | | | | | | | | N | | | | | | $ - |
| 329 | | | | | | | | | N | | | | | | $ - |
| 330 | | | | | | | | | N | | | | | | $ - |
| 331 | | | | | | | | | N | | | | | | $ - |
| 332 | | | | | | | | | N | | | | | | $ - |
| 333 | | | | | | | | | N | | | | | | $ - |
| 334 | | | | | | | | | N | | | | | | $ - |
| 335 | | | | | | | | | N | | | | | | $ - |
| 336 | | | | | | | | | N | | | | | | $ - |
| 337 | | | | | | | | | N | | | | | | $ - |
| 338 | | | | | | | | | N | | | | | | $ - |
| 339 | | | | | | | | | N | | | | | | $ - |
| 340 | | | | | | | | | N | | | | | | $ - |
| 341 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

EXHIBIT A

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 358 | | | | | | | | | N | | | | | | $ - |
| 359 | | | | | | | | | N | | | | | | $ - |
| 360 | | | | | | | | | N | | | | | | $ - |
| 361 | | | | | | | | | N | | | | | | $ - |
| 362 | | | | | | | | | N | | | | | | $ - |
| 363 | | | | | | | | | N | | | | | | $ - |
| 364 | | | | | | | | | N | | | | | | $ - |
| 365 | | | | | | | | | N | | | | | | $ - |
| 366 | | | | | | | | | N | | | | | | $ - |
| 367 | | | | | | | | | N | | | | | | $ - |
| 368 | | | | | | | | | N | | | | | | $ - |
| 369 | | | | | | | | | N | | | | | | $ - |
| 370 | | | | | | | | | N | | | | | | $ - |
| 371 | | | | | | | | | N | | | | | | $ - |
| 372 | | | | | | | | | N | | | | | | $ - |
| 373 | | | | | | | | | N | | | | | | $ - |
| 374 | | | | | | | | | N | | | | | | $ - |
| 375 | | | | | | | | | N | | | | | | $ - |
| 376 | | | | | | | | | N | | | | | | $ - |
| 377 | | | | | | | | | N | | | | | | $ - |
| 378 | | | | | | | | | N | | | | | | $ - |
| 379 | | | | | | | | | N | | | | | | $ - |
| 380 | | | | | | | | | N | | | | | | $ - |
| 381 | | | | | | | | | N | | | | | | $ - |
| 382 | | | | | | | | | N | | | | | | $ - |
| 383 | | | | | | | | | N | | | | | | $ - |
| 384 | | | | | | | | | N | | | | | | $ - |
| 385 | | | | | | | | | N | | | | | | $ - |
| 386 | | | | | | | | | N | | | | | | $ - |
| 387 | | | | | | | | | N | | | | | | $ - |
| 388 | | | | | | | | | N | | | | | | $ - |
| 389 | | | | | | | | | N | | | | | | $ - |
| 390 | | | | | | | | | N | | | | | | $ - |
| 391 | | | | | | | | | N | | | | | | $ - |
| 392 | | | | | | | | | N | | | | | | $ - |
| 393 | | | | | | | | | N | | | | | | $ - |
| 394 | | | | | | | | | N | | | | | | $ - |
| 395 | | | | | | | | | N | | | | | | $ - |
| 396 | | | | | | | | | N | | | | | | $ - |
| 397 | | | | | | | | | N | | | | | | $ - |
| 398 | | | | | | | | | N | | | | | | $ - |
| 399 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

EXHIBIT A

# Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 416 | | | | | | | | | N | | | | | | $ - |
| 417 | | | | | | | | | N | | | | | | $ - |
| 418 | | | | | | | | | N | | | | | | $ - |
| 419 | | | | | | | | | N | | | | | | $ - |
| 420 | | | | | | | | | N | | | | | | $ - |
| 421 | | | | | | | | | N | | | | | | $ - |
| 422 | | | | | | | | | N | | | | | | $ - |
| 423 | | | | | | | | | N | | | | | | $ - |
| 424 | | | | | | | | | N | | | | | | $ - |
| 425 | | | | | | | | | N | | | | | | $ - |
| 426 | | | | | | | | | N | | | | | | $ - |
| 427 | | | | | | | | | N | | | | | | $ - |
| 428 | | | | | | | | | N | | | | | | $ - |
| 429 | | | | | | | | | N | | | | | | $ - |
| 430 | | | | | | | | | N | | | | | | $ - |
| 431 | | | | | | | | | N | | | | | | $ - |
| 432 | | | | | | | | | N | | | | | | $ - |
| 433 | | | | | | | | | N | | | | | | $ - |
| 434 | | | | | | | | | N | | | | | | $ - |
| 435 | | | | | | | | | N | | | | | | $ - |
| 436 | | | | | | | | | N | | | | | | $ - |
| 437 | | | | | | | | | N | | | | | | $ - |
| 438 | | | | | | | | | N | | | | | | $ - |
| 439 | | | | | | | | | N | | | | | | $ - |
| 440 | | | | | | | | | N | | | | | | $ - |
| 441 | | | | | | | | | N | | | | | | $ - |
| 442 | | | | | | | | | N | | | | | | $ - |
| 443 | | | | | | | | | N | | | | | | $ - |
| 444 | | | | | | | | | N | | | | | | $ - |
| 445 | | | | | | | | | N | | | | | | $ - |
| 446 | | | | | | | | | N | | | | | | $ - |
| 447 | | | | | | | | | N | | | | | | $ - |
| 448 | | | | | | | | | N | | | | | | $ - |
| 449 | | | | | | | | | N | | | | | | $ - |
| 450 | | | | | | | | | N | | | | | | $ - |
| 451 | | | | | | | | | N | | | | | | $ - |
| 452 | | | | | | | | | N | | | | | | $ - |
| 453 | | | | | | | | | N | | | | | | $ - |
| 454 | | | | | | | | | N | | | | | | $ - |
| 455 | | | | | | | | | N | | | | | | $ - |
| 456 | | | | | | | | | N | | | | | | $ - |
| 457 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

EXHIBIT A

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 474 | | | | | | | | | N | | | | | | $ - |
| 475 | | | | | | | | | N | | | | | | $ - |
| 476 | | | | | | | | | N | | | | | | $ - |
| 477 | | | | | | | | | N | | | | | | $ - |
| 478 | | | | | | | | | N | | | | | | $ - |
| 479 | | | | | | | | | N | | | | | | $ - |
| 480 | | | | | | | | | N | | | | | | $ - |
| 481 | | | | | | | | | N | | | | | | $ - |
| 482 | | | | | | | | | N | | | | | | $ - |
| 483 | | | | | | | | | N | | | | | | $ - |
| 484 | | | | | | | | | N | | | | | | $ - |
| 485 | | | | | | | | | N | | | | | | $ - |
| 486 | | | | | | | | | N | | | | | | $ - |
| 487 | | | | | | | | | N | | | | | | $ - |
| 488 | | | | | | | | | N | | | | | | $ - |
| 489 | | | | | | | | | N | | | | | | $ - |
| 490 | | | | | | | | | N | | | | | | $ - |
| 491 | | | | | | | | | N | | | | | | $ - |
| 492 | | | | | | | | | N | | | | | | $ - |
| 493 | | | | | | | | | N | | | | | | $ - |
| 494 | | | | | | | | | N | | | | | | $ - |
| 495 | | | | | | | | | N | | | | | | $ - |
| 496 | | | | | | | | | N | | | | | | $ - |
| 497 | | | | | | | | | N | | | | | | $ - |
| 498 | | | | | | | | | N | | | | | | $ - |
| 499 | | | | | | | | | N | | | | | | $ - |
| 500 | | | | | | | | | N | | | | | | $ - |
| 501 | | | | | | | | | N | | | | | | $ - |
| 502 | | | | | | | | | N | | | | | | $ - |
| 503 | | | | | | | | | N | | | | | | $ - |
| 504 | | | | | | | | | N | | | | | | $ - |
| 505 | | | | | | | | | N | | | | | | $ - |
| 506 | | | | | | | | | N | | | | | | $ - |
| 507 | | | | | | | | | N | | | | | | $ - |
| 508 | | | | | | | | | N | | | | | | $ - |
| 509 | | | | | | | | | N | | | | | | $ - |
| 510 | | | | | | | | | N | | | | | | $ - |
| 511 | | | | | | | | | N | | | | | | $ - |
| 512 | | | | | | | | | N | | | | | | $ - |
| 513 | | | | | | | | | N | | | | | | $ - |
| 514 | | | | | | | | | N | | | | | | $ - |
| 515 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

**EXHIBIT A**

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 532 | | | | | | | | | N | | | | | | $ - |
| 533 | | | | | | | | | N | | | | | | $ - |
| 534 | | | | | | | | | N | | | | | | $ - |
| 535 | | | | | | | | | N | | | | | | $ - |
| 536 | | | | | | | | | N | | | | | | $ - |
| 537 | | | | | | | | | N | | | | | | $ - |
| 538 | | | | | | | | | N | | | | | | $ - |
| 539 | | | | | | | | | N | | | | | | $ - |
| 540 | | | | | | | | | N | | | | | | $ - |
| 541 | | | | | | | | | N | | | | | | $ - |
| 542 | | | | | | | | | N | | | | | | $ - |
| 543 | | | | | | | | | N | | | | | | $ - |
| 544 | | | | | | | | | N | | | | | | $ - |
| 545 | | | | | | | | | N | | | | | | $ - |
| 546 | | | | | | | | | N | | | | | | $ - |
| 547 | | | | | | | | | N | | | | | | $ - |
| 548 | | | | | | | | | N | | | | | | $ - |
| 549 | | | | | | | | | N | | | | | | $ - |
| 550 | | | | | | | | | N | | | | | | $ - |
| 551 | | | | | | | | | N | | | | | | $ - |
| 552 | | | | | | | | | N | | | | | | $ - |
| 553 | | | | | | | | | N | | | | | | $ - |
| 554 | | | | | | | | | N | | | | | | $ - |
| 555 | | | | | | | | | N | | | | | | $ - |
| 556 | | | | | | | | | N | | | | | | $ - |
| 557 | | | | | | | | | N | | | | | | $ - |
| 558 | | | | | | | | | N | | | | | | $ - |
| 559 | | | | | | | | | N | | | | | | $ - |
| 560 | | | | | | | | | N | | | | | | $ - |
| 561 | | | | | | | | | N | | | | | | $ - |
| 562 | | | | | | | | | N | | | | | | $ - |
| 563 | | | | | | | | | N | | | | | | $ - |
| 564 | | | | | | | | | N | | | | | | $ - |
| 565 | | | | | | | | | N | | | | | | $ - |
| 566 | | | | | | | | | N | | | | | | $ - |
| 567 | | | | | | | | | N | | | | | | $ - |
| 568 | | | | | | | | | N | | | | | | $ - |
| 569 | | | | | | | | | N | | | | | | $ - |
| 570 | | | | | | | | | N | | | | | | $ - |
| 571 | | | | | | | | | N | | | | | | $ - |
| 572 | | | | | | | | | N | | | | | | $ - |
| 573 | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |
| [illegible] | | | | | | | | | N | | | | | | $ - |

AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Funding Source | | | | | |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | Six-Month Total |
| 590 | | | | | | | | | N | | | | | | $ - |
| 591 | | | | | | | | | N | | | | | | $ - |
| 592 | | | | | | | | | N | | | | | | $ - |
| 593 | | | | | | | | | N | | | | | | $ - |
| 594 | | | | | | | | | N | | | | | | $ - |
| 595 | | | | | | | | | N | | | | | | $ - |
| 596 | | | | | | | | | N | | | | | | $ - |
| 597 | | | | | | | | | N | | | | | | $ - |
| 598 | | | | | | | | | N | | | | | | $ - |
| 599 | | | | | | | | | N | | | | | | $ - |
| 600 | | | | | | | | | N | | | | | | $ - |
| 601 | | | | | | | | | N | | | | | | $ - |
| 602 | | | | | | | | | N | | | | | | $ - |
| 603 | | | | | | | | | N | | | | | | $ - |
| 604 | | | | | | | | | N | | | | | | $ - |
| 605 | | | | | | | | | N | | | | | | $ - |
| 606 | | | | | | | | | N | | | | | | $ - |
| 607 | | | | | | | | | N | | | | | | $ - |
| 608 | | | | | | | | | N | | | | | | $ - |
| 609 | | | | | | | | | N | | | | | | $ - |
| 610 | | | | | | | | | N | | | | | | $ - |
| 611 | | | | | | | | | N | | | | | | $ - |
| 612 | | | | | | | | | N | | | | | | $ - |
| 613 | | | | | | | | | N | | | | | | $ - |
| 614 | | | | | | | | | N | | | | | | $ - |
| 615 | | | | | | | | | N | | | | | | $ - |
| 616 | | | | | | | | | N | | | | | | $ - |
| 617 | | | | | | | | | N | | | | | | $ - |

## Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
## (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [ INSERT URL LINK TO CASH BALANCE TIPS SHEET ]

| A | B | C | D | E | F | G | H | I |
|---|---|---|---|---|---|---|---|---|
| | | Fund Sources | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other | RPTTF | |
| | Cash Balance Information by ROPS Period | Bonds Issued on or before 12/31/10 | Bonds Issued on or after 01/01/11 | Prior ROPS period balances and DDR RPTTF balances retained | Prior ROPS RPTTF distributed as reserve for future period(s) | Rent, Grants, Interest, Etc. | Non-Admin and Admin | Comments |
| **ROPS 14-15B Actuals (01/01/15 - 06/30/15)** | | | | | | | | |
| 1 | **Beginning Available Cash Balance (Actual 01/01/15)** | | | 618,898 | | | | |
| 2 | **Revenue/Income (Actual 06/30/15)**<br>RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015 | | | 884 | | | | |
| 3 | **Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15)**<br>RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q | | | 10,929 | | | | |
| 4 | **Retention of Available Cash Balance (Actual 06/30/15)**<br>RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | | | | | | | |
| 5 | **ROPS 14-15B RPTTF Prior Period Adjustment**<br>RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S | No entry required | | | | | - | |
| 6 | **Ending Actual Available Cash Balance**<br>**C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)** | **$ -** | **$ -** | **$ 608,853** | **$ -** | **$ -** | **$ -** | |
| **ROPS 15-16A Estimate (07/01/15 - 12/31/15)** | | | | | | | | |
| 7 | **Beginning Available Cash Balance (Actual 07/01/15)**<br>**(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)** | **$ -** | **$ -** | **$ 608,853** | **$ -** | **$ -** | **$ -** | |
| 8 | **Revenue/Income (Estimate 12/31/15)**<br>RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during June 2015 | | | | | | | |
| 9 | **Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 12/31/15)** | | | 225,433 | | | | |
| 10 | **Retention of Available Cash Balance (Estimate 12/31/15)**<br>RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | | | 383,420 | | | | |
| 11 | **Ending Estimated Available Cash Balance (7 + 8 - 9 -10)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | |

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

**ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):** Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

**ROPS 14-15B CAC PPA:** To be completed by the CAC upon submittal of the ROPS 15-16B by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | AA | AB |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-RPTTF Expenditures | | | | | | RPTTF Expenditures | | | | | | | | | | | | RPTTF Expenditures | | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other Funds | | Non-Admin | | | | | Admin | | | | | Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | | Non-Admin CAC | | | Admin CAC | | | Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | |
| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
| | | $ - | $ - | $ 227,255 | $ 10,929 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - | $ - | | | | $ - | | | $ - | $ - | |
| 10 | Mills Station | - | | 97,755 | - | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 11 | Audit Services | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 14 | Mills Station Crossing/Property Maintenance | - | | 1,000 | 540 | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 15 | Statutory Payment | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 16 | Administrative Allowance | - | | 125,000 | 10,389 | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 17 | Crossings at New Rancho | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 18 | Litigation expense related to assets or obligations, settlements and judgments | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 22 | Appraisal Services | - | | 3,500 | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 23 | Property Taxes | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 25 | Loan Agreement | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 28 | Reimbursement Agreement (reauthorized by Oversight Board) | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| 29 | Loan Agreement | - | | - | | - | | - | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| | | | | | | | | | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
| | | | | | | | | | | $ - | | $ - | | | | | | $ - | | | | | | | | | |
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AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

**ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):** Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

**ROPS 14-15B CAC PPA:** To be completed by the CAC upon submittal of the ROPS 15-16B by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

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| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
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AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
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| | | Non-RPTTF Expenditures | | | | | | RPTTF Expenditures | | | | | | | | | | | | RPTTF Expenditures | | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other Funds | | Non-Admin | | | | | Admin | | | | | Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | | Non-Admin CAC | | | Admin CAC | | | Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | |
| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
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AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

**ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):** Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

**ROPS 14-15B CAC PPA:** To be completed by the CAC upon submittal of the ROPS 15-16B by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

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| | | Non-RPTTF Expenditures | | | | | | RPTTF Expenditures | | | | | | | | | | | | RPTTF Expenditures | | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other Funds | | Non-Admin | | | | | Admin | | | | | Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | | Non-Admin CAC | | | Admin CAC | | | Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | |
| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
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Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
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| | | Non-RPTTF Expenditures | | | | | | RPTTF Expenditures | | | | | | | | | | | | RPTTF Expenditures | | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other Funds | | Non-Admin | | | | | Admin | | | | | Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | | Non-Admin CAC | | | Admin CAC | | | Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | |
| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
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AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

**ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA):** Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

**ROPS 14-15B CAC PPA:** To be completed by the CAC upon submittal of the ROPS 15-16B by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

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| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
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| | | Non-RPTTF Expenditures | | | | | | RPTTF Expenditures | | | | | | | | | | | | RPTTF Expenditures | | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other Funds | | Non-Admin | | | | | Admin | | | | | Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | | Non-Admin CAC | | | Admin CAC | | | Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF) | |
| Item # | Project Name / Debt Obligation | Authorized | Actual | Authorized | Actual | Authorized | Actual | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If K is less than L, the difference is zero) | Authorized | Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15) | Net Lesser of Authorized / Available | Actual | Difference (If total actual exceeds total authorized, the total difference is zero) | Net Difference (M+R) | SA Comments | Net Lesser of Authorized / Available | Actual | Difference | Net Lesser of Authorized / Available | Actual | Difference | Net Difference | CAC Comments |
| | | $ - | $ - | $ 227,255 | $ 10,929 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - | $ - | | | | $ - | | | $ - | $ - | |
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AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes
January 1, 2016 through June 30, 2016

| Item # | Notes/Comments |
|---|---|
| 16 | Admin Allowance |
| 23 | Estimated property taxes |
| 24 | Amount entered as a placeholder in the even that SA would be allowed to make another payment this Fiscal year. |

AGENDA ITEM 8.13

Rancho Cordova Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes
January 1, 2016 through June 30, 2016

| Item # | Notes/Comments |
|---|---|
| | |

AGENDA ITEM 8.13

**EXHIBIT B**

## Successor Agency to the former Rancho Cordova Redevelopment Agency
## Proposed Administrative Budget
## For the period between:

| | | January 1, 2016 through June 30, 2016 |
|---|---|---|
| ***Successor Agency Staffing*** | | |
| Administrative Cost - Salaries and Benefits | | 105,000 |
| ***Prof. & Contractual Services*** | | |
| General Counsel | | 10,000 |
| Consultants - Other | | 10,000 |
| Total Prof. & Contractual Services | $ | 20,000 |
| **TOTAL ADMINISTRATIVE COST** | $ | 125,000 |

**MEMORANDUM**

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Steve Harriman, Department of Public Works

**SUBJECT:** **SUPPORT FOR THE CALIFORNIA PRODUCT STEWARDSHIP COUNCIL (CPSC) BY ENDORSING EXTENDED PRODUCER RESPONSIBILITY AND AUTHORIZING FUNDING FOR CPSC.**

## RECOMMENDATION

Adopt a resolution endorsing legislative support for Extended Producer Responsibility (EPR) and authorizing funding support for the California Product Stewardship Council (CPSC) in the amount of $1,500 per year for three years, through Fiscal Year 2017/18.

## RESULT OF RECOMMENDED ACTION

Adoption of this resolution endorses legislative support for EPR by the City of Rancho Cordova and pledges funding to the CPSC in support of their efforts to advocate for local governments and ratepayers with regards to the management of certain problematic consumer products, including those banned from landfill disposal.

## BACKGROUND

Over the past decade the California legislature has banned numerous consumer products that contain hazardous substances from disposal in landfills. These products include household batteries, fluorescent bulbs and tubes, paint, needles, some pharmaceuticals, and electronic devices such as video recorders, microwave ovens, cellular and cordless phones, printers and radios. The result of these landfill bans is an unfunded mandate and responsibility on local governments and ratepayers to manage these products at the end of their useful life.

Extended Producer Responsibility (EPR) is a policy approach to establish, through legislation and regulation if not done voluntarily by producers, product stewardship incentives or requirements that shift end-of-life costs for these products away from local government and back to product manufacturers and/or distributors. CPSC is an organization of more than 300 local governments, associations, businesses, and individuals that coordinates statewide efforts in support of EPR legislation in California. The mission of CPSC is to shift California's waste management system from one focused on government funded and ratepayer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability. The primary functions of CPSC include:

- Build capacity and knowledge among local governments, and build relationships with stakeholders, to bring about producer financed and managed systems for certain products banned from landfill disposal in California.

- Provide a forum for the exchange of information regarding existing and proposed EPR programs.

- Develop and recommend practical local and statewide EPR policy and educational tools such as model ordinances and legislation, newsletters, articles, policy briefings, etc.

- Provide effective leadership on EPR initiatives in California and develop a prioritized list, with timelines, of future EPR programs.

- Educate elected and appointed officials and other decision makers on the benefits to local government of EPR.

## FISCAL IMPACT

The funding pledge will have no impact to the General Fund.

## ATTACHMENT

Resolution No. 111-2015.

# CITY OF RANCHO CORDOVA

## RESOLUTION NO. 111-2015

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ENDORSING LEGISLATIVE SUPPORT FOR EXTENDED PRODUCER RESPONSIBILITY AND AUTHORIZING FUNDING TO THE CALIFORNIA PRODUCT STEWARDSHIP COUNCIL

**WHEREAS,** the California legislature has banned certain products from landfill disposal that are deemed hazardous to the environment, including household batteries, fluorescent bulbs and tubes, paint, needles/sharps, some pharmaceuticals, and electronic devices such as video recorders, microwave ovens, cellular and cordless phones, printers and radios; and

**WHEREAS**, Extended Producer Responsibility is a policy approach used widely around the world for 20 years in which producers and distributors of consumer products containing hazardous materials share in the responsibility for management of those products at the end of their useful life; and

**WHEREAS,** landfill bans of certain consumer products by the California legislature have resulted in unfunded mandates on local governments, including the City of Rancho Cordova; and

**WHEREAS,** the mission of the California Product Stewardship Council is to shift California's product waste management system from one focused on government funded and ratepayer financed waste management programs to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability; and

**WHEREAS**, CPSC is an organization of more than 300 local governments, associations, businesses, and individuals that coordinates statewide efforts in support of California EPR legislation; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** that the City endorses legislative support for Extended Producer Responsibility and pledges funding to the California Product Stewardship Council in the amount of $1,500 per year over the next three (3) years.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

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

_______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

_______________________________
Mindy Cuppy, MMC, City Clerk

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Albert Stricker, Interim Public Works Director
Kathy Garcia, Senior Civil Engineer

**SUBJECT:** **RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT 122-2014-1 FOR ON-CALL PROFESSIONAL SERVICES WITH ENVIRONMENTAL SCIENCE ASSOCIATES TO MODIFY THE CONTRACT AMOUNT FROM $100,000 PER YEAR FOR THREE YEARS TO $300,000 TOTAL WITH A THREE YEAR EXPIRATION**

## RECOMMENDATION

Adopt Resolution 108-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute contract amendment No. 122-2014-1 for on-call professional services with Environmental Science Associates (ESA) which will modify the contract amount from $100,000 per year for three years to $300,000 total with a three year expiration to accommodate the environmental process for the White Rock Road Widening Project.

## BACKGROUND

The White Rock Road Widening project will improve the safety along White Rock Road by adding a landscaped median, bike lanes, a signalized intersection, improved horizontal and vertical alignments and improved site lines from Sunrise Blvd. to the City Limits.

The City previously entered into on-call consultant services agreement 122-2014 with Environmental Science Associates (ESA) to provide professional engineering and environmental services. Contract 122-2014 was not to exceed the amount of $100,000 per year for three years. ESA's services for White Rock Road will exceed that amount this fiscal year.

This first amendment will modify the provision limiting the not to exceed amount of $100,000 per year to a total compensation of $300,000 with the same three year expiration of the contract. This amendment will allow ESA to continue with the environmental process to obtain environmental clearance for the White Rock Road Widening Project.

## FISCAL IMPACT

ESA's total compensation for the White Rock Road Widening Project is estimated to be approximately $130,000. Funding for the White Rock Road Widening project and these environmental services is included in the City's current approved Capital Improvement Plan and the 15/16 budget.

**ATTACHMENTS**

Resolution 108-2015, including Exhibit 1 Contract 122-2014-1

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 108-2015**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA TO EXECUTE CONTRACT AMENDMENT NO. 122-2014-1 FOR ON-CALL PROFESSIONAL SERVICES WITH ENVIRONMENTAL SCIENCE ASSOCIATES TO ACCOMMODATE THE ENVIRONMENTAL PROCESS FOR THE WHITE ROCK ROAD WIDENING PROJECT**

**WHEREAS**, the City of Rancho Cordova entered into Contract No. 122-2014 with Environmental Science Associates (ESA) in the amount of $100,000 per year for three years and ESA's services for White Rock Road will exceed that amount this fiscal year; and

**WHEREAS**, the City wishes to modify the provision limiting the not to exceed amount of $100,000 per year to a total compensation of $300,000 with the same three year expiration of the contract; and

**WHEREAS**, the contract will be paid through various funding sources earmarked for the projects and the contract does not impact the general fund; and

**WHEREAS**, there are sufficient funds budgeted to cover the costs of the contract; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** authorizes the City Manager or his designee to execute contract amendment No. 122-2014-1, attached as **Exhibit 1**, with Environmental Sciences Associates to modify the provision limiting the not to exceed amount of $100,000 per year to a total compensation of $300,000 with the same three year expiration of the contract.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

**EXHIBIT 1**
**CONTRACT NO. 122-2014-1**

**FIRST AMENDMENT TO THE ON- CALL PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND ENVIRONMENTAL SCIENCE ASSOCIATES**

This First Amendment to the Agreement for On-Call Professional Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and Environment Science Associates ("Professional") as of _____________. City and Professional are hereinafter collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, the Parties entered into a Professional Services Agreement ("PSA") dated December 1, 2014 for the purpose of providing on-call environmental support; and

**WHEREAS**, this Amendment will bring the total contract amount to Three Hundred Thousand Dollars ($300,000); and

**WHEREAS**, the Parties agree that changes to the term and services provided for in the PSA are necessary in order for the City to continue receiving services by Professional.

**NOW, THEREFORE**, the Parties hereto agree as follows:

**AGREEMENT**

1. Section 2 of the PSA, "Compensation," provides for the City to pay Professional a sum not to exceed One Hundred Thousand Dollars ($100,000) per year. The Parties agree to amend Section 2 of the PSA in order to increase the compensation amount to pay Professional for additional services. The first sentence of Section 2 of the PSA is amended to read as follows:

   "City hereby agrees to pay Professional a sum not to exceed Three Hundred Thousand Dollars ($300,000), notwithstanding any contrary indication that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

2. All other terms and conditions in the PSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.

3. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

**EXHIBIT 1**
**CONTRACT NO. 122-2014-1**

**IN WITNESS WHEREOF**, the Parties have executed this Amendment on the day and year first above written.

**CITY OF RANCHO CORDOVA**

______________________________
**Cyrus Abhar**, Interim City Manager

Date:___________________

**PROFESSIONAL**

________________________________
**Brian Boxer**, Senior Vice President

Date:___________________

Attest:

______________________________
**Mindy Cuppy**, MMC, City Clerk
Date:___________________
Approved as to Form:

______________________________
**Adam Lindgren**, City Attorney
Date:___________________

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Cyrus Abhar, Interim City Manager

**SUBJECT:** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING THE FIRST AMENDMENT TO THE FIRST RESTATED AGREEMENT FOR LEGAL SERVICES BETWEEN THE CITY AND MEYERS, NAVE, RIBACK, SILVER & WILSON**

## RECOMMENDATION

Adopt a Resolution No. 110-2015.

## RESULT OF RECOMMENDED ACTION

Adoption of Resolution 110-2015 will approve the First Amendment to the First Restated Agreement for Legal Services ("Amended Agreement") with Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave"). The Amended Agreement includes a 1.9% CPI adjustment to compensation rates, a rate increase for Principals performing general legal services, and the appointment of Kate Cook as a Deputy City Attorney.

## BACKGROUND

Meyers Nave has served as the City Attorney for Rancho Cordova since the City's incorporation in 2003. The City Council recently completed its performance evaluation of the City Attorney. Meyers Nave received an exemplary evaluation.

Meyers Nave's compensation was last adjusted for inflation in 2013, and has not been increased otherwise since 2012. The adjustments in this Amended Agreement include a 1.9% CPI adjustment (rounded up or down to the nearest $5 increment for each rate category) for all services, except for an additional $15 per hour increase for the hourly rate of Principal attorneys performing general services; the increase is in line with industry standards.

The compensation adjustments apply only to the hourly rate for legal services. The total amount that the City pays for Meyers Nave's legal services has declined significantly in recent years. Meyers Nave has and will continue to be at or under the fiscally prudent budgets for legal services established by the City Council and closely coordinated with the City Manager and Finance Department.

## ATTACHMENT

Resolution No. 110-2015.

2506747.1

## CITY OF RANCHO CORDOVA

## RESOLUTION NO. 110-2015

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE MAYOR TO APPROVE THE FIRST AMENDMENT TO THE FIRST RESTATED AGREEMENT FOR LEGAL SERVICES WITH MEYERS, NAVE, RIBACK, SILVER & WILSON

**WHEREAS**, Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave") was hired by the City to provide legal services as described in the Agreement for Legal Services dated February 24, 2003 ("Agreement"); and

**WHEREAS,** the City and Meyers Nave amended the Agreement on July 1, 2006, November 6, 2006, February 16, 2010, and September 4, 2012 (by way of the First Restated Agreement); and

**WHEREAS,** the City Council recently conducted a performance review of the City Attorney and found the performance under the contract to be exemplary; and

**WHEREAS,** the City and Meyers Nave desire to update the Agreement, as set forth in this Amendment to the First Restated Agreement for Legal Services, to adjust compensation rates to align with inflation and market standards and to appoint Katherine A. Cook as a Deputy City Attorney; Jose M. Sanchez will continue to serve as Assistant City Attorney; and

**NOW THEREFORE,** the City Council of the City of Rancho Cordova hereby approves the First Amendment to the First Restated Agreement for Legal Services and resolves that the Mayor is authorized to execute the First Amendment to the First Restated Agreement for Legal Services between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, attached hereto as **Exhibit A.**

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this ______ day of _______________ 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

2503768.1

**EXHIBIT A**

FIRST AMENDMENT TO FIRST RESTATED AGREEMENT FOR LEGAL SERVICES

This First Amendment to the First Restated Agreement for Legal Services ("First Amendment") is made and entered into as of August 17, 2015 by and between the City of Rancho Cordova, a municipal corporation, in the State of California, acting by and through its City Council, (hereinafter "City") and Meyers, Nave, Riback, Silver & Wilson, a professional corporation (hereinafter "Meyers Nave").

RECITALS

WHEREAS, Meyers Nave was hired by the City to provide legal services as described in the initial Agreement for Legal Services dated February 24, 2003 ("Initial Agreement").

WHEREAS, the City and Meyers Nave amended the Agreement for Legal Services on July 1, 2006, November 6, 2006, February 16, 2010, and September 4, 2012 (by way of the First Restated Agreement for Legal Services, or "Agreement") to amend the appointments and compensation provided under the Agreement; and

WHEREAS, although adjustments for CPI have been made annually, compensation rates under the Agreement have not been increased since September, 2012; and

WHEREAS, Meyers Nave Associate Katherine Cook has assisted the City Attorney, Assistant City Attorney, and all City departments since July 2012, and the City Council now desires to appoint and retain Ms. Cook as a Deputy City Attorney; and

WHEREAS, City and Meyers Nave now desire to amend the Agreement as set forth in this First Amendment; and

WHEREAS, the City Council has agreed that the Mayor shall execute on behalf of the Council all legal documents. This Restated Agreement is executed and entered into by the Council in their capacities as such and not as individuals.

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Section 1 of the Agreement, "Appointment of City Attorney," is hereby amended to read as follows:

Appointment of City Attorney.

City hereby appoints and retains Adam U. Lindgren, a Principal in the firm of Meyers Nave (hereinafter "Attorney"), as City Attorney for the City of Rancho Cordova. Meyers Nave agrees to faithfully represent the legal interests of City during the term of this Restated Agreement. City hereby appoints and retains Jose M. Sanchez, a Principal in the firm of Meyers Nave, as Assistant City Attorney. City hereby appoints and retains Katherine A. Cook, an Associate in the firm of Meyers Nave, as Deputy City Attorney.

**EXHIBIT A**

2. Section 4 of the Agreement, "Compensation," is hereby amended to read as follows:

<u>Compensation</u>:

City shall compensate Meyers Nave on an hourly basis in accordance with the terms and conditions of this Agreement in the following amounts:

a. For general City Attorney services, a rate of $230 per hour for all attorneys except for Principals, who shall receive $245 per hour. Paralegal services at a rate of $120 per hour.

b. For all special counsel services, a rate of $265 per hour for attorneys. Paralegal services at a rate of $125 per hour. Special counsel services include the wind-down of redevelopment, labor and employment and telecommunications.

c. For litigation services, a rate of $325 per hour for Senior Principals and Senior Of-Counsel Attorneys; $295 for Junior Principals; $265 for Senior Associates; and, $230 for Junior Associates. Paralegal services at a rate of $135 per hour.

d. For cost-recovery services (all legal work chargeable to third party applicants of the City), a rate of $305 per hour for Senior Principals; $305 per hour for Junior Principals; $275 for Senior Associates; and $255 for Junior Associates. Paralegal services at a rate of $150 per hour.

The foregoing hourly rates shall be billed in tenths of an hour and shall include all necessary administrative support services such as secretarial, clerical and word processing costs. Other costs customarily advanced by an attorney on behalf of a client such as document duplication, facsimile charges, postage, and mileage shall not be separately billed, but shall be billed as a surcharge of 3% of each invoice. Costs such as expert fees, filing fees, deposition fees, court reporter fees, electronic research and similar costs shall be billed at cost without mark up or administrative charges. There shall be no charge for travel to regular City Council or regular City Staff meetings. Any travel costs charged shall be billed at one-half the applicable hourly rate.

Meyers Nave shall establish separate accounts and billing numbers for specific subject matters, municipal departments, distinct services and litigation in order to permit accurate accounting of legal costs associated with such separate matters. Billing narrative shall adequately describe the nature of the work performed, the billing attorney and the amount of time expended.

City shall establish by appropriate fee schedule, permit and processing fees adequate to reimburse City for legal costs incurred but reimbursable by third parties seeking entitlements, permits or licenses.

3. Section 5 of the Agreement, "CPI Adjustment," is hereby amended to read as follows:

CPI Adjustment.

All of the above-referenced rates shall be automatically adjusted effective July 1st of 2016 and 2017, to reflect the percentage change in the Urban Wage Earners and Clerical Workers for San Francisco-Oakland-San Jose Consumer Price Index between February of the preceding year and February of the then current year, provided however, that the reported change in each category shall be rounded up or down to the nearest $5 per hour.

4. All other terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the First Restated Agreement for Legal Services the day and year set below.

DATED: ________________ ________________________________

Robert J. McGarvey, Mayor
City of Rancho Cordova

DATED: ________________ ________________________________

Adam U. Lindgren, Principal
Meyers, Nave, Riback, Silver, & Wilson

2506993.1

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Mindy Cuppy, City Clerk

**SUBJECT:** **APPOINTMENT OF LABOR NEGOTIATORS**

## RECOMMENDATION

Appoint Cyrus Abhar, Interim City Manager, and Adam Lindgren, City Attorney, as Labor Negotiators.

## RESULT OF RECOMMENDED ACTION

Per Government Code Section 54957.6 the City Council shall appoint negotiators in open session prior to any closed session to discuss labor negotiations. Appointment of negotiators will allow the City Council and negotiators to hold a closed session which is currently scheduled for later on this agenda.

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Mindy Cuppy, City Clerk

**SUBJECT:** **APPOINTMENT OF REAL PROPERTY NEGOTIATORS**

## RECOMMENDATION

Appoint Cyrus Abhar, Interim City Manager, and Adam Lindgren, City Attorney, as Real Property Negotiators.

## RESULT OF RECOMMENDED ACTION

Per Government Code Section 54956.8 the City Council shall appoint negotiators in open session prior to any closed session to discuss real property negotiations. Appointment of negotiators will allow the City Council and negotiators to hold a closed session which is currently scheduled for later on this agenda.

**MEMORANDUM**

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Joe Cuffe, Building and Safety Division

**SUBJECT:** **EXPEDITED PERMITTING PROCESS FOR SMALL RESIDENTIAL ROOFTOP SOLAR SYSTEMS PER ASSEMBLY BILL 2188 (2014, MURATSUCHI)**

## RECOMMENDATION

Staff recommends City Council introduce and waive the first reading, by substitution of title only, an ordinance adding sections 16.07.010 through 16.07.060 to the City of Rancho Cordova Municipal Code titled "Expedited Permit Process for Small Residential Rooftop Solar Energy Systems."

## RESULT OF RECOMMENDED ACTION

In 2007, the Building and Safety Division, in collaboration with surrounding jurisdictions and SMUD, implemented "Standardized Permit Submittal Requirements for Residential (Single Family) Photovoltaic Systems". Since then, the City has expedited the review of such applications that comply with these requirements. If the plans and applications for residential solar meet all of the submittal requirements, such applications are usually approved over-the counter; and no longer than three business days depending on staffing levels. The City already expedites the review of such applications within its current processes. Upon second reading at a subsequent City Council meeting, approval of this ordinance would add a section related to this process to the Municipal Code and ensure compliance with Assembly Bill 2188.

## BACKGROUND

In September 2014, Assembly Bill 2188 (Muratsuchi), requiring local agencies to have an expedited permit process for small residential rooftop solar energy systems was passed by the California State Legislature and signed by the Governor.

This legislative action revised two parts of the California Solar Rights Act. Specifically, it amends Section 714 of the Civil Code and Section 65850.5 of the government Code, relating to solar energy. Section 714 of the Civil Code is amended to alter the definition of what is a reasonable restriction on a solar energy system as it pertains to restrictions that would significantly increase the cost of the system or significantly decrease its efficiency or specified performance; or that would not allow for an alternative system of comparable cost, efficiency and energy conservation benefits.

Specifically, "significantly" is defined as an amount not to exceed one thousand dollars ($1,000) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding 10 percent as originally specified and proposed.

The amendment which mandates the City of Rancho Cordova to adopt an ordinance memorializing an expedited permit and inspection process for small residential rooftop solar energy system on or before September 30, 2015, is Government Code section 65850.5. This ordinance satisfies both the content required by Assembly Bill 2188 and meets the deadline required of September 30, 2015.

The City of Rancho Cordova Building and Safety Division currently meets the time-frame required by Assembly Bill 2188 for same-day (over-the counter) issuance of small photovoltaic (solar power collector) permits, as well as the requirement for a single, timely inspection to finalize the permit. We anticipate no changes being needed in our permit issuance procedure to comply with Assembly Bill 2188.

## FISCAL IMPACT

This amendment has no impact on the General Fund, as the costs would be recovered through existing building permit fees.

## ATTACHMENT

Ordinance 10-2015.

2486983.1

# CITY OF RANCHO CORDOVA

## ORDINANCE NO. 10-2015

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING TITLE 16 OF RANCHO CORDOVA MUNICIPAL CODE BY ADDING CHAPTER 16.07 “EXPEDITED PERMIT PROCESS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS”

## RECITALS

**WHEREAS**, as set forth in Government Code Section 65850.5(a), it is the policy of the State of California that local agencies encourage the installation of solar energy systems by removing obstacles to, and minimizing the costs of, permitting such energy systems; and

**WHEREAS**, as set forth in Government Code Section 65850.5(g), cities must adopt an ordinance on or before September 30, 2015, that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems; and

**WHEREAS**, the City Council of the City of Rancho Cordova finds that it is in the interest of the health, welfare and safety of the public to provide an expedited permitting process to encourage the effective development of solar technology; and

**WHEREAS**, solar energy creates local jobs and economic opportunity; and

**WHEREAS**, the City Council recognizes that rooftop solar energy provides reliable energy and pricing for its residents; and

**WHEREAS**, the City Council finds the following ordinance will have the effect of encouraging the installation of small residential solar energy systems and minimizing barriers, obstacles, and costs of obtaining permits for their installation.

**THEREFORE,** THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES HERBY ORDAIN AS FOLLOWS:

**SECTION 1.** Title 16, Chapter 7, “Expedited Permit Process for Small Residential Rooftop Solar Energy Systems” is hereby added to read as follows:

### “Expedited Permit Process for Small Residential Rooftop Solar Energy Systems”



### 16.07.010 Purpose.

The purpose of this Chapter is to provide expedited, streamlined solar permitting process that complies with the Solar Rights Act and AB 2188 (Chapter 521, Statues 2013, California

Government Code Section 65850.5) in order to achieve timely and cost-effective installations of small residential rooftop solar energy systems. The provisions of this Chapter encourage the use of solar systems by removing unreasonable barriers, minimizing costs to property owners and the City, and expanding the ability of property owners to install solar energy systems. This Chapter allows the City to achieve these goals while protecting public health and safety.

**16.07.020 Definitions.**

"Association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

"Common interest development" means any of the following:

A. A community apartment project.

B. A condominium project.

C. A planned development.

D. A stock cooperative.

"Board of Appeals" means the Building Board of Appeals for the City of Rancho Cordova.

"Building Official" means the Chief Building Official of the City or his or her designee.

"Building department" means the Building and Safety Division for the City of Rancho Cordova.

"City" means the City of Rancho Cordova.

"Electronic submittal" means the utilization of electronic email or submittal via the Internet or facsimile.

"Expedited permitting" and "expedited review" means the process outlined in Section 16.07.060 entitled "Expedited Permit Review and Inspection Requirements"

"Reasonable restrictions" on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

"Restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance" means:

A. For water heater systems or solar swimming pool heating systems: an amount exceeding 10 percent of the cost of the system, but in no case more than one thousand dollars ($1,000), or decreasing the efficiency of the solar energy system by an amount exceeding 10 percent, as originally specified and proposed.

B. For photovoltaic systems: an amount not to exceed one thousand dollars ($1,000) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding 10 percent as originally specified and proposed.

"Small residential rooftop solar energy system" means all of the following:

A. A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.

B. A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City, and all applicable health and safety standards

C. A solar energy system that is installed on a single- or two-family dwelling.

D. A solar panel or module array that does not exceed the maximum legal building height as defined by the City.

"Solar energy system" means either of the following:

A. Any solar collector or other solar energy devise whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation or water heating.

B. Any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.

"Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

**16.08.030 Applicability.**

1. This Chapter applies to the permitting of all small residential rooftop solar energy system in the City.

2. Small residential rooftop solar energy systems legally established or permitted prior to the effective date of this ordinance are not subject to the requirements of this Chapter unless physical modifications or alterations are undertaken in such a way as to require new permitting. Routine operation and maintenance shall not require a permit.

**16.08.040 Requirements and Standards.**

1. All small residential rooftop solar energy systems shall meet applicable health and safety standards and requirements imposed by the state, the local fire district, and the City.

2. All small residential rooftop solar energy systems used for heating water shall be certified by an accredited listing agency as defined by the California Plumbing and Mechanical Code.

3. All small residential rooftop solar energy systems used for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

4. All small residential rooftop solar energy systems proposed on a structure that is a designated Historic Landmark or is located with a designated Historic District may be permitted provided that the design of the system is consistent with the purposes of the Landmark or District designation.

**16.08.050 Duties of the Building & Safety Division and the Building Official**

1. All documents required for the submission of an expedited solar energy system application shall be made available on the City's publically accessible website.

2. Electronic submittal of the required permit application and documents via email, the City's website, or facsimile, shall be made available to all small residential rooftop solar energy system permit applicants.

3. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature.

4. The building department shall adopt a standard plan and checklist of all requirements with which small residential rooftop solar energy systems shall comply to be eligible for expedited review.

5. The small residential rooftop solar system permit process, standard plans(s) and checklist(s) shall substantially conform to the recommendations for expedited permitting, including the checklist and standard plans contained in the most current version of the California Solar Permitting Guidebook adopted by the Governor's Office of Planning and Research, copies of which are on file in the building department.

6. All fees prescribed for the permitting of small residential rooftop solar energy systems must comply with Government Code Sections 65850.55, 66015, and 66016 and with Health and Safety Code Section 17951.

**16.07.060 Expedited Permit Review and Inspection Requirements.**

1. The building official shall implement an administrative, nondiscretionary review process to expedite approval of small residential rooftop solar energy systems on or before September 30, 2015. The building department shall issue a building

permit, the issuance of which is nondiscretionary, within three business days upon receipt of a complete application that meets the requirements of the approved checklist and standard plan.

2. Review of the application shall be limited to the building official's review of whether the application meets local, state, and federal health and safety requirements.

   a. The building official may require an applicant to submit additional plans and documentation if the official finds, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety. Such decisions may be appealed to the Board of Appeals, whose decision shall be final.

      i. In addition, to a building permit the City may require a use permit. The City may deny the use permit application if it makes written findings based upon substantive evidence in the record that the proposed installation would have a specific, adverse impact upon public health or safety and there is no feasible method to satisfactorily mitigate or avoid, as defined, the adverse impact. Such findings shall include the basis for the rejection of the potential feasible alternative for preventing the adverse impact. Such decision may be appealed to the City Council, whose decision shall be final.

3. Any condition imposed on an application shall be designed to mitigate the specific, adverse impact upon health and safety at the lowest possible cost.

4. "A feasible method to satisfactorily mitigate or avoid the specific, adverse impact", includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City on another similarly situated application in a prior successful application for a permit. The City shall use its best efforts to ensure that the selected method, condition or mitigation meets the conditions of subparagraphs (A) and (B) of paragraph (1) of subdivision (d) of Section 714 of the Civil Code defining restrictions that do no significantly increase the cost of the system or decrease its efficiency or specified performance.

5. City approval of an application for small residential rooftop solar energy system shall not be conditional on approval by an association or common interest development governing body or architectural review committee.

6. If an application is deemed incomplete, a written correction notice detailing all deficiencies in the application and any additional information or documentation required to be eligible for expedited permit issuance shall be sent to the applicant for resubmission.

7. Only one inspection shall be required and performed by the building department for small residential rooftop solar energy systems eligible for expedited review. The local fire district may require a separate inspection.

8. The building department inspection shall be done in a timely manner and should include consolidated inspections. Requested inspections shall be scheduled within one to three business days.

9. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized but need not conform to the requirements of the Chapter.

**Section 3.** Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application and to this end the prevision of this ordinance are severable. This City Council declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

**Section 4.** Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of _____, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Robert J. McGarvey, Mayor

**ATTEST:**

______________________________
Mindy Cuppy, MMC, City Clerk

# MEMORANDUM

**DATE:** August 17, 2015

**TO:** Honorable Mayor and Council Members

**FROM:** Bret Sampson, Senior Planner

**SUBJECT:** **CITY-SPONSORED ZONING CODE AMENDMENT – URBAN AGRICULTURE ORDINANCE**

| | |
|---|---|
| **PROJECT:** | City-sponsored Zoning Code Amendments– Urban Agriculture Ordinance |
| **FILE:** | Urban Agriculture Ordinance |
| **LOCATION:** | Citywide |
| **PLANNER:** | Bret Sampson |

## RECOMMENDATION

Introduce and waive first reading Ordinance 14-2015.

## RESULT OF RECOMMENDED ACTION

The City sponsored Zoning Code Amendments would add Chapter 23.904.020 (Urban Agriculture), add Urban Agriculture as a defined use to Chapter 23.1101.020 (Definitions), and amend tables 23.310.-1, 23.313-1, and 23.316-1 to add Urban Agriculture as an allowed use. These amendments would allow the selling of produce grown on site in residential and commercial zones subject to the design standards contained in the code amendments.

## BACKGROUND

The Sacramento region is experiencing a growing popularity in regards to Urban Agriculture and sustainable living practices. Furthermore, the Farm to Fork movement has helped to put the Sacramento region on the map for being a strong agricultural community. Recently, staff received direction from the City Council to prepare an ordinance to facilitate urban agriculture in Rancho Cordova.

## PROJECT ANALYSIS

Staff researched Urban Agriculture ordinances throughout the country and then drafted an ordinance that is closely related to the City of Sacramento's ordinance. The Urban Agriculture Ordinance provides definitions for urban agriculture activities, inputs urban agriculture into the appropriate allowed use tables, and establishes specific design standards that anyone wishing to pursue urban agricultural activities would be required to follow.

The City hosted a public meeting to take comments on both the Farm to Fork movement and the Urban Agriculture Ordinance on May 21, 2015. The meeting was held in partnership with Farm-to-Fork under the Sacramento Convention & Visitors Bureau. Comments received during the public meeting and afterwards via email include:

- Front yard stand should only be allowed if a permit is obtained from the City.
- A permit from the City should be at no cost.
- Stands should only be open from 8 a.m. to 12 p.m. and the days should be limited.
- Gardens should not be allowed in the front yards.

The following changes were made to the Zoning Code Amendments in response to the comments received:

- Front yard stands are not permitted under the revised Zoning Code Amendments. Staff feels that if front yard stands are not allowed a permit is then not necessary. A resident may sell produce from their garage, table and chairs, and utilize temporary accessories such as a canopy and or umbrella. The proposed Zoning Code Amendments include standards that would insure that the selling of produce from a residence and or commercial lot would not become a nuisance.
- In residential zones, the selling of produce is limited to Tuesdays and Saturdays, from 8:00 a.m. to 7 p.m.
- Gardens would be allowed in the front yards as they are now, however, a design standard was added to the Zoning Code Amendments restricting the height of a front yard garden to 5 feet. A five foot maximum height matches up with the 5 foot maximum front yard fence standard included in the Zoning Code and would ensure that a nuisance is not created by Urban Agriculture activities.

In addition to holding a public meeting to receive input on the Urban Agriculture Ordinance, the City participated in an online Open Town Hall Forum from June 2$^{nd}$ to June 9$^{th}$. The forum asked the question, "Should the City of Rancho Cordova change its regulations to encourage urban agriculture?" In total, there were 19 statements posted to the forum with 18 statements being in favor of encouraging urban agriculture and one against (**Attachment 2**).

## ENVIRONMENTAL ANALYSIS

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Section 15061 (General Rule). The proposed Zoning Code Amendments that would allow the selling of produce grown on site in residential and commercially zoned properties is an activity anticipated within the scope of the General Plan EIR and require no further environmental review. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162. Furthermore, this is a procedural change in the Zoning Code that will not result in a direct, or reasonably foreseeable indirect, physical change in the environment. Therefore, adoption of the Ordinance is not subject to CEQA pursuant to Guidelines Section 15060(c)(2).

## RECOMMENDED MOTION

Staff recommends the City Council introduce and waive the first reading of Ordinance No. 14-2015.

## ATTACHMENTS

1. Ordinance No. 14-2015.
2. Open Town Hall Forum Statements.

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. 14-2015**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA TO ADD CHAPTER 23.904.020 (URBAN AGRICULTURE), ADD URBAN AGRICULTURE AS A DEFINED USE TO CHAPTER 23.1101.020 (DEFINITIONS), AND AMEND TABLES 23.310.-1, 23.313-1, AND 23.316-1 TO ADD URBAN AGRICULTURE AS AN ALLOWED USE**

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**

**Section 1.** Purpose and Declarations.

**WHEREAS**, there has been a growing popularity in the City in regards to urban agriculture and the Farm to Fork movement; and

**WHEREAS**, the City Council expressed an interest in urban agriculture activities in the City; and

**WHEREAS**, residents have also expressed a desire to allow for the selling of produce from their residences that has been grown on site; and

**WHEREAS**, current Zoning Code provisions do not adequately regulate this activity to ensure that it is carried out in a nuisance-free manner; and

**WHEREAS**, the City Council desires to establish such regulations and has considered substantial community input; and

**WHEREAS**, these amendments were analyzed and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Section 15061 (General Rule); and

**WHEREAS**, on August 17, 2015, the City Council held a properly noticed public hearing at which it received a report from City staff, oral and written testimony from the public, and deliberated on the item.

**Section 2.** Findings.

A. CEQA Compliance. The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Section 15061 (General Rule). The proposed Zoning Code amendments that would allow the selling of produce grown on site in residential and commercially zoned properties is an activity anticipated within the scope of the General Plan EIR and require no further environmental review. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162. Furthermore, this is a procedural change in the Zoning Code that will not result in a direct, or reasonably foreseeable indirect, physical change in the environment. Therefore, adoption of the Ordinance is not subject to CEQA pursuant to Guidelines Section 15060(c)(2).

**ATTACHMENT 1**

B. Consistency with the General Plan. The proposed Zoning Code Amendments ("Amendments" or "proposed Amendments") are consistent with the General Plan as required by Government Code Section 65454. The Amendments are consistent with and implements the following provisions of the City's adopted General Plan:

General Plan Goals, Policies, and Actions:

§ Land Use Action.1.1.1 – Regularly evaluate the mix of land uses as the City grows to analyze build out conditions, market conditions, etc.

Finding: The proposed Zoning Code Amendments would allow for the selling of produce from certain residential and commercial zones. The amendments would not detract from the intended uses in residential and or commercially zoned properties. Rather, urban agriculture activities would be supportive of such uses.

**Section 3.** Amendments. The City Council adopts the following additions to the Zoning Code (amendments in **bold**):

**Table 23.310-1 (Excerpt)**

| Land Use Category | RD-1 | RD-2 | RD-3 | RD-4 | RD-5 | RD-7 | RD-10 | RD-15 | Specific Use Regulations |
|---|---|---|---|---|---|---|---|---|---|
| Marijuana Cultivation, Indoor | P[14] | P[14] | P[14] | P[14] | P[14] | P[14] | P[14] | P[14] | Chapter 6.90 RCMC |
| Marijuana Cultivation, Outdoor | N | N | N | N | N | N | N | N | |
| **Urban Agriculture** | **P** | **P** | **P** | **P** | **P** | **P** | **P** | **P** | **RCMC 23.904.030** |

**Table 23.313-1 (Excerpt)**

| Land Use Category | RMU | CMU | OPMU | OIMU | LIBP | VC | LTC | RTC | Specific Use Regulations |
|---|---|---|---|---|---|---|---|---|---|
| Schools, Public | P | P | P | P | P | P | P | P | |
| Theaters and Auditoriums | C | P | P | P | N | AUP | P | P | |
| **Urban Agriculture** | **P** | **P** | **P** | **P** | **AUP** | **AUP** | **AUP** | **AUP** | **RCMC 23.904.030** |

**Table 23.316-1 (Excerpt)**

| Land Use Category | GC | M-1 | M-2 | Specific Use Regulations |
|---|---|---|---|---|
| Schools, Public | P | P | P | |
| Theaters and Auditoriums | P | C | C | |
| **Urban Agriculture** | **P** | **N** | **N** | **RCMC 23.904.030** |

**ATTACHMENT 1**

**Additions to Chapter 23.1101.020 Definitions of the Zoning Code:**

"Urban Agriculture" is the production of food in a form and scale that is appropriate for the urban context. Urban agriculture includes: Market garden, private community garden, public community garden, private garden, and aquaculture.

- "Aquaculture" means the cultivation of marine or freshwater fish, shellfish, or plants under controlled conditions. *Aquaponics* is a subset of aquaculture which integrates aquaculture with hydroponics by recycling the waste products from fish to fertilize hydroponically growing plants.
- "Community garden, public" means public land divided into multiple plots that are available to the public for growing and harvesting of fruits, vegetables, flowers, fiber, nuts, seeds, or culinary herbs primarily for the personal use of the growers, and that is established, operated, and maintained by the public agency.
- "Community garden, private" means an otherwise undeveloped lot divided into multiple plots for the growing and harvesting of fruits, vegetables, flowers, fiber, nuts, seeds, or culinary herbs, primarily for the personal use of the growers, and that is established, operated, and maintained by a group of persons, other than the public agency.
- "Hydroponics" means a method of growing plants in soil-less medium or an aquatic-based environment in which plant nutrients are distributed via water.
- "Market garden" means the cultivation of fruits, vegetables, flowers, fiber, nuts, seeds that involves the sale or donation of its produce to the public.
- "Private garden" means a private food-producing garden located in the front, side, or rear yard, courtyard, balcony, fence, wall, window sill or basement that is accessory to the primary use of a site.

**The addition of Chapter 23.904.030 Urban Agriculture to the Zoning Code:**

A. An urban agricultural activity is the production of food in a form and scale that is appropriate for the urban context. Urban agriculture includes: Market garden, private community garden, public community garden, private garden, and aquaculture.

   1. Development Standards for Urban Agriculture Activities. In addition to development standards of the underlying zoning district, the following special standards apply to all urban agriculture activities:

      a. Maintenance.
         i. Urban agriculture uses shall be maintained in an attractive and orderly manner, including litter removal, irrigation, weeding, pruning, pest control and removal of dead or diseased plant materials.

      b. Equipment.
         i. Use of mechanized farm equipment is prohibited in residential districts.

      c. Exceptions:
         i. Heavy equipment may be used initially to prepare the land for agriculture use.

ii. Landscaping equipment designed for household use is permitted.
iii. Equipment when not in use must be enclosed or otherwise screened from sight.

d. Structures.
    i. Urban Agricultural stands are not permitted for the sale of produce on site.
    ii. Structures to support urban agriculture, such as storage sheds, hoop-houses, and greenhouses, are permitted, subject to the regulations of the underlying zone.
e. Signage.
    i. A maximum of 4 square feet of signage is allowed but the sign may only be displayed during approved business hours.
f. Front Yard Setback
    ii. The maximum height of any crop located in the front yard setback is 5 feet (i.e., corn, peas, etc.).
g. Aquaculture operations.
    i. Are allowed as an accessory use in residential and residential mixed use zones. The operation shall be contained entirely within an enclosed structure that meets the requirements of the underlying zoning, or in a yard that is screened from view of adjacent streets by fencing or landscaping.
    ii. Aquaculture operations in non-residential zones are allowed, subject to the regulations of the underlying zone.
h. Produce may be sold from a residence under the following circumstances:
    i. Produce may be sold from a residential garage and or table located in the front yard setback.
    ii. Any tables, chairs, canopies, umbrellas, or other accessories needed for the sale of on-site produce must be temporary in nature and must be taken down at the end of each day approved for sales.
    iii. Product sales are limited to produce and value-added products grown and produced on-site.
    iv. Operating hours for urban agriculture sales are limited to 8:00 a.m. to 7:00 p.m. In R-zones, operations shall be further limited to Tuesdays and Saturdays.

Only those amendments in bold are adopted herein.

**Section 4.** Severability. If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

**ATTACHMENT 1**

**Section 5.** Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the _____ day of ___________, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

_____________________________
Robert J. McGarvey, Mayor

**ATTEST:**

_____________________________
Mindy Cuppy, MMC, City Clerk

# Urban Agriculture Ordinance

*Should the City of Rancho Cordova change its regulations to encourage urban agriculture?*

## All On Forum Statements sorted chronologically

## As of June 10, 2015, 8:19 AM

*As with any public comment process, participation in Engaged Rancho Cordova is voluntary. The statements in this record are not necessarily representative of the whole population, nor do they reflect the opinions of any government agency or elected officials.*

# Urban Agriculture Ordinance

*Should the City of Rancho Cordova change its regulations to encourage urban agriculture?*

As of June 10, 2015, 8:19 AM, this forum had:

| | |
|---|---|
| Attendees: | 95 |
| On Forum Statements: | 19 |
| All Statements: | 27 |
| Hours of Public Comment: | 1.4 |

This topic started on June 2, 2015, 6:02 PM.
This topic ended on June 10, 2015, 8:17 AM.

Name not shown inside district 8 June 9, 2015, 7:59 PM

I think Rancho should allow growth and sales of produce.
Honestly, a well done garden uses less water than grass.
We would have access to share and or/ sell more foods.
Many ethnic and socio-economic levels love gardening.

Plus a proper garden will have many pollinators, we need to encourage the production of more bees.

Soil Born Farms is a wonderful thing in our neighborhood and I would not be growing the little produce i do now if it wasn't for them and their techniques.

I don't see a taxing on it being fair as when we buy uncooked foodstuffs we aren't taxed on that either.

I look forward to the ruling on the ordinance.

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Name not shown inside district 2 June 8, 2015, 4:27 PM

I've owned my home in Rancho Cordova for 29 years. I fear what may happen to our neighborhoods if selling produce from your front door is permitted or encouraged. It will increase traffic, as well as the trafficking of illicit items such as pot, which will bring other problems into a formerly quiet and safe neighborhood. If the resident wants to grow their own food, for their own family, that's great. But if they want to sell the produce, they should do so in a designated central area, not from their front porch. Why not simply have a farmer's market where everyone could bring their produce? That would keep the streets clear and still allow folks to sell produce if they wanted. Even if the city makes some reasonable rules, such as allowing sales only 3 times a year from the front yard, as they do with yard sales, I still think it would be a mess. The city doesn't have enough staff to police that kind of function, and neighbors may simply move out of Rancho rather than fight the problems that this could cause. Our residential areas were not designed to support commercial ventures.

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[redacted] inside district 2 June 6, 2015, 7:34 PM

GREAT IDEA! My husband and I bought a home in Rancho Corodva (the SunRiver community) a year ago. We love Rancho Cordova and the people that live in the City. We plan on staying and raising our family and I would love to see the farm to fork moment grow in our great city. We belong to Soil Born farm club and even with their weekly box we tend to run out towards the end of the week. It would be great to just visit a neighbor to buy some delicious veggies. It would help improve our city by connecting neighbors through good food and will demonstrate good nutrition and care for health to our Rancho Cordova kids. Please make it as easy as possible to grow and sell veggies/food. YES TO SELLING VEGGIES FROM OUR HOMES, NO TO NEEDING A PERMIT, AND LETS ALLOW SELLING ON ANY DAY too many of us work and if it limited to certain days some may miss out. Food is required everyday of the week not just 1-2 days. If sold everyday we can get the veggies at the very peek ripeness! THANK YOU FOR DOING THIS! On a side note: I would love to see more farm to fork "non chain" restaurants come to our city. I would like to just be able to walk across the street to the two shopping centers near sunriver to eat dinner. We tend to drive to Sacramento so we can eat at the farm to fork restaurants, lets promote farm to fork local restaurants to come so I can spend my money in Rancho!

Thank you,
A Rancho Cordova Citizen

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[redacted] inside district 3 June 4, 2015, 6:08 PM

I think the private residents should be allowed to grow and sell their own products. Also I don't think that the Federal Government or the IRS should interfere with what monetary value the residents earn from growing and selling vegetables.

2 Supporters

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Name not shown inside district 1 June 4, 2015, 2:54 PM

Thank goodness for Soil Born Farms - it is the highlight of this town.

Yes to unregulated/unpermitted small-scale selling of produce from our homes. Check out So. CA and the little fruit stands that people keep up in their front yards - very charming. My grandmother sold her own eggs and butter when times were hard. Guess what? Times are still hard and we need to be able to do what we can to support ourselves and support each other. Self-produced.

If I could walk down my street and fill my pantry with home gardened goods - that would be heaven. No more shopping at flourescent - lit supermarkets with factory produced food flashing in my face!

Why the fear about front-yard gardens? odd. Front yard gardens would eliminate the pointless water-hungry lawns that are throughout this town. Ah - for some visual interest! wishing. for. something. interesting. in. this. town.

4 Supporters

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Name not shown inside district 1 June 4, 2015, 12:36 PM

I support the idea to allow urban agriculture in residential areas and mixed-use areas and hope that this will also include front yards for growing vegetables and fruits. I would, however, argue for a limit for aquaculture to mixed-use areas only and not residential areas – partially because of how it would look in residential neighborhoods and could potentially negatively affect house values that way.

I support the idea of requiring a permit if the produce is sold; I think this could bring in extra income to the city and also prevent others to put up a stand in front of just anyone’s house even if the person does not live there but the location is practical. I think a permit would keep this problem down a little bit. The only exception to the permit for me would be if the produce is not sold but given away free but with suggested amounts for donations.

I would also limit the days – maybe one or two days a week – to keep traffic and noise limited to specific days and times of the day if the produce stand becomes popular. It could be annoying for neighbors if large amounts of customers drive by and stop on all days.
I am also wondering whether this idea for urban agriculture would include chickens, ducks, bees/honey, etc. If this is the case, I would suggest EXcluding those and limiting this to vegetables, fruits, and flowers – partially for noise, smell, and looks reasons.

1 Supporter

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Name not shown inside district 4 June 4, 2015, 11:20 AM

Yes rancho Cordova should allow agriculture to be grown here. local things are always better. We need things like this here in rancho

1 Supporter

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[redacted] inside district 7 June 4, 2015, 10:14 AM

Regulations should encourage urban agriculture. Not sure how they deter it no, but please support more self-reliance, like the chicken law.

2 Supporters

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[redacted] inside district 1 June 4, 2015, 9:11 AM

I hope this "encouragement" could be accomplished without permits and fees.

If a program supports the greater good of the community, the city should fund it and help to end the food deserts that exist throughout parts of our community.

We would be far better off as a city if we could walk or ride a bike to get fresh local food. Its win-win-win. Healthier food, less air pollution, folks getting out in their neighborhood and interacting with their neighbors, making us healthier and our neighborhoods safer.

As far as limiting the number of days sellers are allowed, this misses the whole point of fresh local food. Pick it this morning and sell it today, with the only limitation being on hours the food can be sold. This point can't be emphasized enough. Donate the daily surplus to the Food Locker at SJV, transported by volunteers.

A permit required program, no matter what the cost is, will prohibit some of the neediest from participation.

I hope for a grass-roots program supported wholly by volunteers and philanthropic local businesses. The city should establish guidelines that could be enforced by existing code enforcement officers.

# Urban Agriculture Ordinance

Should the City of Rancho Cordova change its regulations to encourage urban agriculture?

5 Supporters

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[redacted] inside district 3 June 3, 2015, 10:17 PM

I would support urban agriculture if the gardens are in the backyards or vacant lots used as community gardens. If people are going to sell from their garden, that should be done from someplace setup as a farmers market. I do not support people buying from individuals homes. I see a variety of problems stemming from that idea.

1 Supporter

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Name not shown inside district 3 June 3, 2015, 7:14 PM

What does the regulation say now? We can grow gardens now right? What am I missing?

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[redacted] inside district 10 June 3, 2015, 3:24 PM

I am very supportive of urban agriculture in Rancho Cordova. My dream yard would be a completely edible garden bursting with flavor and color that would feed my family and friends.

Permits should not be required to have your own urban agriculture. This would be a burden and cost barrier that would prevent many families from participating. I believe current city law already addresses at home businesses, traffic restrictions, ect, and I feel those current laws are sufficent to cover anyone who decides to use urban agriculture for profit.

I would like to see the city support a community sharing movement where they help to connect citizens with education and resources on urban agriculture. The city already has volunteer organizers on staff and we have Soil Born Farms in our community. It would be great to have the trained city staff members help assist citizen groups in developing harvest shares in their local neighborhoods or teach local on-site workshops for how to organize together and create community gardens.

I listed a lot of pipe dreams, but the reality is that I want to be able to rip out my waste of a front lawn and plant a wonderful edible gardening without getting in any trouble. It is not going to be a mess, but it is going to be a garden and look differnt from other's perfectly groomed lawn. Let HOA's do their thing, but help protect those of use who are not in HOA's and want to have a garden out front!

P.S. The city could even get in on this! Next time you need to plant a bunch of shade trees, why don't you plant some orange trees? Soil Born Farms organizes harvesting events, we could do a city harvest and then donate that harvest to the areas of Rancho Cordova that really could use the help with extra food!

6 Supporters

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Name not shown inside district 3 June 3, 2015, 2:58 PM

I support urban ag movement. But if such planting is done in front yards there would be a great threat of passers by helping themselves just as they do now with accessible fruit etc. And I might add recycling put out for pick up. It just seems that what is visible is free to take. Community gardens a great idea but closely regulated if not for non participants. Rancho Cordovans need to visit our Saturday Farmers Market. Amazing how many don't know about that. Thank you. Rancho Cordova needs to start somewhere on what's trending elsewhere it just might present a different challenge.

1 Supporter

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[redacted] inside district 1 June 3, 2015, 2:38 PM

It would be great if Rancho Cordova be came a leader in urban agriculture. I think we should encourage and support local business that promote substantial agriculture.

There are few vacant lots that would be perfect for a community garden. As for selling goods from your home, we would need to have some regulations. We would need to establish when it is selling extra home grown/made goods and when it becomes a small business.

We need to lead, not follow as our city has many great natural resources that we can use and need to preserve. I look forward to being part of Rancho Cordova's bright future.

1 Supporter

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[redacted] inside district 7 June 3, 2015, 2:36 PM

I think this is an excellent idea. Further, there should be no license requirement for a small (less than 6 feet long), temporary (disassembled at sunset) stand that is operated by a person under the age of 16, two days per week or less.

2 Supporters

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Name not shown inside district 3 June 3, 2015, 2:00 PM

I always believe in "the less government, the better it is for people"
In this matter, it is good if the ordnance produces less regulation, for or against,for the people.

1 Supporter

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Name not shown inside district 10 June 3, 2015, 1:23 PM

Great to allow home growing and selling. I would like to require permits and selling only one or two days.
Thank you!

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[redacted] inside district 5 June 3, 2015, 12:23 PM

I 100% support the City encouraging urban agriculture in any way possible. This is the best thing I have heard from the city lately, and makes me proud of my city. I don't think any permits should be required. Community gardens, allowing neighbors to sell their goods to other neighbors or at market, backyard chickens, aquaculture, etc. These all have been shown to have multiple benefits for communities. Improved health and mental health, community involvement, reduction of food dependence, reduction of crime, increased property values, etc. Also, a program to donate extra, or imperfectly formed fruits and vegetables (not ideal for market) to the homeless or disadvantaged in our community would be wonderful. Also encouraging restaurants, delis, etc to open in Rancho Cordova that follow the farm to fork movement. How wonderful would it be to have local eateries that served food grown right here in Rancho Cordova? Thank you so much for considering implementing such wonderful ordinances that will support all the citizens.

3 Supporters

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[redacted] inside district 2 June 3, 2015, 11:22 AM

Hello, and thank you for asking. :) I fully support my (newly adopted!) city doing whatever possible to encourage urban agriculture. Bringing more "country" into the city has a multitude of benefits and I would love access to more locally grown fruits and vegetables. I work in midtown and am always envious of all of the farmer's markets and such.

4 Supporters

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# Urban Agriculture

## Cultivating a Sustainable Future


a fresh take.
RANCHO CORDOVA
CALIFORNIA

aFreshTake.org

# Benefits of Urban Agriculture

- Food Access and Security
- Increased Fruit and Vegetable Consumption
- Food and Health Literacy
- General Well-Being (Mental Health and Physical Activity)

# Ordinance Highlights

- Adds Chapter 23.1101.020 (Urban Agriculture) to the Zoning Code.
- Adds Urban Agriculture as a defined use to Chapter 23.1101.020 of the Zoning Code.
- Amends Tables 23.310-1, 23.313-1, and 23.316-1. to add Urban Agriculture as an allowed use.

# Design Standards Overview

- Urban Agriculture uses shall be maintained in an orderly manner.
- Use of mechanized farm equipment is prohibited in residential districts.
- Urban Agriculture stands are not permitted.
- The maximum height of any crop located in the front yard setback is 5 feet.

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# Staff Recommendations

- Recommend taking public comments and continuing item to a future date.

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