

# **Gridley City Council – Regular City Council Meeting**

Monday, August 17, 2020; 6:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

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## **Notice of Temporary City Council Meeting Procedures**

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Act, Governor Gavin Newsom’s Emergency Declaration related to COVID-19, and Governor Newsom’s Executive Order N-29-20 issued March 17, 2020 that allows attendance by City Council, City staff and the public to participate and conduct the meeting by teleconference and to participate in the meeting to the same extent as if they were present. Comments from the public on agenda items will be accepted until 4 pm on August 17, 2020, via email to [jmolinari@gridley.ca.us](mailto:jmolinari@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration. The Mayor and Council appreciate the public’s adaptation and patience during this crisis.

You may attend via teleconference:

- Dial 1-888-204-5987
  - Enter the Access Code 5767603#
- 

**CALL TO ORDER** - Mayor Johnson

**ROLL CALL** - Recording Secretary

**PLEDGE OF ALLEGIANCE** – Council Member Borges

**INVOCATION** - None

**PROCLAMATIONS** – None

**COMMUNITY PARTICIPATION FORUM** - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

## **CONSENT AGENDA**

1. City Council minutes dated June 10, June 15, June 24, and July 8, 2020
2. Adopt Resolution Number 2020-R-017: A Resolution of The City Council of The City of Gridley Authorizing Application For, And Receipt of, Local Government Planning Support Grant Program Funds

3. Police Vehicle Surplus
4. Acceptance of Treasurer's Report FY 18-19
5. Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services
6. Authorizing Extension of Audit Services Firm
7. Approval of Resolution No. 2020-R-018: A Resolution of The City Council of The City of Gridley Authorizing the City Administrator to Represent the City for The Wilson Well Assessment

#### **ITEMS FOR COUNCIL CONSIDERATION**

8. Update - City Council's Quality Streets Initiative
9. Authorization to Purchase 15 Body Worn Cameras and Utilize the Technical Assurance Plan in Order to Maintain the Equipment
10. Council Meeting Schedule Changes

**CITY STAFF AND COUNCIL COMMITTEE REPORTS** - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - (Appearing on the Agenda within 30-90 days):

Police Department Digital Radio System Budget Review	9/21/2020
Stenzel General Plan/Prezone/Annexation	9/21/2020
Garbage Services RFP Approval	10/5/2020
Introduction General Plan/Prezone/Annexation for north 400 ac.	10/5/2020

**CLOSED SESSION – None**

**ADJOURNMENT** – adjourning to a Regular City Council meeting on September 21, 2020

**NOTE 1: POSTING OF AGENDA-** This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., August 14, 2020. This agenda along with all attachments is available for public viewing online at [www.gridley.ca.us](http://www.gridley.ca.us) and in the Police Department Lobby, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS** – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

# Gridley City Council – Special City Council Meeting Minutes

Wednesday, June 10, 2020; 6:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

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- 

## CALL TO ORDER

**Mayor Johnson called the meeting to order at 6:00 p.m.**

## ROLL CALL

### Council members

Present: Borges, Crye, Torres, Williams, Johnson  
Absent: None  
Arriving after roll call: None

### Staff present:

Paul Eckert, City Administrator/Finance Director  
Tony Galyean, City Attorney  
Danny Howard, Electric Utility Director  
Ross Pippitt, Public Works Director  
Rodney Harr, Police Chief  
Ruben Quihuiz, Lieutenant

## PLEDGE OF ALLEGIANCE

**Council member Torres led the Pledge of Allegiance**

**INVOCATION - None**

**PROCLAMATIONS – None**

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

**COMMUNITY PARTICIPATION FORUM**

The Mayor opened the forum and seeing no one present wishing to speak the forum was closed.

**CONSENT AGENDA - None**

**ITEMS FOR COUNCIL CONSIDERATION**

1. FY 2020-21 Annual Budget Public Meeting #2

Administrator Eckert continued the budget review from the first meeting on June 1. He highlighted the budget policies, basic priorities, etc. and invited Council perspective. Also presenting were Chief Ken Lowe of CAL Fire, City Contract Engineer Dave Harden of Bennett Engineering, Public Works Director Ross Pippitt and Electric Utility Director Danny Howard.

**CITY STAFF AND COUNCIL COMMITTEE REPORTS**

**POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):**

Police Department Digital Radio System Budget Review	6/15/2020
Budget Review and Adoption	6/15/2020
Additional Budget Session if required	6/24/2020
Garbage Services RFP Approval	9/7/2020

**CLOSED SESSION – None**

**ADJOURNMENT**

With no items for further discussion, Council adjourned to the Regular Council meeting scheduled for June 15, 2020.

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**Paul Eckert, City Clerk**

# **Gridley City Council – DRAFT City Council Meeting Minutes**

Monday, June 15, 2020; 6:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

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  - Enter the Access Code 5767603#
- 

## **CALL TO ORDER**

**Mayor Johnson called the meeting to order at 6:00 p.m.**

## **ROLL CALL**

### **Council Members**

Present: Crye, Johnson, Borges, Torres  
Absent: Williams  
Arriving after roll call: None

**Staff present:** Paul Eckert, City Administrator/Finance Director  
Tony Galyean, City Attorney  
Trina Leishman, Recreation

## **PLEDGE OF ALLEGIANCE**

**Council member Borges led the Pledge of Allegiance**

## **INVOCATION**

**Pastor Brad Roberts of the Calvary Chapel of Gridley provided the invocation and then read a letter of support for the Gridley Police Department.**

**PROCLAMATIONS – None**

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

**COMMUNITY PARTICIPATION FORUM - None**

**CONSENT AGENDA**

1. City Council minutes dated June 1, 2020
2. Acceptance of Housing Element Annual Progress Report
3. Agreement with California Department of Forestry and Fire Protection
4. Approval of Annual Gridley Electric Utility Wildfire Mitigation Plan
5. Contract Award for Butte View Drive Sewer Replacement
6. Contract Award for Oak Peach Alley Sewer Replacement

**Motion to approve the consent, with items #5 and item #6 contingent upon budget approval including water and sewer rates, made by Council member Torres, seconded by Council member Borges**

**ROLL CALL VOTE**

**Ayes: Crye, Johnson, Torres, Borges**

**Motion passed, 4-0**

**ITEMS FOR COUNCIL CONSIDERATION**

7. FY 2020-21 Annual Budget Public Meeting #3

**Administrator Eckert led the item by reviewing the first two budget meetings held and highlighted various staffing changes. Also presenting was Trina Leishman, Recreation Coordinator. This was an informational item and no action was taken.**

**CITY STAFF AND COUNCIL COMMITTEE REPORTS**

**POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):**

Budget Review and Adoption	6/24/2020
Police Department Digital Radio System Budget Review	7/20/2020
Garbage Services RFP Approval	8/17/2020
Stenzel General Plan/Prezone/Annexation	8/17/2020
Introduction General Plan/Prezone/Annexation for north 400 ac.	10/5/2020

**CLOSED SESSION – None**

## **ADJOURNMENT**

**With no items for further discussion, the Council adjourned at 7:50 p.m. to a Special Meeting on June 24,2020.**

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**Paul Eckert, City Clerk**

DRAFT

# Gridley City Council – Special City Council Meeting Minutes

Wednesday, June 24, 2020; 6:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

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- Enter the Access Code 5767603#

## CALL TO ORDER

Mayor Johnson called the meeting to order at 6pm

## ROLL CALL

### Council members

Present:

Crye, Torres, Williams, Borges, Johnson

Absent:

None

Arriving after roll call:

None

### Staff present:

Paul Eckert, City Administrator/Finance Director  
Tony Galyean, City Attorney  
Danny Howard, Electric Utility Director  
Ross Pippitt, Public Works Director  
Rodney Harr, Police Chief

## PLEDGE OF ALLEGIANCE

Mayor Johnson led the Pledge of Allegiance

INVOCATION - None



**PROCLAMATIONS – None**

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

**COMMUNITY PARTICIPATION FORUM**

The Mayor opened the forum and seeing no one present wishing to speak, the forum was closed.

**CONSENT AGENDA – None**

**ITEMS FOR COUNCIL CONSIDERATION**

1. Approve Resolution No. 2020-R-007: A Resolution Establishing the 2020-2021 Appropriations Limit for the City of Gridley; Approve Resolution No. 2020-R-008: A Resolution Amending the City of Gridley Master Fee Schedule including adjustments to City utility rates; and Approve Resolution 2020-R-009: A Resolution Adopting a Budget for Fiscal Year 2020-2021

Administrator Eckert reviewed the budget process thus far which has included multiple public meetings and presentations from all department directors. He then highlighted the remaining items of budget approval and implementation.

Patrick Coghlan, Catalina Sanchez and Jessica McElroy addressed Council expressing various concerns with the proposed rates.

Motion to approve Resolution No. 2020-R-007 by Vice Mayor Williams, seconded by Council member Borges.

**ROLL CALL VOTE**

Ayes: Crye, Johnson, Torres, Williams, Borges

Motion passed, 5-0

Motion by Mayor Johnson to approve Resolution No. 2020-R-008 with amendments as follows: Do not apply proposed changes to Finance/Administration copy charges, postpone Code Enforcement and Transit increases until holding additional public discussion to meet Federal requirements and no increases in water/sewer rates until at least October 2020 when Council can determine economic impact due to COVID-19.

**ROLL CALL VOTE**

Ayes: Johnson, Torres, Crye, Borges, Williams

Motion passed, 5-0

Motion to approve Resolution No. 2020-R-009 by Council member Torres with amendment to add Gridley Chamber Contribution of \$10,000

**ROLL CALL VOTE**

Ayes: Johnson, Williams, Torres, Borges, Crye

Motion passed, 5-0

## **CITY STAFF AND COUNCIL COMMITTEE REPORTS - None**

## **POTENTIAL FUTURE CITY COUNCIL ITEMS**

Police Department Digital Radio System Budget Review	7/20/2020
Stenzel General Plan/Prezone/Annexation	8/17/2020
Garbage Services RFP Approval	9/21/2020
Introduction General Plan/Prezone/Annexation for north 400 ac.	10/5/2020

## **CLOSED SESSION – None**

## **ADJOURNMENT**

**With no items for further discussion, Council adjourned at 7:41 pm to the next regularly scheduled meeting on July 20, 2020.**

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**Paul Eckert, City Clerk**

# Gridley City Council – Special City Council Meeting Minutes

Wednesday, July 8, 2020; 12:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

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## Notice of Temporary City Council Meeting Procedures

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Act, Governor Gavin Newsom’s Emergency Declaration related to COVID-19, and Governor Newsom’s Executive Order N-29-20 issued March 17, 2020 that allows attendance by City Council, City staff and the public to participate and conduct the meeting by teleconference and to participate in the meeting to the same extent as if they were present. Comments from the public on agenda items will be accepted until 10 am on July 8, 2020, via email to [jmolinari@gridley.ca.us](mailto:jmolinari@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration. The Mayor and Council appreciate the public’s adaptation and patience during this crisis.

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- Enter the Access Code 5767603#

## CALL TO ORDER

Mayor Johnson called the meeting to order at noon.

## ROLL CALL

### Council members

Present: Johnson, Crye, Torres, Williams  
Absent: Borges  
Arriving after roll call: None

Staff present: Paul Eckert, City Administrator

## PLEDGE OF ALLEGIANCE

Mayor Johnson led the Pledge of Allegiance

INVOCATION - None

PROCLAMATIONS – None

COMMUNITY PARTICIPATION FORUM - None

## **CONSENT AGENDA – None**

1. Approval of Resolution No. 2020-R-010: A Resolution of The City Council of The City of Gridley Adopting A List of Projects for Fiscal Year 2020-21 Funded by SB 1: The Road Repair and Accountability Act Of 2017

**Motion to approve the consent agenda by Vice Mayor Williams, seconded by Council member Crye.**

### **ROLL CALL VOTE**

**Ayes: Crye, Johnson, Torres, Williams**

**Motion passed, 4-0**

## **ITEMS FOR COUNCIL CONSIDERATION**

2. Approve Resolution No. 2020-R-011: A Resolution of the City Council of the City of Gridley, Requesting The Board of Supervisors of the County of Butte to Consolidate a General Municipal Election to be held on Tuesday, November 3, 2020, with the Statewide General Election to be held on the date pursuant to §10403 of the Elections Code

**Motion to approve Resolution No. 2020-R-011 by Council member Torres, seconded by Council member Crye.**

### **ROLL CALL VOTE**

**Ayes: Johnson, Torres, Crye, Williams**

**Motion passed, 4-0**

## **CITY STAFF AND COUNCIL COMMITTEE REPORTS**

**Council member Crye reported briefly on a meeting he attended at Butte County Air Quality Management District.**

### **POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):**

Police Department Digital Radio System Budget Review	7/20/2020
Stenzel General Plan/Prezone/Annexation	8/17/2020
Garbage Services RFP Approval	9/21/2020
Introduction General Plan/Prezone/Annexation for north 400 ac.	10/5/2020

## **CLOSED SESSION – None**

### **ADJOURNMENT**

**With no items for further discussion, the Council adjourned at 12:07pm to the next regularly scheduled meeting on July 20, 2020.**

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Paul Eckert, City Clerk

## City Council Agenda Item #2

### Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** Donna Decker, Planning Department

**Subject:** Adopt Resolution Number 2020-R-017: A Resolution of The City Council of The City of Gridley Authorizing Application For, And Receipt of, Local Government Planning Support Grant Program Funds

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<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

**Recommendation** - Staff respectfully requests the City Council Adopt resolution number 2020-R-017 authorizing application for, and receipt of local government planning support grant program funds.

**Background** - The Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) as part of the Local Government Planning Support Grants Program (hereinafter referred to as LEAP). The purpose of the grant program is to support local government efforts in the preparation and adoption of planning documents and process improvements that accelerate housing production.

The grant is non-competitive and is awarded based on the effort of local government to accelerate housing production. City staff has reviewed the application and found that it will support updating planning documents such as General Plan Amendments and pre-zone, rezone, or zoning property to stage lands to develop for housing. The Planning Department is currently working on General Plan Amendments, prezone, and rezoning properties located outside the city boundary to expedite the ability to annex into the city in a seamless manner. If awarded, the LEAP grant would provide up to \$65,000 in funding to offset costs for this effort. The grant amount is based upon the population of the jurisdiction; Gridley qualifies for a grant in the amount of \$65,000. The resolution will authorize the application for the LEAP grant and to establish the City Administrator to execute an agreement and the terms of the grant program.

**Public Notice** - A notice was advertised 72 hours in advance of the hearing date, posted at City Hall, made available at the Administration public counter and placed on the City website for review.

**Environmental Review** - No CEQA review for this action is required.

**Financial Impact** - There are no direct or indirect costs to the City.

#### **Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with the ongoing effort to be responsive and transparent regarding all financial matters.

**Attachments** - Resolution No. 2020-R-017

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY AUTHORIZING APPLICATION FOR,  
AND RECEIPT OF, LOCAL GOVERNMENT PLANNING SUPPORT GRANT PROGRAM FUNDS**

**WHEREAS**, pursuant to Health and Safety Code 50515 et. Seq, the Department of Housing and Community Development (Department) is authorized to issue a Notice of Funding Availability (NOFA) as part of the Local Government Planning Support Grants Program (hereinafter referred to by the Department as the Local Early Action Planning Grants program or LEAP); and,

**WHEREAS**, the City Council of the City of Gridley desires to submit a LEAP grant application package ("Application"), on the forms provided by the Department, for approval of grant funding for projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing need assessment; and,

**WHEREAS**, the Department has issued a NOFA and Application on January 27, 2020 in the amount of \$119,040,000 for assistance to all California Jurisdictions.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRIDLEY RESOLVES AS FOLLOWS:**

SECTION 1. The City Administrator is hereby authorized and directed to apply for and submit to the Department the Application package; and,

SECTION 2. In connection with the LEAP grant, if the Application is approved by the Department, the City Administrator of the City of Gridley is authorized to submit the Application, enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$65,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the LEAP grant, the Applicant's obligations related thereto, and all amendments thereto; and,

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the NOFA, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the NOFA and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 17<sup>th</sup> day of August, 2020 by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ATTEST:

APPROVE:

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Paul Eckert, City Clerk

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Bruce Johnson, Mayor

APPROVED AS TO FORM:

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Anthony Galyean, City Attorney





**City Council Agenda Item #3**  
Staff Report

**Date:** August 17, 2020  
**To:** Mayor and City Council  
**From:** Rodney Harr, Chief of Police  
**Subject:** Police Vehicle Surplus

<b>X</b>	Regular
	Special
	Closed
	Emergency

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**Recommendation**

Staff respectfully requests the City Council declare the vehicle listed below as a surplus asset beyond its useful life and to have it disposed of per the City of Gridley's surplus procedures.

Unit #	Year	Make	VIN	Mileage	License #
72	2007	Ford	2FAFP71W77X116637	120,500	1208097

**Background**

The Police Department has one unmarked police vehicle that needs to be surplused. The vehicle is a 2007 Ford Crown Victoria, with high mileage and needed repairs that far exceed its intrinsic value. Parts that can or could be utilized to repair other vehicles in the fleet have been removed. Major component parts are damaged to the point that it is not financially responsible to continue to have it repaired. All repairs necessary for it to remain operational in the fleet exceed \$4,000.00. The vehicle has been well utilized and has provided over 13 years of police department use. After an internal evaluation and evaluation by an ASE Certified repair establishment was conducted of the vehicle, it was determined that the cost to benefit of repairing or maintaining the vehicle is not warranted. Therefore, keeping this vehicle in the police fleet would not be prudent.

**Financial Impact**

The vehicles will be sold through the sealed public bid process. It is difficult to anticipate the selling price per vehicle.

**Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

**Attachment - None**



**City Council Agenda Item #4**  
Staff Report

**Date:** August 17, 2020  
**To:** Mayor and City Council  
**From:** City Administrator/Finance Director Paul Eckert  
**Subject:** Acceptance of Treasurer's Report FY 18-19

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

Staff respectfully requests the City Council consider and accept the attached Treasurer's Report for FY 18-19.

**Background**

The purpose of this recommendation is to ensure that the City of Gridley is meeting the necessary obligation to provide an overview of the City's treasury activities.

**Financial Impact**

Financial reporting requirements being met by acceptance. There are no direct costs associated with acceptance of the report.

**Attachment**

FY 2018-2019 Treasurer's Report



**City Council Agenda Item #5**  
Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** City Administrator/Finance Director Paul Eckert

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Subject:** Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services

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**Recommendation**

City staff respectfully recommends that the City Council review and approve the attached Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services and authorize the City Administrator to sign the agreement.

**Background**

The City has previously entered into Standard Agreement No. 17-CDBG-12015 to receive Community Development Block Grant (CDBG) funding from the State of California Department of Housing and Community Development to finance the City of Gridley Housing Rehabilitation and Homeownership Assistance Programs.

Consistent with past City Council actions and practices, staff proposes to enter into a professional services agreement with Regional Housing Authority (RHA) for the purpose of implementing the programs mentioned utilizing CDBG funds. RHA meets the requirements outlined by the CDBG Program as well as the City's procurement requirements. The Butte County Board of Supervisors recently entered into a similar agreement with the Regional Housing Authority at their December 11, 2018 Board of Supervisors meeting.

**Attachments**

Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services

**INTERGOVERNMENTAL AGENCY AGREEMENT  
BETWEEN THE CITY OF GRIDLEY AND  
REGIONAL HOUSING AUTHORITY  
FOR HOUSING CONSULTANT SERVICES**

**THIS AGREEMENT**, is entered into as of August 17, 2020, between the CITY OF GRIDLEY, referred to as CITY, and REGIONAL HOUSING AUTHORITY, referred to as AGENCY, with reference to the following:

A. WHEREAS, CITY has entered into Standard Agreement No. **18-HOME-12579** referred to as STANDARD AGREEMENT and attached as Exhibit D, to receive funding from the HOME Investment Partnerships Program, referred to as HOME, from the State of California, Department of Housing and Community Development, referred to as HCD, to finance the City of Gridley Housing Rehabilitation and Homeownership Assistance Programs, referred to as PROGRAMS; and

B. WHEREAS, AGENCY meets the requirements as outlined by the HOME Program and CITY's procurement requirements and has expertise in carrying out housing rehabilitation and homeownership assistance programs; and

C. WHEREAS, CITY wishes to enter into a professional services agreement with AGENCY for purposes of implementing the PROGRAMS mentioned above utilizing HOME funds; and

**ACCORDINGLY, IT IS AGREED:**

1. TERM: This Agreement shall become effective upon the execution of this Agreement by the City of Gridley and shall expire on April 2, 2023, the deadline to submit all Drawdown Requests as defined by the STANDARD AGREEMENT, or the latest amendment of the closeout date thereto unless otherwise terminated as provided in this Agreement.

2. SERVICES: AGENCY agrees to provide program administration services for the PROGRAMS as described in Scope of Work Attachments A-1 and A-2, and to be compensated by CITY as outlined below in Paragraph 3, PAYMENT FOR SERVICES.

3. PAYMENT FOR SERVICES: CITY shall pay AGENCY a sum not to exceed \$70,401. This amount is an administrative fee based on 22% of each housing rehabilitation project and 7% of each homeownership assistance project. Payment for services provided pursuant to this Agreement subject to the following conditions:

- a. City of Gridley Housing Rehabilitation Program
  - i. Up to \$5,000 of HOME funds will be spent only for HOME-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF

WORK (Attachment A-1).

ii. Up to \$43,955 of HOME funds will be spent only for HOME-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-1).

iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.

b. City of Gridley Homeownership Assistance Program

i. Up to \$6,639 of HOME funds will be spent only for HOME-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2).

ii. Up to \$14,807 of HOME funds will be spent only for HOME-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2).

iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.

c. General Conditions

i. The compensation to be provided to AGENCY under this Agreement will be reduced due to any inability to provide services, whether such an inability is due to AGENCY activities or other activities or circumstances beyond the control of AGENCY.

ii. CITY must approve budget changes in writing prior to any budget adjustment or amendment. The budget adjustment and amendment process is outlined in AGENCY BUDGET.

iii. Following the close of each quarter (March, June, September, December), AGENCY shall submit invoice statements stating the services provided and the actual costs of the previous quarter.

iv. Invoices shall be in the form and contain the information requested by CITY and shall be subject to approval by CITY, which approval shall not be unreasonably withheld. CITY will make payments within thirty (30) days of receipt of approved invoice. CITY will notify AGENCY of any objections, questions, or complaints regarding any particular invoice within fifteen (15) days of receipt of such invoice. If CITY determines that any amounts were improperly billed and/or paid to AGENCY, or AGENCY was improperly underpaid, adjustments by such amounts may be made in the payment on the current or a later invoice with explanation provided. No interest or penalties shall accrue for

late payments.

4. PERFORMANCE REQUIREMENTS: AGENCY shall be held to the same goals, milestones, performance measurements, laws, regulations, and requirements as entered into by CITY in the STANDARD AGREEMENT and outlined in the SCOPE OF WORK.

5. REPORTING REQUIREMENTS: AGENCY shall assist CITY in fulfilling all reporting requirements as entered into by CITY in the STANDARD AGREEMENT.

6. COMPLIANCE WITH LAW: AGENCY shall provide services in accordance with all of the provisions of Federal, State, and local laws; current and future enacted Federal, State, and local governmental guidelines, policies and available funding covenants; and the rules and regulations governing the HCD HOME Program. With respect to AGENCY'S employees, AGENCY shall comply with all laws and regulations pertaining to wages and hours, State and Federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment. In addition, AGENCY agrees to fully comply with all Federal, State and local laws, regulations, and directives that apply to the work involved in the project, including but not limited to the applicable laws and regulations specified in the STANDARD AGREEMENT and COMPLIANCE REQUIREMENTS attached as Exhibits "C" and "D".

7. RECORDS: AGENCY shall maintain complete and accurate records required by the Federal regulations that are pertinent to the activities to be funded under this Agreement. In addition, AGENCY shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All books, records, accounts, documentation, and all other materials relevant to the State STANDARD AGREEMENT shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, AGENCY shall make all such records available to the Auditor and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the expiration date of this Agreement or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.

8. MONITORING: CITY will monitor AGENCY during the term of this Agreement for compliance with any or all applicable requirements as outlined in Paragraph 6 of this Agreement and for attainment of expenditure milestones and PROGRAMS' goals outlined in SCOPE OF WORK.

9. INSURANCE: Prior to approval of this Agreement by CITY, AGENCY shall file with the CITY Clerk evidence of the required insurance as set forth in INSURANCE REQUIREMENTS attached as Exhibit "E".

10. AGENCY STATUS:

d. This Agreement is entered into by both parties with the express understanding



that AGENCY will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute AGENCY or any of its agents, employees or officers as an agent, employee or officer of CITY.

e. AGENCY agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of CITY. Subject to any performance criteria contained in this Agreement, AGENCY shall be solely responsible for determining the means and methods of performing the specified services and CITY shall have no right to control or exercise any supervision over AGENCY as to how the services will be performed. As AGENCY is not CITY'S employee, AGENCY is responsible for paying all required State and Federal taxes. In particular, CITY will not:

- i. Withhold FICA (Social Security) from AGENCY'S payments.
- ii. Make State or Federal unemployment insurance contributions on AGENCY'S behalf.
- iii. Withhold State or Federal income tax from payments to AGENCY.
- iv. Make disability insurance contributions on behalf of AGENCY.
- v. Obtain unemployment compensation insurance on behalf of AGENCY.

f. Notwithstanding this independent contractor relationship, CITY shall have the right to monitor and evaluate the performance of AGENCY to assure compliance with this Agreement.

11. INDEMNIFICATION:

a. To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including CITY property, arising from, or in connection with, the performance by AGENCY or its agents, officers and employees under this Agreement. Such indemnification obligations shall not be limited in any way by any limitation or the amount or type of damages, compensation or benefit payable by or for either party under worker's or workmen's compensation, disability benefits or other employee entitlements. This indemnification specifically includes any claims that may be made against CITY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against CITY alleging civil rights violations by AGENCY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on CITY for AGENCY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

b. To the fullest extent permitted by law, CITY shall hold harmless, defend and indemnify AGENCY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including AGENCY property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. Such indemnification obligations shall not be limited in any way by any limitation or the amount or type of damages, compensation or benefit payable by or for either party under worker's or workmen's compensation, disability benefits or other employee entitlements. This indemnification specifically includes any claims that may be made against AGENCY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against AGENCY alleging civil rights violations by CITY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on AGENCY for CITY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

12. CONFLICT OF INTEREST:

a. AGENCY agrees at all times in performance of this Agreement to comply with the law of the State of California regarding conflicts of interests or appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including AGENCY for this purpose, from the making of any decision on behalf of CITY in which such officer, employee or AGENCY has a direct or indirect financial interest. A violation can occur if the public officer, employee or AGENCY participates in or influences any CITY decision which has the potential to confer any pecuniary benefit on AGENCY or any business firm in which AGENCY has an interest, with certain narrow exceptions.

b. No covered persons who exercise or have exercised any functions or responsibilities with respect to HOME-assisted activities under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial contract, subcontract, or agreement with respect to a HOME-assisted activity, or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter.

c. AGENCY agrees that if any facts come to its attention, which raise any questions as to the applicability of conflicts of interest laws, it will immediately inform CITY designated representative and provide all information needed for resolution of this question.

13. TERMINATION:

a. Without Cause: CITY will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from AGENCY of any and all plans, specifications and estimates, and other documents prepared by AGENCY in accordance with this Agreement. No sanctions will be imposed.

b. With Cause: This Agreement may be terminated by either party should the other party:

- i. be adjudged a bankrupt, or
- ii. become insolvent or have a receiver appointed, or
- iii. make a general assignment for the benefit of creditors, or
- iv. suffer any judgment which remains unsatisfied for thirty (30) days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- v. materially breach this Agreement. Material breach includes but is not limited to AGENCY failing to perform obligations under this Agreement, and AGENCY failing to perform obligations in accordance with the PROGRAMS' time schedules set forth in STANDARD AGREEMENT.

For any of the occurrences except item v., termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the reasonable satisfaction of the non-defaulting party within fifteen (15) days of the receipt of written notice specifying the breach. If the breach is not remedied within that fifteen (15) day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination. If the nature of the breach is such that it cannot be cured within a fifteen (15) day period, the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss, nor will CITY pay compensation or make

reimbursement to cure a breach arising out of or resulting from such termination.

c. Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

d. Suspension of Performance: Independent of any right to terminate this Agreement, the authorized representative of CITY for which AGENCY'S services are to be performed, may immediately suspend performance by AGENCY, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by AGENCY to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

14. ENTIRE AGREEMENT REPRESENTED: This Agreement represents the entire agreement between AGENCY and CITY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

15. HEADINGS: Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

16. NOTICES:

a. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

CITY:

Paul Eckert  
City Administrator  
685 Kentucky Street  
Gridley, CA 95948  
Phone No.: (530) 846-4675  
Fax No.: (530) 846-3229

AGENCY:

Gustavo Becerra  
Executive Director  
1455 Butte House Road  
Yuba City, CA 95993  
Phone No.: (530) 671-0220 ext. 113  
Fax No.: (530) 674-8505

b. Notice personally delivered is effective when delivered. Notice sent by facsimile

transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth (5th) day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

17. CONSTRUCTION: This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.

18. NO THIRD PARTY BENEFICIARIES INTENDED: Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

19. GOVERNING LAW: This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Gridley, California. AGENCY waives the removal provisions of California Code of Civil Procedure section 394.

20. WAIVERS: The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

21. EXHIBITS AND RECITALS: The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

22. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY: This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. FURTHER ASSURANCES: Each party will execute any additional documents and perform any further acts which may be reasonably required to effect the purposes of this Agreement.

24. ASSURANCES OF NON-DISCRIMINATION: AGENCY shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by State or Federal law or regulation.

25. ASSIGNMENT/SUBCONTRACTING: Unless otherwise provided in this Agreement, CITY is relying on the personal skill, expertise, training and experience of AGENCY and AGENCY'S

employees and no part of this Agreement may be assigned or subcontracted by AGENCY without the prior written consent of CITY.

26. DISPUTE RESOLUTION: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within thirty (30) days, either party may pursue litigation to resolve the dispute.

27. PROFESSIONAL MANNER: AGENCY shall provide the services contemplated by the Agreement in a professional manner and quality satisfactory to the CITY.

28. DOCUMENT OWNERSHIP: All finished or unfinished documents, data, studies, computer programs, methodological explanations, surveys, models, photographs, and reports prepared by AGENCY under the Agreement shall be considered the property of the CITY. Upon completion of the services to be performed or upon termination of the Agreement, these materials shall be turned over to the CITY, provided that in any case AGENCY may, at no additional expense to the CITY, make and retain copies thereof as it desires. AGENCY further agrees to keep those materials, which may not be public records under the laws of the State of California confidential.

29. FUNDING CLAUSE: AGENCY acknowledges that CITY is dependent upon certain Federal and State funding to pay for the PROGRAMS provided for in this Agreement. AGENCY acknowledges that CITY has applied for HOME funding, but CITY has not received an award for this project at the time this agreement is executed. If for any reason CITY is not awarded HOME funding, this agreement is void and the AGENCY is not entitled to any compensation or damages. If CITY is awarded the HOME funding from HCD to fund the PROGRAMS, this Agreement will become effective. If such funding is discontinued or reduced, CITY may exercise its sole discretion to reduce the amount of Housing Rehabilitation and/or Homeownership Assistance Program funds or terminate the Agreement by giving the AGENCY 30 calendar days notice of the reduction or termination.

30. IMPROPER USE OF FUNDS: To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY from any liability, action or losses incurred by CITY as a result of AGENCY'S improper use of funds under this Agreement.

31. CLOSE-OUTS: AGENCY'S obligation to CITY shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts

receivable to CITY), and determining the custodianship of records.

32. ATTORNEY FEES: If either party shall initiate legal proceedings to enforce or construe the terms of this agreement, or for damages, the prevailing party shall be entitled to its attorney's fees.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

CITY

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Paul Eckert, City Administrator

ATTEST: City Clerk  
City of Gridley

By: \_\_\_\_\_  
Deputy Clerk

AGENCY

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Gustavo Becerra, Executive Director



**EXHIBIT “A-1” – SCOPE OF WORK**  
City of Gridley Housing Rehabilitation Program (PROGRAM)

**PROGRAM OBJECTIVE**

The purpose of the PROGRAM is to complete rehabilitation of eligible housing units located in the City of Gridley. The units must be occupied by members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

**PROGRAM GOALS**

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Complete an estimated five (5) single-family housing rehabilitation projects as required to fully expend CITY’s housing rehabilitation loan fund.

**PROGRAM SERVICES**

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in the City-approved Program Guidelines (referred to as PROGRAM GUIDELINES) in implementation of PROGRAM activities.

**1) Refinement of housing rehabilitation program plans, procedures and forms:** subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the housing rehabilitation program design and procedures (including but not limited to the priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

**2) Outreach:** AGENCY will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the housing rehabilitation program goals.

**3) Intake/assessment of eligibility:** AGENCY will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. AGENCY will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, AGENCY will make provisions for completing the application at the applicant’s residence or other acceptable procedures for ensuring equal access to services.

Initial eligibility determination of households/structures will be made by the AGENCY on the basis of satisfaction of income requirements, the apparent need for rehabilitation measures to

correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.

**4) Work write-ups:** for each eligible unit to be assisted, AGENCY will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.

**5) Solicitation and selection of contractors:** AGENCY will assist approved applicants in the identification, proper solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. AGENCY will provide forms and sample contract formats for the applicants to use in contracting with the contractors and will assist the applicant in ensuring that the description of the work contained in any contracts with contractors is accurate and complete.

**6) Loan Review Committee:** CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the housing rehabilitation program without the approval of a majority of the members of the loan review committee.

**7) Loan closing:** With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the HOME expenditures, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

**8) Periodic and final inspections:** AGENCY will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner's written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor.

**9) Approval of contractor payments:** as rehabilitation progresses and as invoices are submitted by contractors, AGENCY will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from CITY, and disbursement to the contractors.

**10) Loan servicing/loan portfolio management:** AGENCY will assist CITY in managing the housing rehabilitation loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both

the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

**11) Maintenance of case files and other records:** for each applicant, AGENCY will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and CITY (along with repayment provisions, documentation of liens and any other forms of security), contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). AGENCY will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

#### **PROJECT SCHEDULE**

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in a timely manner.

#### **OTHER PROGRAM REQUIREMENTS**

- 1) Affordability provisions (Not Applicable for HOME):** For activities benefiting low- and moderate-income persons, AGENCY must adopt and make public the CITY's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."
- 2) Davis-Bacon requirements and other Labor Standards:** These statutes require the payment of prevailing wages for HOME-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of \$2,000. The Contract Work Hours and Safety Standards Act also applies to such activities.
- 3) Historic Preservation [16 U.S.C. 470 *et seq.* and 36 CFR Part 800]:** These requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed HOME activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects.
- 4) National Flood Insurance Program:** if a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, HOME funds cannot be spent for acquisition or construction purposes within that area unless the community is

participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

- 5) Relocation, Real Property Acquisition, and One-For-One Housing Replacement:** The acquisition of real property for a HOME-assisted project and the displacement of any person (family, individual, business, non-profit organization or farm) as a direct result of acquisition, rehabilitation, demolition or conversion for a HOME-assisted project must comply with 49 CFR part 24. AGENCY must also conduct its HOME activities so as to minimize displacement, and if displacement occurs, the displaced persons or entities must be provided assistance consistent with the Uniform Relocation Act, as amended, or Section 104(d), as applicable. In addition, there must be a one-for-one replacement of any occupied (or vacant, occupiable) low- and moderate-income dwelling that is demolished or converted to another use in connection with a HOME-funded activity.
- 6) Lead-based Paint [24 CFR Part 35]:** There is a general prohibition against the use of any lead-based paint in connection with any HOME activity involving the construction or rehabilitation of residential structures. If the structure was constructed prior to 1978, the tenants or purchasers must be notified of the hazards of lead-based paint poisoning; and, depending on the level of Federal assistance made available to the structure, paint inspection, risk assessment, treatment and/or abatement must be provided.

## **EXHIBIT "A-2" – SCOPE OF WORK**

### **City of Gridley Homeownership Assistance Program (PROGRAM)**

#### **PROGRAM OBJECTIVE**

The purpose of the PROGRAM is to provide low-interest loans to homebuyers purchasing a home located in the City of Gridley. The homebuyer(s) must be members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

#### **PROGRAM GOALS**

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Close on an estimated three (3) homeownership assistance loans as required to fully expend CITY's homeownership assistance loan fund.

#### **PROGRAM SERVICES**

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in the City-approved PROGRAM GUIDELINES in implementation of PROGRAM activities.

**1) Refinement of homeownership assistance program plans, procedures and forms:** subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the homeownership assistance program design and procedures (including but not limited to the priorities among applicants, underwriting criteria, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

**2) Outreach:** AGENCY will conduct sufficient advertisement of the homeownership assistance program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the homeownership assistance program goals.

**3) Completion of loan applications; underwriting assessment:** AGENCY will assist homebuyers in completing loan applications, and will perform an assessment of each loan application to determine the HOME eligibility of the loan. Initial eligibility determination of households will be made by the AGENCY on the basis of satisfaction of income requirements, eligibility of the property being purchased, and any other pertinent criteria set forth in the approved program design.

AGENCY will complete all work necessary to determine loan feasibility including obtaining appraisal, estimates of market value, credit reports and title reports, set up of lead risk

assessment, if applicable, evaluating the financial condition of the applicant and summarizing any critical issues.

**4) Loan Review Committee:** CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the homeownership assistance loan program without the approval of a majority of the members of the loan review committee.

**5) Loan closing:** With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the HOME expenditures, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

**6) Loan servicing/loan portfolio management:** AGENCY will assist CITY in managing the homeownership assistance loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

**7) Maintenance of case files and other records:** for each applicant, AGENCY will maintain case files, including application and documentation of applicant eligibility, property eligibility, the assistance agreement between the homebuyer and CITY (along with repayment provisions, documentation of liens and any other forms of security), and any other required documentation. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

#### **PROJECT SCHEDULE**

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described homeownership assistance program tasks in a timely manner.

## **EXHIBIT “B” – AGENCY BUDGET**

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

### **ITEMIZED BUDGET**

The following line item budget is the basis for determining the amount of AGENCY costs eligible for reimbursement by CITY. (See SCOPE OF WORK for a description of each reimbursable activity.)

<b>Line Items</b>	<b>HOME General Administration</b>	<b>HOME Activity Delivery</b>	<b>Total HOME Budget</b>
Housing Rehabilitation Program Mgmt.	\$5,000	\$43,955	\$48,955
Homeownership Assistance Program Mgmt.	\$6,639	\$14,807	\$21,446
<b>TOTAL</b>	<b>\$11,639</b>	<b>\$58,762</b>	<b>\$70,401</b>

Budget amounts for General Administration and Activity Delivery are based on a maximum 22% of the Housing Rehabilitation Activity Budget of \$199,795 plus \$5,000 in General Administration expenses, and a maximum 7% of the Homeownership Assistance Activity Budget of \$227,804 plus \$5,000 in General Administration expenses. Loan Portfolio Management Services will be billed at a cost of \$75 per hour and will be paid from General Administration.

Each invoice submitted to CITY by the AGENCY must include the following:

1. Running total of expenditures to date by line item for HOME compensable services.
2. Documentation of services provided or expenditures, including copies of invoices, contracts, receipts, bills, time sheets, or other references documenting the charges billed to the CITY or incurred by AGENCY.

### **BUDGET ADJUSTMENTS**

A budget adjustment is defined as a change in value for reimbursable line items without a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget adjustments after submittal of a formal proposal, including the following documentation:

1. Progress report outlining expenditures, milestones achieved to date and any outstanding balance;
2. Proposed budget outlining projected costs for the entire duration of the contract, highlighting where actual costs are expected to differ from the original budget;
3. Explanations and justifications for changes in each line item; and

4. Plan outlining expected uses of additional funds received.

#### **BUDGET AMENDMENTS**

A budget amendment is defined as a change in value for reimbursable line items and a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget amendments after submittal of a formal proposal, including the same documentation required for a budget adjustment as listed above; however, a budget amendment also requires a formal contract amendment approved in a resolution by the CITY.

#### **CHARGE RATE SCHEDULE**

AGENCY will request reimbursement for this agreement based on an actual cost for actual work basis. Reasonableness, allowability and allocability of costs not to exceed the budget noted above.



**EXHIBIT "C" – COMPLIANCE REQUIREMENTS**  
**ALL CONTRACTS AND SUBCONTRACTS**

1. **NONDISCRIMINATION CLAUSE:**

a. During the performance of this Agreement, AGENCY and its subcontractors 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, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. AGENCY and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. AGENCY and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 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 Agreement by reference and made a part hereof as if set forth in full. AGENCY and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b. AGENCY shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

2. **EQUAL OPPORTUNITY:**

a. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances: During the performance of this Agreement, AGENCY assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any grant activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

b. The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:

i. The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income

residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project. The order of priority provided by Section 3 is defined in 24 CFR 135.34(a)(2).

ii. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

iii. AGENCY will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or worker's representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

iv. AGENCY will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that AGENCY or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless AGENCY or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

v. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon AGENCY, its successors and assigns. Failure to fulfill these requirements shall subject AGENCY, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

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

3. ANTI-LOBBYING CERTIFICATION:

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

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

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

b. AGENCY shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity and that all subrecipients shall certify and disclose accordingly.

c. 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 no more than \$100,000 for such failure.

4. CONFLICT OF INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF AGENCY, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS: No member, officer, or employee of AGENCY, or its designees or agents, no member of the governing body of the locality in which the programs are situated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the programs during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for grant activities to be performed in connection with the programs assisted under this Agreement. AGENCY shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

5. CONFLICT OF INTEREST OF CERTAIN FEDERAL OFFICIALS: No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

6. AGENCY AND SUBCONTRACTS:

a. AGENCY shall not enter into any agreement, written or oral, with any contractor without the prior determination by the State of the contractor's eligibility. A contractor or subcontractor is not eligible to receive grant funds if the contractor is not licensed in a good standing in California, or is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

b. This Agreement between CITY and AGENCY shall require AGENCY and its subcontractors, if any, to:

i. Comply with the applicable State and Federal requirements described in Attachments A and B of STANDARD AGREEMENT which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace.

ii. Maintain at least the minimum State-required Worker's Compensation Insurance for those employees who will perform the grant activity or any part of it.

iii. Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by AGENCY or any subcontractor in performing the grant activity or any part of it.

iv. Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from the date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement or the STANDARD AGREEMENT and any amendments, whichever is later.

v. Permit the State, Federal government, the Bureau of State Audits, the Department of Housing and Community Development and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS: Where required, AGENCY shall comply with, and require contractors and subcontractors to comply with, each of the following:

- a. Federal, State and local regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, or any other matters applicable to this Agreement.
  - b. Sections 103 and 107 of the contract Work Hours and Safety Standards Act (40 U.S.C. 327-220) as supplemented by DOL Regulations (29 C.F.R., Part 5);
  - c. Executive Order 11246 and all implementing regulations of the DOL;
  - d. Rehabilitation Act of 1973, (24C.F.R., Part 8);
  - e. Drug-Free Workplace Act of 1990, (Calif. Govt. Code Sec. 8350 et seq.).
  - f. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871)
8. UNIFORM ADMINISTRATIVE REQUIREMENTS: AGENCY shall comply with all applicable uniform administrative requirements in accordance with 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," as modified by 24 CFR 570.502(a). Agency is also required to adhere to all requirements of OMB Circular A-87, "Cost Principles for State and Local Governments", and OMB Circular A-133, "Audits of State and Local Governments and non-Profit Organizations."
9. PROCUREMENT:
  - a. AGENCY shall comply with HOME Program policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with HOME funds provided herein.
  - b. AGENCY shall procure all materials, property, or services in accordance with the requirements of 24 CFR, Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.
10. REVERSION OF ASSETS: Upon expiration of the STANDARD AGREEMENT, if AGENCY has any HOME funds on hand as well as any accounts receivables attributable to HOME funds, must be transferred to CITY. Any real property acquired with HOME funds must be transferred to CITY upon expiration of this Agreement.
11. GRANTOR RECOGNITION: AGENCY shall ensure recognition of the role of the State HOME Program in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to the funding source. In

addition, AGENCY will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

12. CLIENT DATA: AGENCY shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to CITY monitors or their designees for review upon request.

13. DISCLOSURE: AGENCY understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of CITY'S or AGENCY'S responsibilities, with respect to services provided under this Agreement is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

**EXHIBIT “D” – STANDARD AGREEMENT**

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

## **EXHIBIT "E" – INSURANCE REQUIREMENTS**

### **City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)**

AGENCY shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by AGENCY, its agents, representatives, employees or subcontractors, if applicable.

#### **A. Minimum Scope & Limits of Insurance**

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$1,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law. Deductibles and Self-Insured Retentions

#### **B. Specific Provisions of the Certificate**

1. The Certificate of Insurance for General Liability and Comprehensive Automobile Liability Insurance must meet the following requirements:
  - a. *Name the CITY, its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
  - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by CITY shall be excess.*
  - c. *Provide that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to CITY.*
2. The Certificate of Insurance for Workers' Compensation must include the following waiver of subrogation:
  - a. *Waiver of Subrogation. AGENCY waives all rights against CITY and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

#### **C. Deductibles and Self-Insured Retentions**

The CITY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.



D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California. Any waiver of these standards is subject to approval by CITY Risk Manager or CITY Risk Manager's designee.

E. Verification of Coverage

Prior to approval of this Agreement by CITY, AGENCY shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to CITY. CITY reserves the right to require certified copies of all required insurance policies at any time.



**City Council Agenda Item #6**  
Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** City Administrator/Finance Director Paul Eckert

**Subject:** Authorizing Extension of Audit Services Firm

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully requests the Mayor and City Council authorize the City Administrator/Finance Director to enter into a two-year extension with Mann, Urrutia, And Nelson (MUN) for audit services for the City of Gridley.

**Background**

The contract with the City's current auditors, MUN, is currently expiring. The City has engaged MUN for several years and the Mayor and Council have been pleased with the performance, professionalism, and responsiveness of the team. As the Council is aware, MUN just completed a very in-depth audit. We believe the confidence that resulted from that audit process will help with the next several years of audit efforts, resulting in less staff time being required with MUN if we extend their agreement. Additionally, MUN's participation in our software transition will be invaluable as we implement the new comprehensive system. Staff's recommendation is to extend MUN's contract for two audit years.

**Fiscal Impact**

There are no direct financial impacts associated with the extension of the audit services contract.

**Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

**Attachments**

1. Proposal to Extend Audit Services



MANN • URRUTIA • NELSON • CPAs  
& ASSOCIATES LLP

## Proposal to Extend Audit Services

### CITY OF GRIDLEY

AUGUST 12, 2020

CONTACT:

BRADLEY J. BARTELLS, CPA, PARTNER

MANN, URRUTIA, NELSON CPAs & ASSOCIATES, LLP

SACRAMENTO OFFICE: 1760 CREEKSIDE OAKS DR., SUITE 160

SACRAMENTO, CA 95833

916-929-0540

BJB@MUNCPAS.COM

WWW.MUNCPAS.COM

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### TOTAL CLIENT COMMITMENT

SACRAMENTO • ROSEVILLE • GLENDALE • SOUTH LAKE TAHOE • KAUAI, HAWAII



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August 12, 2020

Paul Eckert, City Administrator  
City of Gridley  
685 Kentucky Street  
Gridley, CA 95948

Dear Paul,

The partners and staff of Mann, Urrutia, Nelson CPAs & Associates, LLP (MUN CPAs) are pleased to present our proposal to extend professional audit services to the City of Gridley. We greatly value the relationship that our firm and the City of Gridley has fostered and are more than happy to continue this growth. As always, our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand that the City of Gridley requires timely audit services and are committed to meeting all terms and conditions of the engagement. As we have performed audit services for the City of Gridley since the year ended June 30, 2013, we fully understand the audit requirements, as well as your expectations. It is our understanding the scope of services will be the following:

1. Audit the financial statements of the City of Gridley for the years ending June 30, 2021 and 2022.
2. Audit the financial statements of the City of Gridley Successor Agency for the years ending June 30, 2021 and 2022.
3. Review Comprehensive Annual Financial Report, if applicable.
4. Perform Single audit for the years ending June 30, 2021 and 2022.
5. Perform GANN Appropriations Limit Agreed-Upon Procedures.
6. Prepare and submit the City's Financial Transactions Report to the State Controller's Office.
7. Presentation of audit findings by Firm Partner to City Council, as requested.
8. Prepare management letter, as necessary.

The audits will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

We fully understand the significance of having a well-qualified auditing firm to serve your needs. We will continue to add value to the audit by providing specialized resources, technical proficiency and the attention your organization deserves. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve any challenge that may be encountered during the audit.

I am confident that our proposal will continue to address your needs and look forward to discussing and reviewing its content with you. We appreciate this opportunity to continue to provide quality audit services for the City of Gridley.

Sincerely,

A handwritten signature in blue ink, reading "Bradley J. Bartells".

Bradley Bartells, CPA  
Partner

## PROPOSAL TO EXTEND AUDIT SERVICES TO

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### INDEPENDENCE

Mann, Urrutia, Nelson, CPAs and Associates, LLP is independent of the City of Gridley as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards* (latest edition).

Mann, Urrutia Nelson, CPAs and Associates, LLP is independent of all associated agencies of the City of Gridley, as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards*.

If Mann, Urrutia, Nelson, CPAs and Associates, LLP shall enter into a professional relationship that would present a conflict of interest during the period of engagement with the City of Gridley, a written notice will be presented to the City defining such conflict.

### LICENSE TO PRACTICE

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Mann, Urrutia, Nelson, CPAs and Associates, LLP is a properly licensed, certified public accounting firm in the State of California. All certified public accountants involved in audit engagements of the Firm are licensed to practice in the State of California and have received at least the minimum number of continuing professional education hours required by the State Board of Accountancy, American Institute of Certified Public Accountants, and the U.S. Government Accountability office's *Government Auditing Standards*.

### INSURANCE

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We understand the insurance requirements and agree to maintain at least the minimum insurance requirements during the entire term of engagement. The City shall continue to be named as an additional named insured under our firm policies and proof forwarded to the City.

### FIELD REVIEW, DESK REVIEW, AND DISCIPLINARY ACTIONS

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We have NOT had any Litigation, Field Reviews, Desk Reviews or Disciplinary actions taken against, or pending against, the Firm or its employees at any time. There is no past, current or pending litigations against the Firm, or any debarment or disqualification as a vendor for federal, state or local entities.

### PEER REVIEW

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Our firm undergoes a peer review every three years as established by the American Institute of Certified Public Accountants. Our last peer review was completed in June 2019 and resulted in a pass rating with no deficiencies (the highest rating possible) on our system of quality control for accounting and auditing. This quality control review included a review of specific government engagements. *A copy of the Peer Review Report is included on the following page.*



PEER REVIEW REPORT



**Report on the Firm's System of Quality Control**

June 28, 2019

To Mann, Urrutia, Nelson, CPAS & Associates, LLP and the Peer Review  
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Mann, Urrutia, Nelson, CPAS & Associates, LLP (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687  
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs





**Required Selections and Considerations**

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Mann, Urrutia, Nelson, CPAS & Associates, LLP in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mann, Urrutia, Nelson, CPAS & Associates, LLP has received a peer review rating of *pass*.

*Coughlan Napa CPA Company, Inc.*

Coughlan Napa CPA Company, Inc.



## PROPOSAL TO EXTEND AUDIT SERVICES TO

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### FIRM PROFILE AND EXPERIENCE

**MUN CPAs** is a locally established and respected full service accounting and auditing firm offering governmental, special district and regional audits, as well as tax, consulting, litigation support, and forensic accounting services. Our commitment to our clients has enabled the firm continued growth and success at developing and maintaining strong professional relationships. We have over 60 well-trained professionals with office locations in Sacramento, Roseville, South Lake Tahoe, and Glendale, California, as well as Hawaii.

#### ***Sacramento Office***

Audit engagements are performed primarily out of the Sacramento office. We have an outstanding team of twelve audit professionals consisting of three firm partners, three managers, three seniors and three staff accountants. Five full-time staff members will be dedicated to City of Gridley should services again be awarded to our firm. In addition to auditing, reviews and compilations, we also perform accounting, tax and consulting services to our audit clients.

We specialize in audits of local governmental agencies ranging from small organizations to entities with over \$150 million in annual revenue. We also specialize in retirement plans and nonprofit organizations. We are voluntary members of the following organizations:

- Government Audit Quality Control Center
- League of California Cities
- California Municipal Treasurers Association
- California Society of Municipal Finance Officers
- California Special Districts Association
- Association of California Water Agencies

Membership in these centers provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements. We have access to the latest developments in accounting, auditing, and the various rules and regulations that affect the different audits and industries.

#### **Governmental Auditing Experience**

Since our founding in 2003, our office has performed over 250 audits of governmental entities. We currently provide audit services to 22 governmental entities of which 10 are cities. We also perform Single Audits for 20 of our clients. Every level of our audit staff has extensive experience in auditing governmental entities and have performed engagements of municipalities.

#### **Single Audit**

All of our staff exceed the required educational hours, receiving governmental and Single Audit-specific training throughout the year through external conferences hosted by CalCPA and AICPA and internal training provided by our Firm. Furthermore, as 20 local government and non-profit clients have a Single Audit requirement, all engagement team members, including audit staff, have current Single Audit experience.

#### **CAFR Experience**

All management staff assigned to this audit has extensive experience in the preparation of CAFRs. Ten of our governmental clients require our Firm to prepare and organize the CAFR as part of their scope of services. **Every report submitted has won the GFOA Certificate of Achievement for Excellence in Financial Reporting.**





## PROPOSAL TO EXTEND AUDIT SERVICES TO

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**Specialized Services** — Our firm has provided specialized services to municipalities that include, but are not limited to, Tax Measure Agreed-Upon procedures, Cash Collections Agreed Upon procedures, Board and Finance Committee training, TDA audits, Forensic audits, and other internal control special projects.

**Client Education and Updates** — We provide guidance and assistance to our clients on upcoming GASB pronouncements and other updates in the form of email, templates, and one-on-one accounting assistance and training.

Our partners have provided webinars and seminars sponsored by the CSFMO, CSDA and League of California Cities, with topics including GASB 68 and 75, fraud, and preparing for annual audits.



## THE ENGAGEMENT TEAM

The team assigned to perform the audit of the City of Gridley is composed of highly trained professionals with extensive experience in audit engagements. Our team will continue to maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the City's on-going operations. We propose the following audit team:

BRADLEY J. BARTELLS, CPA, Engagement Partner  
JUSTIN WILLIAMS, CPA, Concurring Partner  
BOWEN AU YOUNG, CPA, Manager  
JUAN DIAZ, Senior Associate

### Professional Affiliations

Our commitment to governmental accounting is further amplified by our involvement with respected organizations.

**Bradley Bartells** is a current board member of the National Institute of Pension Administrators, Sacramento Chapter and former board member of the Western Pension and Benefits Council, Sacramento Chapter.

**Justin Williams** is a member of the statewide CalCPA Governmental Accounting and Auditing Committee, and the California Special Districts Association Audit Committee and Finance Committee. He has also published accounting and auditing articles and has been a speaker at webinars and seminars sponsored by these organizations with topics including GASB 68 and 75, fraud, and preparing for annual audits.

### GASB Implementation and Reporting

All audit partners and managers have been involved in the implementation of GASB financial reporting requirements, in addition to auditing and assisting with the preparation of GASB financial statements. Our firm is a leader in implementation of the new GASB standards going into effect in the coming years.

### Continuing Education

Continuing education is a top priority for MUN CPA's. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.

### Staff Consistency

Our Firm takes great pride in not only selecting high quality staff members, but providing them an environment designed for their success and betterment. We believe our history of low staff turnover is an asset we are proud to present to the City of Gridley.

We believe staff continuity on engagements is essential to that engagement being successful. Our Firm's mission statement reads:

*"To provide responsive, innovative services of the highest quality to our clients; and to provide a positive, rewarding environment encouraging our employees to fulfill their professional and personal goals."*



## OUR AUDIT APPROACH

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and the manager. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of total hours spent on the engagement. Our team's approach is to be efficient yet non-intrusive.

We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

## REMOTE AUDIT CAPABILITIES

We are committed to serving our clients and meeting their deadlines regardless of the current health and social challenges. If public health concerns, client concerns or other issues restrict our team from performing the audit in-person at your offices, MUN CPAs has the technological capabilities and solutions to perform the full audit remotely and complete the audit according to the City's needs and timelines. With the use of our secure Sharefile website, management of the City will be able to securely provide MUN CPAs with all needed documents and reports. The use of encrypted e-mails will be used to transmit smaller documents. Scheduling regular phone calls and audit updates will allow both management of the City and MUN CPAs to remain on the agreed-upon timeline.

### Audit Planning — Interim Phase

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Our audit planning process includes a risk assessment of the City and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met timely. In addition, we will provide a list and samples of schedules specifically tailored to the City of Gridley to aid the City's staff in preparing schedules and providing audit documentation.

### Risk Assessment — Interim Phase

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As part of our extensive planning phase, the engagement team will discuss with management issues surrounding the applicable industry, the City's internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.

## PROPOSAL TO EXTEND AUDIT SERVICES TO

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### Control Environment — Interim Phase

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We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- ◇ Disbursements
- ◇ Receipts
- ◇ Payroll
- ◇ Financial reporting
- ◇ Journal entry process
- ◇ IT and general computer controls
- ◇ Federal and state programs

Based on our understanding of the City's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter.

### Laws and Regulations — Interim and Year-end Phase

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We will review the laws and regulations covering the City's grants and major programs as part of the Single Audit testing. Based upon our inquiry with City staff, review of the City's municipal code, review of administrative policies, etc. we will determine the relevant laws and regulations that will be subject to additional test work.

### Substantive Procedures — Year End Phase

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Substantive audit procedures are designed based on our risk assessment process. Complex and high risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- ◇ Tests of account details — Detail transaction testing to source documentation
- ◇ Analytical procedures — Ratio analysis, variance analysis, trend analysis
- ◇ Use of data analysis software — Review of large volumes of data to detect anomalies
- ◇ Unpredictability tests — Varying timing and extent of tests
- ◇ Review of management's estimates — To determine reasonableness
- ◇ Review of subsequent events and contingencies — For proper adjustment and footnote disclosure

### Preparation of Audit Report and Review — Year-end Phase and Wrap-up Phase

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Audit workpapers are reviewed throughout the audit by the manager and engagement partner. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. The financial statements are prepared by the audit manager. All reports are reviewed by the engagement partner and a quality control partner.

Upon approval, we will issue drafts of all reports based on the City's predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for review and distribution of reports.



## PROPOSAL TO EXTEND AUDIT SERVICES TO

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### Audit Sizes and Statistical Sampling Techniques

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Audit sampling provides the auditor an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical sampling techniques as described in the AICPA's Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive and compliance testing samples are generally selected using non-statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas which have a higher risk of misstatement due to fraud.

### Drawing Audit Samples (for tests of compliance)

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Auditor judgment will be used in selecting our audit samples for test of compliance work. The majority of the testing of compliance will be centered around the single audit testing of the direct and material elements for the major programs.

### Technological Advantages

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We utilize the latest technology, including virtual servers, data analysis software, and online libraries to provide us with the most up-to-date information to better serve our clients. First, our online client portal ShareFile gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that data can only be viewed by the appropriate client, we are dedicated to protecting the City's confidential information.

Furthermore, we streamline our audit process and organize support documents through use of the paperless audit program - CaseWare Working Papers. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of the City of Gridley. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed and interpreted in a short time frame.



## PROPOSAL TO EXTEND AUDIT SERVICES TO

### TERMS OF ENGAGEMENT

Mann, Urrutia, Nelson, CPAs & Associates LLP is pleased to submit the following Cost Proposal for the years ending June 30, 2021 and 2022. Audit programs, workpapers and reports will be retained for a period of seven (7) years after the completion of the audit and made available for inspection by the City of Gridley or outside auditors if requested by them.

Service	6/30/2021	6/30/2022
Audit of the financial statements of the City (includes related reports)	\$34,100	\$34,100
Audit of the financial statements of the Successor Agency (includes related reports)	4,000	4,000
GANN Limit Agreed-Upon Procedures	500	500
Single Audit and related reports (1 major program) *	2,200	2,200
State Controller's Report	2,200	2,200
<b>TOTAL</b>	<b>\$43,000</b>	<b>\$43,000</b>

\* If additional major programs are required to be tested, the cost will be \$2,200 per major program.

### Additional Professional Services

Should it become necessary for the City to request MUN CPAs to render any additional services, to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in addendums to the contract between the City and MUN CPAs. Any such additional work agreed to between the City and MUN CPAs shall be performed at the quoted hourly rates listed below:

Position	Standard Hourly Rates
Partner	\$275
Manager	190
Senior Staff	150
Staff	130





MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP

[WWW.MUNCPAS.COM](http://WWW.MUNCPAS.COM)



**City Council Agenda Item #7**  
Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** City Administrator Paul Eckert

**Subject:** Approval of Resolution No. 2020-R-018: A Resolution of The City Council of The City of Gridley Authorizing the City Administrator to Represent the City for The Wilson Well Assessment

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully recommends that the City Council authorize the City Administrator to represent the City of Gridley for the Wilson Well Assessment Planning Grant.

**Background**

The Wilson Well has been on standby since December 2013 due to levels of arsenic and 1,2,3-trichloropropane that exceed the Department of Drinking Water's Maximum Contaminant Levels. The City would like to determine the feasibility of rehabilitating or modifying the well in order to return it to normal service and improve reliability and quality in the City's water supply. The City is applying for planning grant funding through the Drinking Water State Revolving Fund in order to assess the well condition. In order to submit a planning application, an authorizing resolution must be approved by City Council to identify an Authorized Representative, who will represent the City for the duration of the application and planning process.

**Financial Impact**

None

**Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to providing effective leadership while providing quality cost-effective local government services and infrastructure.

**Attachments** – Authorizing Resolution No. 2020-R-018

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY AUTHORIZING  
THE CITY ADMINISTRATOR TO REPRESENT THE CITY FOR THE WILSON WELL  
ASSESSMENT**

**WHEREAS**, the City of Gridley (the “Entity”) desires to authorize the City Administrator (the “Authorized Representative”) to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Wilson Well Assessment (the “Project”).

**WHEREAS**, the City Council has made the following findings with respect to the project:

1. This Authorized Representative or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Project.
2. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
3. The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

**NOW THEREFORE, BE IT RESOLVED** that the City Council does hereby authorize the City Administrator to represent the City of Gridley for the Wilson Well Assessment.

The foregoing Resolution was adopted by the City Council of the City of Gridley on the 17<sup>th</sup> day of August 2020, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ATTEST:

APPROVE:

\_\_\_\_\_  
Paul Eckert, City Clerk

\_\_\_\_\_  
Bruce Johnson, Mayor

**City Council Agenda Item #8**  
Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** City Administrator/Finance Director Paul Eckert and Public Works Director Ross Pippitt

**Subject:** Update – City Council’s Quality Streets Initiative

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully requests the City Council accept the update regarding the City Council’s Quality Streets Initiative.

**Background**

As one of the City Council’s top priorities, the Mayor and City Council previously directed City staff to develop an aggressive plan to significantly improve the City’s streets. The City of Gridley Public Works Department maintains approximately 30 centerline miles of paved surfaces and is divided into 223 pavement management segments. Over the past several decades the City of Gridley failed to fund street maintenance resulting in very significant deferred maintenance.

Starting in 2017, and at the direction of the City Council, our Street Crews took on significant additional paving work. The amount of new overlay has increased significantly every year since 2017. This past year our City Crews overlaid 5,500 linear feet including more than 2,245 tons for an all-time largest street repaving effort. The City Council has taken several very significant actions to achieve dramatic improvement of our City streets including:

- ✓ In 2016 the City Council entered into an agreement for a new City Engineer with a proven track record of implementation of quality street infrastructure.
- ✓ In 2017 the City Council directed staff to start the new Annual Street Overlay Program
- ✓ In 2018 the City Council directed staff to implement a new comprehensive Pavement Management Program identifying the priority needs of our street infrastructure
- ✓ In January 2019 the Council entered into an agreement with FEMA for the Gridley FEMA Park. The one-time funding from the Federal Government pays for a large portion of the Street improvements
- ✓ In October 2019 the City Council approved the largest ever funding of Streets improvements to support the Council’s Quality Streets Initiative.
- ✓ In June 2020 the City Council adopted the Capital Improvements Plan to fund the largest overlay effort in the City’s history.
- ✓ During recent budget discussions the Mayor and Council directed staff to continue to aggressively pursue State and Federal funds and work diligently to tie street projects to funded underground water and sewer utility replacement projects as well as Safe Route to Schools funding.

The overlay work for 2020 is currently underway. Public Works Director Ross Pippitt will provide an update regarding the success of the Program thus far.

**Fiscal Impact** – Funding has previously been adopted as part of the City Council’s Capital Improvement Plan.

**Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with our efforts to be proactive with City infrastructure and our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

**Attachment** – None

**City Council Agenda Item #9**  
**Staff Report**

**Date:** August 17, 2020  
**To:** Mayor and City Council  
**From:** Rodney Harr, Chief of Police  
**Subject:** Authorization to Purchase 15 Body Worn Cameras and Utilize the Technical Assurance Plan in Order to Maintain the Equipment

<b>X</b>	Regular
	Special
	Closed
	Emergency

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**Recommendation**

Staff respectfully requests the City Council consider authorizing the expenditure of funds for the purchase of 15 Body Worn Cameras (BWC) and obtain a maintenance program for the department BWC's.

**Background**

Since 2014, the Gridley Police Department has deployed the Vie-Vu body worn camera system. The Vie-Vu platform was first introduced into Law Enforcement in 2007. In 2018, Axon Enterprises, acquired the Vie-Vu technology platform from the Safariland Group. This acquisition by Axon Enterprises of Vie-Vu combined the two largest body worn camera systems available to Law Enforcement. Since that time, the Vie-Vu platform has reached "end of life". Axon Enterprises present and future platform is the Axon Body Worn Camera System. Part of Axon Enterprises services would be to provide a Technical Assurance Plan (TAP). This plan affords the ability to cover any future costs related to damage, malfunction or any other issues related to its use for the term of the contract.

In addition, Axon Evidence, which is a cloud-based video evidence storage system, is part of the services provided for in this contract. Axon Evidence also includes video redaction software, a requirement to fulfill our Public Records Act requests for video footage. The Police Department does not currently have the ability to perform this function without finding the appropriate software, which can cost several thousand dollars and require extensive additional training of our records personnel. As part of Axon's contract, on-line based training and customer support will be provided for the redaction software.

The Axon Body Worn Camera platform has become the industry standard. Given the current climate, public support for police body cameras is at its highest during the last few years, the Department of Justice has also increased its support to further assist law enforcement in the implementation of body-worn camera programs by providing additional funding to agencies. Looking forward, state legislators are working to quickly refine the legal framework surrounding body-worn cameras to both enhance transparency and help safeguard the privacy of people captured on camera, including children, witnesses and bystanders.

**Managing the Data from Body Cameras**

With the higher adoption of body cameras, law enforcement agencies are faced with the challenge of managing and appropriately utilizing data captured from the technology. Due to this expansion in

sources of digital evidence, storage alone isn't enough to keep track of body-worn camera footage, photos, audio recordings and other data held on agency servers and systems. To ensure that evidence is properly managed and stored, and accessible to key stakeholders in a timely and secure manner, it's important that an agency's digital evidence is housed under one roof. Digital evidence management systems, such as Axon Evidence, provide agencies with this solution, allowing law enforcement to upload and store data, manage it simply with search and retrieval features, and collaborate and share effortlessly with prosecutors by using powerful and secure share features. Although the digital evidence revolution is having a profound impact on communities and agencies alike, cloud technology will continue to advance, so it's key that agencies take advantage of simple, comprehensive and secure management systems like Axon Evidence.

Annual Axon Technical Assurance Program (TAP) (\$14901.00/year) based upon negotiated payment plan. The negotiated price would then be set for the five-year contract, which includes new cameras at 2 1/2 years and at 5 years. It also comes with a full 5 year no questions asked warranty. At the end of five years, if newer technology is available, a new contract would be negotiated to include the new technology or a new contract would be negotiated using the existing technology.

#### **Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

#### **Fiscal Impact**

Funding for this project would be provided through CIP funding.

#### **Attachments**

1. Quote from Axon Enterprises Incorporated





# AXON

**Gridley Police Dept. - CA**

**AXON SALES REPRESENTATIVE**

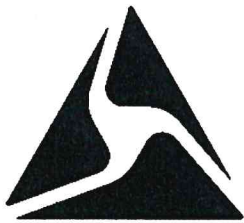
Thom Ruseva-Mahan

+1 4805026238

[tmahan@axon.com](mailto:tmahan@axon.com)

**ISSUED**

7/17/2020



**Axon Enterprise, Inc.**  
17800 N 85th St.  
Scottsdale, Arizona 85255  
United States  
Phone: (800) 978-2737

**Q-256599-44029.694TR**

Issued: 07/17/2020

➡ Quote Expiration: 07/31/2020

Account Number: 112160

Payment Terms: Net 30  
Delivery Method: Fedex - Ground

**SHIP TO**

Rodney Harr  
Gridley Police Dept. - CA  
685 Kentucky Street  
Gridley, CA 95948  
US

**BILL TO**

Gridley Police Dept. - CA  
685 Kentucky Street  
Gridley, CA 95948  
US

**SALES REPRESENTATIVE**

Thom Ruseva-Mahan  
Phone: +1 4805026238  
Email: tmahan@axon.com  
Fax: +1 4809993359

**PRIMARY CONTACT**

Rodney Harr  
Phone: (530) 846-5678  
Email: rharr@gridley.ca.us

**Year 1**

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Axon Plans &amp; Packages</b>						
73449	AWARE LICENSE	60	15	0.00	0.00	0.00
73683	10 GB EVIDENCE.COM A-LA-CART STORAGE	60	15	0.00	0.00	0.00
73840	EVIDENCE.COM BASIC ACCESS LICENSE	60	15	0.00	0.00	0.00
73683	10 GB EVIDENCE.COM A-LA-CART STORAGE	60	6	0.00	0.00	0.00
73746	PROFESSIONAL EVIDENCE.COM LICENSE	60	2	0.00	0.00	0.00
<b>Hardware</b>						
73202	AXON BODY 3 - NA10		15	699.00	0.00	0.00
74210	AXON BODY 3 - 8 BAY DOCK		2	1,495.00	1,495.00	2,990.00
74028	WING CLIP MOUNT, AXON RAPIDLOCK		16	0.00	0.00	0.00
11534	USB-C to USB-A CABLE FOR AB3 OR FLEX 2		15	0.00	0.00	0.00
87063	TECH ASSURANCE PLAN BODY 3 CAMERA PAYMENT	12	15	336.00	336.00	5,040.00
87062	TECH ASSURANCE PLAN 8-BAY BODY 3 DOCK PAYMENT	12	2	354.00	354.00	708.00
<b>Other</b>						
71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK		2	0.00	-1,247.50	-2,495.00
73665	AWARE PAYMENT	12	15	108.00	108.00	1,620.00
73841	EVIDENCE.COM BASIC LICENSE PAYMENT	12	15	180.00	180.00	2,700.00



## Year 1 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Other (Continued)</b>						
73837	EVIDENCE.COM PROFESSIONAL LICENSE PAYMENT	12	2	468.00	468.00	936.00
73827	AB3 CAMERA TAP WARRANTY	60	15	0.00	0.00	0.00
73828	AB3 8 BAY DOCK TAP WARRANTY	60	2	0.00	0.00	0.00
<b>Services</b>						
85144	AXON STARTER		1	2,750.00	2,750.00	2,750.00
					Subtotal	14,249.00
					Estimated Shipping	0.00
					Estimated Tax	652.00
					Total	14,901.00

## Year 2

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Hardware</b>						
87063	TECH ASSURANCE PLAN BODY 3 CAMERA PAYMENT	12	15	336.00	336.00	5,040.00
87062	TECH ASSURANCE PLAN 8-BAY BODY 3 DOCK PAYMENT	12	2	354.00	354.00	708.00
<b>Other</b>						
73665	AWARE PAYMENT	12	15	108.00	108.00	1,620.00
73841	EVIDENCE.COM BASIC LICENSE PAYMENT	12	15	180.00	180.00	2,700.00
73837	EVIDENCE.COM PROFESSIONAL LICENSE PAYMENT	12	2	468.00	2,090.50	4,181.00
					Subtotal	14,249.00
					Estimated Tax	416.73
					Total	14,665.73

## Year 3

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Hardware</b>						
87063	TECH ASSURANCE PLAN BODY 3 CAMERA PAYMENT	12	15	336.00	336.00	5,040.00
87062	TECH ASSURANCE PLAN 8-BAY BODY 3 DOCK PAYMENT	12	2	354.00	354.00	708.00
<b>Other</b>						
73665	AWARE PAYMENT	12	15	108.00	108.00	1,620.00

### Year 3 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Other (Continued)</b>						
73841	EVIDENCE.COM BASIC LICENSE PAYMENT	12	15	180.00	180.00	2,700.00
73837	EVIDENCE.COM PROFESSIONAL LICENSE PAYMENT	12	2	468.00	2,090.50	4,181.00
73309	AXON BODY CAMERA REFRESH ONE		15	0.00	0.00	0.00
73689	MULTI-BAY BWC DOCK MID REFRESH		2	0.00	0.00	0.00
					Subtotal	14,249.00
					Estimated Tax	416.73
					Total	14,665.73

### Year 4

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Hardware</b>						
87063	TECH ASSURANCE PLAN BODY 3 CAMERA PAYMENT	12	15	336.00	336.00	5,040.00
87062	TECH ASSURANCE PLAN 8-BAY BODY 3 DOCK PAYMENT	12	2	354.00	354.00	708.00
<b>Other</b>						
73665	AWARE PAYMENT	12	15	108.00	108.00	1,620.00
73841	EVIDENCE.COM BASIC LICENSE PAYMENT	12	15	180.00	180.00	2,700.00
73837	EVIDENCE.COM PROFESSIONAL LICENSE PAYMENT	12	2	468.00	2,090.50	4,181.00
					Subtotal	14,249.00
					Estimated Tax	416.73
					Total	14,665.73

### Year 5

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
<b>Hardware</b>						
87063	TECH ASSURANCE PLAN BODY 3 CAMERA PAYMENT	12	15	336.00	336.00	5,040.00
87062	TECH ASSURANCE PLAN 8-BAY BODY 3 DOCK PAYMENT	12	2	354.00	354.00	708.00
<b>Other</b>						
73665	AWARE PAYMENT	12	15	108.00	108.00	1,620.00
73841	EVIDENCE.COM BASIC LICENSE PAYMENT	12	15	180.00	180.00	2,700.00

## Year 5 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
73837	EVIDENCE.COM PROFESSIONAL LICENSE PAYMENT	12	2	468.00	2,090.50	4,181.00
73310	AXON BODY CAMERA REFRESH TWO		15	0.00	0.00	0.00
73688	MULTI-BAY BWC DOCK FINAL REFRESH		2	0.00	0.00	0.00
Subtotal						14,249.00
Estimated Tax						416.73
Total						14,665.73
Grand Total						73,563.92



## Summary of Payments

Payment	Amount (USD)
Year 1	14,901.00
Year 2	14,665.73
Year 3	14,665.73
Year 4	14,665.73
Year 5	14,665.73
<b>Grand Total</b>	<b>73,563.92</b>

Tax is subject to change at order processing with valid exemption.

## Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature:	_____	Date:	_____
Name (Print):	_____	Title:	_____
PO# (Or write N/A):	_____		

Please sign and email to Thom Ruseva-Mahan at [tmahan@axon.com](mailto:tmahan@axon.com) or fax to +1 4809993359

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store [buy.axon.com](http://buy.axon.com)

The trademarks referenced above are the property of their respective owners.

***Axon Internal Use Only***		
		SFDC Contract #:
		Order Type:
		RMA #:
		Address Used:
		SO #:
Review 1	Review 2	
Comments:		





**City Council Agenda Item #10**  
Staff Report

**Date:** August 17, 2020

**To:** Mayor and City Council

**From:** City Administrator/Finance Director Paul Eckert

**Subject:** City Council Meeting Schedule

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully requests that the City Council approve changes to the City Council Meeting Schedule.

**Background**

The City Council meets twice a month on the first and third Monday. From time to time the Council may need to have additional meetings, such as during budget season, or the Council may cancel or move a meeting due to a lack of Agenda items, timing with holidays, or other circumstances. In recent years the City Council has annually adopted a City Council Meeting Schedule in December. This proactive step of accepting a yearly schedule allows the Council and staff to better prepare for the upcoming new year.

City staff recommends changes to the current Council Meeting schedule. Due primarily to actual need and partially due to COVID 19, City staff recommends the adoption of the attached revised City Council meeting schedule. The primary changes are applied the September through December Council meetings. In keeping with past practices, the Council will hold additional meetings as necessary, including reinitiating the Regular Meetings or conducting additional Special Meetings.

**Fiscal Impact**

There is no financial impact associated with this item.

**Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with our ongoing efforts to be open and transparent regarding all actions, including Council meetings.

**Attachment** – Revised 2020 Council Meeting Schedule

City of Gridley  
2020 City Council Meeting Schedule  
All Regular Meetings Start at 6:00 p.m.

January 6 (Cancelled)  
January 21 (Tuesday)  
February 3  
February 18 (Tuesday)  
March 2  
March 9 Special Meeting  
March 16  
April 6  
April 20  
May 4  
May 18  
June 1  
June 10 Special Meeting  
June 15  
June 24 Special Meeting (Budget Adoption)  
July 6  
July 20  
August 3  
August 17  
September 8 (Cancelled)  
September 21  
October 5  
October 19 (Cancelled)  
November 2  
November 16 (Cancelled)  
December 7  
December 21 (Cancelled)