CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR TOM PARNHAM • MAYOR PRO-TEM STEVE HARVEY
COUNCILMEMBERS • KIM DOUGLASS • TONY HESCH • WILL STOCKWIN

REGULAR MEETING AGENDA
February 24, 2016
Regular Session 7:00 PM

1) OPEN SESSION

1A. **Call Open Session to Order**
1B. **Pledge of Allegiance**
1C. **Roll Call**
1D. **Approval of Agenda Order**

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

RECOMMENDED ACTION: By motion, accept the agenda as presented or amended.

2) PRESENTATION

2A. **Acceptance of Final Version of Sales Tax Agreement with Winner Chevrolet**
Mark Miller, City Manager and Dave Gard, Winner Chevrolet

2B. **Skate Park Update**
Ty Conners, Placer County Sheriff Colfax Substation Commander

3) CONSENT CALENDAR

All matters listed under the Consent Agenda are considered routine in nature and will be approved by one blanket motion with a roll call vote. There will be no separate discussion of these items unless persons request specific items to be removed from the Consent Agenda for discussion and separate action. Any items removed will be considered after the motion to approve the Consent Agenda. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the City staff.

RECOMMENDED ACTION: Approve Consent Calendar

3A. **Minutes City Council Meeting of February 10, 2016**
Recommendation: Approve the Minutes of the Regular Meeting of February 10, 2016.

3B. **Cash Summary Report – January 2015**
Recommendation: Receive and File

4) COUNCIL, STAFF AND OTHER REPORTS

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

4A. **Committee Reports and Colfax Informational Items - All Councilmembers**
4B. **City Operations Update – City staff**
4C. **Additional Reports – Agency partners**

5) PUBLIC COMMENT

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

6) COUNCIL BUSINESS

6A. **Unfunded Pension Liability**
STAFF PRESENTATION: Mark Miller, City Manager
RECOMMENDATION: Discuss and direct staff as appropriate

6B. **Mid-Year Budget Update**
STAFF PRESENTATION: Mark Miller, City Manager
RECOMMENDATION: Review and accept Mid-Year Budget Report and Budget Calendar

6C. **Preliminary Medical Marijuana Policy Discussion**
STAFF PRESENTATION: Mark Miller, City Manager
RECOMMENDATION: Discuss and direct staff as appropriate

7) ADJOURNMENT

IN WITNESS THEREOF, I have hereunto set my hand and posted this agenda
at Colfax City Hall and Colfax Post Office.

Lorraine Cassidy, City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE FEBRUARY 24, 2016 COUNCIL MEETING

FROM: City Staff

PREPARED: Febuary 19, 2016

SUBJECT: Acceptance of Final Version of Sales Tax Agreement with Winner Chevrolet

X N/A	FUNDED	UN-FUNDED	AMOUNT: N/A	FROM FUND: N/A

RECOMMENDED ACTION: Accept agreement and adopt Resolution 07-2016 authorizing execution of a purchase and sale and lease agreement with Winner Chevrolet.

BACKGROUND AND DISCUSSION:#
#
The City has had a successful cooperative Sales Tax, Property Tax and Lease Agreement with the local Winner Chevrolet business since 2010. The agreement has been mutually very beneficial, whereby the City has received substantially increased sales tax revenue, and utilized one-half of that increase to purchase real property from the business, adding cash flow to the business and allowing it to expand.

The City Council directed staff and the City Attorney to review the current agreement, and bring back to Council any recommended updates to be able to continue the agreement. Council reviewed several versions, commented and received input from the public. Attached is a revised final content of the agreement. Formatting will be corrected before execution of the document.

ATTACHMENTS:
1. Resolution 07-2016
2. Sales Tax, Property Tax and Lease Agreement

City of Colfax
City Council

Resolution № 07-2016

AUTHORIZING EXECUTION OF A PURCHASE AND SALE AND LEASE AGREEMENT WITH WINNER CHEVROLET

WHEREAS, on February 24, 2016, after due and proper public notice and the opportunity for all interested parties and members of the public to be heard, the City Council of the City of Colfax found and determined by vote of the Council that the Purchase And Sale And Lease Agreement (Winner Chevrolet) in the form attached to this Resolution is in the best interests of the City of Colfax,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax that the City Manager, City Attorney, and City Clerk is authorized to execute on behalf and in the name of the City of Colfax the Purchase And Sale And Lease Agreement (Winner Chevrolet) in the form attached to this Resolution..

PASSED AND ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 24th day of February, 2016 by the following vote of the Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Tom Parnham, Mayor

ATTEST:

_____
Lorraine Cassidy, City Clerk

Recording Requested by and
when Recorded Mail to:

City of Colfax
P. O. Box 702
Colfax, CA 95713

Attention: City Clerk

This document recorded for the
Benefit of the City of Colfax and
The recording is fee exempt under
Section 27383 of the Government
Code

2/19/2016 CC draft

PURCHASE AND SALE AND LEASE AGREEMENT
(WINNER CHEVROLET)
February 24, 2016

THIS PURCHASE AND SALE AND LEASE AGREEMENT (the "Agreement) is entered into this ____ date of ____, 2016, by and between the CITY OF COLFAX, a municipal corporation ("City"), and the GARD FAMILY LIVING TRUST, NOVEMBER 14, 1994 ("Seller") and, as to the lease, WINNER CHEVROLET, a California corporation ("Winner") (collectively, "Parties" and individually, "Party").

RECITALS

Seller owns certain real property in the City of Colfax consisting of

A. Assessor's Parcel Numbers 101-132-022 and 100-152-011 which comprise 0.21 and 1.06 ± acres, respectively, and are shown on Exhibit "C" and described in Exhibit "D" attached hereto and incorporated by this reference (together, the "Sales Properties"). The Sales Property is currently developed with a small retail business and a recreational vehicle sales lot respectively.

B. Seller desires to sell the Sales Property to City, and City desires to purchase the Sales Property from Seller, paying Seller the sale price over time from sales tax revenue generated by the Dealership.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated herein by this reference.

2. Purchase Price. City desires to purchase the Sales Property from Seller, and Seller agrees to sell the Sales Property to City, pursuant to the terms set forth in this Agreement. City shall pay Seller the purchase price of the Sales Property (the "Purchase Price") equal to the fair market value of the Sales Property as hereinafter set forth. The fair market value of the Sales Property shall be agreed to by the Parties following an appraisal prepared by an MAI or other certified appraiser, jointly chosen by Seller and City (the "Appraisal"). The cost of the Appraisal shall be advanced by Seller, to be included in the Purchase Price paid by City. In the event that either Party shall, in reasonable good faith, dispute the valuation determined in the Appraisal, the Parties shall jointly select a second appraiser. Such second appraiser shall also be an MAI or other certified appraiser and carry out a full appraisal pursuant to instructions initially agreed upon by the Parties (the "Second Appraisal"). The Party requesting the Second Appraisal shall be responsible for the costs of the Second Appraisal, which if requested by Seller, shall not be included in the Purchase Price paid by City. If the land valuation on the Second Appraisal is within 20% of the Appraisal, the higher value shall be utilized. If the land valuation in the Second Appraisal exceeds the valuation in the Appraisal by more than 20 percent, the two valuations shall be averaged. In no case shall the amount of the Purchase Price to be paid by City exceed Seven Hundred Fifty Thousand Dollars ($750,000) including the cost of the Appraisal, and as set forth in Section 4 (a) (iii) below.

3. Escrow. (a) Upon establishment of the Purchase Price, the Parties shall open an escrow with a title company ("Escrow Agent"), and the sale of the Sales Property by Seller to City shall be completed not later than thirty (30) days after the Purchase Price is established pursuant to Section 2 above ("Close of Escrow"), or as soon thereafter as reasonably possible. Upon Close of Escrow, fee title shall vest in City, subject to the provisions hereinafter set forth. Said fee title shall be unencumbered by any mortgage, deed of trust or other similar encumbrance. Seller shall pay, when due, any such mortgage, deed of trust or other similar encumbrance and shall defend, indemnify and hold City harmless therefrom.

(b) If the Purchase Price of the Sales Property as determined by the procedure set forth in Section 2 above is less than $750,000.00, the escrow costs shall be included in the Purchase Price. If the Purchase Price of the Sales

Property as determined by the procedure set forth in Section 2 above is $750,000.00 or greater, Seller shall pay the escrow costs in their entirety.

4. Payment of Purchase Price.

a. Sales Tax Payments. City agrees to pay the Purchase Price to Seller in semi-annual installments as hereafter provided (the "Sales Tax Payment(s)"). Exhibit E attached hereto and incorporated herein by this reference establishes the annual taxable sales from the Dealership as $10 million (the "Base Sales Tax Generation Figure"). The Parties anticipate that the Dealership's future use of the Sales Property as provided in this Agreement will increase the Base Sales Tax Generation Figure. The incremental increase in annual sales tax received by the City from the Dealership and resulting from the increase in the Dealership's annual taxable sales over the Base Sales Tax Generation Figure (the "Sales Tax Increment") will be the sole source of payment of the Purchase Price for the Sales Property. The Sales Tax Payments from the City to Seller will be fifty percent (50%) of the Sales Tax Increment, up to a total of the Purchase Price, and subject to the terms of this Agreement. The City shall retain as its own revenue all sales tax generated by the Dealership based on the Base Sales Tax Generation Figure and the remaining 50% of the Sales Tax Increment.

(i) Seller acknowledges that the Sales Tax Payments payable by City to Seller are a function of increased sales tax revenues to City generated by the Dealership and are therefore dependent upon such revenues being sufficient to make such Sales Tax Payments. Seller further acknowledges that for any six (6) month payment period during the term of this Agreement, the Sales Tax Payment may be Zero Dollars ($0) because there may be no Sales Tax Increment generated.

(ii) All Sales Tax Payments shall be for sales tax generation periods of January 1 through June 30 and July 1 through December 31 of each year, and shall be due and payable on the later of (1) August 15 and February 15 of each year beginning in calendar year 2016 or (2) ten (10) days from the date City receives from the State Board of Equalization the data necessary to calculate the Sales Tax Payment (the "Sales Tax Payment Date(s)").

(iii) The total aggregate Sales Tax Payments made under this Agreement shall not exceed , Seven Hundred Fifty Thousand Dollars ($750,000.00) inclusive of the following costs:

(a) Escrow costs, if the appraised fair market value of the Sales Property is less than $750,000.00, as set forth in Section 3 above;

(b) The cost of the Appraisal; and

(c) Interest at a rate of five percent (5%) compounded annually, from the date of the Close of Escrow.

(iv) Each Sales Tax Payment shall be paid in lawful money of the United States of America, by warrant or check drawn against funds of the City, at the office of Winner. Any Sales Tax Payment which is not paid when due shall bear interest at the Local Agency Investment Fund ("LAIF") quarterly apportionment rate existing as of the due date of the delinquent payment. If there is no such rate of interest, then the delinquent payment shall bear interest at the average rate of return to City on City's investments as of the due date of the delinquent payment.

(v) Notwithstanding the foregoing, City may withhold Sales Tax Payments if so ordered by a court of competent jurisdiction in connection with an action brought by a third party not a Party to this Agreement, provided, however, that Sales Tax Payment obligations shall continue to accrue, and on the date that the court determines City to be liable for such Sales Tax Payment obligation and the court order is lifted, the aggregate unpaid Sales Tax Payment(s) shall be due and payable together with interest at the rate set forth in Section 4.a.(iv) above from the date the Sales Tax Payment was first withheld by City.

b. Taxes; Operating and Management Expenses. In addition, to the Sales Tax Payments, the City shall pay, at its own expense, the following:

(i) Any taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Sales Property or upon the Seller's interest therein or upon Winner's operation thereof or Winner's income derived therefrom, provided such taxes and assessments are levied on the City as owner of the Sales Property and provided such taxes and assessments would have been levied on the City without the existence of this Agreement. Seller shall cooperate with the City in an effort to apply for exemption from any such tax or assessment.

c. Consideration. The Sales Tax Payments for each year of the term of the Agreement shall be paid by the City for and in consideration of the acquisition of the Sales Property.

d. Budget. City shall take such action as may be necessary to include and maintain all Sales Tax Payments due under this Agreement in each

Fiscal Year in its budget for such Fiscal Year and further shall make the necessary appropriations for all such Sales Tax Payment obligations. City shall furnish to Seller copies of the budget prior to final adoption thereof. The covenants on the part of the City contained in this subsection shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Agreement agreed to be carried out and performed by the City.

e. No failure on the part of City to make the necessary appropriations for such Sales Tax Payment obligations shall excuse City of its obligations or preclude Seller from exercising its rights and remedies on account of such failure to pay.

The obligation of City to make Sales Tax Payments created under this Agreement does not constitute an obligation of City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation to make Sales Tax Payments does not constitute an indebtedness of the City, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

5. Payment Term. City shall pay the Purchase Price to Seller from Sales Tax Increment over a period of ten (10) years, unless paid in full earlier by City. If City has not paid the Purchase Price in full over ten years to Seller, this Agreement shall be automatically extended for up to two (2) five year periods, or until City has paid the Purchase Price in full, whichever is earlier.

6. Sales Tax Payment Computations. The source of funds from which City shall make Sales Tax Payments to Seller shall be the City's General Fund. Sales Tax Payments shall be computed by the Sales Tax Increment sales tax receipts generated by taxable sales of Winner. Notwithstanding any provision herein to the contrary, in the event that the allocation by the State to the City, as of the date of this Agreement, of a percentage of sales tax revenues generated in the City is changed, revised or otherwise amended, the City and the Seller each agree to meet in good faith to revise this Agreement to reflect as closely as possible the original intent of the parties in entering into this Agreement with respect to the allocation of sales tax receipts.

a. Sales Tax Base. The Base Sales Tax Generation Figure as of January 31, 2016 is Ten Million Dollars ($10,000,000.00)

b. Sales Tax Increment. Sales Tax Increment is the incremental increase in annual sales tax received by the City from the Dealership and resulting from the increase in the Dealership's annual taxable sales over the Base Sales Tax Generation Figure.

7. City Lease of Sales Property to Seller. Upon the close of escrow, City shall lease the Sale Property to Winner for a period of fifty (50) years, subject to the following:

(a) As long as the City receives Sales Tax Increment generated by taxable sales by Winner or its affiliated entities above the $10,000,000 Sales Tax Base, Winner shall pay the City $1.00 per year for leasing the Sales Property from the City.

(b) If for any calendar year during the 50-year lease period the Sales Tax Increment received by the City based on taxable sales generated by Winner or its affiliated entities falls below the $10,000,000.00 Sales Tax Base, Winner shall pay the City annual rent equal to the market rate rental amount, calculated by a real estate professional agreed upon by both parties, for the property

(c) If for a period of **five** or more consecutive calendar years during the 50 year lease period the City receives Sales Tax Increment generated by taxable sales by Winner or its affiliated entities below the Sales Tax Increment the City would ordinarily receive as a result of taxable sales by Winner or its affiliates of $5,000,000, then either party shall be entitled to terminate the lease. After expiration of the lease or termination of the lease, the Sales Property may be used by City for any use City determines in its sole and absolute discretion, including disposition of the Sales Property by City, provided, however, that Seller shall have the right of first refusal to purchase or lease the Sales Property from City at fair market value, according to the provisions of paragraph 10.

~~7. Seller Improvement of Sales Property. In exchange for City's lease of the Sales Property to Winner, ???. City, by entering into this Agreement, hereby provides Winner, upon City acquiring fee title to the Sales Property, a right of entry and temporary construction easement to construct the Improvements on, over and under the Sales Property. Seller and Winner shall not pledge, hypothecate or otherwise encumber the Sales Property or any interest therein without the City's prior written consent, which consent shall not be unreasonably withheld.~~

8. Maintenance and Improvements, Indemnification of City. (a) For so long as Winner leases the Sales Property from City, Winner shall maintain the Sales Property and the Improvements constructed by Winner thereon. Upon expiration or termination of the lease of the Sales Property by City to Winner, City shall become responsible for maintenance of the Sales Property, including any Improvements constructed by Winner.

(b) In exchange for City's lease of the Sales Property to Winner, City, by entering into this Agreement, hereby provides Winner, upon City acquiring fee title to the Sales Property, a right of entry and temporary construction easement to construct the Improvements on, over and under the Sales Property.

(c) Seller, Winner, and their successors-in-interest and assigns, hereby agree to, and shall defend and hold City, its elective and appointive boards, commissions, officers, agents, and employees harmless from any liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Winner (including maintenance of the Sales Property), or of Winner's contractors, subcontractors, agents, or employees under this Agreement, whether such operations be by Winner, or by any of Winner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Winner or Winner's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of City. The foregoing indemnity obligation of Seller and/or Winner, as the case may be, shall not apply to any liability for damage or claims for damage with respect to any damage to or use of any public improvements after the completion and acceptance thereof by City. In addition to the foregoing indemnity obligation, Seller and Winner agree to and shall defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees harmless from any suits or actions at law or in equity arising out of the execution, adoption or implementation of this Agreement, exclusive of any such actions brought by Seller and/or Winner, its successors-in-interest or assigns. City acknowledges hereby that the foregoing liability of Seller shall be limited to its interest in the Sales Property and that neither Seller or Winner nor any of their partners, officers, shareholders, employees, co-trustees or agents shall have any personal liability therefore.

9. Right of First Refusal. After expiration of the lease or termination of the lease by Winner or the City, the Sales Property may be used by City for any use City determines in its sole and absolute discretion, including disposition of the Sales Property by City, provided, however, that Seller shall have the right of first refusal to purchase or lease the Sales Property from City at fair market value, said fair market value to be determined by an appraisal conducted pursuant to the procedures set forth in Section 2 above. If Seller declines to so purchase or lease the Sales Property from City, the City may choose to sell or lease the Sales Property to any third party in the City's sole and absolute discretion.

10. Binding on Successors and Assigns; Assignment. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective Parties, including any public agency successor-in-interest,

provided however, that it is specifically understood and agreed to by City that the Sales Tax Payments to be made hereinunder are personal unto Seller, and should the Dealership be sold or assigned by Winner and/ or the Dealership Property be sold by Seller, the City shall still be obligated to pay the Sales Price to Seller as provided for herein. Neither this Agreement nor any interest of either Party herein shall, at any time after the date hereof, without prior notice to of the other Party, be mortgaged, pledged, assigned, or transferred by voluntary act or by operation of law, or otherwise, except as specifically provided herein.

11. Involuntary Sales, Transfer or Assignment. Notwithstanding any other provision of this Agreement to the contrary, prior notice of an assignment of this Agreement or any interest herein shall not be required and Sales Tax Payments shall not be reduced in connection with any of the following:

(i) an assignment which consists of a conveyance for financing for the purpose of securing loans of funds to be used solely for financing the direct and indirect costs, including without limitation financing costs, interest and commissions, of planning, designing, constructing, and developing the improved Dealership by Seller. It is understood that Winner's entering into a management contract or contracts and a franchise agreement or agreements to operate the Dealership on the Dealership Property shall not be classified as an assignment for purposes of this Agreement;

(ii) transfers resulting from the death or mental or physical incapacity of Seller and Winner;

(iii) transfers or assignments in trust for the benefit of a spouse, children, grandchildren, or other family members, provided that the Seller or Winner or an assignee of Seller or Winner specifically permitted hereunder retains management control;

(iv) a sale of the Dealership Property or any portion thereof at foreclosure (or a conveyance thereof in lieu of a foreclosure) pursuant to a foreclosure thereof by a lender;

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(v) the conveyance or dedication of any portion of the Dealership Property to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate the development of the Dealership.

12. Eminent Domain. If the Dealership Property shall be taken under the power of eminent domain, then this Agreement shall terminate as of the day possession shall be so taken. If less than the whole of the Dealership Property shall be taken under the power of eminent domain, then this Agreement shall

continue in full force and effect and shall not be terminated by virtue of such taking (and the Parties waive the benefit of any law to the contrary).

13. Liens. Winner shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Improvements and which may be secured by any mechanics', materialman's or other lien against the Improvements, and/ or Winner's interest therein, and shall cause each such lien to be fully discharged and released; provided, however, that if Winner desires to contest any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof, is not promptly stayed, or if so stayed and said stay thereafter expires, then, and in any such event, Winner shall forthwith pay and discharge said judgment. City shall cooperate with Winner's efforts to discharge and release any liens pursuant to this Section 14 and shall discharge and release or cause to be discharged and released any liens created or suffered to be created by Winner on or against the Improvements.

14. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either Party to the other shall be in writing and shall be sufficiently given and served upon the other Party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

City:

City of Colfax
P. O. Box 702
Colfax, CA 95713
Attention: City Manager

With a copy to:

City of Colfax
P. O. Box 702
Colfax, CA 95713
Attention: Treasurer

Seller:

Gard Family Living Trust, dated November 14, 1994
c/ o 1624 S. Canyon Way
Colfax, CA 95713

Attention: Mr. David Gard

Winner:

Winner Chevrolet
1024 S. Canyon Way
Colfax, CA
Attention: Mr. David Gard

With a copy to:

Law Office of Marcus J. Lo Duca, P.C.
3200 Douglas Boulevard, Suite 300
Roseville, CA 95661
Attention: Marcus J. Lo Duca, Esq.

Either Party may amend its address by providing the other with written notice.

15. Waiver. The waiver by either Party of any breach by the other Party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

16. Default by City. (a) If (1) City shall fail to pay any Sales Tax Payment hereunder within five (5) days from the date such Sales Tax Payment is due and payable; or (2) City shall fail to keep any other terms, covenants or conditions herein for a period of twenty-five (25) days after written notice thereof from the Seller to City; or (3) City's interest in this Agreement or any part thereof shall be assigned or transferred without prior notice to the Seller, either voluntarily or by operation of law, then in any such events, City shall be deemed to be in default hereunder.

(b) If City should, after notice, fail to remedy any default with all reasonable dispatch, not exceeding thirty (30) days from the date of such notice, then the Seller shall have the right to recover from City or any successor-in-interest such Sales Tax Payments due hereunder as such Sales Tax Payments become due pursuant to this Agreement, without terminating this Agreement.

(c) Seller and City consider the foregoing remedies to be essential to the validity of this Agreement, and intend that by virtue of Section 1952.6 of the Civil Code the provisions of Sections 1951 and 1952.2, inclusive, of said code shall not be applicable to this Agreement.

17. Default by Seller. (a) If (1) Seller or Winner shall fail to keep any terms, covenants or conditions herein for a period of forty-five (45) days after written notice hereof from City to Seller and Winner, or (2) Seller's interest in the Agreement or any part thereof shall be assigned or transferred without the prior notice of City, except as permitted under Section 12 hereof either voluntarily or by operation of law; or (3) Seller shall file any petition or institute any proceedings wherein or whereby Seller asks or seeks or prays to be adjudicated a bankrupt, or to be discharged from any or all of its debts or obligations, or offers to Seller's creditors to effect a composition or extension of time to pay Seller's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of Seller's debts, or for any similar relief; or (4) any such petition or any such proceedings of the same or similar kind or character shall be filed, instituted or taken against Seller, then, and in any such events Seller shall be deemed to be in default hereunder.

(b) If Seller should, after notice, fail to remedy any default with all reasonable dispatch, not exceeding thirty (30) days, then City shall have the right, at its option, to terminate the Lease and this Agreement by delivering written notice of such termination to Seller, and thereafter City shall be relieved of all obligations hereunder.

18. Attorneys Fees. In any arbitration or action arising as a consequence of or because of any default by a Party under this Agreement, the prevailing Party is entitled to all costs and expenses, including reasonable attorneys' fees and costs of suit in equity or action at law to enforce the terms and conditions of the Agreement. Proper venue for any arbitration or action connected with this Agreement shall be Placer County.

19. Recordation and Filing. This Agreement shall be recorded and filed or shall be caused to be recorded and filed by the City.

20. Execution; Entire Agreement. This Agreement may be simultaneously executed in any number of duplicate originals, each of which when so executed shall be deemed to be an original. This Agreement consists of twelve (12) pages and five (5) exhibits which constitute the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

21. Validity. If any one or more of the terms, provisions, promises, covenants or conditions hereof shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by the final decision of a court of competent jurisdiction, each and all of the remaining terms,

provisions, promises, covenants and conditions hereof shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

22. Headings. Any headings preceding the texts of the several Sections hereof shall be solely for convenience of reference and shall not constitute a part hereof, nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the City of Colfax, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manger and attested to by its City Clerk under the authority of Resolution No. ____, adopted by the Council of the City of Colfax on the ____ day of ____, 2016 and Seller has caused this agreement to be executed.

CITY OF COLFAX, CALIFORNIA
a municipal corporation

By: _____
Mark Miller, City Manager

ATTEST:

By: _____
Lorraine Cassidy, City Clerk

Approved as to form:

By: _____
City Attorney

GARD FAMILY TRUST, DATED
NOVEMBER 14, 1994

By: _____
David C. Gard, Trustee

By: _____
Stephanie D. Gard, Trustee

WINNER CHEVROLET,
a California corporation

By: _____
David C. Gard
Its:

Colfax Skatepark Project

After years of considering sites and discussing options, the site adjacent to the Colfax Splash Park has been determined to be the most feasible place to locate the Skate Park. On December 9th, 2015, City Council voted in favor of the location and fundraising efforts for the Colfax Skate Park (Resolution № 47-2015: Authorizing a fundraising drive for a portable skate park to be located adjacent to the Colfax Splash Park)

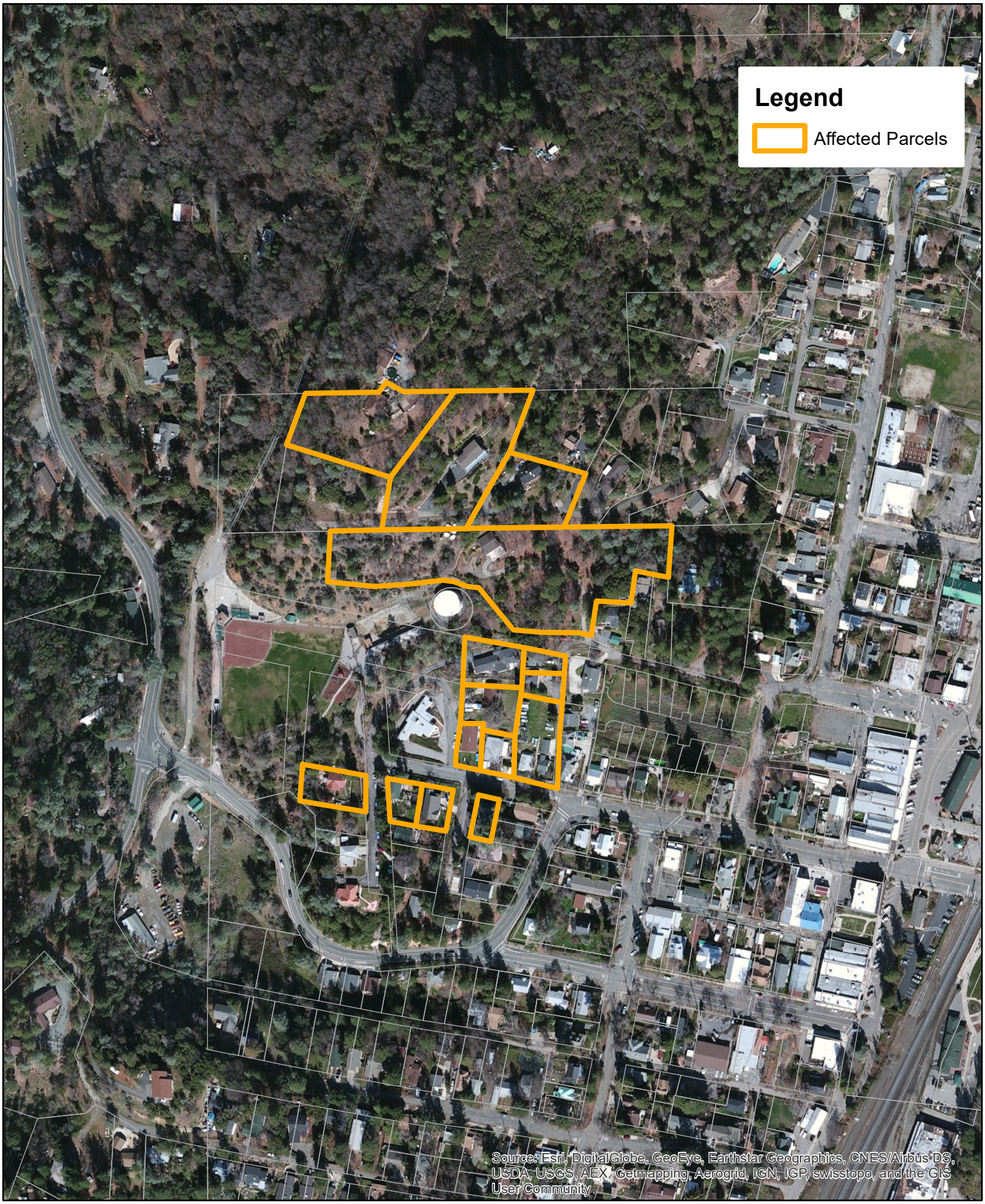
A Skate Park can be a great addition to the activities already offered at the park: ball field, playground and Splash Park. Although some concern was identified as it is a little out of the way and could allow kids to be more mischievous, extra Sheriff patrols, volunteer involvement, cameras, fencing and a gate entry that will remain locked during non use times would mitigate this issue. The hours of operations will be from "dawn to dusk".

There has been very positive feedback and support from the community for a Skate Park. Many feel a Skate Park would not only be beneficial to our youth, it would also become a unique attraction to our community. A Skate Park would provide a safe environment for Colfax youth. It could possibly draw more people to Downtown as parents who drive their teens to the park very likely would shop or dine while waiting for them to Skateboard. Skateboard Competitions at the Skate Park would also encourage extra visits to town.

The Sheriff's Office and the City are reaching out to the neighborhoods surrounding the proposed Colfax Skate Park, to receive further input. As mentioned, this area will be patrolled by the Placer County Sheriff's Office, volunteers on site, security cameras and fencing to handle most concerns. If you have additional concerns, please contact Sergeant Ty Conners with the Placer County Sheriff's Office: tconners@placer.ca.gov. If you cannot email, please submit a written comment to Colfax City Hall. Any information will be shared with City Manager Mark Miller and City Council.

The Colfax Skate Park project will be on agenda for the February 24th City Council meeting. Please submit any concerns prior to the 24th meeting, so we may bring it forward to City Council.

Colfax Skatepark Affected Parcels for Public Outreach



City of Colfax
City Council Minutes
Regular Meeting of Wednesday, February 10, 2016
City Hall Council Chambers
33 S. Main Street, Colfax CA

1 CONVENE CLOSED SESSION

1A. Mayor Parnham called the meeting to order at 6:00PM.

1B. **Roll Call**
Councilmembers present: Douglass, Harvey, Hesch, Parnham, and Stockwin

1C. **Public Comment – Closed Session Items**
No public comment

Mayor Parnham recused himself from the closed session item to avoid any appearance of conflict with the Union. As a member of the public, he stated that he knows that Council will do the right thing. He cautioned Councilmembers to avoid taking the conflict personally. Council convened closed session at 6:01PM and concluded closed session at 6:38PM.

1D. **Closed Session Agenda**
Conference with Labor Negotiators pursuant to Government Code Section 54957.6 Employee Organization: General Employees and Bargaining Unit Represented by Stationary Engineers, Local 39 City's Representative: Mark Miller

2 CONVENE OPEN SESSION

2A. **Call Open Session to Order:** Mayor Parnham called the Open Session to order at 7:00PM.

2B. **Pledge of Allegiance:** Councilmember Douglass led the Pledge of Allegiance.

2C. **Report from Closed Session**: City Attorney Cabral stated that there was no reportable action from closed session.

2D. **Roll Call:** Councilmembers present: Douglass, Harvey, Hesch, Parnham and Stockwin

2E. **Approval of Agenda**
On a motion by Mayor Pro Tem Harvey, seconded by Councilmember Hesch, the City Council approved the agenda.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin

3 PRESENTATIONS

3A. **Solutions for the Bark Beetle Kill**
Steve Garcia, Unit Forester for the CAL FIRE Nevada-Yuba-Placer Unit, gave a presentation on the extent of the current and potential damage to local forests from infestation of bark beetles. Due to drought conditions causing stress to trees, trees are not able to fend off beetle attacks, so residents can expect a tremendous amount of tree mortality in the next few years. A wet, cold spring could alleviate some of the issues; however, many trees that are now looking stressed are actually completely infested. These trees with half yellow

and half green needles are the most likely to allow spread of the infestation to adjacent trees. These trees should be cut down, the branches should be masticated and the trunks cut into small pieces. The wood should either be burned or covered in plastic to kill the beetles. Many local agencies are working together to mitigate the damage or offer funding to assist land owners but there is no definitive funding source as of yet. Mr. Garcia suggested Council work closely with the Placer Sierra Fire Safe Council to apply for grants. With the extensive fires of the last few seasons and lower fuel prices, there is less demand for wood products, so Council could designate about a five acre area to store the downed trees until they can be converted into mulch or firewood.
Council discussed the issues involved and asked questions of Mr. Garcia.

4 CONSENT CALENDAR

4A. **Minutes City Council Meeting of January 27, 2016**
RECOMMENDATION: Approve the Minutes of the Regular Meeting of January 27, 2016.
On a motion by Councilmember Stockwin, seconded by Councilmember Hesch, Council approved the Consent Calendar.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin

5 COUNCIL, STAFF, AND OTHER REPORTS

5A. **Committee Reports and Colfax Informational Items – All Councilmembers**
Councilmember Hesch

- Councilmember Hesch reported the Supervisor's Coffee meeting dealt mostly with the issue of medical marijuana regulation. Increased train traffic with oil tankers was also a topic of discussion.
- He stated the planning for maintenance of the caboose is underway. A committee will bring a proposal to City Council with suggestions for developing programs for school and public tours.
- He met with Supervisor Montgomery about the possibility of the County supplementing the funding for building the skate park.

Councilmember Stockwin

- Councilmember Stockwin had nothing to report.

Councilmember Douglass

- Attended the Placer City/County Officials Dinner.
- He was the self-appointed representative to the Lions Club Annual Crab Feed.
- Attended the SEDCorp Board meeting. SEDCorp has $200,000 available for small business loans.
- He also attended the Caboose meeting and supports the potential for educational opportunities or use as an event venue.
- Councilmember Douglass invited the public to attend the Coffee with Supervisor Montgomery meetings on the 2nd Wednesday of each month from 9-10AM at Café Luna.
- Sierra Vista Community Center is hosting the "Cupid's Night Out" dance on February 13, 2016.

Councilmember Harvey

- Councilmember Harvey had nothing to report.

Mayor Parnham

- Mayor Parnham attended the Placer City/County Officials Dinner.
- He recommended that staff keep pressing the owner of the Historic Hotel for progress on abating the public nuisance.

5B. **City Operations – City Staff**

City Manager Miller

- City Manager Miller reported that Union Pacific Railroad is accepting bids for boarding up the CFGA building. This will deter transient use of the building.
- Brian Figueroa, owner of the Historic Hotel submitted drawings last week for the hotel. Staff emphasized to him the importance of getting back on track with cleaning up the building.
- The local CORE charter school art class has proposed painting a mural on one of ballpark restroom walls.
- The new Beach Hut Deli is off to a good start ranking 9th in sales among over 40 franchises in only its second week in business.
- Staff is correcting a slight turbidity problem that developed at the Wastewater Treatment Plant which is otherwise running well.

5C. **Additonal Reports – Agency Partners**

Forrest Rowell, Colfax Volunteer Fire Department and CAL FIRE

- Volunteers are gearing up for training in Penryn next month.
- It is open season for fires, but residents need to call CALFire as there have been a few no-burn days recently.

Frank Klein, President of the Colfax Area Chamber of Commerce

- Mr. Klein stated the Chamber board elected new officers – he will remain as President of the Chamber this year.
- The first Chamber Mixer will be on March 31. Details will follow.
- Beach Hut Deli had their official grand opening ribbon cutting on Wednesday.

Helen Weyland, Colfax Historical Society

- Ms. Weyland announced the 100,000th visitor to the Colfax Museum was celebrated on February 7, 2016. She thanked Council for allowing the Society to use the Depot building as a museum.
  Mayor Parnham suggested that people visit the museum regularly as the displays change.

6 PUBLIC COMMENT

No Public Comment.

7 COUNCIL BUSINESS

City Manager Miller requested Council consider Item 7B before 7A.

7B. Mobile 311 Update

STAFF PRESENTATION: Travis Berry, Technical Services Manager
RECOMMENDATION: Verbal Update for Information Only

Mr. Berry demonstrated the capabilities of Mobile311, a digital work order management system. It is designed to improve City record keeping by tracking how the City staff "touches" assets in the City. The software has two entrances, a citizen's portal which is in beta test mode on the City website and a staff portal. If a citizen elects to report an issue from any electronic device and registers with the website, the citizen will receive email updates as progress is made on the issue.
Councilmember Hesch stated he is pleased that the City now has a tool to build a record keeping base and data will no longer be lost with changes in personnel.
Councilmember Harvey asked if this will be a useful tool for monitoring the Wastewater Treatment Plant.
Mr. Berry replied that although Mobile311 would not be the most efficient tool for tracking at the plant, he is writing a Standard Operation Procedure manual and detailed calendar for record keeping.
Members of the public showed enthusiasm for the ability to report issues using this new tool.
Mr. Berry will be adding layers to the maps used by the software to include parcel information, sewer and storm drains, etc.

7A. Winner Chevrolet Agreement

STAFF PRESENTATION: Mark Miller, City Manager
RECOMMENDATION: Verbal Update

City Manager Miller stated negotiations with Mr. Gard of Winner Chevrolet are almost complete. Staff would like Council approval of paragraph 7 which has been rewritten to include economic triggers to change the lease based on sales tax revenue.
City Attorney Cabral explained this will allow the City flexibility in the unlikely event that the dealership can no longer create revenue from the property.
City Manager Miller stated Mr. Gard sent his regrets that he could not attend the meeting to personally thank Council for their support of this agreement. He is looking forward to continuing this win-win relationship and is grateful for the opportunity.
Neither Council nor the public had comments.
Staff will bring the agreement to the next meeting for formal approval.

Mayor Parnham called for a short recess at 8:30. Council will reconvene at 8:37.

8 PUBLIC HEARING

8A. **Second Reading of Ordinance № 528: An Urgency Ordinance of the City of Colfax Amending Colfax Municipal Code Title 17, Chapter 17.162 Prohibiting the Cultivation and Delivery of Marijuana and the Operation of Medical Marijuana Dispensaries in the City of Colfax, an interim urgency ordinance to be effective until the November 8, 2016 Election at which time a measure will be placed on the Ballot to determine the will of the people.**

STAFF PRESENTATION: Mick Cabral, City Attorney

RECOMMENDATION: Conduct A Public Hearing, Discuss, Waive the Second Reading, and Adopt Ordinance № 528, an Urgency Ordinance of the City of Colfax Amending Colfax Municipal Code Title 17, Chapter 17.162 Prohibiting the Cultivation and Delivery of Marijuana and the Operation of Medical Marijuana Dispensaries in the City of Colfax, an interim urgency ordinance to be effective until the November 8, 2016 election at which time a measure will be placed on the ballot to determine the will of the people.

At 8:37 Mayor Parnham called the meeting back to order.
At 8:38 Mayor Parnham opened the Public Hearing for Ordinance 528.

City Attorney Cabral informed Council that at the suggestion of Council from the last meeting, three items had been fixed: a typographical error, a clause stating the criminality of medical marijuana has been stricken, and a definition of medical marijuana delivery has been added. Staff recommends that Council read by title only and pass the proposed ordinance. Although AB21 has been signed into law removing the March 1 deadline to pass an ordinance, there are some omissions in AB21 which may not cover "small grows". This ordinance would ensure that the City will maintain control over regulating all cultivation regardless of number of plants.
City Manager Miller stated staff will develop a comprehensive ordinance with a detailed revenue structure. Staff will schedule workshops to receive public input. The goal is to have a detailed ordinance prepared by June 1st. This allows plenty of time for review before it is due to the County on July 8th to be placed as a measure on the November ballot.
Councilmember Hesch stated that he is pleased with this approach.
Councilmember Stockwin stated that there is now no urgency to pass this ordinance.
City Attorney Cabral replied that most of the March 1 deadline has been eliminated but it is unclear if the "small grows" will fall under state jurisdiction on March 1 without an ordinance. Staff wants to ensure that the City will continue to have jurisdiction over all aspects of medical marijuana by keeping it completely prohibited until a comprehensive ordinance can be created.
City Manager Miller stated that this is a land-use issue involving zoning as well as a tax issue. The City may need to have 2 measures on the ballot.
Mayor Parnham stated he sees no urgency to pass this ordinance and will not support a total ban on growing marijuana. It will cause those who grow to do so illegally.
City Manager Miller stated Sergeant Conners has assured him enforcement will not change with this ordinance.
Councilmember Stockwin does not support a total ban on the books until November.

Two members of the public, Jim Dion and Stacie Younggren spoke against passing the ordinance.

Mayor Parnham closed the public hearing at 9:09.

On a motion by Councilmember Harvey, seconded by Councilmember Hesch the Council voted by roll call vote to waive the Second Reading, and Adopt Ordinance № 528, An Urgency Ordinance of the City of Colfax Amending Colfax Municipal Code Title 17, Chapter 17.162 Prohibiting the Cultivation and Delivery of Marijuana and the Operation of Medical Marijuana Dispensaries in the City of Colfax:
Ayes: Douglass, Harvey, Hesch
Noes: Parnham, Stockwin
An urgency ordinance requires a four-fifths vote. The ordinance did not pass.

9 ADJOURNMENT

As there was no further business on the agenda, Mayor Parnham adjourned the meeting at 9:17PM.

Respectfully submitted to City Council this 24th day of February, 2016

Lorraine Cassidy, City Clerk

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE FEBRUARY 24, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: February 3, 2016
SUBJECT: City of Colfax Cash Summary Report: January 2016

X	N/A		FUNDED		UN-FUNDED	AMOUNT:	FROM FUND:

RECOMMENDED ACTION: Accept and File City of Colfax Cash Summary Report: January 2016.

SUMMARY:

Staff recommends that the Council accepts and files the Colfax Cash Summary Report for January 2016.

BACKGROUND AND ANALYSIS:

These monthly financial reports include General Fund Unassigned Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports and bank statements. Detailed budget comparisons are provided as a mid-year report and also as part of the proposed budget process each year.

The purpose of the reports is to provide status of funds and transparency for Council and the public of the financial transactions of the City.

CONCLUSION:

The attached reports reflect an overview of the financial transactions of the City of Colfax in January 2016.

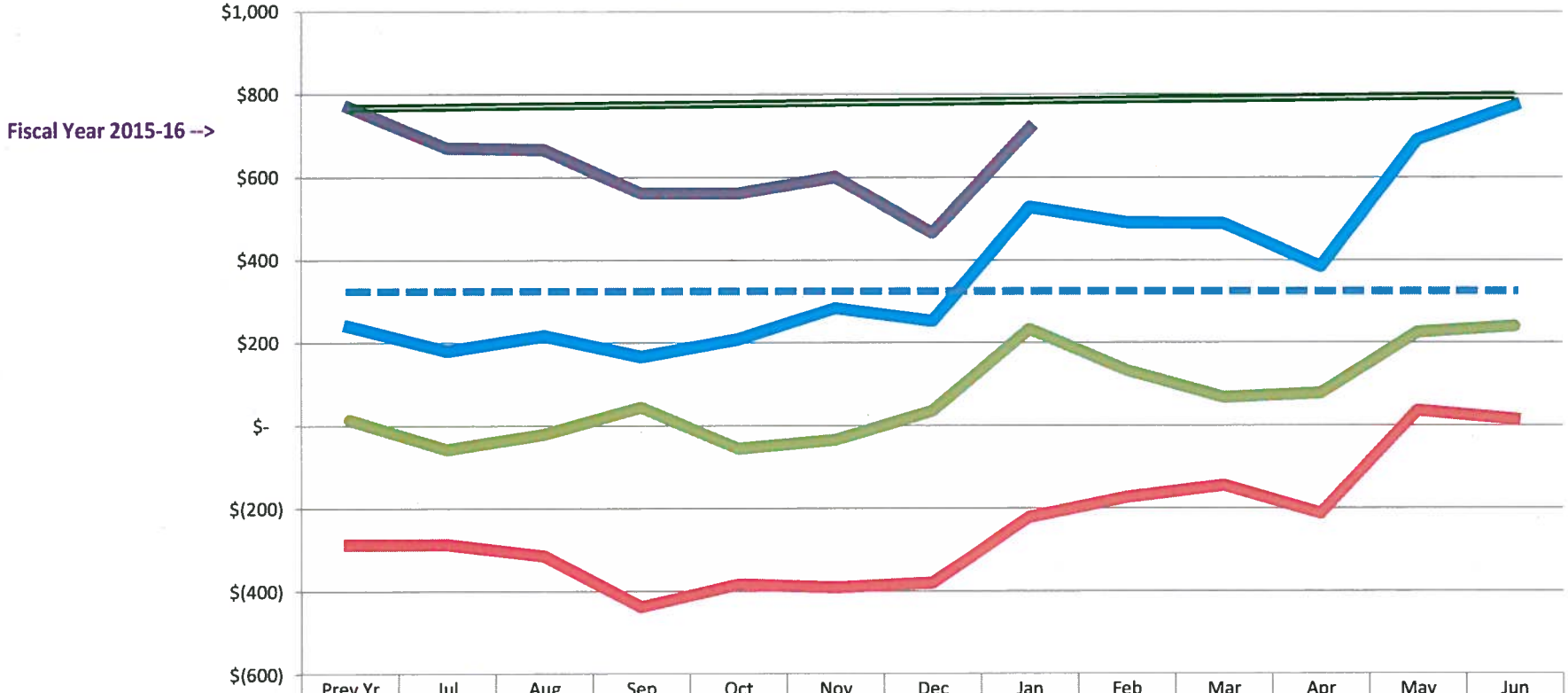
Monthly highlights include:

- The first allocation of FY2015-2016 property taxes was received in January (55% teeter allocation).
- General Fund Reserved Cash is tracking consistently with previous years and our General Fund Reserve balance has been met consistently for the past twelve months.
- Negative fund balances in Restricted and Capital Funds are due to timing of funding allocations and reimbursements. Full funding is expected for Fund 250 – expect receipts to begin in February. Capital Fund 350 (UPPR Ped Xing Project) has anticipated reimbursement funding of $367,000, but also additional payments to Contractor and Union Pacific are still anticipated.
- The bi-annual payment for purchase of Winner Chevrolet property is anticipated to be made in February.

ATTACHMENTS:

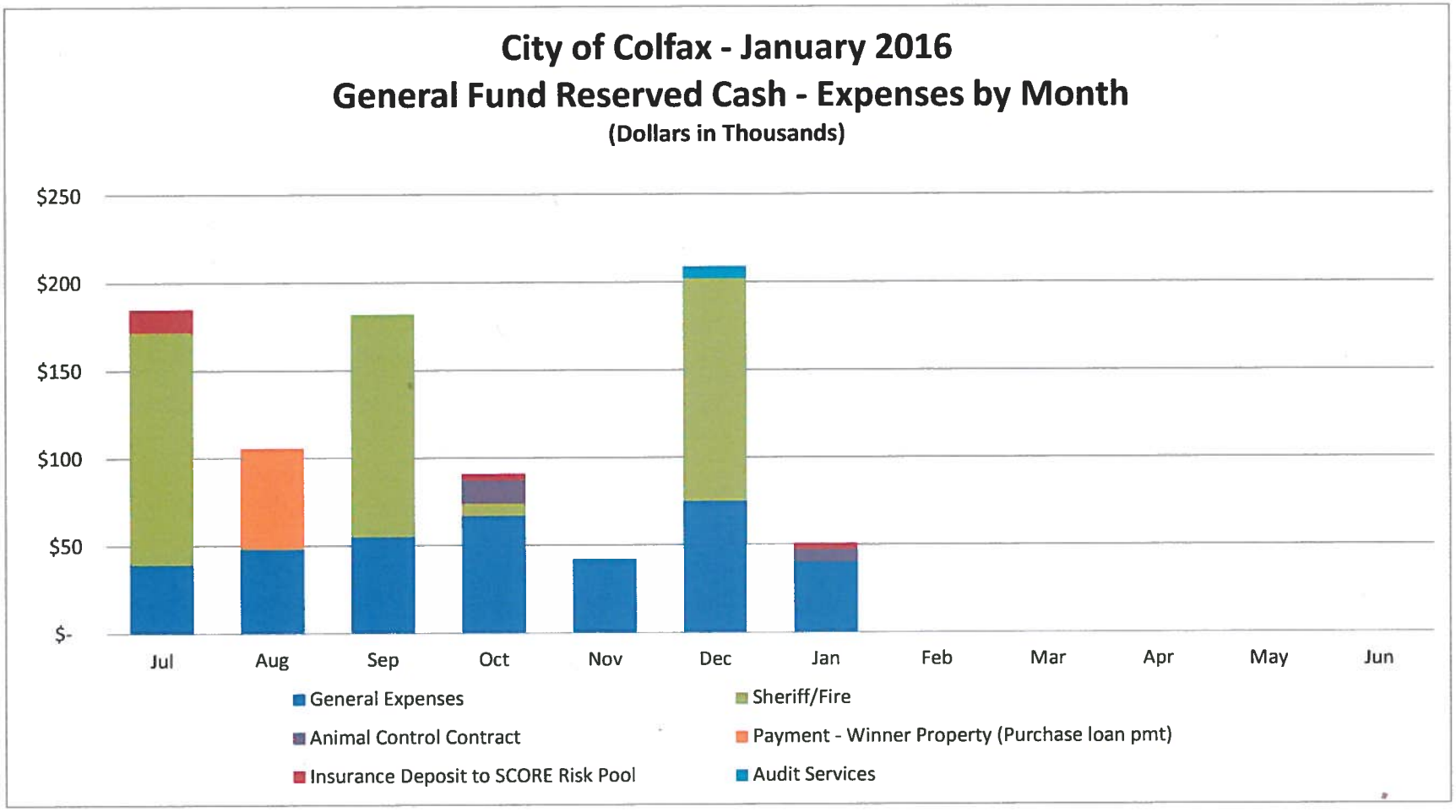
1. General Fund Reserved Cash Analysis Graphs
    a. Cash Analysis – Balance
    b. Expenses by Month
    c. Revenues by Month
2. Cash Activity Reports
    a. Cash Summary
    b. Cash Transaction Report – by individual fund
    c. Check Register Report
    d. Daily Cash Summary Report

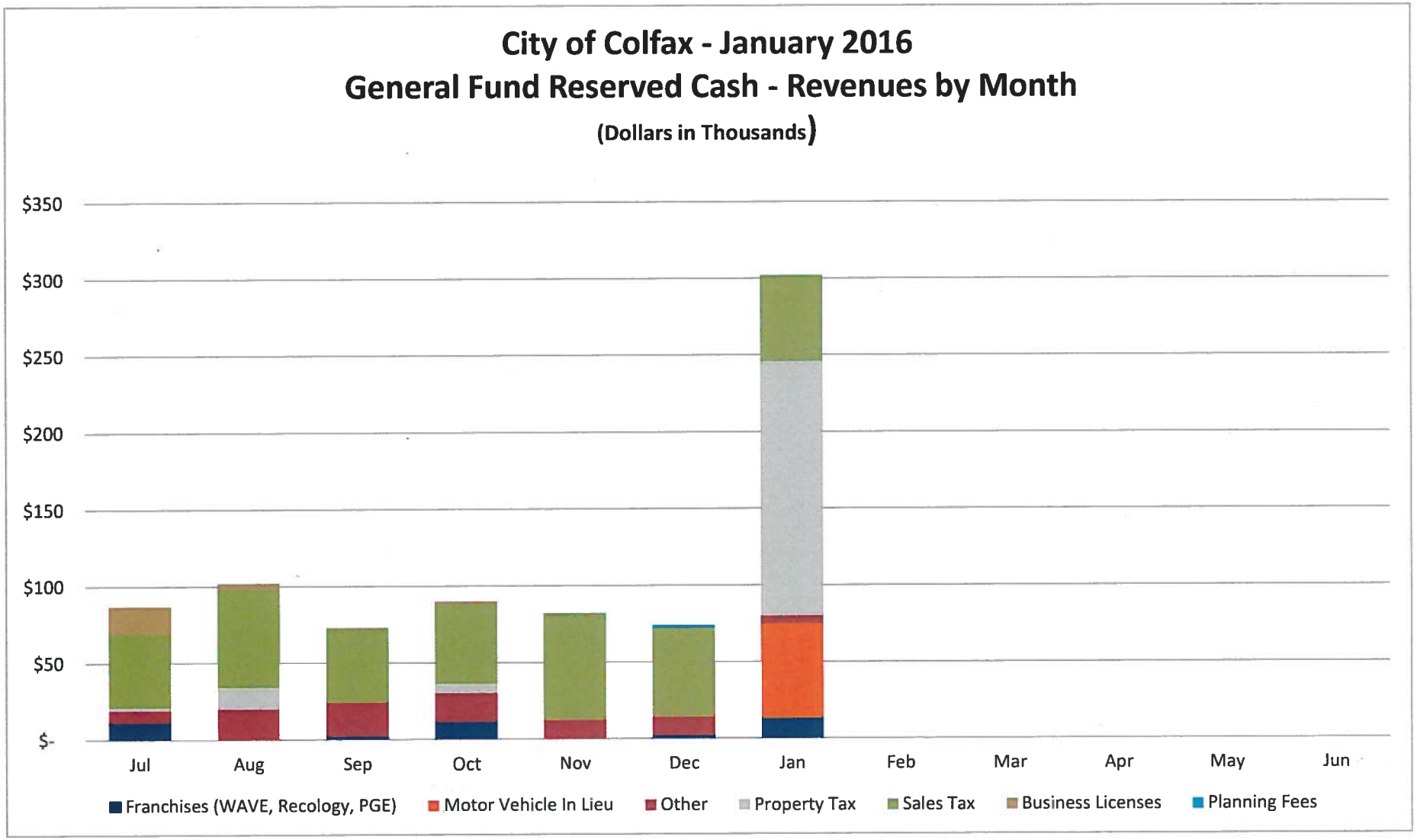
City of Colfax - January 2016
General Fund Reserved Cash Analysis
(Dollars in Thousands)



	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2015-16	$768	$670	$666	$562	$561	$601	$466	$717					
Cash Balance FY2014-15	$240	$181	$217	$167	$209	$284	$253	$528	$491	$489	$385	$691	773
Cash Balance FY2013-14	$15	$(57)	$(20)	$45	$(55)	$(34)	$36	$233	$134	$69	$79	$225	240
Cash Balance FY2012-13	$(287)	$(286)	$(314)	$(438)	$(383)	$(391)	$(380)	$(221)	$(173)	$(144)	$(212)	$37	15
*Reserves Target 25%	$325	$325	$325	$325	$325	$325	$325	$325	$325	$325	$325	$325	325
Budget FY2016	$767	$770	$772	$775	$777	$780	$782	$785	$787	$790	$792	$795	797

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


City of Colfax - January 2016
General Fund Reserved Cash - Expenses by Month
(Dollars in Thousands)
$250
$200
$150
$100
$50
$-
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
General Expenses
Sheriff/Fire
Animal Control Contract
Payment - Winner Property (Purchase loan pmt)
Insurance Deposit to SCORE Risk Pool
Audit Services


City of Colfax - January 2016
General Fund Reserved Cash - Revenues by Month
(Dollars in Thousands)
$350
$300
$250
$200
$150
$100
$50
$-
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Franchises (WAVE, Recology, PGE)
Motor Vehicle In Lieu
Other
Property Tax
Sales Tax
Business Licenses
Planning Fees

City of Colfax
Cash Summary
January 31, 2016

	Balance 12/31/2015	Revenues In	Expenses Out	Transfers	Balance 01/31/2016
US Bank	$ 157,913.36	$ 587,849.58	$ (151,801.44)	$ (400,000.00)	$ 193,961.50
LAIF	$ 2,675,997.06	$ 2,490.74		$ 400,000.00	$ 3,078,487.80
Total Cash - General Ledger	$ 2,833,910.42	$ 590,340.32	$ (151,801.44)	$ -	$ 3,272,449.30
Petty Cash (In Safe)	$ 300.00				$ 300.00
Total Cash	$ 2,834,210.42	$ 590,340.32	$ (151,801.44)	$ -	$ 3,272,749.30

Change in Cash Account Balance - Total **$ 438,538.88**

Attached Reports:

1. Cash Transactions Report (By Individual Fund)
2. Check Register Report (Accounts Payable) $ (81,626.64)
3. Cash Receipts - Daily Cash Summary Report $ 466,457.36

Payroll Checks and Tax Deposits	$ (68,313.46)	
Utility Billings - Receipts	$ 119,557.78	
Bank Service Charge	$ (126.90)	
LAIF Interest	$ 2,490.74	
Stop payment/Void check	$ 100.00	
	$ 438,538.88	$ -

Prepared by: Laurie Van Groningen 2/3/16
Laurie Van Groningen, Finance Director

Reviewed by: Mark Miller
Mark Miller, City Manager

City of Colfax

Cash Transactions Report - January 2016

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	$ 703,339.16	$ 291,321.94	$ (50,408.43)	$ 944,252.67
Fund: 120 - Land Development Fees	$ 9,860.44	$ -	$ -	$ 9,860.44
Fund: 570 - Garbage Fund	$ (247,453.89)	$ 10,750.00	$ -	$ (236,703.89)
Fund Type: 1.11 - General Fund - Unassigned	**$ 465,745.71**	**$ 302,071.94**	**$ (50,408.43)**	**$ 717,409.22**
Fund Type: 1.14 - General Fund - Restricted				
Fund: 571 - AB939 Landfill Diversion	$ 30,767.26	$ -	$ -	$ 30,767.26
Fund: 572 - Landfill Post Closure Maintenance	$ 766,949.23	$ 20,189.99	$ (5,527.39)	$ 781,611.83
Fund Type: 1.14 - General Fund - Restricted	**$ 797,716.49**	**$ 20,189.99**	**$ (5,527.39)**	**$ 812,379.09**
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	$ 62,970.24	$ 54.36	$ -	$ 63,024.60
Fund: 211 - Mitigation Fees - Drainage	$ 3,040.03	$ 2.63	$ -	$ 3,042.66
Fund: 212 - Mitigation Fees - Trails	$ 42,590.28	$ 36.77	$ -	$ 42,627.05
Fund: 213 - Mitigation Fees - Parks/Rec	$ 97,533.12	$ 84.20	$ -	$ 97,617.32
Fund: 214 - Mitigation Fees - City Bldgs	$ 941.61	$ 0.82	$ -	$ 942.43
Fund: 215 - Mitigation Fees - Vehicles	$ 4,479.48	$ 3.87	$ -	$ 4,483.35
Fund: 217 - Mitigation Fees - DT Parking	$ 26,547.28	$ 22.92	$ -	$ 26,570.20
Fund: 218 - Support Law Enforcement	$ (3,663.92)	$ 13,315.01	$ -	$ 9,651.09
Fund: 241 - CDBG Housing Rehabiliation	$ 94,310.60	$ 81.42	$ -	$ 94,392.02
Fund: 244 - CDBG MicroEnterprise Lending	$ 117,764.57	$ 100.80	$ -	$ 117,865.37
Fund: 250 - Streets - Roads/Transportation	$ (68,888.00)	$ 90.00	$ (9,970.61)	$ (78,768.61)
Fund: 253 - Gas Taxes	$ 38,337.39	$ 30.69	$ -	$ 38,368.08
Fund: 270 - Beverage Container Recycling	$ 33,078.53	$ 28.56	$ -	$ 33,107.09
Fund: 280 - Oil Recycling	$ 4,953.08	$ 4.28	$ (176.92)	$ 4,780.44
Fund: 286 - Community Projects	$ 5,250.15	$ 4.54	$ -	$ 5,254.69
Fund: 292 - Fire Department Capital Funds	$ 148,236.41	$ 109.64	$ -	$ 148,346.05
Fund: 342 - Fire Construction - Mitigation	$ 2,421.45	$ 2.10	$ -	$ 2,423.55
Fund: 343 - Recreation Construction	$ 2,421.90	$ 2.10	$ -	$ 2,424.00
Fund Type: 1.24 - Special Rev Funds - Restric	**$ 612,324.20**	**$ 13,974.71**	**$ (10,147.53)**	**$ 616,151.38**
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 350 - Street Improvement Projects	$ (260,315.85)	$ -	$ (614.60)	$ (260,930.45)
Fund: 370 - North Main Street Bike Route	$ (1,670.92)	$ -	$ (1.30)	$ (1,672.22)
Fund Type: 1.34 - Capital Projects - Restricted	**$ (261,986.77)**	**$ -**	**$ (615.90)**	**$ (262,602.67)**
Fund Type: 2.11 - Enterprise Funds - Unassigned				
Fund: 560 - Sewer	$ 317,882.23	$ 164,734.31	$ (76,260.83)	$ 406,355.71
Fund: 561 - Sewer Liftstations	$ 352,362.31	$ 12,913.91	$ (8,841.36)	$ 356,434.86
Fund: 563 - Wastewater Treatment Plant	$ 209,622.84	$ 32,901.31	$ -	$ 242,524.15
Fund: 564 - Sewer Connections	$ 41,080.00	$ -	$ -	$ 41,080.00
Fund: 565 - General Obligation Bond 1978	$ 20,341.92	$ 1,317.51	$ -	$ 21,659.43
Fund: 567 - Inflow & Infiltration	$ 279,121.49	$ 42,236.64	$ -	$ 321,358.13
Fund Type: 2.11 - Enterprise Funds - Unassigi	**$ 1,220,410.79**	**$ 254,103.68**	**$ (85,102.19)**	**$ 1,389,412.28**
Grand Totals:	**$ 2,834,210.42**	**$ 590,340.32**	**$ (151,801.44)**	**$ 3,272,749.30**

Check Register Report

Checks Processed January 2016

Date: 02/01/2016
Time: 4:33 pm
Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks							
51419	01/04/2016	Printed		16600	STATIONARY ENGINEERS, LOCAL 39	Employer Report Dec 2015	13,692.00
51420	01/12/2016	Printed		01451	AMERICAN UV SUPPLY, LLC	WWTP SUPPLIES	15,157.50
51421	01/12/2016	Printed		02829(2)	BLUE RIBBON PERSONNEL LABOR	LABOR SERVICES	512.40
51422	01/12/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	TEMPORARY SERVICES	460.08
51423	01/12/2016	Printed		03558	COLFAX SMOG & AUTO REPAIR	1998 CHEVY SMOG	207.00
51424	01/12/2016	Printed		06420	FISHER'S WASTEWATER SERVICES	WWTP OPERATIONS	12,794.78
51425	01/12/2016	Printed		08050	HACH COMPANY	WWTP MAINTENANCE	622.04
51426	01/12/2016	Printed		08490	HOLDREGE & KULL	UPRR PED XING	402.04
51427	01/12/2016	Printed		08501	HOME DEPOT CREDIT SERVICES	SUPPLIES	212.56
51428	01/12/2016	Printed		10794	KATHY KIEFER	ART WALK 2015	100.00
51429	01/12/2016	Printed		16011(2)	PELLETREAU, ANDERSON & CABRAL	DECEMBER 2015	3,386.25
51430	01/12/2016	Printed		16300	PLACER COUNTY WATER AGENCY	ART LOT	21.70
51431	01/12/2016	Printed		19191	SECO CONTROLS, LLC	FLOWMETER REPAIR	1,678.74
51432	01/12/2016	Printed		19396	SIERRA SAFETY COMPANY	RAIN GEAR	62.62
51433	01/12/2016	Printed		19791	SUTTER MEDICAL FOUNDATION	FIRE FIGHTER MED CHECK	164.00
51434	01/12/2016	Printed		21450	URKE SEPTIC & SEWER	LIFT STATION 3	540.00
51435	01/12/2016	Printed		21560	US BANK CORPORATE PMT SYSTEM	CC PUBLIC WORKS (2)	4,571.63
51436	01/12/2016	Printed		22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL CONSULTANT	5,801.25
51437	01/12/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	INTERNET CITY HALL-535	230.50
51438	01/22/2016	Printed		01215	ACKERMAN, TIM		200.00
51439	01/25/2016	Printed		01414	ALHAMBRA & SIERRA SPRINGS	WATER CITY HALL, CORP YARD	55.63
51440	01/25/2016	Printed		01448	AMERIGAS - COLFAX	PROPANE DEPOT	138.28
51441	01/25/2016	Printed		01460	AMERIPRIDE UNIFORM SERVICE	UNIFORMS & SUPPLIES	524.74
51442	01/25/2016	Printed		01766	AT&T MOBILITY	CELL PHONES DECEMBER 2015	560.83
51443	01/25/2016	Printed		01790	AUBURN OFFICE PRODUCTS	SUPPLIES DECEMBER 2015	131.63
51444	01/25/2016	Printed		02829(2)	BLUE RIBBON PERSONNEL LABOR	LABOR SERVICES	723.23
51445	01/25/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	TEMPORARY SERVICES	584.69
51446	01/25/2016	Printed		03650	CRANMER ENGINEERING, INC.	LANDFILL TESTING	638.00
51447	01/25/2016	Printed		07465	GOLD MINER PEST CONTROL	WWTP PEST CONTROL	210.00
51448	01/25/2016	Printed		08050	HACH COMPANY	WWTP MAINTENANCE	1,035.00
51449	01/25/2016	Printed		08070	HANSEN BROS. ENTERPRISES	REPAIR SEWER LINE	992.84
51450	01/25/2016	Printed		08170	HILLS FLAT LUMBER CO	SUPPLIES	1,113.21
51451	01/25/2016	Printed		12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING	1,216.25
51452	01/25/2016	Printed		12200	LEAGUE OF CALIFORNIA CITIES	MEMBERSHIP DUES 2016	1,242.80
51453	01/25/2016	Printed		18193	RECOLOGY AUBURN PLACER	DEBRIS BOX RENTAL	1,098.66
51454	01/25/2016	Printed		18400	RIEBES AUTO PARTS	SUPPLIES	102.64
51455	01/25/2016	Printed		19070	SCORE - SMALL CITIES ORGANIZED	WORKER COMP	9,340.00
51456	01/25/2016	Printed		19279	SERVICE ENGINEERING	WWTP MAINTENANCE	160.95
51457	01/25/2016	Printed		23301	WESTERN PLACER WASTE	SLUDGE REMOVAL	940.17

Total Checks: 39 — **Checks Total (excluding void checks): 81,626.64**

Total Payments: 39 — **Bank Total (excluding void checks): 81,626.64**

Total Payments: 39 — **Grand Total (excluding void checks): 81,626.64**

Stop pmt (100.00)

$ 81,526.64

DAILY CASH SUMMARY REPORT

01/01/2016 - 01/31/2016

2/3/2016
1:05 pm

City of Colfax

			Debit	Credit	Net Chng
Fund: 100 - General Fund					
01/08/2016	Daily Totals		4,263.32	0.00	4,263.32
01/20/2016	Daily Totals		56,205.35	0.00	56,205.35
01/21/2016	Daily Totals		229,166.39	0.00	229,166.39
01/22/2016	Daily Totals		421.50	0.00	421.50
Fund: 100 - General Fund		**TOTALS:**	**290,056.56**	**0.00**	**290,056.56**
Fund: 218 - Support Law Enforcement					
01/21/2016	Daily Totals		13,315.01	0.00	13,315.01
Fund: 218 - Support Law Enforcement		**TOTALS:**	**13,315.01**	**0.00**	**13,315.01**
Fund: 250 - Streets - Roads/Transportation					
01/20/2016	Daily Totals		90.00	0.00	90.00
Fund: 250 - Streets - Roads/Transportation		**TOTALS:**	**90.00**	**0.00**	**90.00**
Fund: 560 - Sewer					
01/06/2016	Daily Totals		200.00	0.00	200.00
01/20/2016	Daily Totals		61.33	0.00	61.33
01/21/2016	Daily Totals		88,801.48	0.00	88,801.48
Fund: 560 - Sewer		**TOTALS:**	**89,062.81**	**0.00**	**89,062.81**
Fund: 561 - Sewer Liftstations					
01/20/2016	Daily Totals		814.00	0.00	814.00
Fund: 561 - Sewer Liftstations		**TOTALS:**	**814.00**	**0.00**	**814.00**
Fund: 565 - General Obligation Bond 1978					
01/21/2016	Daily Totals		1,317.51	0.00	1,317.51
Fund: 565 - General Obligation Bond 1978		**TOTALS:**	**1,317.51**	**0.00**	**1,317.51**
Fund: 567 - Inflow & Infiltration					
01/21/2016	Daily Totals		40,861.48	0.00	40,861.48
Fund: 567 - Inflow & Infiltration		**TOTALS:**	**40,861.48**	**0.00**	**40,861.48**
Fund: 570 - Garbage Fund					

Limited to include: JE Types of: CR

DAILY CASH SUMMARY REPORT

01/01/2016 - 01/31/2016

2/3/2016
1:05 pm

City of Colfax

			Debit	Credit	Net Chng
01/20/2016	Daily Totals		10,750.00	0.00	10,750.00
Fund: 570 - Garbage Fund		**TOTALS:**	**10,750.00**	**0.00**	**10,750.00**
Fund: 572 - Landfill Post Closure Mainten					
01/20/2016	Daily Totals		20,189.99	0.00	20,189.99
Fund: 572 - Landfill Post Closure Mainten		**TOTALS:**	**20,189.99**	**0.00**	**20,189.99**
		GRAND TOTALS:	**466,457.36**	**0.00**	**466,457.36**

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE FEBRUARY 24, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: February 3, 2016
SUBJECT: City of Colfax –Unfunded Pension Liability

X	N/A		FUNDED		UN-FUNDED	AMOUNT:	FROM FUND:

RECOMMENDED ACTION: Discuss and direct staff as appropriate

SUMMARY:

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

BACKGROUND AND ANALYSIS:

The City of Colfax provides a defined pension benefit to its employees and participates in the California Public Employees' Retirement System (CalPERS) to manage and administer the program.

The City contracted with CalPERS in April of 2008. The City has two benefit formulas:

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

Note: PEPRA employees are those hired and are new to CalPERS on or after January 1, 2013.

City employees vest in the program after five years of service. The City makes required employer contributions each pay period as a percentage of employee salaries and a payment (dollar amount) towards unfunded liability. The employee contribution is 7% of salary with the City contributing 2% of the employee contribution for Union employees (based on the current Memorandum of Understanding).

The City now receives two actuarial reports for its plans: One for funding contributions (Annual Actuarial Valuation) and a second accounting valuation (GASB68 Accounting Valuation Report) for financial reporting.

Annual Actuarial Valuation

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

The most recent report for the City of Colfax – dated November 2015 – provided actuarial valuation data for the City as of June 30, 2014 and reported an unfunded liability of $36,240. Unfunded liability is the net difference between accumulated contributions (assets) and the total forecasted cost of earned pension benefits (liabilities).

The Employer contribution rate is set by the actuarial valuation and is based on assumptions and methods approved by the Board of Administration upon the recommendation of the Chief Actuary. Beginning with FY2015-2016, CalPERS is collecting employer contributions toward the unfunded liability as dollar amounts instead of the prior method of a contribution rate. This amount is invoiced at the beginning of the fiscal year and the plan's normal cost contribution continues to be collected as a percentage of payroll. The unfunded liability portion of the annual contribution is based on paying down the liability over a period of 30 years with a discount rate assumption of 7.5 percent.

GASB 68 Accounting Valuation

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

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

ANALYSIS:

The attached status report summarizes historical data for the City of Colfax plan compiled from the two reports mentioned above and a CalPERS Facts-At-A Glance report dated January 2016.

Status Report Highlights:

- City unfunded liability is relatively small $36,490
- City Funding ratio is 90% - compared to average public agency funded status of 77.9%

Some options for consideration:

1. The City could pay down the unfunded liability which *could* decrease future liabilities and therefore lower required payments in the future. The amount of savings in future years would depend on actuarial adjustments and actual investment returns of pension assets. A prepayment of the unfunded liability would not preclude the City from ever having an unfunded or overfunded pension liability in the future
2. The City could establish a reserve for Unfunded Pension Liability
3. The City could continue to finance the Cost of the unfunded liability through the CalPERS required annual contribution payments.

RECOMMENDATION:

Staff recommends that we continue to finance the Cost of the unfunded liability through the CalPERS required annual contribution payments and closely monitor the status of the City Unfunded Pension with an annual report and analysis provided to City Council.

ATTACHMENTS:

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

City of Colfax

Defined Benefit Pension Plan/CalPERS

							Projected					
CalPERS Actuarial Valuation Report	**6/30/2011**	**6/30/2012**	**6/30/2013**	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**	**6/30/2022**
Present Value of Projected Benefits (PVB)	$622,469	$ 677,023	$ 754,677	$ 886,565								
Entry Age Normal Accrued Liability	$214,079	$ 222,104	$ 304,624	$ 362,938								
Plan's Market Value of Assets (MVA)	$179,060	$ 177,270	$ 258,846	$ 326,698								
Unfunded Liability	$ 35,019	$ 44,834	$ 45,778	$ 36,240								
Funded Ratio	84%	80%	85%	90%								
Employer Contribution Rate	7.209%	8.197%	8.311%	8.486%	8.435%	7.163%	7.612%	7.600%	7.600%	7.600%	7.600%	7.600%
Employer Payment of Unfunded Liability (30 Yr)	N/A	N/A	N/A	N/A	N/A	$ 1,219	$ 1,809	$ 2,669	$ 3,596	$ 4,576	$ 4,985	$ 5,438

GASB 68 Accounting Valuation Report	**6/30/2011**	**6/30/2012**	**6/30/2013**	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**	**6/30/2022**
Unfunded Liability	N/A	N/A	N/A	$ 57,010								

CalPERS - Facts At A Glance - January 2016	**6/30/2011**	**6/30/2012**	**6/30/2013**	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**	**6/30/2022**
Funded status of Retirement Plans (Public Agency)	74.30%	70.10%	70.50%	77.90%								

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE FEBRUARY 24, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager and Laurie Van Groningen, Finance Director
PREPARED By: Staff
DATE: February 17, 2016
SUBJECT: Mid-Year Budget Review – Fiscal Year 2015-2016

X	N/A		FUNDED		UN-FUNDED	AMOUNT: $	FROM FUND:

RECOMMENDED ACTION: Review and accept the Mid- Year Budget Report
Review and accept Budget Calendar

ISSUE STATEMENT AND DISCUSSION:

The purpose of the Mid-Year Budget Review is to take a look at revenues and expenditures during the fiscal year and to review with the Council projections for the end of the fiscal year.

This review is based on six months of actual revenues and expenditures (through December 31, 2015) and projections for the balance of the fiscal year based on current City activities and programs. The projection reflects revenues and expenditures changes that have occurred since the adoption of the budget and will also provide a good starting point for the next budget projection. A proposed budget calendar for fiscal years 2016-2017 and 2017-2018 is also included as part of this report.

ANALYSIS

The attached Mid-Year Budget Report provides detail comparison of year end projections to budget by fund and department of projected revenues, expenditures, and fund transfers.

There are differences between revenue and expense categories in all funds and departments, but overall the difference in Projected Net Change in Fund Balance for total City funds is $47,000 increase.

The increase is primarily in Enterprise Funds. There have been many changes in the operations of Enterprise funds as we have recently transitioned from outside services to in-house staff. Cost savings this year are significant as we are building reserves for debt service (required by State Water Board loan and USDA grant) and reserves for operations and capital improvements.

Some significant changes in General Fund – Unrestricted are:

Land Development Fees - Revenues/Expenses	$ (25,500)
Extension of Winner property purchase agreement	$ (65,000)
Transfer of Funds to UPPR Ped Xing project	$ (59,000)
Increased support - Planning and Building Inspector	$ (65,000)
Decreased support - Engineering Services	$ 35,000
TOTAL	$ (179,500)

Recent organizational changes such as the discontinued Lead Mechanic and Clerk/Typist positions will be reflected in the new budget for 2016-2017, along with any new recommendations on staffing.

SUPPORTING DOCUMENTS:

1. **Fiscal Year 2015-2016 Mid-Year Budget**
2. **City of Colfax – Budget Calendar**

City of Colfax

Fiscal Year 2015-2016 Mid Year Budget Review

			Revenues			Expenses			Transfers In/(Out)			Net Change Fund Balance		
			Estimate	Budget	Delta	Estimate	Budget	Delta	Estimate	Budget	Delta	Estimate	Budget	Delta
	General Fund - Unrestricted													
100	000	General Fund Revenues	1,472,000	1,467,263	4,737			-			-	1,472,000	1,467,263	4,737
100	000	General Fund Transfers							(59,000)	(18,351)	(40,649)	(59,000)	(18,351)	(40,649)
100	100	Central Services			-	113,140	107,725	5,415			-	(113,140)	(107,725)	(5,415)
100	110	City Council			-	12,600	18,550	(5,950)			-	(12,600)	(18,550)	5,950
100	120	Administration/Finance			-	193,332	191,778	1,554			-	(193,332)	(191,778)	(1,554)
100	160	Legal			-	36,000	43,000	(7,000)			-	(36,000)	(43,000)	7,000
100	200	Fire			-	46,000	46,000	-			-	(46,000)	(46,000)	-
100	300	Sheriff			-	514,609	514,909	(300)			-	(514,609)	(514,909)	300
100	400	Building Department			-	91,000	43,651	47,349			-	(91,000)	(43,651)	(47,349)
100	425	Engineering			-	5,000	40,000	(35,000)			-	(5,000)	(40,000)	35,000
100	450	Planning			-	55,100	36,500	18,600			-	(55,100)	(36,500)	(18,600)
100	500	Buildings and Grounds			-	268,500	178,843	89,657			-	(268,500)	(178,843)	(89,657)
100	530	Parks			-	49,795	46,419	3,376			-	(49,795)	(46,419)	(3,376)
100		Land Development	2,500	79,000	(76,500)	-	50,975	(50,975)			-	2,500	28,025	(25,525)
	Total General Fund - Unrestricted		**1,474,500**	**1,546,263**	**(71,763)**	**1,385,076**	**1,318,350**	**66,726**	**(59,000)**	**(18,351)**	**(40,649)**	**30,424**	**209,562**	**(179,138)**
	General Fund - Restricted													
571		AB939 Landfill Diversion	-	-	-	-	-	-			-	-	-	-
572		Landfill - Postclosure Maint	80,000	72,000	8,000	62,175	53,583	8,592			-	17,825	18,417	(592)
	Total General Fund - Restricted		**80,000**	**72,000**	**8,000**	**62,175**	**53,583**	**8,592**	**-**	**-**	**-**	**17,825**	**18,417**	**(592)**
	Special Revenues													
210-17		Mitigation Funds	192	370	(178)	-	-	-		-	-	192	370	(178)
218		Support Law Enforcement	100,000	100,000	-	100,000	117,362	(17,362)	-	17,362	(17,362)	-	-	-
241-44		CDBG Program Income	1,650	1,800	(150)		1,000	(1,000)		-	-	1,650	800	850
250		Streets-Roads/Transportation	124,141	125,200	(1,059)	162,162	164,835	(2,673)	38,021	39,635	(1,614)	-	-	-
253		Gas Taxes	62,385	62,385	-	18,191	21,191	(3,000)	(38,021)	(38,646)	625	6,173	2,548	3,625
270		Beverage Recycling	5,000	-	5,000		-	-			-	5,000	-	5,000
280		Used Oil Grant		5,005	(5,005)		5,300	(5,300)			-	-	(295)	295
286		Community Projects		-	-			-			-	-	-	-
292		Fire Capital Fund		50	(50)	20,000	-	20,000	20,000	-	20,000	-	50	(50)
	Total Special Revenues		**293,368**	**294,810**	**(1,442)**	**300,353**	**309,688**	**(9,335)**	**20,000**	**18,351**	**1,649**	**13,015**	**3,473**	**9,542**
	Capital Projects													
350			367,300	260,000	107,300	426,300	260,000	166,300	59,000		59,000	-	-	-
	Total Capital Projects		**367,300**	**260,000**	**107,300**	**426,300**	**260,000**	**166,300**	**59,000**	**-**	**59,000**	**-**	**-**	**-**
	Enterprise Funds													
560		Sewer WWTP Maint and Ops	1,064,400	1,053,779	10,621	945,775	1,136,913	(191,138)	-	50,000	(50,000)	118,625	(33,134)	151,759
561		Sewer Collections Systems	184,500	201,032	(16,532)	153,750	163,519	(9,769)	-	(50,000)	50,000	30,750	(12,487)	43,237
563		WWTP/Debt Service	462,000	439,744	22,256	473,000	473,000	-	150,000	150,000	-	139,000	116,744	22,256
565		G.O. Bonds	3,600	3,600	-	7,300	7,300	-			-	(3,700)	(3,700)	-
567		Inflows and Infiltration	85,100	85,100	-			-	(150,000)	(150,000)	-	(64,900)	(64,900)	-
	Total Special Revenues		**1,799,600**	**1,783,255**	**16,345**	**1,579,825**	**1,780,732**	**(200,907)**	**-**	**-**	**-**	**219,775**	**2,523**	**217,252**
	TOTAL ALL FUNDS		**4,014,768**	**3,956,328**	**58,440**	**3,753,729**	**3,722,353**	**31,376**	**20,000**	**-**	**20,000**	**281,039**	**233,975**	**47,064**

City of Colfax - Proposed Budget Process Calendar

Revision Date: February 24, 2016

Date	Action	Comment
Wednesday, February 24, 2016	Mid Year Review 2015-2016	Detailed Analysis of all Revenue and Expenditures during Current fiscal year. Council to provide general direction for preparation of fiscal year budget
Wednesday, April 13, 2016	2016-17 and 2017-18 Preliminary Budget	Analysis and projection of all revenue sources, departmental staff requirements and expenditures, Capital Improvements projects, Identification of Broad goals - Fund Reserve requirements and targets, identification of challenges and opportunities.
Wednesday, May 11, 2016	Council/Public Budget Workshop	Council provides feedback and general direction to staff based on review of preliminary budget. Citizens have an opportunity to address Council and staff during this workshop.
Wednesday, June 08, 2016	2014-15 and 2015-16 Adopted Budget	Staff incorporates feedback/amendments to budget as directed by Council.
Wednesday, June 22, 2016	Contingency Meeting	Last date for adoption of budget
Friday, July 01, 2016	New Fiscal Year Begins	

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE FEBRUARY 24, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager
PREPARED BY: Staff
DATE: February 18, 2016
SUBJECT: Preliminary Medical Marijuana City Council Policy Discussion

X	N/A		FUNDED		UN-FUNDED	AMOUNT: N/A	FROM FUND: N/A

RECOMMENDED ACTION: Review the general policy areas covering the Operation of Medical Marijuana Dispensaries, Cultivation and Delivery of Marijuana the in the City of Colfax. Provide direction to staff regarding an ordinance to be considered in conjunction with the November 8, 2016 election at which time a measure will be placed on the ballot to determine the will of the people.

BACKGROUND AND SUMMARY:

Consistent with Council direction, staff will move quickly to prepare a comprehensive regulatory ordinance and fee schedule for the Council to consider. The intent is to have a measure that can be placed on the ballot for approval or disapproval by the City's residents at the November election. At tonight's initial meeting, staff is requesting preliminary direction from Council on a number of general policy areas that are necessary to include in a comprehensive ordinance.

On October 9, 2015, Governor Brown signed the "Medical Marijuana Regulation & Safety Act" (AB 243, AB 266, and SB 643) ("MMRSA") into law. The MMRSA became effective January 1, 2016. It creates a state licensing and regulatory framework for medical marijuana cultivation and manufacturing of medical cannabis products, and for commercial medical cannabis activities including operation of dispensaries, distributions, and transporting. The MMRSA also regulates labeling of edible medical marijuana products, environmental problems caused by cultivation, and physicians who give excessive marijuana recommendations or recommendations without prior examination.

The MMRSA permits cities and counties to regulate or prohibit medical marijuana cultivation or manufacturing, or commercial activities such as operation of dispensaries and other distribution facilities and activities under local ordinances or to continue regulating these activities in ways consistent with the new state law as long as cities and counties require state minimum regulations to be met. Cities still have the power to ban or regulate these activities consistent with their communities' unique needs. It is of great importance to local jurisdiction to have a revenue mechanism in place as the State's regulations will not provide any funding from the State to local jurisdictions to offset the impacts of legislation.

The City needs to move quickly to define the issues and to have adequate time to receive input from the community. We anticipate having a draft ordinance and policy positions to bring back to City Council in March to enable adequate outreach for a community responsive public workshop in March or April. The last day for submittal of a ballot measure to the Office of Elections to guarantee placement on the November election ballot is July 6, 2016. To ensure all time requirements are met, staff is recommending completion of all discussion by May and finalization of the draft ordinance and ballot measure no later than June.

The major areas of policy for which staff is requesting direction are **Public Health and Safety, Revenue Assurance, Land Use, Marijuana Dispensaries, Marijuana Delivery** and **Marijuana Cultivation**. Please review and advise of recommendations on these or other areas.

1. **Public Health and Safety**

Public health and safety is the foremost responsibility of local government and is important to consider within all the City's policy aspects of Marijuana regulations. The State of California has delineated some safety measures into its recently passed legislation; however local jurisdictions must tailor public safety requirements to local circumstances. Many of the safety measures will be implemented with building, fire and other permitting processes; however, any proposed ordinance should include general guidelines. Some specific health and safety policy areas to discuss are:

a) Vehicle operation in conjunction with delivery and distribution, including driver age, security, etc.
b) Prohibit sale of products in a form or packaging attractive to children, such as lollipops, candies, gummies, or soft drinks.
c) Prohibit marijuana smoking and/or distribution in public parks, public buildings and public right of ways.
d) Compatibility with State and Placer County Ordinances.

Suggested important safety considerations are included within the other individual policy topics below.

2. **Revenue Assurance**

The City of Colfax's extremely limited budget, staff, and resources require all City administrative, regulatory and enforcement costs incurred to be covered by a commensurate fee structure. Some specific policy areas to discuss are:

a) Permits to be required for sale, grow or transport, if provided for in a proposed ordinance
b) Fees on sales, of up to 50%, have been charged. Informational briefings indicate that a 15, 20 or 25% fee on sales are supportable
c) A minimal charge for delivery is recommended to cover the cost of regulation and monitoring.
d) If cultivation is permitted, a minimal charge per plant is recommended.

3. **Land Use**

Land use planning is important to protect property rights, reflect community choices and maintain quality of life. Dispensaries would normally be permitted in Commercial, Professional Office, Industrial or similar zoning, and prohibited in residential and near special use areas such as schools, parks, the Historic District and libraries. Some specific policy areas to discuss are:

a) Designate specific areas of town appropriate for dispensaries, if permitted, such as along Highway 174, Highway 80 frontage roads, Industrial Zoning.
b) Regulate zones in which cultivation, if permitted, can occur, such as Agricultural, Single Family Residential, etc.
c) Require a Conditional Use Permit for dispensaries or cultivation if allowed, to be able to protect adjacent properties and address potential impacts.
d) Require adequate lot size to accommodate parking for anticipated vehicle traffic, security needs, buffer from potentially conflicting uses and activities.
e) Prohibit Cultivation on parcels approved for dispensaries.
f) Limit proximity to schools, parks, libraries, museums and other youth oriented facilities. Suggested distances are 1,000 to 2,500'.
g) Separation between multiple dispensaries, if permitted. 500' was suggested.
h) Ensure dispensary, if permitted, meets appropriate signage and advertising requirements.

4. Marijuana Dispensaries

Dispensaries, if permitted, are recommended to have appropriate regulation for security, safety and revenue assurance. Some specific policy areas to discuss are:

a) Limit number of dispensaries to appropriate amount for Colfax's population.
b) Locate in appropriate areas.
c) Dispensary must have necessary site and building security.
d) Mobile dispensaries should be prohibited due to the potential difficulty in maintaining security, enforcing regulations, traffic impacts in non-commercial areas, etc.
e) Tracking, quality verification, lab certification requirements could defer to State
f) Manufacturing or processing of concentrates, oils, etc. prohibited on site.

5. Marijuana Delivery

Marijuana delivery and distribution is substantially covered in State legislation. As mentioned earlier, a minimal charge for Delivery is recommended to cover the cost of regulation and monitoring.

a) No sale to, or delivery by, any person under age 21.
b) A limit on total number of distributors is suggested – one source recommended limiting distributors to 1 per 10,000. With Colfax's small population, allowing a reasonable number to facilitate competition is probably appropriate.
c) Chain of custody from cultivation to delivery.

Additional specific policy areas of Council interest or concern should be discussed.

6. Marijuana Cultivation

Marijuana cultivation is prevalent in the Sierra foothills, and there is considerable public agency experience to build on. Some specific policy areas to discuss are:

a) Consider if cultivation is appropriate for outdoor and/or indoor grows.
b) Limit number of plants, if approved for cultivation, to appropriate amount for Colfax.
c) Locate in appropriate areas. Limit proximity to schools, parks, libraries, museums and other youth oriented facilities.
d) Outdoor cultivation not recommended for property zoned multi-family.

e) Parcels used for cultivation must have necessary site and building security.
f) Permit required for cultivation to be legal.
g) No odor or noise impacts permitted beyond property lines.
h) Conditional Use Permit is recommended.
i) Manufacturing or processing of concentrates, oils, etc. prohibited on site.

RECOMMENDATION:

Review the various policy areas covering the Operation of Medical Marijuana Dispensaries, Cultivation and Delivery of Marijuana in the City of Colfax. Discuss and hear public comments. Provide direction to staff regarding an ordinance to be considered in conjunction with the November 8, 2016 Election Ballot at which time a Measure will be placed on the to determine the will of the people.

Attachments:
a. Matrix of policy areas

POLICY AREA	COMMENT
1. Public Health and Safety	
a) Vehicle operation in conjunction with delivery and distribution, including driver age, security, etc.	
b) Prohibit sale of products in a form or packaging attractive to children, such as lollipops, candies, gummies, or soft drinks.	
c) Prohibit marijuana smoking and/or distribution in public parks, public buildings and public right of ways.	
d) Compatibility with State and Placer County Ordinances.	
2. Revenue Assurance	
a) Permits to be required for sale, grow or transport, if provided for in a proposed ordinance	
b) Fees on sales, of up to 50%, have been charged. Informational briefings indicate that 15, 20 or 25% fee on sales are supportable	
c) A minimal charge for Delivery is recommended to cover the cost of regulation and monitoring.	
d) If cultivation is permitted, a minimal charge per plant is recommended.	
3. Land Use	
a) Designate specific areas of town appropriate for dispensaries, if permitted, such as along Highway 174, Highway 80 frontage roads, Industrial Zoning.	
b) Regulate zones in which cultivation, if permitted, can occur, such as Agricultural, Single Family Residential, etc.	
c) Require a Conditional Use Permit for dispensaries or cultivation if allowed, to be able to protect adjacent properties and address potential impacts.	
d) Require adequate lot size to accommodate parking for anticipated vehicle traffic, security needs, buffer from potentially conflicting uses and activities.	
e) Prohibit Cultivation on parcels approved for dispensaries.	
f) Limit proximity to schools, parks, libraries, museums and other youth oriented facilities. Suggested distances are 1,000 to 2,500'.	
g) Separation between multiple dispensaries, if permitted. 500' was suggested.	
h) Ensure dispensary, if permitted, meets appropriate signage and advertising requirements.	
4. Marijuana Dispensaries	
a) Limit number of dispensaries to appropriate amount for Colfax.	
b) Locate in appropriate areas.	
c) Dispensary must have necessary site and building security.	
d) Mobile dispensaries should be prohibited due to the potential difficulty in maintaining security, enforcing regulations, traffic impacts in non-commercial areas, etc.	
e) Tracking, quality verification, lab certification required could defer to State	
f) Manufacturing or processing of concentrates, oils, etc. prohibited on site.	
5. Marijuana Delivery	
a) No sale to, or delivery by, any person under age 21.	
b) A limit on total number of distributors is suggested – one source recommended limiting distributors to 1 per 10,000. With Colfax's small population, allowing a reasonable number to facilitate competition is probably appropriate.	
c) Chain of custody from cultivation to delivery.	
6. Marijuana Cultivation	
a) Consider if cultivation is appropriate for outdoor and/or indoor grows.	
b) Limit number of plants, if approved for cultivation, to appropriate amount for Colfax.	
c) Locate in appropriate areas. Limit proximity to schools, parks, libraries, museums and other youth oriented facilities.	
d) Outdoor cultivation not recommended for property zoned multi-family.	
e) Parcels used for cultivation must have necessary site and building security.	
f) Permit required for cultivation to be legal.	
g) No odor or noise Impacts permitted beyond property lines.	
h) Conditional Use Permit is recommended.	
i) Manufacturing or processing of concentrates, oils, etc. prohibited on site.	