



CITY COUNCIL REGULAR MEETING

Clearlake City Hall Council Chambers
14050 Olympic Dr, Clearlake, CA

Thursday, April 18, 2024

Regular Meeting 6:00 PM

The City Council meetings are viewable in person in the Council Chambers, via livestreaming on the City's YouTube Channel (https://www.youtube.com/channel/UCTyifT_nKS-3woxEu1ilBXA) or "Lake County PEG TV Live Stream" at <https://www.youtube.com/user/LakeCountyPegTV/featured> and the public may participate through Zoom at the link listed below. The public will not be allowed to provide verbal comment during the meeting if attending via Zoom. The public can submit comments in writing for City Council consideration by commenting via the Q&A function in the Zoom platform or by sending comments to the Administrative Services Director/City Clerk at mswanson@clearlake.ca.us. To give the City Council adequate time to review your comments, you must submit your written emailed comments prior to 4:00 p.m. on the day of the meeting.

***AMENDED* AGENDA**

MEETING PROCEDURES: *All items on agenda will be open for public comments before final action is taken. Citizens wishing to introduce written material into the record at the public meeting on any item are requested to provide a copy of the written material to the Administrative Services Director/City Clerk prior to the meeting date so that the material may be distributed to the City Council prior to the meeting. Speakers must restrict comments to the item as it appears on the agenda and stay within a three minutes time limit. The Mayor has the discretion of limiting the total discussion time for an item.*

Pursuant to Senate Bill 1100 and the City Council Norms and Procedures, any member of the public making personal, impertinent, and/or slanderous or profane remarks, or who becomes boisterous or belligerent while addressing the City Council, staff or general public, or while attending the City Council meeting and refuses to come to order at the direction of the Mayor/Presiding Officer, shall be removed from the Council Chambers or the Zoom by the sergeant-at-arms or the City Clerk and may be barred from further attendance before the Council during that meeting. Unauthorized remarks from the audience, stamping of feet, whistles, yells, and similar demonstrations shall not be permitted by the Mayor/Presiding Officer. The Mayor/Presiding Officer may direct the sergeant-at-arms to remove such offenders from the room.

AMERICANS WITH DISABILITY ACT (ADA) REQUESTS

If you need disability related modification, including auxiliary aids or services, to participate in this meeting, please contact Melissa Swanson, Administrative Services Director/City Clerk at the Clearlake City Hall, 14050 Olympic Drive, Clearlake, California 95422, phone (707) 994-8201, ext 106, or via email at mswanson@clearlake.ca.us at least 72 hours prior to the meeting, to allow time to provide for special accommodations.

AGENDA REPORTS

Staff reports for each agenda item are available for review at www.clearlake.ca.us. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection on the City's website at www.clearlake.ca.us.

Zoom Link:

<https://clearlakeca.zoom.us/j/89968962267?pwd=KorY9LU8BdcaTawMxr9mCF8HpDPuZK.1>

Passcode: 158755

Or One tap mobile:

+16694449171,,89968962267# US

+17193594580,,89968962267# US

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 444 9171 or +1 719 359 4580 or +1 720 707 2699 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325

Webinar ID: 899 6896 2267

International numbers available: <https://clearlakeca.zoom.us/j/kdKnhA9MmD>

A. ROLL CALL**B. PLEDGE OF ALLEGIANCE**

C. INVOCATION/MOMENT OF SILENCE: *The City Council invites members of the clergy, as well as interested members of the public in the City of Clearlake, to voluntarily offer an invocation before the beginning of its meetings for the benefit and blessing of the City Council. This opportunity is voluntary and invocations are to be less than three minutes, offered in a solemn and respectful tone, and directed at the City Council. Invocational speakers who do not abide by these simple rules of respect and brevity shall be given a warning and/or not invited back to provide a subsequent invocation for a reasonable period of time, as determined appropriate by the City. This policy is not intended, and shall not be implemented or construed in any way, to affiliate the City Council with, nor express the City Council's preference for, any faith or religious denomination. Rather, this policy is intended to acknowledge and express the City Council's respect for the diversity of religious denominations and faith represented and practiced among the citizens of Clearlake. If a scheduled invocational speaker does not appear at the scheduled meeting, the Mayor will ask that the City Council observe a moment of silence in lieu of the invocation. More information about the City's invocation policy is available upon request by contacting the Administrative Services Director/City Clerk at (707) 994-8201x106 or via email at mswanson@clearlake.ca.us.*

D. ADOPTION OF THE AGENDA *(This is the time for agenda modifications.)*

E. PRESENTATIONS

1. Presentation of April's Adoptable Dogs
2. Proclamation Declaring April 2024 as Child Abuse Prevention Month

F. PUBLIC COMMENT: *This is the time for any member of the public to address the City Council on any matter not on the agenda that is within the subject matter jurisdiction of the City. **The Brown Act, with limited exceptions, does not allow the Council or staff to discuss issues brought forth under Public Comment.** The Council cannot take action on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Please note that comments from the public will also be taken on each agenda item. Comments shall be limited to three (3) minutes per person.*

G. CONSENT AGENDA: *All items listed under the Consent Agenda are considered to be routine in nature and will be approved by one motion. There will be no separate discussion of these items unless a member of the Council requests otherwise, or if staff has requested a change under Adoption of the Agenda, in which case the item will be removed for separate consideration. Any item so removed will be taken up following the motion to approve the Consent Agenda.*

3. Warrants
Recommended Action: Receive and file
4. Minutes of the March 13, 2024 Lake County Vector Control District Board Meeting
Recommended Action: Receive and file
5. Adoption of the 3rd Amendment to the FY 2023-24 Budget (Resolution 2023-27) Adjusting Appropriations; Resolution No. 2024-17
Recommended action: Adopt resolution
6. Approve Amendment to Professional Services Agreement with ECORP Consulting for a new total of \$75,000
Recommended Action: Approve Amendment of Agreement with ECORP Consulting for a new total of \$75,000 and Authorize the City Manager to Sign.
7. Consideration of Resolution 2024-18 Authorizing the City of Clearlake to Submit an Application to the California Department of Housing and Community Development for Funding under the Competitive Permanent Local Housing Allocation (CPLHA)
Recommended Action: Adopt Resolution 2024-18

H. BUSINESS

8. Discussion and Consideration of City Policy for Use of Generative AI Tools
Recommended Action: Adopt Draft AI Policy
9. Consideration of Approval of a New Employment Services Agreement with Alan Flora as City Manager

I. CITY MANAGER AND COUNCILMEMBER REPORTS

J. FUTURE AGENDA ITEMS

K. CLOSED SESSION

(10) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Initiation of litigation pursuant to Government Code § 54956.9(d)(4): (1 case)

L. ANNOUNCEMENT OF ACTION FROM CLOSED SESSION

M. ADJOURNMENT

AMENDED AGENDA POSTED: April 15, 2024

BY:



Melissa Swanson, Administrative Services Director/City Clerk



CHILD ABUSE PREVENTION MONTH

WHEREAS, in the past year, Lake County Child Welfare Services received approximately 1500 reports of abuse or neglect. Currently, 72 children/youth from Lake County are placed outside their parent's home as a result of abuse or neglect.; and,

WHEREAS, over 4.2 million referrals are made to child protective services each year in the United States for child abuse and neglect; and it is estimated that over 7.5 million children are involved; and,

WHEREAS, child abuse prevention is a community problem. All citizens should become more aware of the effects of child abuse and its prevention; and,

WHEREAS, communities must make every effort to promote programs and activities that create strong and thriving children and families; and

WHEREAS, effective child abuse prevention programs succeed because of partnerships created among social service agencies, schools, religious and civic organizations, law enforcement agencies, the business community, and supporting parents in raising their children in safe and nurturing environments; and

WHEREAS, current local initiatives to prevent child abuse include: the Lake County Children's Council-Building Resilient Lake County a countywide collaboration, Nurturing Families Program, Family PRO-Differential Response, Prop 64 Family WRAP, RCS Wrap Around Services, Motherwise, PIP Positive Indian Parenting, Abriendo Puertas, MI Motivational Interviewing, and the Strengthening Families Protective Factors Framework;

WHEREAS, events scheduled for the month of April include the month long pinwheel garden challenge, the Children's Festivals on April 13th at Lakeport Library Park and April 27th at Austin Park in Clearlake, the Children's Memorial Flag Raising event, the LISA Project Exhibit, Motivational interviewing training, SOS Stamp Out Shame webinar, child abuse prevention education through various social media, and a children's art contest where winning art is displayed on placemats and shared through different food businesses in support of child abuse prevention month.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Clearlake hereby proclaims April 2024, as "Child Abuse Prevention Month" in Clearlake.

Dated this 18th day of April, 2024

David Claffey, Mayor



Clearlake, CA

Payable Detail by Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02787 - US BANK TINA VIRAMONTES 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: [001540 - US BANK CORPORATE PMT. SYSTEM](#) Vendor Total: 3,331.06

[03/03/24](#) Invoice 3/3/2024 3/3/2024 3/3/2024 3/3/2024 54.06 0.00 0.00 0.00 54.06
 GAS FOR RENTAL CAR AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003273

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
GAS FOR RENTAL CAR	NA	0.00	0.00	35.00	0.00	0.00	0.00	35.00

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-700-453	TRAVEL & TRAINING		35.00	100.00%

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
GAS FOR RENTAL CAR	NA	0.00	0.00	19.06	0.00	0.00	0.00	19.06

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-700-453	TRAVEL & TRAINING		19.06	100.00%

[034778](#) Invoice 3/8/2024 3/8/2024 3/8/2024 3/8/2024 61.44 0.00 0.00 0.00 61.44
 BINGO AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003271

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
BINGO	NA	0.00	0.00	61.44	0.00	0.00	0.00	61.44

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES		61.44	100.00%

[062444](#) Invoice 3/15/2024 3/15/2024 3/15/2024 3/15/2024 112.29 0.00 0.00 0.00 112.29
 BUNNY BRUNCH AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003267

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
BUNNY BRUNCH	NA	0.00	0.00	112.29	0.00	0.00	0.00	112.29

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES		112.29	100.00%

[069782](#) Invoice 3/9/2024 3/9/2024 3/9/2024 3/9/2024 113.36 0.00 0.00 0.00 113.36
 BINGO/CAMPS AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003269

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
BINGO/CAMPS	NA	0.00	0.00	113.36	0.00	0.00	0.00	113.36

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES		113.36	100.00%

[095462](#) Invoice 3/19/2024 3/19/2024 3/19/2024 3/19/2024 58.64 0.00 0.00 0.00 58.64
 SUPPLIES FOR CITY HALL BREAKROOM AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003265

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SUPPLIES FOR CITY HALL BREAKROOM	NA	0.00	0.00	58.64	0.00	0.00	0.00	58.64

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-340	JANITORIAL SERVICES		58.64	100.00%

[112-3510822-4812214](#) Invoice 3/15/2024 3/15/2024 3/15/2024 3/15/2024 206.60 0.00 0.00 0.00 206.60
 STORAGE CABINET- YC AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003266

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Section G, Item 3.	
Payable Description	Bank Code				On Hold					
Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total		
STORAGE CABINET- YC Distributions	NA	0.00	0.00	206.60	0.00	0.00	0.00	206.60		
Account Number	Account Name	Project Account Key		Amount	Percent					
100-3011-800-681	EQUIPMENT & SOFTWARE			206.60	100.00%					
112-4132124-6863449	Invoice	3/15/2024	3/15/2024	3/15/2024	3/15/2024	62.16	0.00	0.00	0.00	62.16
BINGO CARDS	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003268
BINGO CARDS Distributions	NA	0.00	0.00	21.48	0.00	0.00	0.00	21.48		
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES			21.48	100.00%					
3/08/24	Invoice	3/8/2024	3/8/2024	3/8/2024	3/8/2024	55.30	0.00	0.00	0.00	55.30
BUNNY BRUNCH	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003270
BUNNY BRUNCH Distributions	NA	0.00	0.00	40.68	0.00	0.00	0.00	40.68		
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES			40.68	100.00%					
584058713231412	Invoice	2/27/2024	2/27/2024	2/27/2024	2/27/2024	60.00	0.00	0.00	0.00	60.00
CONFERENCE CLASS	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003274
CONFERENCE CLASS Distributions	NA	0.00	0.00	60.00	0.00	0.00	0.00	60.00		
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-700-453	TRAVEL & TRAINING			60.00	100.00%					
839754369	Invoice	2/26/2024	2/26/2024	2/26/2024	2/26/2024	2,283.16	0.00	0.00	0.00	2,283.16
CPRS CONFERENCE	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003275
CPRS CONFERENCE Distributions	NA	0.00	0.00	500.00	0.00	0.00	0.00	500.00		
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-700-453	TRAVEL & TRAINING			500.00	100.00%					
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-700-453	TRAVEL & TRAINING			500.00	100.00%					
Account Number	Account Name	Project Account Key		Amount	Percent					
100-1500-700-453	TRAVEL & TRAINING			500.00	100.00%					

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	On Hold	
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Payable Description	Bank Code	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CPRS CONFERENCE Distributions		NA	0.00	0.00	500.00	0.00	0.00	0.00	500.00

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-700-453	TRAVEL & TRAINING		500.00	100.00%

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CPRS CONFERENCE Distributions	NA	0.00	0.00	283.16	0.00	0.00	0.00	283.16

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-700-453	TRAVEL & TRAINING		283.16	100.00%

90157483296	Invoice	3/3/2024	3/3/2024	3/3/2024	3/3/2024	264.05	0.00	0.00	0.00	264.05
CONFERENCE- CAR RENTAL	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003272

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CONFERENCE- CAR RENTAL Distributions	NA	0.00	0.00	264.05	0.00	0.00	0.00	264.05

Account Number	Account Name	Project Account Key	Amount	Percent
100-1500-700-453	TRAVEL & TRAINING		264.05	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	11	3,331.06	0.00	0.00	0.00	3,331.06	3,331.06	0.00
Grand Total:		3,331.06	0.00	0.00	0.00	3,331.06	3,331.06	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-1500-600-235	SUPPLIES	55.30
100-1500-700-453	TRAVEL & TRAINING	2,661.27
100-1500-960-238	EVENT/ENTERTAINMENT EXPENSES	349.25
100-3011-800-681	EQUIPMENT & SOFTWARE	206.60
100-3015-650-340	JANITORIAL SERVICES	58.64
	Total:	3,331.06



Clearlake, CA

Payable Detail by Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02810 - US BANK JOSE VALENCIA 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: 001540 - US BANK CORPORATE PMT. SYSTEM Vendor Total: 403.71

030495 Invoice 3/13/2024 3/13/2024 3/13/2024 3/13/2024 68.67 0.00 0.00 0.00 68.67
 WATER PACKS FOR YARD AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003262

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
WATER PACKS FOR YARD	NA	0.00	0.00	57.86	0.00	0.00	0.00	57.86

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3000-600-235	SUPPLIES		57.86	100.00%

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
WATER PACKS FOR YARD	NA	0.00	0.00	10.81	0.00	0.00	0.00	10.81

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
220-3065-600-235	SUPPLIES		10.81	100.00%

E95734/3 Invoice 4/2/2024 4/2/2024 4/2/2024 4/2/2024 28.43 0.00 0.00 0.00 28.43
 SUPPLIES FOR SPORT COMPLY AT NEW YARD AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003258

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SUPPLIES FOR SPORT COMPLY AT NEW ...	NA	0.00	0.00	28.43	0.00	0.00	0.00	28.43

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		28.43	100.00%

E95735/3 Invoice 2/27/2024 2/27/2024 2/27/2024 2/27/2024 34.09 0.00 0.00 0.00 34.09
 CHAINSAW CHAIN FOR BUCKET TRUCK AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003264

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CHAINSAW CHAIN FOR BUCKET TRUCK	NA	0.00	0.00	34.09	0.00	0.00	0.00	34.09

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-340	VEHICLE FUEL		34.09	100.00%

F01619/3 Invoice 3/6/2024 3/6/2024 3/6/2024 3/6/2024 20.86 0.00 0.00 0.00 20.86
 MARKING PAINT FOR 811 AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003263

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
MARKING PAINT FOR 811	NA	0.00	0.00	20.86	0.00	0.00	0.00	20.86

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		20.86	100.00%

F07495/3 Invoice 3/14/2024 3/14/2024 3/14/2024 3/14/2024 43.78 0.00 0.00 0.00 43.78
 SUPPLIES FOR YARD BATHROOM AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003259

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SUPPLIES FOR YARD BATHROOM	NA	0.00	0.00	43.78	0.00	0.00	0.00	43.78

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		43.78	100.00%

F07514/3 Invoice 3/14/2024 3/14/2024 3/14/2024 3/14/2024 113.93 0.00 0.00 0.00 113.93
 MARKING PAINT FOR 811 AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003260

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Section G, Item 3.	
Payable Description	Bank Code				On Hold					

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
MARKING PAINT FOR 811 Distributions	NA	0.00	0.00	113.93	0.00	0.00	0.00	113.93

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		113.93	100.00%

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
TORCH KIT FOR HOTBOX	NA	0.00	0.00	93.95	0.00	0.00	0.00	93.95

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		93.95	100.00%

[F07522/3](#) Invoice 3/14/2024 3/14/2024 3/14/2024 3/14/2024 93.95 0.00 0.00 0.00 93.95
 TORCH KIT FOR HOTBOX AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003261

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	7	403.71	0.00	0.00	0.00	403.71	403.71	0.00
	Grand Total:	403.71	0.00	0.00	0.00	403.71	403.71	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-3000-600-235	SUPPLIES	57.86
	Total:	57.86

<u>Account</u>	<u>Name</u>	<u>Amount</u>
200-3040-600-235	SUPPLIES	300.95
200-3040-600-340	VEHICLE FUEL	34.09
	Total:	335.04

<u>Account</u>	<u>Name</u>	<u>Amount</u>
220-3065-600-235	SUPPLIES	10.81
	Total:	10.81



Clearlake, CA

Payable Detail by Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02804 - US BANK LEE LAMBERT 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: 001540 - US BANK CORPORATE PMT. SYSTEM										Vendor Total: 2,000.00
2YD36875H18438545	Invoice	3/12/2024	3/12/2024	3/12/2024	3/12/2024	1,000.00	0.00	0.00	0.00	1,000.00
CREDIT POSTAGE	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003256

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CREDIT POSTAGE Distributions	NA	0.00	0.00	100.00	0.00	0.00	0.00	100.00

Account Number	Account Name	Project Account Key	Amount	Percent
371-2045-600-236	POSTAGE		100.00	100.00%

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CREDIT POSTAGE Distributions	NA	0.00	0.00	900.00	0.00	0.00	0.00	900.00

Account Number	Account Name	Project Account Key	Amount	Percent
100-2010-600-236	POSTAGE		900.00	100.00%

43814562KL916170R	Invoice	2/28/2024	2/28/2024	2/28/2024	2/28/2024	1,000.00	0.00	0.00	0.00	1,000.00
CREDIT FOR POSTAGE	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003257

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CREDIT FOR POSTAGE Distributions	NA	0.00	0.00	300.00	0.00	0.00	0.00	300.00

Account Number	Account Name	Project Account Key	Amount	Percent
371-2045-600-236	POSTAGE		300.00	100.00%

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CREDIT FOR POSTAGE Distributions	NA	0.00	0.00	700.00	0.00	0.00	0.00	700.00

Account Number	Account Name	Project Account Key	Amount	Percent
100-2010-600-236	POSTAGE		700.00	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	2	2,000.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00
Grand Total:		2,000.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-2010-600-236	POSTAGE	1,600.00
	Total:	1,600.00

<u>Account</u>	<u>Name</u>	<u>Amount</u>
371-2045-600-236	POSTAGE	400.00
	Total:	400.00



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Payable Detail by Vendor Name

Section G, Item 3.

Packet: APPKT02801 - US BANK BO WYMER 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: 001540 - US BANK CORPORATE PMT. SYSTEM										Vendor Total: 2,358.54
023872	Invoice	2/27/2024	2/27/2024	2/27/2024	2/27/2024	230.00	0.00	0.00	0.00	230.00
TOOL PROGRAM	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003255

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
TOOL PROGRAM Distributions	NA	0.00	0.00	230.00	0.00	0.00	0.00	230.00

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		230.00	100.00%

1111-3368956-3891438	Invoice	3/20/2024	3/20/2024	3/20/2024	3/20/2024	77.39	0.00	0.00	0.00	77.39
FORESTRY HARD HAT	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003250

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
FORESTRY HARD HAT Distributions	NA	0.00	0.00	77.39	0.00	0.00	0.00	77.39

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		77.39	100.00%

111-8891474-7313035	Invoice	3/12/2024	3/12/2024	3/12/2024	3/12/2024	25.97	0.00	0.00	0.00	25.97
FLAG FOR YARD	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003253

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
FLAG FOR YARD Distributions	NA	0.00	0.00	25.97	0.00	0.00	0.00	25.97

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		25.97	100.00%

15196252	Invoice	3/22/2024	3/22/2024	3/22/2024	3/22/2024	129.67	0.00	0.00	0.00	129.67
GLOVES	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003249

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
GLOVES Distributions	NA	0.00	0.00	129.67	0.00	0.00	0.00	129.67

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		129.67	100.00%

F04791/3	Invoice	3/11/2024	3/11/2024	3/11/2024	3/11/2024	24.01	0.00	0.00	0.00	24.01
BATTERY+BUSH PIN FOR OFFICE	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003254

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
BATTERY+BUSH PIN FOR OFFICE Distributions	NA	0.00	0.00	24.01	0.00	0.00	0.00	24.01

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		24.01	100.00%

NFYIC73Q	Invoice	3/15/2024	3/15/2024	3/15/2024	3/15/2024	590.66	0.00	0.00	0.00	590.66
PW CONFERENCE	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003252

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	On Hold	
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Payable Description	Bank Code	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
PW CONFERENCE Distributions		NA	0.00	0.00	590.66	0.00	0.00	0.00	590.66

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-700-453	TRAVEL & TRAINING		590.66	100.00%

USWEB-1273	Invoice	3/19/2024	3/19/2024	3/19/2024	3/19/2024	1,280.84	0.00	0.00	0.00	1,280.84
PUMP FOR FUEL TANK	AP - Accounts Payable				No	Payment Date: 4/10/2024		Bank Draft:		DFT0003251

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
PUMP FOR FUEL TANK Distributions	NA	0.00	0.00	1,280.84	0.00	0.00	0.00	1,280.84

Account Number	Account Name	Project Account Key	Amount	Percent
200-3040-600-235	SUPPLIES		1,280.84	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	7	2,358.54	0.00	0.00	0.00	2,358.54	2,358.54	0.00
Grand Total:		2,358.54	0.00	0.00	0.00	2,358.54	2,358.54	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
200-3040-600-235	SUPPLIES	1,767.88
200-3040-700-453	TRAVEL & TRAINING	590.66
	Total:	2,358.54



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Payable Detail by Vendor

Section G, Item 3.

Payable Detail by Vendor

Packet: APPKT02803 - US BANK CHELSEA BANKS 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: [001540 - US BANK CORPORATE PMT. SYSTEM](#)

Vendor Total: 100.00

3/10/24	Invoice	3/10/2024	3/10/2024	3/10/2024	3/10/2024	100.00	0.00	0.00	0.00	100.00
CA CRIMINAL JUSTICE WARRANT SERVICES A... AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003248	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CA CRIMINAL JUSTICE WARRANT SERVI...	NA	0.00	0.00	100.00	0.00	0.00	0.00	100.00

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-700-451	MEMBERSHIPS		100.00	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	1	100.00	0.00	0.00	0.00	100.00	100.00	0.00
	Grand Total:	100.00	0.00	0.00	0.00	100.00	100.00	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-2000-700-451	MEMBERSHIPS	100.00
	Total:	100.00



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Payable Detail by Vendor

Section G, Item 3.

Packet: APPKT02800 - US BANK TIM HOBBS 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: [001540 - US BANK CORPORATE PMT. SYSTEM](#)

Vendor Total: 136.73

112-5835385-5806613	Invoice	2/23/2024	2/23/2024	2/23/2024	2/23/2024	27.83	0.00	0.00	0.00	27.83
SUPPLIES	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003246

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SUPPLIES	NA	0.00	0.00	27.83	0.00	0.00	0.00	27.83

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-235	SUPPLIES		27.83	100.00%

112-8357033-5672209	Invoice	2/23/2024	2/23/2024	2/23/2024	2/23/2024	25.90	0.00	0.00	0.00	25.90
SUPPLIES	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003247

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SUPPLIES	NA	0.00	0.00	25.90	0.00	0.00	0.00	25.90

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-235	SUPPLIES		25.90	100.00%

807979-202402-1	Invoice	3/1/2024	3/1/2024	3/1/2024	3/1/2024	83.00	0.00	0.00	0.00	83.00
MEMBERSHIP	AP - Accounts Payable				No	Payment Date: 4/10/2024			Bank Draft:	DFT0003245

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
MEMBERSHIP	NA	0.00	0.00	83.00	0.00	0.00	0.00	83.00

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-750-561	CONTRACT SERVICES-MISC		83.00	100.00%

Section G, Item 3.

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	3	136.73	0.00	0.00	0.00	136.73	136.73	0.00
Grand Total:		136.73	0.00	0.00	0.00	136.73	136.73	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-2000-600-235	SUPPLIES	53.73
100-2000-750-561	CONTRACT SERVICES-MISC	83.00
	Total:	136.73



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Payable Detail by Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02799 - US BANK TIM HOBBS 2/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: [001540 - US BANK CORPORATE PMT. SYSTEM](#) Vendor Total: 770.60

[026905309 1/26/24](#) Invoice 1/26/2024 1/26/2024 1/26/2024 1/26/2024 13.25 0.00 0.00 0.00 13.25
 UNIFORMS AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003244

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
UNIFORMS	NA	0.00	0.00	13.25	0.00	0.00	0.00	13.25

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-237	UNIFORMS		13.25	100.00%

[113-8272013-9437041](#) Invoice 2/19/2024 2/19/2024 2/19/2024 2/19/2024 377.13 0.00 0.00 0.00 377.13
 OFFICE SUPPLIES AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003239

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
OFFICE SUPPLIES	NA	0.00	0.00	377.13	0.00	0.00	0.00	377.13

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-235	SUPPLIES		377.13	100.00%

[114-3109007-4440246](#) Invoice 2/8/2024 2/8/2024 2/8/2024 2/8/2024 121.78 0.00 0.00 0.00 121.78
 OFFICE SUPPLIES AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003241

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
OFFICE SUPPLIES	NA	0.00	0.00	121.78	0.00	0.00	0.00	121.78

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-235	SUPPLIES		121.78	100.00%

[114-7242281-7344221](#) Invoice 2/7/2024 2/7/2024 2/7/2024 2/7/2024 43.49 0.00 0.00 0.00 43.49
 OFFICE SUPPLIES AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003242

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
OFFICE SUPPLIES	NA	0.00	0.00	43.49	0.00	0.00	0.00	43.49

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-600-235	SUPPLIES		43.49	100.00%

[73342370](#) Invoice 2/11/2024 2/11/2024 2/11/2024 2/11/2024 139.95 0.00 0.00 0.00 139.95
 ANNUAL FEE AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003240

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
ANNUAL FEE	NA	0.00	0.00	139.95	0.00	0.00	0.00	139.95

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-2000-750-561	CONTRACT SERVICES-MISC		139.95	100.00%

[807979-202101-1](#) Invoice 2/1/2024 2/1/2024 2/1/2024 2/1/2024 75.00 0.00 0.00 0.00 75.00
 TANSUNION MONTHLY FEE AP - Accounts Payable No Payment Date: 4/10/2024 Bank Draft: DFT0003243

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	
Payable Description	Bank Code				On Hold				
Item Description	Commodity		Units	Price	Amount	Tax	Shipping	Discount	Total
TANSUNION MONTHLY FEE Distributions	NA		0.00	0.00	75.00	0.00	0.00	0.00	75.00
Account Number	Account Name		Project Account Key		Amount	Percent			
100-2000-750-561	CONTRACT SERVICES-MISC				75.00	100.00%			

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	6	770.60	0.00	0.00	0.00	770.60	770.60	0.00
Grand Total:		770.60	0.00	0.00	0.00	770.60	770.60	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-2000-600-235	SUPPLIES	542.40
100-2000-600-237	UNIFORMS	13.25
100-2000-750-561	CONTRACT SERVICES-MISC	214.95
	Total:	770.60



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Payable Detail by Vendor Name

Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02784 - US BANK THOMAS DEWALT 3/22/24

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					
Vendor: 001540 - US BANK CORPORATE PMT. SYSTEM										Vendor Total: 20.99
2695905707	Invoice	2/28/2024	2/28/2024	2/28/2024	2/28/2024	20.99	0.00	0.00	0.00	20.99
ADOBE MONTHLY SUBSCRIPTION	AP - Accounts Payable				No				Payment Date: 4/10/2024	Bank Draft: DFT0003238

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
ADOBE MONTHLY SUBSCRIPTION	NA	0.00	0.00	20.99	0.00	0.00	0.00	20.99

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
121-0000-800-681	EQUIPMENT & SOFTWARE		20.99	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	1	20.99	0.00	0.00	0.00	20.99	20.99	0.00
Grand Total:		20.99	0.00	0.00	0.00	20.99	20.99	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
121-0000-800-681	EQUIPMENT & SOFTWARE	20.99
	Total:	20.99



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Payable Detail by Section G, Item 3.

Payable Detail by Vendor Name

Packet: APPKT02783 - US BANK DON BAZE 3/22/24 DL

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code				On Hold					

Vendor: 001540 - US BANK CORPORATE PMT. SYSTEM

Vendor Total: 465.32

003589	Invoice	3/26/2024	3/26/2024	3/26/2024	3/26/2024	21.62	0.00	0.00	0.00	21.62
SOAP AND AIR FRESHNER	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003220

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SOAP AND AIR FRESHNER	NA	0.00	0.00	21.62	0.00	0.00	0.00	21.62

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-340	JANITORIAL SERVICES		21.62	100.00%

3/18/24	Invoice	3/18/2024	3/18/2024	3/18/2024	3/18/2024	106.66	0.00	0.00	0.00	106.66
PLEATED AIR FILTER	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003229

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
PLEATED AIR FILTER	NA	0.00	0.00	106.66	0.00	0.00	0.00	106.66

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3010-650-341	BUILDING MAINTENANCE		106.66	100.00%

E95540/3	Invoice	2/26/2024	2/26/2024	2/26/2024	2/26/2024	17.92	0.00	0.00	0.00	17.92
VENT FOR PD	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003236

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
VENT FOR PD	NA	0.00	0.00	17.92	0.00	0.00	0.00	17.92

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		17.92	100.00%

E95618/3	Invoice	2/26/2024	2/26/2024	2/26/2024	2/26/2024	40.38	0.00	0.00	0.00	40.38
VENT FOR PD	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003237

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
VENT FOR PD	NA	0.00	0.00	40.38	0.00	0.00	0.00	40.38

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		40.38	100.00%

E97582/3	Invoice	2/29/2024	2/29/2024	2/29/2024	2/29/2024	17.73	0.00	0.00	0.00	17.73
LEAK	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003222

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
LEAK	NA	0.00	0.00	17.73	0.00	0.00	0.00	17.73

Distributions

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		17.73	100.00%

E97709/3	Invoice	2/29/2024	2/29/2024	2/29/2024	2/29/2024	13.04	0.00	0.00	0.00	13.04
PAINTERS TAPE	AP - Accounts Payable				No	Payment Date: 4/10/2024				Bank Draft: DFT0003221

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Discount	Total
Payable Description	Bank Code					On Hold				
Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total		
100-3015-650-341	PAINTERS TAPE	NA	0.00	0.00	13.04	0.00	0.00	0.00	13.04	
Distributions										
100-3015-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3015-650-341	BUILDING MAINTENANCE				13.04	100.00%				
F00747/3	Invoice	3/5/2024	3/5/2024	3/5/2024	3/5/2024	2.52	0.00	0.00	0.00	2.52
SCREWS, ANCHORS	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003224
Items										
100-3015-650-341	SCREWS, ANCHORS	NA	0.00	0.00	2.52	0.00	0.00	0.00	2.52	
Distributions										
100-3015-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3015-650-341	BUILDING MAINTENANCE				2.52	100.00%				
F07154/3	Invoice	3/14/2024	3/14/2024	3/14/2024	3/14/2024	47.19	0.00	0.00	0.00	47.19
BUGS	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003227
Items										
100-3015-650-341	BUGS	NA	0.00	0.00	47.19	0.00	0.00	0.00	47.19	
Distributions										
100-3015-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3015-650-341	BUILDING MAINTENANCE				47.19	100.00%				
F07347/3	Invoice	3/14/2024	3/14/2024	3/14/2024	3/14/2024	16.68	0.00	0.00	0.00	16.68
BUGS	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003226
Items										
100-3012-650-341	BUGS	NA	0.00	0.00	16.68	0.00	0.00	0.00	16.68	
Distributions										
100-3012-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3012-650-341	BUILDING MAINTENANCE				16.68	100.00%				
F10138/3	Invoice	3/18/2024	3/18/2024	3/18/2024	3/18/2024	36.79	0.00	0.00	0.00	36.79
DOWEL RMNWD, FILTER AIR PLEAT	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003228
Items										
100-3010-650-341	DOWEL RMNWD, FILTER AIR PLEAT	NA	0.00	0.00	36.79	0.00	0.00	0.00	36.79	
Distributions										
100-3010-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3010-650-341	BUILDING MAINTENANCE				36.79	100.00%				
F11891/3	Invoice	3/20/2024	3/20/2024	3/20/2024	3/20/2024	26.88	0.00	0.00	0.00	26.88
CAULK DFLEX, CEDAR INC	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003231
Items										
100-3012-650-341	CAULK DFLEX, CEDAR INC	NA	0.00	0.00	26.88	0.00	0.00	0.00	26.88	
Distributions										
100-3012-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3012-650-341	BUILDING MAINTENANCE				26.88	100.00%				
F12796/3	Invoice	3/21/2024	3/21/2024	3/21/2024	3/21/2024	12.52	0.00	0.00	0.00	12.52
LUBE LOCK EASE	AP - Accounts Payable					No	Payment Date: 4/10/2024		Bank Draft:	DFT0003234
Items										
100-3015-650-341	LUBE LOCK EASE	NA	0.00	0.00	12.52	0.00	0.00	0.00	12.52	
Distributions										
100-3015-650-341	Account Number	Account Name	Project Account Key		Amount	Percent				
100-3015-650-341	BUILDING MAINTENANCE				12.52	100.00%				

Payable Register

Section G, Item 3.

Payable #	Payable Type	Post Date	Payable Date	Due Date	Discount Date	Amount	Tax	Shipping	Total	
F13050/3	Invoice	3/21/2024	3/21/2024	3/21/2024	3/21/2024	12.65	0.00	0.00	0.00	12.65
BLOWOFF DUSTER		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003233	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
BLOWOFF DUSTER	NA	0.00	0.00	12.65	0.00	0.00	0.00	12.65

Account Number	Account Name	Project Account Key	Amount	Percent
100-3011-650-341	BUILDING MAINTENANCE		12.65	100.00%

U74634/3	Invoice	2/29/2024	2/29/2024	2/29/2024	2/29/2024	12.64	0.00	0.00	0.00	12.64
LEAK PREVENTION		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003223	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
LEAK PREVENTION	NA	0.00	0.00	12.64	0.00	0.00	0.00	12.64

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		12.64	100.00%

U75787/3	Invoice	3/11/2024	3/11/2024	3/11/2024	3/11/2024	18.56	0.00	0.00	0.00	18.56
PLASTIC ANCH, MULT MAT DRL		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003225	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
PLASTIC ANCH, MULT MAT DRL	NA	0.00	0.00	18.56	0.00	0.00	0.00	18.56

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		18.56	100.00%

U76789/3	Invoice	3/19/2024	3/19/2024	3/19/2024	3/19/2024	40.68	0.00	0.00	0.00	40.68
SEALANT MORTR		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003230	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
SEALANT MORTR	NA	0.00	0.00	40.68	0.00	0.00	0.00	40.68

Account Number	Account Name	Project Account Key	Amount	Percent
100-3012-650-341	BUILDING MAINTENANCE		40.68	100.00%

U76961/3	Invoice	3/20/2024	3/20/2024	3/20/2024	3/20/2024	17.74	0.00	0.00	0.00	17.74
CAULKGUN SKELETON		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003232	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
CAULKGUN SKELETON	NA	0.00	0.00	17.74	0.00	0.00	0.00	17.74

Account Number	Account Name	Project Account Key	Amount	Percent
100-3012-650-341	BUILDING MAINTENANCE		17.74	100.00%

U77109/3	Invoice	3/21/2024	3/21/2024	3/21/2024	3/21/2024	3.12	0.00	0.00	0.00	3.12
KEY BLANK MASTER		AP - Accounts Payable			No	Payment Date: 4/10/2024		Bank Draft:	DFT0003235	

Items

Item Description	Commodity	Units	Price	Amount	Tax	Shipping	Discount	Total
KEY BLANK MASTER	NA	0.00	0.00	3.12	0.00	0.00	0.00	3.12

Account Number	Account Name	Project Account Key	Amount	Percent
100-3015-650-341	BUILDING MAINTENANCE		3.12	100.00%

Payable Summary

Type	Count	Gross	Tax	Shipping	Discount	Total	Manual Payment	Balance
Invoice	18	465.32	0.00	0.00	0.00	465.32	465.32	0.00
Grand Total:		465.32	0.00	0.00	0.00	465.32	465.32	0.00

Account Summary

<u>Account</u>	<u>Name</u>	<u>Amount</u>
100-3010-650-341	BUILDING MAINTENANCE	143.45
100-3011-650-341	BUILDING MAINTENANCE	12.65
100-3012-650-341	BUILDING MAINTENANCE	101.98
100-3015-650-340	JANITORIAL SERVICES	21.62
100-3015-650-341	BUILDING MAINTENANCE	185.62
	Total:	465.32



Clearlake, CA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
000591	ACTION SANITARY	04/11/2024	Regular	0.00	174.00	16628
001138	ADVENTIST HEALTH	04/11/2024	Regular	0.00	43.00	16629
000101	AMERIGAS	04/11/2024	Regular	0.00	640.42	16630
001435	ARGONAUT CONSTRUCTORS	04/11/2024	Regular	0.00	120,211.00	16631
001397	AT&T CALNET 3	04/11/2024	Regular	0.00	29.35	16632
001397	AT&T CALNET 3	04/11/2024	Regular	0.00	29.35	16633
000068	BOB'S JANITORIAL	04/11/2024	Regular	0.00	131.59	16634
VEN01228	BPR CONSULTING GROUP	04/11/2024	Regular	0.00	7,274.19	16635
VEN01265	CANTEEN SERVICES OF UKIAH, INC	04/11/2024	Regular	0.00	110.00	16636
001827	CITY OF LAKEPORT	04/11/2024	Regular	0.00	475.56	16637
001825	COUNTY OF LAKE CLERK	04/11/2024	Regular	0.00	50.00	16638
000774	DEEP VALLEY SECURITY	04/11/2024	Regular	0.00	67.05	16639
000851	ENTERPRISE TOWING	04/11/2024	Regular	0.00	130.00	16640
001199	EUREKA OXYGEN CO	04/11/2024	Regular	0.00	80.76	16641
000120	FED EX	04/11/2024	Regular	0.00	30.60	16642
000241	GALL'S LLC	04/11/2024	Regular	0.00	1,400.72	16643
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	102.00	16644
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	249.04	16645
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	314.57	16646
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	45.52	16647
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	182.26	16648
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	92.56	16649
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	65.62	16650
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	282.91	16651
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	92.86	16652
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	58.90	16653
000121	HIGHLANDS WATER COMPANY	04/11/2024	Regular	0.00	126.72	16654
2436	IWORQ	04/11/2024	Regular	0.00	10,500.00	16655
VEN01472	KAREN ELLEN RAYMER-L&K LOCKSM	04/11/2024	Regular	0.00	228.00	16656
VEN01123	LOOMIS	04/11/2024	Regular	0.00	1,245.26	16657
VEN01329	MCGRATH RENTCORP AND SUBSIDI/	04/11/2024	Regular	0.00	1,124.03	16658
000793	MEDIACOM	04/11/2024	Regular	0.00	650.00	16659
001489	NAPA AUTO PARTS	04/11/2024	Regular	0.00	94.56	16660
VEN01191	NORTH BAY ANIMAL SERVICES	04/11/2024	Regular	0.00	31,250.00	16661
001392	OFFICE DEPOT	04/11/2024	Regular	0.00	697.42	16662
VEN01470	PARK ASSOCIATES INC-PARK PLANET	04/11/2024	Regular	0.00	5,600.00	16663
001843	PG&E CFM	04/11/2024	Regular	0.00	930.94	16664
VEN01283	PROFORCE MARKETING, INC	04/11/2024	Regular	0.00	3,115.69	16665
000711	PURCHASE POWER	04/11/2024	Regular	0.00	40.43	16666
VEN01371	R.E.Y. ENGINEERS, INC.	04/11/2024	Regular	0.00	28,492.50	16667
002031	REDWOOD COAST PETROLEUM & N	04/11/2024	Regular	0.00	2,582.70	16668
002228	SUMMIT BANK - LOAN OPERATIONS	04/11/2024	Regular	0.00	36,778.70	16669
VEN01464	THE LINCOLN NATIONAL LIFE INSUR/	04/11/2024	Regular	0.00	758.08	16670
000099	U.S. CELLULAR	04/11/2024	Regular	0.00	462.09	16671

Check Register

Packet: APPKT02822-4

Section G, Item 3.

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
VEN01221	WINE COUNTRY VENTURES, INC VAN	04/11/2024	Regular	0.00	3,105.00	16672

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	62	45	0.00	260,145.95
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	62	45	0.00	260,145.95

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	4/2024	260,145.95
			<hr/>
			260,145.95

MINUTES OF PREVIOUS MEETING

March 13, 2024

Before the regular meeting, beginning at 1:00 P.M., Vector Control Technicians Brad Hayes and Julian Chavez had the District's newest truck and ultra-low volume sprayer on display for the Board and members of the public. In addition, Laboratory Technician Kara Gaylor held a demonstration in the board room of the microscope and camera used to identify insects.

The regular monthly meeting of the Board of Trustees of the Lake County Vector Control District was called to order at 1:41 P.M. by President Giambruno.

Board Present: Rob Bostock, Curt Giambruno, Frank Lincoln (attending remotely via Zoom), Ron Nagy, and George Spurr.

Absent: None.

District Personnel: Jamesina J. Scott, District Manager and Research Director, Ms. Jacinda Franusich, Office Manager, Ms. Kara, Gaylor Laboratory Technician, Mr. Julian Chavez, Vector Control Technician I.

Guests: Mr. Austris Rungis of Industrial Employers Distributors Association (IEDA)(attending the Closed Session remotely via Zoom), and Mr. Zach Pehling, CPA (attending remotely via Zoom).

Citizen's Input: None.

Agenda Additions and/or Deletions: None.

Introduction of Staff and Questions About the Truck/ULV Sprayer and Microscope/Camera Demonstrations

Dr. Scott introduced Kara Gaylor and Julian Chavez to the Board and Guests. The Board asked some questions and made some brief comments regarding the truck and sprayer and the microscope and camera.

Mr. Chavez and Ms. Gaylor left the meeting and 1:55 P.M.

Presentation of Fiscal Year 2022/2023 Audit Report by Zach Pehling, CPA

After a brief discussion, Mr. Bostock moved to approve the 2022/2023 Audit Report as presented. Mr. Spurr seconded the motion. The motion carried with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Spurr, Mr. Giambruno, Mr. Lincoln, and Mr. Nagy), and none opposed.

Convene to Closed Session at 1:55 P.M.

Closed Session

Conference with Labor Negotiators, pursuant to Government Code 54957.6 for the purpose of reviewing its position and instructing the LCVCD's designated representatives: Jamesina J. Scott (District Manager), and Austris Rungis (IEDA).

Convene to Open Session at 2:48 P.M.

Report from Closed Session

No reportable actions were taken.

Approve Minutes of February 14, 2024 Regular Meeting with a Correction to the Check Numbers to Include Checks 22354-22368, Making the Total Expenditures for February 2024 \$98,090.27

Mr. Spurr moved to approve the minutes of the February 14, 2024 Regular Meeting with a correction to the check numbers to include checks 22354-22368 making the total expenditures for February 2024 \$98,090.27. Mr. Nagy seconded the motion. The motion carried with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Spurr, Mr. Giambruno, Mr. Lincoln, and Mr. Nagy), and none opposed.

Research Report

Dr. Scott reported on arbovirus activity. No arboviral activity has been reported in Lake County in 2024. In addition, no arbovirus activity has been reported in California or the rest of the United States in 2024

Dr. Scott reported on adult biting fly activity. The New Jersey Light Traps set near Borax Lake and the Reclamation near Upper Lake collected *Culiseta inornata*, and *Culex tarsalis* mosquitoes.

Dr. Scott reported on tick testing. Five ticks have been submitted for testing for Lyme Disease since October 1, 2023. Three ticks were negative, and the results are pending for the other two samples.

Dr. Scott reported on Clear Lake gnat, chironominae, and tanypodinae Surveillance in Clear Lake. Lake checks were not completed in February due to inclement weather, employee availability, and previously scheduled training.

Dr. Scott reported on the mosquito marking study. The District is investigating marking methods for mosquitoes to help identify how far they fly, which will assist in applying mosquito control measures more effectively. The current method adds a non-toxic fluorescent dye to sugar water that mosquitoes feed on. The dyes are visible to the naked eye, but even trace amounts will fluoresce under ultraviolet light. Lab Technician Kara Gaylor is working with lab-reared mosquitoes to determine dosage and attractiveness of the dyes.

Operation Report

The rain gauge at the LCVCD office in Lakeport received 7.65 inches of precipitation in February 2024. The cumulative rainfall for this season is 22.98 inches.

On February 1, the level of Clear Lake was 5.87 feet on the Rumsey Gauge, and reached 8.03 feet by the end of February.

The rainfall in January and February has filled treeholes and raised the lake level. In addition, some lake-associated wetlands and low-lying areas have flooded and hatched *Aedes increpitus* larvae. These areas are being monitored and treated as needed.

The District was closed for part of Monday, February 5 due to a power and internet outage caused by the weekend's storms.

The Vector Control Technicians have been working on a variety of maintenance projects. The projects include annual maintenance activities, installing the ultra-low volume fogging machine in the new Toyota Tacoma, fabrication/organization projects in the shop at Todd Road, and replacing an air pump and installing a new aerator in the mosquitofish ponds.

The District's 3D printer was delivered in February. The printer has been set up, and Vector Control Technician Porter Anderson is learning how to use it to fabricate custom and replacement parts for the District's surveillance and control equipment.

Recently, District employees have found evidence of trespassing at the Esplanade Street facility (cigarette butts, trash, seasonal chairs unstacked and rearranged). Dr. Scott contacted the Lakeport Police Department and spoke with Captain Brad Rasmussen. Captain Rasmussen recommended filing a 602 letter with the police department, which authorizes them to enforce trespassing laws outside the District's regular business hours. Additionally, District employees have replaced and updated the no-trespassing signs and indicated areas of the facility that are limited to authorized personnel only.

The District's Conference Room was used on February 13, by the Lake County Office of Education's Healthy Start Program. The meeting lasted from 1:00 P.M.-3:00 P.M.

The District's certified employees completed their forklift recertification on February 6. Vector Control Technician Brad Hayes completed training that allows him to train and certify new hires and recertify existing employees.

Dr. Scott and Office Manager Jacinda Franusich attended a webinar titled "Form 700 File—A Guide" on February 15. The webinar was through the California Special Districts Association (CSDA).

Dr. Scott attended several webinars in February through the CSDA. The webinars covered the meet and confer process, and the second part of a Chat GPT workshop.

The District received a certified letter from the California State Water Resources Control Board with a Water Information Order that requested information regarding the water use and the District's Reclamation Road facility. Dr. Scott attended the Water Board Compliance Workshop online on February 22 and completed the required certification process.

Dr. Scott is continuing to review and prepare updates to the District's Policy Handbook.

Dr. Scott is continuing to meet with the District's Labor Negotiator, Autris Rungis of Industrial Employers Distributors Association (IEDA), to prepare for the Memorandum of Understanding (MOU) negotiations.

On February 1-2, Dr. Scott attended the Employer's Risk Management Authority (ERMA) annual workshop and board of directors meeting in Napa.

Dr. Scott participated in the Mosquito and Vector Control Association of California (MVCAC) Legislative Day and Spring Board of Directors and Committee meetings on February 21-22 via Zoom.

Dr. Scott and Vector Biologist Michelle Koschik will be attending the American Mosquito Control Association (AMCA) annual conference in Dallas, TX the week of March 4-8.

Consideration of Policy Handbook Updates:

- a. Policy 2120: Educational Assistance
- b. Policy 2295: Driver Training and Record Review

After some discussion Mr. Spurr moved to approve the Policy Handbook Updates to Policy 2120: Educational Assistance, and Policy 2295: Driver Training and Record Review. Mr. Nagy seconded the motion. Motion carried with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Giambruno, Mr. Spurr, Mr. Lincoln, and Mr. Nagy), and none opposed.

Consideration of Resolution 24-01 Establishing and Appropriating Over-realized/Unanticipated Revenue from the Sale of Surplus Vehicles into the District's 2023-2024 Budget

Resolution 24-01 was unanimously approved last month by the three trustees in attendance, however, approval requires four-fifths approval by the trustees, so the resolution was reconsidered at this meeting. Mr. Spurr moved to approve Resolution 24-01 Establishing and Appropriating Over-realized/Unanticipated Revenue from the Sale of Surplus Vehicles into the District's 2023-2024 Budget. Mr. Nagy seconded the motion. The resolution passed with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Giambruno, Mr. Lincoln, Mr. Nagy, and Mr. Spurr), and none opposed.

Board Consideration of Nomination to the California Special Districts Association Board of Directors Northern Network, Seat A

No nominations were made.

Approve Checks for the Month of March 2024

Mr. Nagy moved to approve Checks No. 22369-22415 for the month of March 2024 in the amount of \$78,432.08. Mr. Bostock seconded the motion. The motion carried with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Giambruno, Mr. Lincoln, Mr. Nagy, and Mr. Spurr), and none opposed.

Other Business

Dr. Scott reminded the Board that Statement of Economic Interest Form 700 is due on April 2, 2024 and that the date of the April Board of Trustees meeting has been changed to Wednesday, April 17, 2024.

Harassment Prevention Training will be offered to the District’s trustees and staff on May 8, 2024, from 11:00 A.M. to 1:00 P.M. The regularly scheduled Board of Trustees meeting will begin at 1:30 P.M.

Announcement of the Next Board Meeting

The next regular meeting of the Board of Trustees of the Lake County Vector Control District will be at 1:30 PM on April 17, 2024, in the LCVCD Board Room, 410 Esplanade, Lakeport, CA 95453.

Mr. Nagy moved to adjourn the meeting. Mr. Spurr seconded the motion. The motion carried with a roll call vote as follows: 5 in favor (Mr. Bostock, Mr. Giambruno, Mr. Lincoln, Mr. Nagy, and Mr. Spurr), and none opposed. There being no other business to discuss the meeting was adjourned by President Giambruno at 3:36 PM.

Respectfully submitted,

Ronald Nagy
Secretary



STAFF REPORT

SUBJECT: Adoption of 3rd Amendment to the FY 2023-24 Budget (Resolution 2023-27) Adjusting Revenues, Appropriations and Transfers, Resolution No. 2024-17

MEETING DATE:
April 18, 2024

SUBMITTED BY: Kathy Wells, Finance Director

PURPOSE OF REPORT: Information only Discussion Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt the 3rd Amendment to the FY 2023-24 budget for revenue and appropriations adjustments and fund transfers.

BACKGROUND/DISCUSSION:

Following the adoption of the FY 2023-24 Budget, staff has identified some adjustments that need to be made with respect to appropriations and revenues, as well as fund transfers:

- Transfer PG&E Settlement Proceeds to Capital Projects and for Airport Project Expenses.
- Create a revenue and appropriation budget for SB1 Funds for 18th Avenue Project.
- Create revenue and appropriations budget for CDBG grant and program income funds for Senior Center Rehab Project.
- Create revenue and appropriations budget for additional funding sources for Senior Center Rehab Project.
- Create appropriation budget for PD speed control trailer using proceeds of apartment sales.

OPTIONS:

1. Move to adopt Resolution No. 2024-17
2. Provide direction to staff.

FISCAL IMPACT:

None See attached. Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: See attached.

Affected fund(s): General Fund Measure P Fund Measure V Fund Other: See attached.

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

1. Adopt Resolution 2024-17: The 3rd amendment to the FY 2023-24 Budget (Resolution No. 2023-27).

- Attachments:** 1) Resolution No. 2024-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE
ADOPTING THE 3RD AMENDMENT TO THE FY 2023-24 BUDGET (RESOLUTION NO. 2023-27)**

WHEREAS, the City Council desires to adjust the FY 2023-24 budget, effective July 1, 2023, nunc pro tunc.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Clearlake:

Section 1. The FY 2023-24 Budget, adopted via Resolution 2023-27, is amended as shown in the attached Exhibit A, incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 18th day of APRIL 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk

Mayor

Appropriation Adjustments							
Fund	Fund Name	Department	Account	Description	Approved Budget as of 4/11/24	Adjustment Requested	FY 23-24 Amended Budget
100	General Fund	NonDepartmental	100-0000-970-999	Transfers Out - CIP Fund	-	1,105,065	1,105,065
100	General Fund	Police Department	100-2000-800-681	Equipment & Software	60,000	25,000	85,000
240	Capital Projects	Public Works	240-4191-850-887	Capital Projects	528,443	500,000	1,028,443
240	Capital Projects	Public Works	240-4180-850-887	Capital Projecets	88,779	33,500	122,279
240	Capital Projects	Public Works	240-4182-850-887	Capital Projects	-	118,805	118,805
350	Community Development Grants	Community Development	350-4001-970-999	Trsnfr Out to Other Funds	-	155,000	155,000
353	CDBG Program Income	Community Development	353-4183-850-887	Capital Projects	-	155,000	155,000
Revenue Adjustments							
Fund	Fund Name	Revenue Category	Account	Description	Approved Budget as of 4/11/24	Adjustment Requested	FY 23-24 Amended Budget
240	Capital Projects	Grants & Contributions	240-410-852	SB-1 Local Partnership	-	500,000	500,000
240	Capital Projects	Transfers	240-450-953	Transfer In Apartment Sales	-	583,000	583,000
240	Capital Projects	Grants & Contributions	240-410-872	CDBG Grant-Cares Act	-	567,243	567,243
240	Capital Project	Grants & Contributions	240-410-875	Other Grants	186,000	68,600	254,600
353	CDBG Program Income	Transfers	353-450-957	Trfr In - PI Senior Center	-	155,000	155,000

CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Approve Amendment to Professional Services Agreement with ECORP Consulting for a new total of \$75,000	MEETING DATE: Apr. 18, 2024
SUBMITTED BY: Alan D. Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL:

City Council will consider amending an existing agreement with ECORP Consulting for tribal consultation support and development of new tribal consultation guidelines.

BACKGROUND/ DISCUSSION:

On October 7, 2022 the City executed an agreement with ECORP Consulting for tribal consultation support for a total of \$25,000. This agreement includes general tribal consultation support as well as the development of updated City tribal consultation guidelines. This work has been on-going for over a year, but the contract maximum has been reached. Lisa Westwood, Vice President & Director of Cultural Resources with ECORP has been a valuable partner in the City’s efforts to provide meaningful tribal consultation on projects consistent with the law. Staff recommend increasing the contract maximum of the contract and additional \$50,000 for a new total of \$75,000.

OPTIONS:

1. Approve Amendment of Agreement with ECORP Consulting for a new total of \$75,000 and Authorize the City Manager to Sign.
2. Provide Direction to Staff.

FISCAL IMPACT:

None \$50,000 Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments: Project Funds

STRATEGIC PLAN IMPACT

Goal #1: Make Clearlake a Visibly Cleaner City

- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachment:



STAFF REPORT	
SUBJECT: Consideration of Resolution 2024-18 Authorizing the City of Clearlake to Submit an Application to the California Department of Housing and Community Development for Funding under the Competitive Permanent Local Housing Allocation (CPLHA)	MEETING DATE: Apr. 18, 2024
SUBMITTED BY: Alan D. Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL:

City Council will consider adoption of a resolution authorizing the City of Clearlake to submit an application to the California State Department of Housing and Community Development for funding under the CPLHA Competitive Permanent Local Housing Allocation Program for the Konocti Gardens Apartments.

BACKGROUND/ DISCUSSION:

CPLHA is a program within the California Department of Housing and Community Development “HCD” and is funded under the Building Homes and Jobs Act (SB 2, 2017 or “Bill”), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. This Bill will provide a permanent source of funding to all local governments in California to help cities and counties implement plans to increase the affordable housing stock.

Funding will help cities and counties:

- Increase the supply of housing for households at or below 60% of area median income
- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote projects and programs to meet the local government’s unmet share of regional housing needs allocation
- Ensure geographic equity in the distribution of the funds

Discussion: HCD released a NOFA (Attachment 1) for the CPLHA Program on March 6, 2024, with applications due June 6, 2024. The NOFA provides grants to Non-entitlement Local Governments in California to assist persons experiencing or at risk of homelessness and investments that increase the supply of housing to households with incomes of 60 percent or less of area median income.

The eligible activities are:

1. Development of new multifamily rental housing that is affordable to households at or below 60 percent of AMI or substantial rehabilitation of multifamily rental housing that will be affordable to households at or below 60 percent of AMI, but which is not currently restricted as affordable housing. In order to be eligible as “substantial rehabilitation”, a project must complete a minimum of \$40,000 per unit in hard construction costs; or
2. Assistance to persons who are experiencing or at risk of homelessness, including, but not limited to, through rapid rehousing, rental assistance, supportive services, and case management services that allow people to obtain and retain housing, operating and capital costs for Navigation Centers, or new construction, rehabilitation, or preservation of permanent or transitional rental housing

The maximum application amount, including administrative costs, for the development of new multifamily rental housing or substantial rehabilitation of a multifamily rental housing project, or development of a Navigation Center is \$5 million. The minimum application amount shall be \$500,000. Staff anticipated applying for approximately \$2.5 million.

Administrative expenses may be incurred to implement the project or program activity, up to a maximum of 5% of the grant amount.

CRP Affordable Housing & Community Development, an affordable housing developer with communities located throughout California, had requested that the City apply for the CPLHA funds to assist with the development and construction of a new affordable family apartments at Konocti Gardens. The development will offer 102 units with a mix of one-, two- and three-bedroom apartments. The Area Median Income (AMI) levels will be 30-60%.

Staff is recommending that Council adopt the resolution authorizing the City of Clearlake to submit an application to the California State Department of Housing and Community Development for funding under the CPLHA Program, and if selected, authorize the City Manager to execute a Standard Agreement, any amendment thereto, and any related documents necessary to participate in the CPLHA Program; and approve corresponding budget revenue and expense amendments, if the application is awarded.

OPTIONS:

1. Adopt Resolution 2024-18.
2. Provide Direction to Staff.

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachment:

1. Resolution 2024-18

AUTHORIZING RESOLUTION OF CITY OF CLEARLAKE

AUTHORIZING THE APPLICATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM NON-ENTITLEMENT LOCAL GOVERNMENT COMPETITIVE COMPONENT

The City Council of the City of Eureka (“Applicant”) hereby consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the Department is authorized to provide up to \$12.5 million under the SB 2 Permanent Local Housing Allocation Program Competitive Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).
- B. WHEREAS the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 03/6/2024 under the Permanent Local Housing Allocation (PLHA) Program Competitive Component;
- C. WHEREAS the City of Clearlake is an eligible non entitlement Local government who has applied for program funds to administer an eligible activity; for Konocti Gardens and the amount of CPLHA funds not to exceed \$5,000,000.
- D. WHEREAS the Department may award, subject to selection criteria set forth in PLHA guidelines section 403, funding allocations for applicants recommended for funding, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement and other contracts between the Department and PLHA competitive grant recipients;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. If Applicant is awarded a grant of PLHA funds from the Department pursuant to the above referenced PLHA Competitive Component NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
- 2. Applicant hereby agrees to use the PLHA funds for the eligible activity for which the Applicant has submitted an application, as set forth in Section 401 of the Guidelines, and as awarded and approved by the Department in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

- 3. Pursuant to Applicant’s certification in this resolution, the PLHA funds will be expended only for the eligible Activity for which the Applicant has submitted an application, and consistent with all program requirements.
- 4. Applicant certifies that, if funds are awarded for the development of new multifamily housing at or below 60 AMI or substantial rehabilitation of multifamily rental housing at or below 60 percent of AMI, Applicant shall comply with Uniform Multifamily Regulations Subchapter 19, Title 25, Division 1, Chapter 7, commencing with Section 8300 and the Multifamily Housing Program Guidelines commencing with Section 7300.
- 5. Applicant certifies that, if funds are awarded for the development of an Affordable Rental Housing Development, the Local Government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the Project for a term of at least 55 years.
- 6. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
- 7. The City Manager is authorized to execute the PLHA Competitive Component Program Application, the PLHA Competitive Component Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA Competitive Component grant awarded to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the City Council this
18th day of April, 2024 by the following vote:

AYES: _____ ABSTENTIONS: _____ NOES: _____ ABSENT: _____

APPROVE: _____
Russell Perdock, Mayor

CERTIFICATE AND SIGNATURE OF THE ATTESTING OFFICER

The undersigned, Officer of the City of Clearlake does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the City Council of the City of Clearlake which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: _____
Melissa Swanson, City Clerk



STAFF REPORT	
SUBJECT: Discussion and Consideration of City Policy for Use of Generative AI Tools	MEETING DATE: Apr. 18, 2024
SUBMITTED BY: Alan D. Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to discuss adoption of an artificial intelligence (AI) Policy around staff use of generative AI tools.

BACKGROUND/ DISCUSSION:

The City of Clearlake endeavors to use reliable, collaborative, and secure information technology solutions to support the efforts of staff in delivering high-quality services to our community.

As new, relevant local government technologies arise, the City often assesses the value that each can deliver. In recent years, generative AI – creating meaningful output such as text and images from human prompts -- emerged as a powerful new tool in a wide range of contexts. The City quickly recognized that this technology could be extraordinarily useful in the public sector while also acknowledging that it could create unacceptable risks.

AI technology is rapidly changing and growing in a way that is difficult to keep up with, however AI technology offers transformative potential for enhancing City services, improving operational efficiency, and fostering economic development. Utilizing generative AI in a responsible and transparent way will allow the City to harness emerging technologies as we tackle the challenges and opportunities of the future. The implementation strategy could include, establishing an AI governance framework (policy), developing a roadmap for AI integration across City departments, providing AI literacy training for City staff, and engaging with the public to understand their views and concerns about AI.

While there are innumerable examples of papers on AI the perspective of *“The great acceleration: CIO perspectives on generative AI”* by the MIT Technology review (attached) provides some helpful perspective.

OPTIONS:

1. Adopt Draft AI Policy.
2. Provide Direction to Staff.

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
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- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

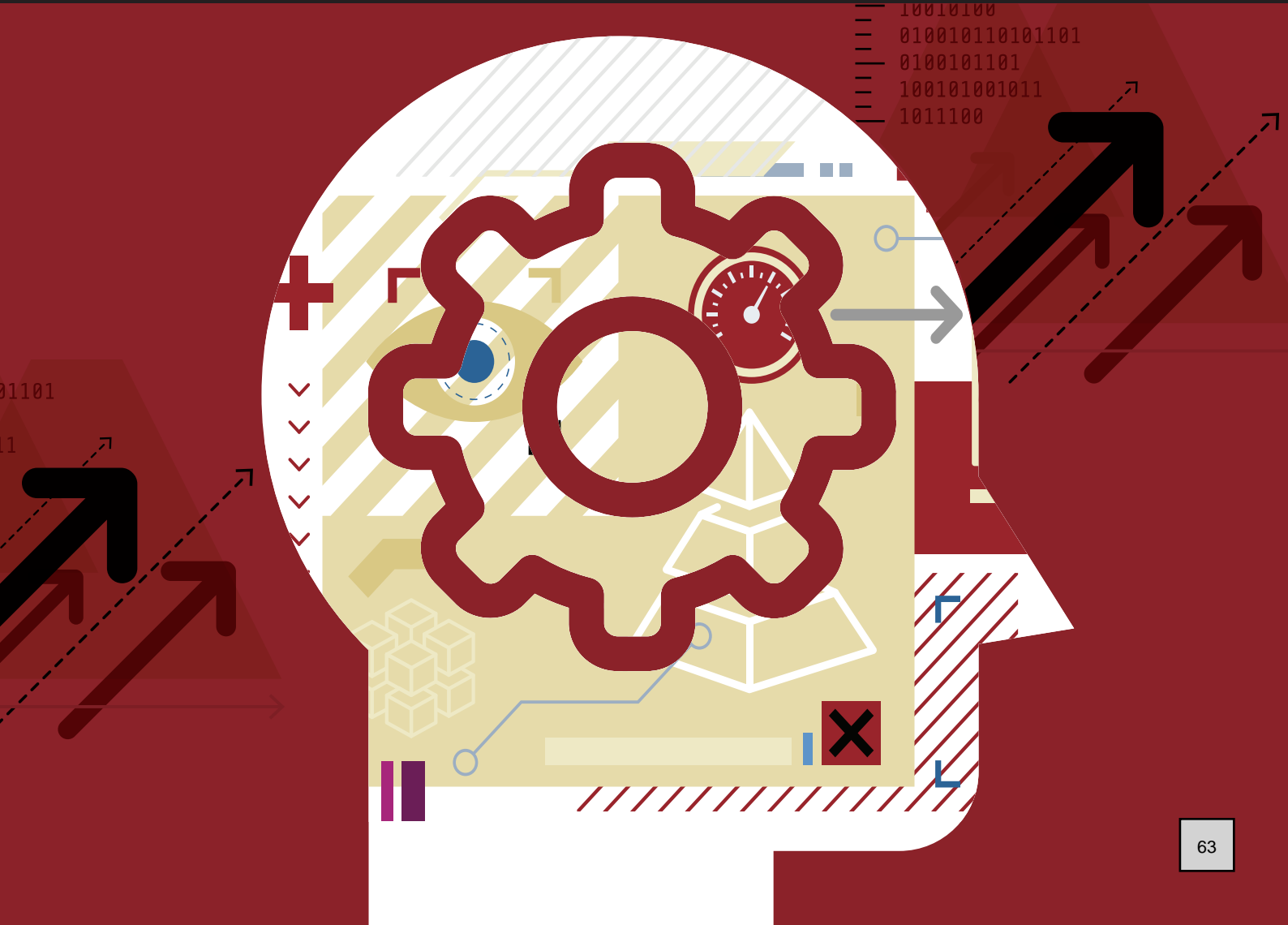
Attachment:

1. *“The great acceleration: CIO perspectives on generative AI”, MIT Technology review*
2. Draft AI Policy



How technology leaders are adopting emerging tools to deliver enterprise-wide AI.

The great acceleration: CIO perspectives on generative AI



Preface

“The great acceleration: CIO perspectives on generative AI” is an MIT Technology Review Insights report sponsored by Databricks. This report, based on seven in-depth interviews with senior executives and experts, conducted in April and May 2023, seeks to understand how technology leaders are adopting emerging generative AI tools as part of an enterprise-wide AI strategy. The report also draws on an MIT Technology Review Insights global survey of 600 senior data and technology executives, conducted in May and June 2022. Adam Green was the author of the report, Teresa Elsey was the editor, and Nico Crepaldi was the publisher. The research is editorially independent and the views expressed are those of MIT Technology Review Insights.

We would like to thank the following individuals for their time and insights:

Andrew Blyton, Vice President and Chief Information Officer, DuPont Water & Protection

Michael Carbin, Associate Professor, MIT, and Founding Advisor, MosaicML

Owen O’Connell, Senior Vice President and Chief Information Officer (Information Digital Services and Operations), Shell

Noriko Rzonca, Chief Digital Officer, Cosmo Energy Holdings

Richard Spencer Schaefer, Chief Health Informatics Officer, Kansas City VA Medical Center, and AI Solutions Architect, National Artificial Intelligence Institute, U.S. Department of Veterans Affairs

Cynthia Stoddard, Senior Vice President and Chief Information Officer, Adobe

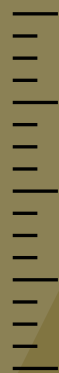
Matei Zaharia, Cofounder and Chief Technology Officer, Databricks, and Associate Professor of Computer Science, University of California, Berkeley



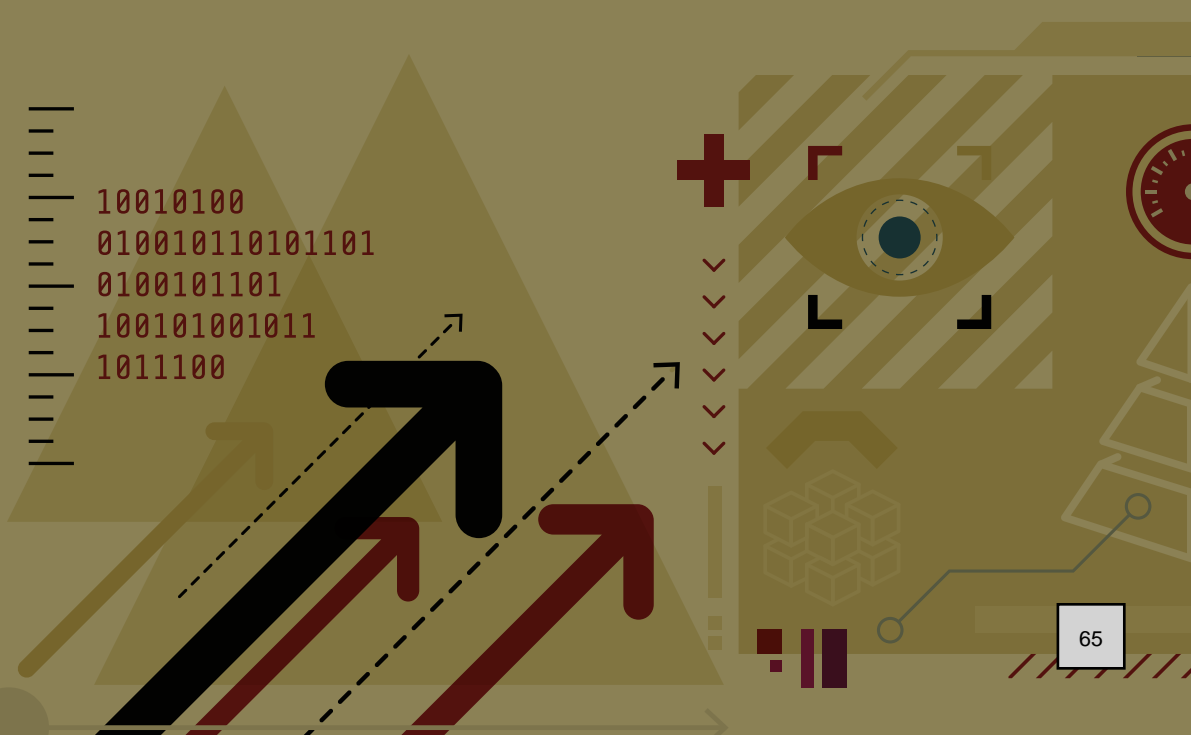
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01

Executive summary

The emergence of consumer-facing generative AI tools in late 2022 and early 2023 radically shifted public conversation around the power and potential of AI. Though generative AI had been making waves among experts since the introduction of GPT-2 in 2019, it is just now that its revolutionary opportunities have become clear to enterprise. The weight of this moment – and the ripple effects it will inspire – will reverberate for decades to come.

The impact of generative AI on economies and enterprise will be revolutionary. McKinsey Global Institute estimates that generative AI will add between \$2.6 and \$4.4 trillion in annual value to the global

economy, increasing the economic impact of AI as a whole by 15 to 40%.¹ The consultancy projects that AI will automate half of all work between 2040 and 2060, with generative AI pushing that window a decade earlier than previous estimates. Goldman Sachs predicts a 7% – or nearly \$7 trillion – increase in global GDP attributable to generative AI, and the firm expects that two-thirds of U.S. occupations will be affected by AI-powered automation.²

Text-generating AI systems, such as the popular ChatGPT, are built on large language models (LLMs). LLMs train on a vast corpus of data to answer questions or perform tasks based on statistical likelihoods. Rather than searching and synthesizing answers, they use mathematical models to predict the most likely next

“I can’t think of anything that’s been more powerful since the desktop computer.”

Michael Carbin, Associate Professor, MIT, and Founding Advisor, MosaicML



word or output.³ “What was exciting to me, when I first interacted with ChatGPT, was how conversant it was,” says Michael Carbin, associate professor at MIT and founding advisor at MosaicML. “I felt like, for the first time, I could communicate with a computer and it could interpret what I meant. We can now translate language into something that a machine can understand. I can’t think of anything that’s been more powerful since the desktop computer.”

Although AI was recognized as strategically important before generative AI became prominent, our 2022 survey found CIOs’ ambitions limited: while 94% of organizations were using AI in some way, only 14% were aiming to achieve “enterprise-wide” AI by 2025. By contrast, the power of generative AI tools to democratize AI – to spread it through every function of the enterprise, to support every employee, and to engage every customer – heralds an inflection point where AI can grow from a technology employed for particular use cases to one that truly defines the modern enterprise.

As such, chief information officers and technical leaders will have to act decisively: embracing generative AI to seize its opportunities and avoid ceding competitive ground, while also making strategic decisions about data infrastructure, model ownership, workforce structure, and AI governance that will have long-term consequences for organizational success.

This report explores the latest thinking of chief information officers at some of the world’s largest and best-known companies, as well as experts from the public, private, and academic sectors. It presents their thoughts about AI against the backdrop of our global survey of 600 senior data and technology executives.⁴

Key findings include the following:

- **Generative AI and LLMs are democratizing access to artificial intelligence, finally sparking the beginnings of truly enterprise-wide AI.** Powered by the potential of newly emerging use cases, AI is finally moving from pilot projects and “islands of excellence” to a generalized capability integrated into the fabric of organizational workflows. Technology teams no longer have to “sell” AI to business units; there is now significant “demand pull” from the enterprise.
- **A trove of unstructured and buried data is now legible, unlocking business value.** Previous AI initiatives had to focus on use cases where structured data was ready and abundant; the complexity of collecting, annotating, and synthesizing heterogeneous datasets made wider AI initiatives unviable. By contrast, generative AI’s new ability to surface and utilize once-hidden data will power extraordinary new advances across the organization.
- **The generative AI era requires a data infrastructure that is flexible, scalable, and efficient.** To power these new initiatives, chief information officers and technical leads are embracing next-generation data infrastructures. More advanced approaches, such as data lakehouses, can democratize access to data and analytics, enhance security, and combine low-cost storage with high-performance querying.
- **Some organizations seek to leverage open-source technology to build their own LLMs, capitalizing on and protecting their own data and IP.** CIOs are already cognizant of the limitations and risks of third-party services, including the release of sensitive intelligence and reliance on platforms they do not control or have visibility into. They also see opportunities around developing customized LLMs and realizing value from smaller models. The most successful organizations will strike the right strategic balance based on a careful calculation of risk, comparative advantage, and governance.
- **Automation anxiety should not be ignored, but dystopian forecasts are overblown.** Generative AI tools can already complete complex and varied workloads, but CIOs and academics interviewed for this report do not expect large-scale automation threats. Instead, they believe the broader workforce will be liberated from time-consuming work to focus on higher value areas of insight, strategy, and business value.
- **Unified and consistent governance are the rails on which AI can speed forward.** Generative AI brings commercial and societal risks, including protecting commercially sensitive IP, copyright infringement, unreliable or unexplainable results, and toxic content. To innovate quickly without breaking things or getting ahead of regulatory changes, diligent CIOs must address the unique governance challenges of generative AI, investing in technology, processes, and institutional structures.

02

AI everywhere, all at once

Thanks to its flexibility and range, and user-friendly, natural language-based interface, generative AI is showing its mettle everywhere from copywriting to coding. Its power and potential to revolutionize how work is done across industries and business functions suggests it will have a reverberating impact like that of the personal computer, the Internet, or the smartphone, launching entirely new business models, birthing new industry leaders, and making it impossible to remember how we worked before its spread (see Figures 1 and 2).

This sudden focus on generative AI's power and potential represents a marked shift in how enterprise thinks about AI: until recently, AI adoption was uneven across industries and between functions within companies.

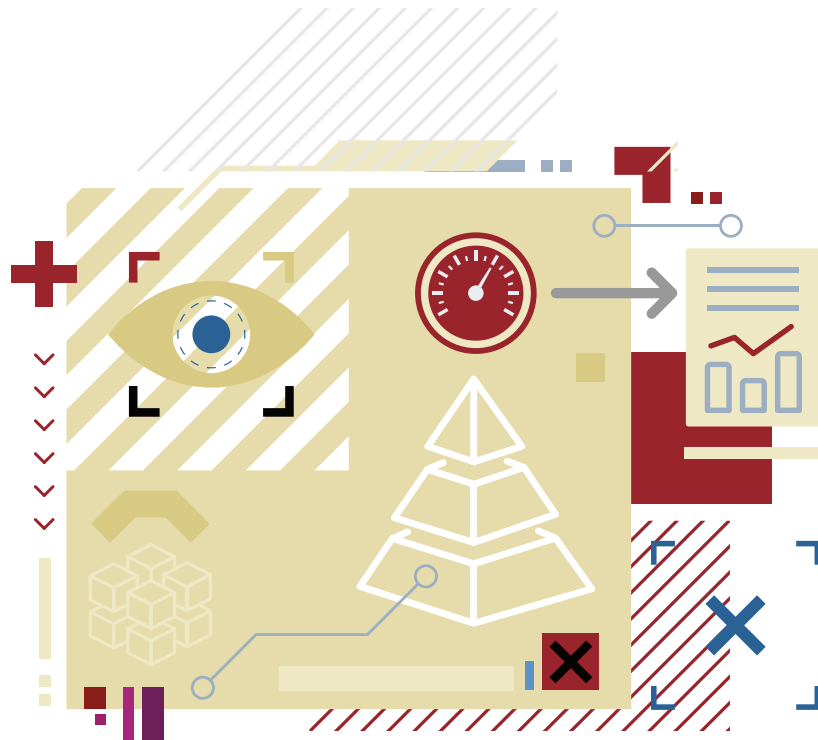
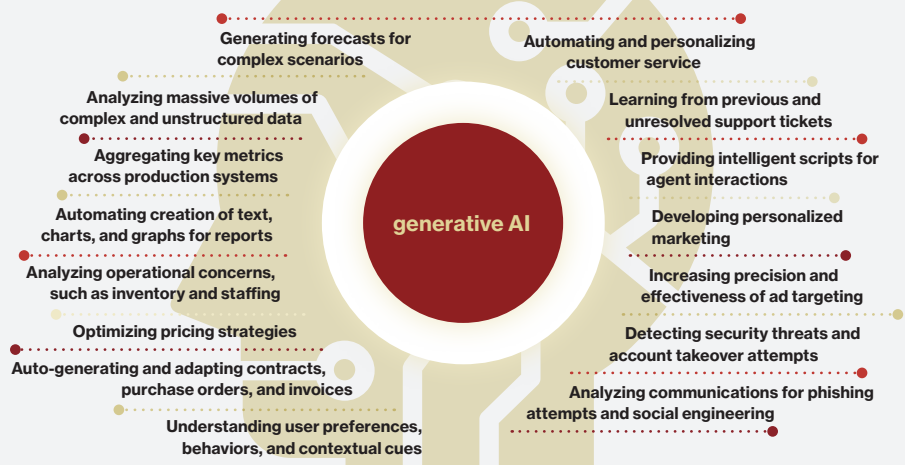


Figure 1: Enterprise applications and use cases for generative AI

These are just a few of the business functions compellingly addressed by generative AI.



Source: Compiled by MIT Technology Review Insights, based on data from "Retail in the Age of Generative AI,"⁵ "The Great Unlock: Large Language Models in Manufacturing,"⁶ "Generative AI Is Everything Everywhere, All at Once,"⁷ and "Large Language Models in Media & Entertainment,"⁸ Databricks, April–June 2023.

Our 2022 survey found just 8% of respondents saying that AI was a critical part of three or more business functions. Only in finance and IT did more than half of respondents say AI was a critical or widespread part of the function.

Before the advent of generative AI, only a rare few organizations had made AI a critical capability across the business, or even aspired to. While 94% of organizations were already using AI in some way, only 14% of them aimed to achieve “enterprise-wide AI,” defined as having AI being a critical part of at least five core functions, by 2025 (see Figures 3 and 4).

But now generative AI is changing the conversation. Demonstrating applications in every business function, AI is poised to spread enterprise wide. AI is now even venturing assuredly into creative applications, once considered a uniquely human endeavor. Adobe, for

example, has launched Firefly, a family of creative generative AI models that act as a copilot to creative and design workflows, according to Cynthia Stoddard, the company’s senior vice president and chief information officer. Firefly tools can recolor existing images, generate new images, and edit new objects into and out of images, all based on a text description.

The energy and chemical industries are applying AI in domains that had previously been inaccessible. Multi-industrials giant DuPont, for instance, had worked on chatbots for both employee and consumer interfaces previously, but found their inaccuracy too frustrating. “LLMs now have the capability to achieve the necessary accuracy, and at a faster pace,” says Andrew Blyton, vice president and chief information officer at DuPont Water & Protection. The company is now using AI in production scheduling, predictive reliability and maintenance, and sales price optimization applications.

Figure 2: Industry-specific applications and use cases

Every industry – and business – will find its own custom applications of generative AI technology.



Consumer goods and retail

- Providing virtual fitting rooms
- Scheduling delivery and installation
- Providing in-store product-finding assistance
- Optimizing demand prediction and inventory planning
- Generating novel product designs



Manufacturing

- Serving as expert copilot for technicians
- Allowing conversational interactions with machines
- Providing prescriptive and proactive field service
- Enabling natural language troubleshooting
- Assessing warranty status and documentation
- Understanding process bottlenecks and devising recovery strategies



Media and entertainment

- Providing intelligent search and tailored content discovery
- Writing engaging headlines and copy
- Providing real-time feedback on content quality
- Curating personalized playlists, news digests, and recommendations
- Enabling interactive storytelling, driven by viewer choices
- Delivering targeted offers and subscription plans



Financial services

- Uncovering potential trading signals and alerting traders to vulnerable positions
- Accelerating underwriting decisions
- Optimizing and rebuilding legacy systems
- Reverse-engineering banking and insurance models
- Monitoring for potential financial crimes and fraud
- Automating data gathering for regulatory compliance
- Extracting insights from corporate disclosures

Source: Compiled by MIT Technology Review Insights, based on data from “Retail in the Age of Generative AI,”⁹ “The Great Unlock: Large Language Models in Manufacturing,”¹⁰ “Generative AI Is Everything Everywhere, All at Once,”¹¹ and “Large Language Models in Media & Entertainment,”¹² Databricks, April–June 2023.

Figure 3: The great reconsideration

Before generative AI, few organizations had adopted AI as a critical part of any business function.

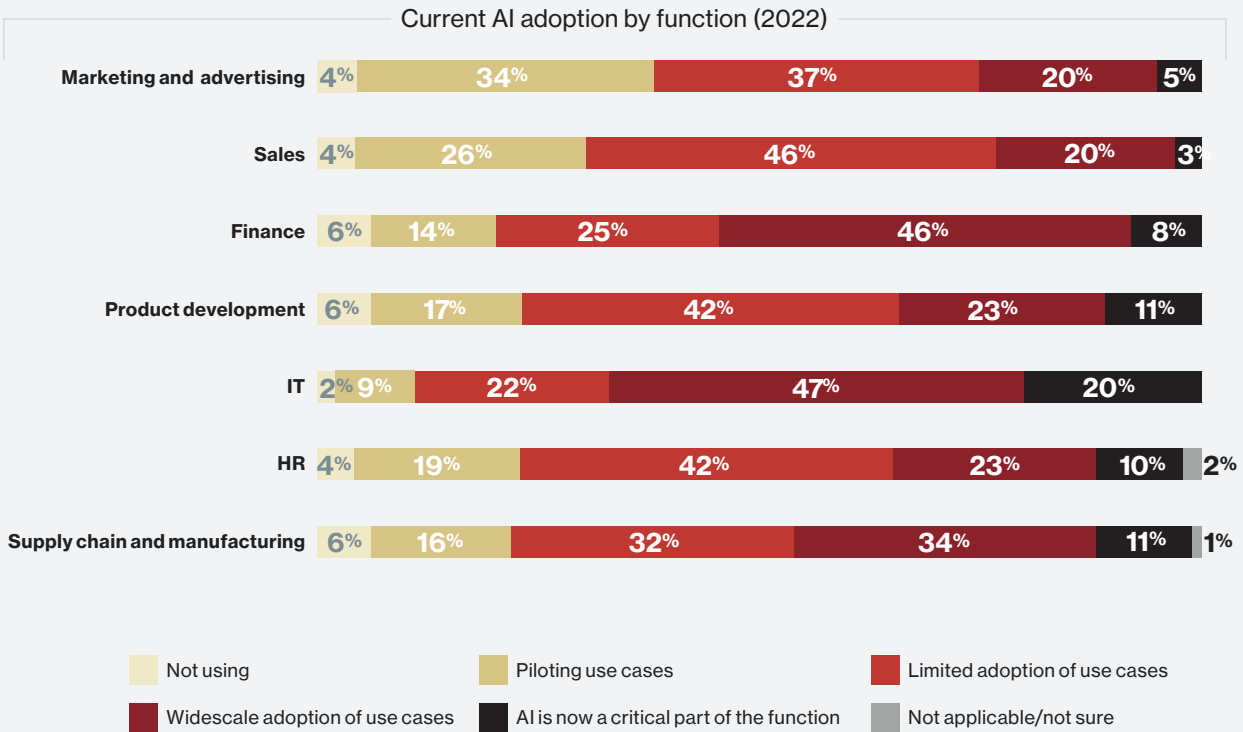
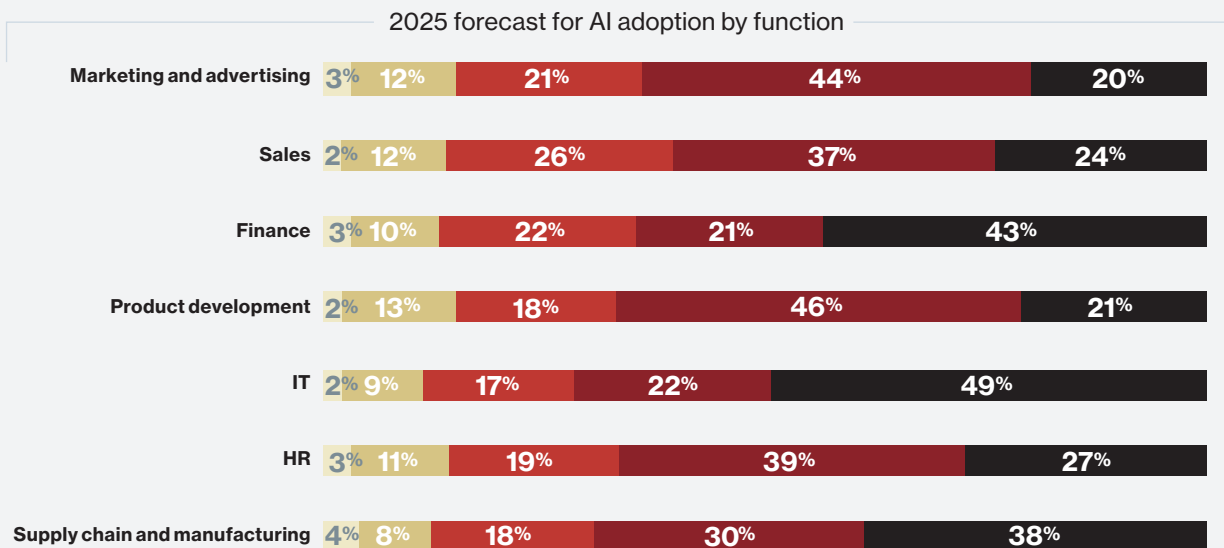


Figure 4: Limited AI ambitions

Before generative AI, few organizations aimed to make AI a critical capability across key functions by 2025.



Source: MIT Technology Review Insights survey, 2022.

Multinational organizations with assets stretching back decades have historically struggled to unify their digital infrastructure. Mergers and acquisitions have resulted in fragmented IT architectures. Important documents, from research and development intelligence to design instructions for plants, have been lost to view, locked in offline proprietary file types. “Could we interrogate these documents using LLMs? Can we train models to give us insights we’re not seeing in this vast world of documentation?” asks Blyton. “We think that’s an obvious use case.” Language models promise to make such unstructured data much more valuable.

Energy giant Shell concurs: “We’ve started to see benefits because a lot of documentation previously in repositories is now starting to come together,” says Owen O’Connell, senior vice president and chief

“LLMs now have the capability to achieve the necessary accuracy, and at a faster pace.”

Andrew Blyton, Vice President and Chief Information Officer, DuPont Water & Protection

information officer for information digital services and operations. The firm is also streamlining legal, regulatory, and human resources paperwork covering its many jurisdictions, and even surfacing insights from unstructured data in areas like recruitment and performance.

High hopes for health care

Health and medicine, a deeply human-centered field, has also been a productive testing ground for AI. In the lab, AI-powered tools have proven their mettle at predicting protein structures, aiding in drug discovery, and tracking the spread of outbreaks, including the covid-19 pandemic. Generative AI is now showing its promise as a powerful assistant to front-line staff. Natural language processing tools, for instance, can transcribe and summarize medical notes, while chatbots might be trained to answer consumer medical questions.

Richard Spencer Schaefer, chief health informatics officer at the Kansas City VA Medical Center, which manages health care for American military veterans, and AI solutions architect at the VA’s National Artificial Intelligence Institute, is optimistic that automation and predictive analytics could help the sector. The VA recently validated

a model that identified the 24-hour risk of a patient admitted to hospital subsequently being transferred to a higher level of care. “We found a very significant improvement in the accuracy and predictability of using that AI model, to a point where there could be significant reduction in mortality,” he reports.

Schaefer is also excited about the power of AI to alleviate health-care employee fatigue while building their trust, via small, practical operational improvements. “I think where you’ll see much quicker adoption in health care,” he says, “is in very specific automated process-type improvements.” The VA, for example, is currently working on an AI-driven project to reduce unnecessary alarms and alerts in its medical centers. Machine learning models can help by defining dynamic and patient-centered thresholds for provider interventions, rather than relying on the alarm systems’ traditional and static guardrails and thresholds. “For this to work,” says Schaefer, “we have to build trust and help health-care workers understand, hey, this is what AI can do.”

03

Building for AI

AI applications rely on a solid data infrastructure that makes possible the collection, storage, and analysis of its vast data-verse. Even before the business applications of generative AI became apparent in late 2022, a unified data platform for analytics and AI was viewed as crucial by nearly 70% of our survey respondents (see Figure 5).

Data infrastructure and architecture covers software and network-related infrastructure, notably cloud or hybrid cloud, and hardware like high-performance GPUs. Enterprises need an infrastructure that maximizes the value of data without compromising safety and security, especially at a time when the rulebook for data protection and AI is thickening. To truly democratize AI, the infrastructure must support a simple interface that allows users to query data and run complex tasks via natural language. “The architecture is moving in a way that supports democratization of analytics,” says Schaefer.

Data lakehouses have become a popular infrastructure choice. They are a hybrid of two historical approaches – data warehouses and data lakes. Data warehouses came to prominence in the 1980s to systematize business intelligence and enterprise reporting. However, warehouses do not offer real-time services, operating on a batch processing basis, and cannot accommodate emerging and non-traditional data formats. Data lakes, favored for their ability to support more AI and data science tasks, emerged more recently. But they are complex to construct, slow, and suffer from inferior data quality controls. The lakehouse combines the best of both, offering an open architecture that combines the flexibility and scale of data lakes with the management and data quality of warehouses.

“We have aggregated data across a lot of different technologies over time, and I think what we’re finding now is that the lakehouse has the best cost performance straight off.”

Andrew Blyton, Vice President and Chief Information Officer, DuPont Water & Protection



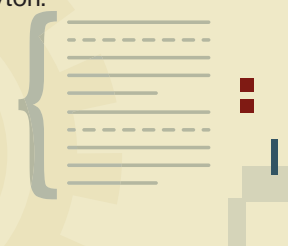


Controlling the data faucet

Training Open AI's GPT-3 cost more than \$4 million, while the training of Meta's LLaMA model took 1 million GPU hours and cost over \$2.4 million.¹³ Training an AI model is energy-consuming; it can expend more electricity than 100 typical U.S. homes over an entire year.¹⁴ The training of Open AI's GPT-3 consumed 1,287 MWh of electricity and emitted over 550 tons of carbon dioxide.¹⁵ "These models are some of the most compute-heavy models you can train," says Shell's Owen O'Connell.

Larger models are more expensive to train and run, with the cost of each interaction roughly related to the model's size, says Michael Carbin, of MIT and MosaicML. OpenAI is reportedly spending \$40 million a month to process the queries entered by users, while Microsoft's Bing chatbot reportedly needs \$4 billion worth of infrastructure to serve its potential user base.¹⁶ More efficient smaller models (see next chapter) may be a promising alternative.

Companies will need to ramp up their attention to efficiency while startups and researchers are pioneering new ways to improve AI model efficiency. "As our costs grow, we're hiring engineers who know how to optimize and control costs," says DuPont's Andrew Blyton. "At some point, we get much more efficient on a query or compute basis because we can hire experts to optimize." DuPont also tracks and analyzes cloud computing costs at a granular level. "We have some talented internal capability, and we rely on our vendors to ensure we're optimizing everything. The wrong approach here can have a significant impact on both time and performance," says Blyton.



For the VA, the lakehouse is appealing because it minimizes the need to move data, which creates privacy and governance risks. "We face a significant challenge in data movement, which is why we are dedicating substantial resources and expertise to address it," says Schaefer.

DuPont has invested in multiple technology infrastructures and has found the data lakehouse promising. "We have aggregated data across a lot of different technologies over time," says Blyton, "and I think what we're finding now is that the lakehouse has the best cost performance straight off, and hence we've started investing more heavily in scaling." For DuPont, a data lakehouse provides visibility into a complex organizational portfolio that includes years of M&A activity and technical debt. "Making sense of the data of our business has been the main reason to invest in the data lakehouse approach," says Blyton. "How do I take multiple enterprise resource planning systems (ERPs) of data, merge them together, and give people almost real-time access to information that previously was being done manually?"

The lakehouse abstracts complexity in a way that allows users to perform advanced activities regardless of technical competency. Shell has built an "enterprise layer" that allows users to interact dynamically. "Previously, you had to go to data stores, extract the data, cleanse it, and do multiple transform activities," says O'Connell. The lakehouse approach allows users to run workloads and do historical analysis and trend-matching themselves, while cloud services provide computational elasticity.

The data lakehouse supports both structured and unstructured data, says O'Connell. "Typical databases are designed for only one type of data," he says. Lakehouse "allows us to move much quicker. We have all that data coming together into a common architecture that people can mix together and find business value from." This is crucial for a data-intensive company like Shell. For predictive maintenance alone, the company has 17,000 models and 4 trillion rows of data – adding another 20 billion per day from 3 million sensors across facilities around the world.

Data lakehouse adopters are using the technology as part of a data strategy that enables practical and impactful data and AI use cases. Says Schaefer,

“Democratizing the data is pretty expensive to do, and historically there weren’t good resources for that. But we’re rapidly entering the era of lakehouse and hybrid lake transactional models and software tools that are finally playing together well enough. I think in health care particularly we’ll see a pretty rapid adoption of tools that improve operational efficiencies because we have a lot of opportunity to improve the way that we do things and a lot of opportunity for process automation.”

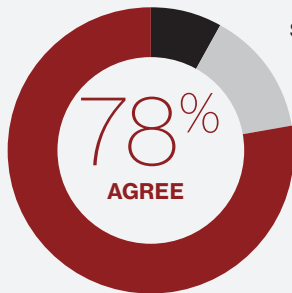
Blyton adds that, at DuPont, “we are using the lakehouse and tools like the data lake to build a data foundation and apply ML algorithms to it. We are expanding predictive maintenance using algorithms with third-party sensors to figure out when a machine’s going to break before it breaks, as opposed to after it’s broken. These are good rock-solid business cases, real value being generated from the investment that’s producing a tangible and a measurable return for us.”

“Typical databases are designed for only one type of data. Lakehouse allows us to move much quicker.”

Owen O’Connell, Senior Vice President and Chief Information Officer (Information Digital Services and Operations), Shell

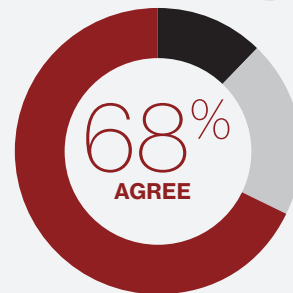


Figure 5: AI priorities for executives



Scaling AI/ML use cases to create business value is a top priority

DISAGREE 8%
NEUTRAL 14%

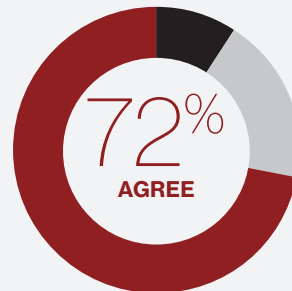
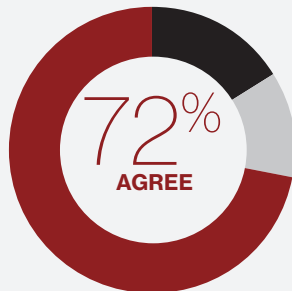


Unifying our data platform for analytics and AI is crucial to our enterprise data strategy

DISAGREE 12%
NEUTRAL 20%

We favor a multi-cloud approach as a flexible foundation for AI/ML

DISAGREE 12%
NEUTRAL 16%



Data problems are the most likely factor to jeopardize our AI/ML goals

DISAGREE 9%
NEUTRAL 19%

Source: MIT Technology Review Insights survey, 2022.

04

Buy, build? Open, closed?

Today's CIOs and leadership teams are re-evaluating their assumptions on ownership, partnership, and control as they consider how to build on the capabilities of third-party generative AI platforms.

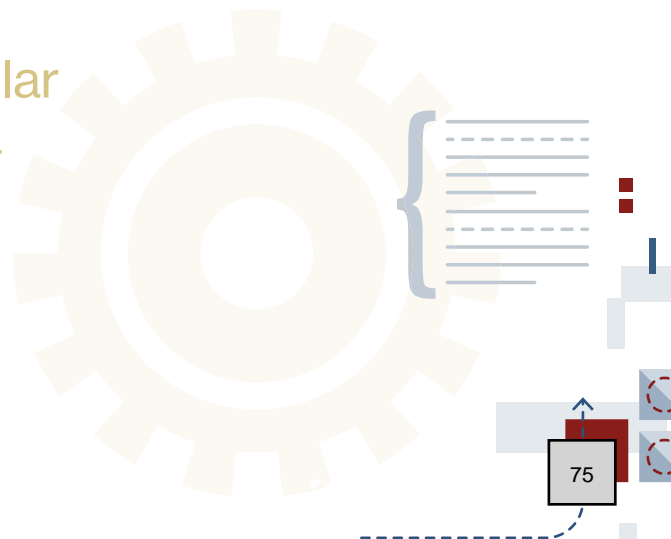
Over-leveraging a general-purpose AI platform is unlikely to confer competitive advantage. Says Carbin, "If you care deeply about a particular problem or you're going to build a system that is very core for your business, it's a question of who owns your IP." DuPont is "a science and innovation company," adds Blyton, "and there is a need to keep LLM models internal to our organization, to protect and secure our intellectual property – this is a critical need."

Creating competitive risk is one worry. "You don't necessarily want to build off an existing model where the data that you're putting in could be used by that company to compete against your own core products," says Carbin. Additionally, users lack visibility into the data, weightings, and algorithms that power closed models, and the product and its training data can change at any time. This is particularly a concern in scientific R&D where reproducibility is critical.¹⁷

Some CIOs are taking steps to limit company use of external generative AI platforms. Samsung banned ChatGPT after employees used it to work on commercially sensitive code. A raft of other companies, including JP Morgan Chase, Amazon, and Verizon,

"If you care deeply about a particular problem or you're going to build a system that is very core for your business, it's a question of who owns your IP."

Michael Carbin, Associate Professor, MIT,
and Founding Advisor, MosaicML



have enacted restrictions or bans. “We can’t allow things like Shell’s corporate strategy to be flowing through ChatGPT,” says O’Connell. And since LLMs harness the totality of the online universe, he believes that companies will in the future be more cautious about what they put online in the first place: “They are realizing, hang on, someone else is going to derive a lot of value out of my data.”

Inaccurate and unreliable outputs are a further worry. The largest LLMs are, by dint of their size, tainted by false information online. That lends strength to the argument for more focused approaches, according to Matei Zaharia, cofounder and chief technology officer at Databricks and associate professor of computer science at the University of California, Berkeley. “If you’re doing something in a more focused domain,” he says, “you can avoid all the random junk and unwanted information from the web.”

Companies cannot simply produce their own versions of these extremely large models. The scale and costs put this kind of computational work beyond the reach of all but the largest organizations: OpenAI reportedly used 10,000 GPUs to train ChatGPT.¹⁸ In the current moment, building large-scale models is an endeavor for only the best-resourced technology firms.

Smaller models, however, provide a viable alternative. “I believe we’re going to move away from ‘I need half a trillion parameters in a model’ to ‘maybe I need 7, 10, 30, 50 billion parameters on the data that I actually have,’” says Carbin. “The reduction in complexity comes by narrowing your focus from an all-purpose model that knows all of human knowledge to very high-quality knowledge just for you, because this is what individuals in businesses actually really need.”

Thankfully, smaller does not mean weaker. Generative models have been fine-tuned for domains requiring less data, as evidenced through models like BERT – for biomedical content (BioBERT), legal content (LegalBERT), and French text (the delightfully named CamemBERT).¹⁹ For particular business use cases, organizations may choose to trade off broad knowledge for specificity in their business area. “People are really looking for models that are conversant in their domain,” says Carbin. “And once you make that pivot, you start to realize there’s a different way that you can operate and be successful.”

Dolly: The \$30 conversational LLM

In March 2023, Databricks released Dolly, an open-source LLM aimed at democratizing the power of generative AI.²⁰ Trained for less than \$30, it demonstrated ChatGPT-like conversational ability (namely, the ability to follow user instructions). It is based on the LLaMA tool from Meta, fine-tuned on high-quality inputs crowdsourced from Databricks employees. Dolly, named after the world’s first cloned mammal, has just 6 billion parameters – less than 3.5% of the 175 billion used in GPT-3.

“The highest-end models, with hundreds of billions of parameters, can be very expensive to train and run,” notes Databricks’s Matei Zaharia. These costs leave many companies relying on proprietary tools like ChatGPT or spending huge sums and resources to build their own. While improved hardware and software efficiencies will lower costs over time, building models with trillions of parameters will still be beyond reach for many, he observes.

To provide an alternative to AI tools becoming centralized in just a few large companies, Databricks sought to develop an open-source chat model that used open-source code and data but also allowed commercial use. “The main thing we wanted to investigate,” says Zaharia, “is how expensive is it to create one using just public data sets that are out there, using open-source code and using or collecting training data that is open-source and is runnable by everyone.”

Databricks open-sourced the training code, data set, and model weights for Dolly. Its April 2023 release, Dolly 2.0, is the first open-source LLM licensed for commercial use.²¹ This allows companies to combine their own data with the Databricks data set to build personalized applications that will not compromise their IP or corporate information.

By enabling companies to cheaply build and customize their own tools, platforms like Dolly can democratize access to generative AI.

“All the large models that you can get from third-party providers are trained on data from the web. But within your organization, you have a lot of internal concepts and data that these models won’t know about.”

Matei Zaharia, Cofounder and Chief Technology Officer, Databricks, and Associate Professor of Computer Science, University of California, Berkeley

“People are starting to think a lot more about data as a competitive moat,” says Zaharia. “Examples like BloombergGPT [a purpose-built LLM for finance] indicate that companies are thinking about what they can do with their own data, and they are commercializing their own models.”

“Companies are going to extend and customize these models with their own data, and to integrate them into their own applications that make sense for their business,” predicts Zaharia. “All the large models that you can get from third-party providers are trained on data from the web. But within your organization, you have a lot of internal concepts and data that these models won’t know about. And the interesting thing is the model doesn’t need a huge amount of additional data or training time to learn something about a new domain,” he says.

Smaller open-source models, like Meta’s LLaMA, could rival the performance of large models and allow practitioners to innovate, share, and collaborate. One team built an LLM using the weights from LLaMA at a cost of less than \$600, compared to the \$100 million involved in training GPT-4. The model, called Alpaca, performs as well as the original on certain tasks.²² Open source’s greater transparency also means researchers and users can more easily identify biases and flaws in these models.

“Much of this technology can be within the reach of many more organizations,” says Carbin. “It’s not just the OpenAIs and the Googles and the Microsofts of the world, but more average-size businesses, even startups.”



05 Workforce worries

From the telephone to the desktop computer, every leap in everyday technology sparks worries about unemployment and threats to human craft and skill. But generative AI appears to mark a new phase given the unprecedented range of tasks that can now feasibly be automated. Uniquely, some of the most automation-vulnerable sectors today are in high-end technical and creative fields.

An Accenture analysis determined that 40% of working hours across industries could be automated or augmented by generative AI, with banking, insurance, capital markets, and software showing the highest potential.²³ McKinsey projects that generative AI and related technologies could automate activities that currently take up 60 to 70% of worker time – up from 50% before the advent of generative AI.²⁴

Goldman Sachs predicts that two-thirds of U.S. occupations will be affected by AI-powered automation, but does not expect this to lead to widespread job loss: “Most jobs and industries,” the firm says, “are only partially exposed to automation, and are thus more likely to be complemented rather than substituted by AI.” It goes on to note that technology-related job losses tend to be balanced – and exceeded – by technology-related job growth: “more than 85% of employment growth over the last 80 years is explained by the technology-driven creation of new positions,” the authors write.²⁵

The CIOs and academics interviewed for this report offer an optimistic view on generative AI’s effects for enterprises and society at large. They believe AI could help sectors like health care where the workforce is stretched, and that human experts will remain essential. “People are worried that they will lose their jobs because of AI, but that’s not the primary concern in health care,” says Schaefer. “The technologies that we’re putting in place are enabling physicians to be a part of the

“The technologies that we’re putting in place are enabling physicians to be a part of the development of AI, and because of the level of validation involved, I think there will be more trust in the models that we develop.”

Richard Spencer Schaefer,
Chief Health Informatics Officer,
Kansas City VA Medical Center

development of AI, and because of the level of validation involved, I think there will be more trust in the models that we develop.” Humans are still necessary to annotate, curate, expose models to data sets, and provision for responsible AI. “We’ve got a way to go where we can unleash AI to do our research because there is so much hand-holding that happens at the moment,” adds O’Connell.

Generative AI will also empower by democratizing access to technical capabilities once confined to a slice of the workforce. Companies are already taking steps to encourage engagement. “We have created communities of practitioners internally who do not necessarily have mainstream IT backgrounds,” says Blyton. “We want to empower our business users to craft their own dashboards and drive their own insights from data.” In fact, this type of data democratization was already a top way that companies were generating tangible benefits from AI in 2022, according to our survey (see Figure 6).

Blyton also predicts that ideas for AI will start coming from the workforce, marking the start of a more self-service and entrepreneurial era within organizations. According to O’Connell, business unit leaders, aware of AI thanks to the blizzard of coverage over recent months, are already creating a “demand pull” for AI applications, rather than technology teams having to sell AI ideas to the organization.

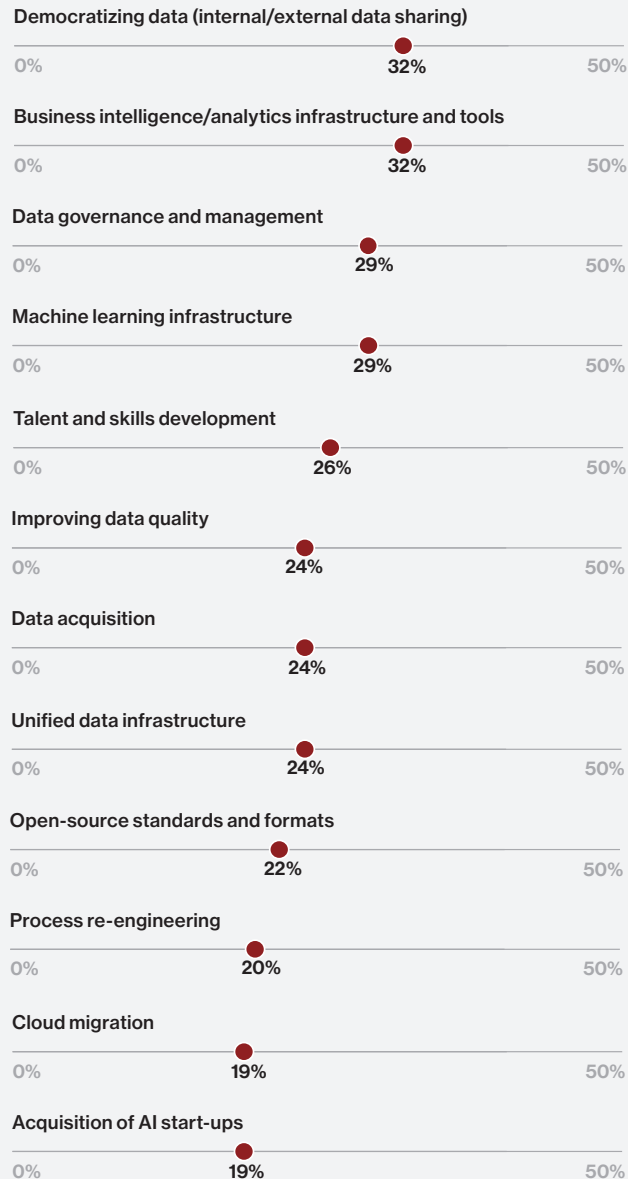
Over the last decade, software programming has been among the most sought-after, highly paid roles in business. Yet this is one domain where generative AI tools are demonstrating utility, prompting concerns. CIOs and technical leads interviewed for this report offer a more optimistic view. They expect rising demand for specialties such as operational efficiency and responsible AI, and they believe programmers will shift their attention to higher value and less tedious work. Blyton asks, “Do I need someone to be laboriously typing six hours’ worth of code into an engine and trying to debug it for three days? I can see some huge efficiency by not doing that.”

Some expect programmers shift to chaperoning raw initial ideas into more mature and business-ready outputs. “It’s not hard to imagine that in the near future, you could use the English language to generate code,” predicts Blyton. “In a year or so, my workflow could involve business users doing parts of the analysis in English language, and then I take the output code and

Figure 6: Most instrumental investment areas for data and AI

When asked which investments have been instrumental to creating benefits from AI/ML, business leaders are most likely to say democratizing data access and building business intelligence infrastructure have already paid off.

Percentage of respondents who ranked each option among their top three investments.



Source: MIT Technology Review Insights survey, 2022.



“In the next five to ten years we will see how quickly we can adapt, and companies that fail to adapt, no matter how big, are going to disappear.”

Noriko Rzonca, Chief Digital Officer, Cosmo Energy Holdings

incorporate it into something more robust.” Stoddard says AI is accelerating a trend already underway: “You need people who understand math and science to work with the models, and you need people who have deep analytic ways of thinking. In my area, the roles have been migrating towards analytics, working with models, understanding deviations and coding.”

CIOs largely frame AI as a copilot rather than a rival to human employees. Zaharia predicts that LLMs will allow executives to acquire high-quality data for decisions, saving time otherwise spent by analysts responding to their on-demand report requests. But he adds, “I don’t think they’ll be able to do extremely complicated work that requires a lot of planning fully automatically. I don’t think there’s anyone whose job is just the super-simple stuff that can be done by a language model.” Stoddard concurs: “Generative AI lets creators at all levels use their own words to generate content,” she says. “But I don’t think it will ever replace humans. Instead, it’s going to be an assistant to humans.”

She adds, “We internally view AI/ML as being a helper, truly helping our people, and then allowing them to spend more time on other value-added activities.” At Adobe, a change management process was necessary to win over the workforce. Says Stoddard, “Back when we started this, I would say people were skeptical, but when they saw that they were truly able to spend more time on value added, and in some cases, their jobs were upskilled, people became believers, and they still are believers.”

The democratization of access to technical tools could be society-wide. “All these people who couldn’t program or manipulate design software, what are the new opportunities for them?” asks Carbin. “This is going to lower the barrier for people accessing technology and programming or manipulating software. Now you have this natural-language interface for design software allowing you to navigate what was otherwise an extremely difficult tool used only by the best creative professionals.”

Risk aversion and cultural factors, like fear of failure, also need to be addressed to drive AI adoption in the workforce. “Sometimes those who have been in or have managed organizations in Japan for a very long time and who are used to a certain style, don’t welcome risk-taking as much as the newer members of the business and commercial realm who constantly offer unique ideas and are eager for change,” says Noriko Rzonca, chief digital officer, Cosmo Energy Holdings. “As a business, it may take a longer time to adapt to and use new initiatives, but we are fortunate in the fact that improvement is something the Japanese are very good at. As we adjust to using AI in business, I am certain we will see great improvement and change to the way businesses in Japan operate. I believe there is huge potential in AI for Japan.”

Rzonca says that organizations will have to embrace data and AI if they are to thrive: “In the next five to ten years we will see how quickly we can adapt, and companies that fail to adapt, no matter how big, are going to disappear.”

06

Risks and responsibilities

AI, and particularly generative AI, comes with governance challenges that may exceed the capabilities of existing data governance frameworks. When working with generative models that absorb and regurgitate all the data they are exposed to, without regard for its sensitivity, organizations must attend to security and privacy in a new way. Enterprises also now must manage exponentially growing data sources and data that is machine-generated or of questionable provenance, requiring a unified and consistent governance approach. And lawmakers and regulators have grown conscious of generative AI's risks, as well, leading to legal cases, usage restrictions, and new regulations, such as the European Union's AI Act.

As such, CIOs would be reckless to adopt AI tools without managing their risks – ranging from bias to copyright infringement to privacy and security breaches. At Shell, “we’ve been spending time across legal, finance, data privacy, ethics, and compliance to review our policies and frameworks to ensure that they’re ready for this and adapted,” says O’Connell.

“If your entire business model is based on the IP you own, protection is everything.”

Andrew Blyton, Vice President and Chief Information Officer, DuPont Water & Protection

One concern is protecting privacy at a time when reams of new data are becoming visible and usable. “Because the technology is at an early stage, there is a greater need for large data sets for training, validation, verification, and drift analysis,” observes Schaefer. At the VA, “that opens up a Pandora’s box in terms of ensuring protected patient health information is not exposed. We have invested heavily in federally governed and secured high-compute cloud resources.”

Commercial privacy and IP protection is a related concern. “If your entire business model is based on the IP you own, protection is everything,” says Blyton of DuPont. “There are many bad actors who want to get their hands on our internal documentation, and the creation of new avenues for the loss of IP is always a concern.”

Another data governance concern is reliability. LLMs are learning engines whose novel content is synthesized from vast troves of content and they do not differentiate true from false. “If there’s an inaccurate or out-of-date piece of information, the model still memorizes it. This is a problem in an enterprise setting, and it means that companies have to be very careful about what goes into the model,” says Zaharia. Blyton adds, “It’s an interesting thing with ChatGPT: you ask it the same question twice and you get two subtly different answers; this does make science and innovation company people raise their eyebrows.”

Model explainability is key to earning the trust of stakeholders for AI adoption and for proving the technology’s business value. This type of explainability is already a priority in AI governance and regulation, especially as algorithms have begun to play a role in life-changing decisions like credit scoring or reoffending risk in the criminal justice system. Critics argue that AI

systems in sensitive or public interest domains should not be a black box, and “algorithmic auditing” has received growing attention.

“It’s pretty obvious there’s a lot riding on health-care model explainability,” says Schaefer. “We’ve been working on model cards” – a type of governance documentation that provides standardized info about a model’s training, strengths, and weaknesses – “as well as tools for model registries that provide some explainability. Obviously algorithm selection is an important consideration in model explainability, as well.”

At Cosmo Energy Holdings, Rzonca considers how to balance strong AI governance with empowerment. “We are developing governance rules, setting them up, and training people,” she says. “In the meantime, we are trying to get something easy to adapt to, so people can feel and see the results.” To strike the balance, she pairs democratized access to data and AI with centralized governance: “Instead of me doing everything directly, I’m trying to empower everyone around and help them realize they have the individual ability to get things done. Thanks to an empowered team, I can be freed up to

“Generative AI evolves the possibility and promise of AI exponentially. You can transform the conversation between the creator and the computer.”

Cynthia Stoddard, Senior Vice President and Chief Information Officer, Adobe

The creative copilot: AI at Adobe

The creative industries are embracing generative AI to empower design professionals with fascinating new abilities. The software firm Adobe is now offering a suite of generative AI design models called Adobe Firefly, offering creative capabilities that extend the powers of Photoshop, Illustrator, Express, and its enterprise offerings to new heights.

The company has also developed Adobe Sensei GenAI to deliver more speed and productivity in Adobe Experience Cloud, as a copilot for customer experience workflows. This can improve enterprise productivity and efficiency in areas like personalized content, editing, and conversational experience.

“Generative AI evolves the possibility and promise of AI exponentially,” says Adobe senior vice president and CIO Cynthia Stoddard. “The tools are becoming a lot stronger, and you can do more, so you can transform the conversation between the creator and the computer into something that’s easy, more natural to use, intuitive.”

Adobe is also using AI to optimize its own back-office processes. Internally, the company is deploying automation to sift customer query tickets that can be solved without human intervention, reducing workloads and giving customers a speedier resolution. It has employed AI to catalog the sprawling and often overlapping software solutions used across

departments, rationalizing spending and simplifying the technology stack.

Adobe has also built a “self-healing” platform that identifies real or emerging technical issues – the kinds of faults a system administrator might get called out in the middle of the night to fix – and fixing them automatically.

Stoddard says, “as a company, AI is core to delivering experiences to our customers. Then as the IT organization, we’re following those same principles to inject capabilities into what we do to make it easier for our constituents.”

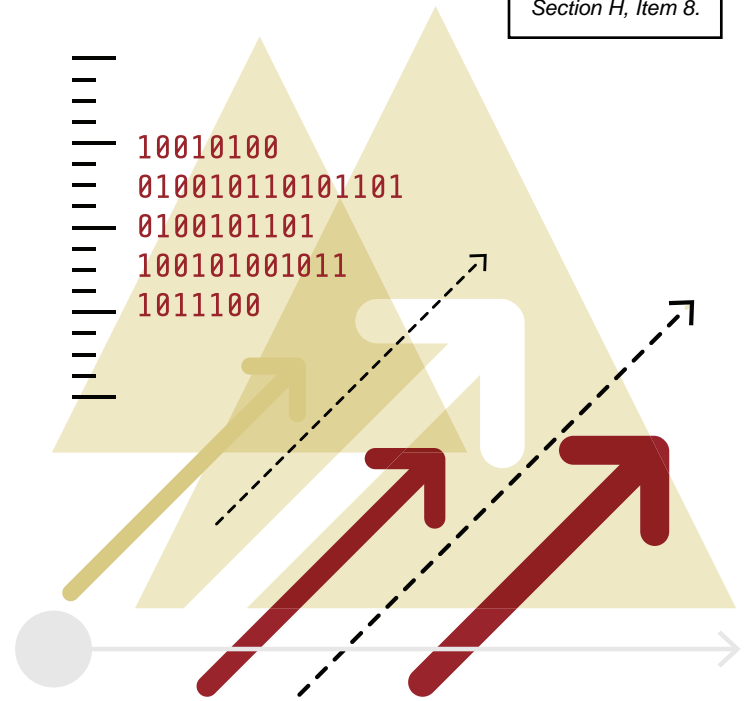
“We are seeing the need to have very integrated governance models, integrated governance structures for all data and all models.”

Richard Spencer Schaefer,
Chief Health Informatics Officer,
Kansas City VA Medical Center

focus on security and ensure data governance to avoid any type of unfortunate data-related issue.”

The importance of unified governance to manage the risks of generative AI was a common theme in our interviews. Schaefer says, at the VA, “we are seeing the need to have very integrated governance models, integrated governance structures for all data and all models. We’re putting a strong increased focus on very centralized tools and processes that allow us to have an enterprise data structure.” And while unified governance was always a need, generative AI has raised the stakes. “The risk of having non-standardized non-well-defined data running through a model, and how that could lead to bias and to model drift, has made that a much more important aspect,” he says.

Stoddard notes the importance of including a wide range of voices throughout the AI oversight process at Adobe: “It’s important to have the element of diverse oversight through the whole process and to make sure that we have diversity not only of things like ethnicity, gender, and sexual orientation, but also diversity of thought and professional experience mixed into the process and the AI impact assessment.” And organization-wide visibility matters, too. Schaefer adds: “High on our list is getting governance tools in place that provide a visual overview of models that are in development, so that they can be spoken to by leadership or reviewed by stakeholders at any time.”



Constitutional AI, an approach currently advocated by the startup Anthropic, provides LLMs with specific values and principles to adhere to rather than relying on human feedback to guide content production.²⁶ A constitutional approach guides a model to enact the norms outlined in the constitution by, for example, avoiding any outputs that are toxic or discriminatory.

And though the risks they bring to the enterprise are substantial, on the flip side, AI technologies also offer great power in reducing some business risks. Zaharia notes, “analyzing the results of models or analyzing feedback from people’s comments does become easier with language models. So it’s actually a bit easier to detect if your system is doing something wrong and we’re seeing a little bit of that.” Our 2022 survey found that security and risk management (31%) was the top tangible benefit to AI executives had noted to date, while fraud detection (27%), cyber security (27%), and risk management (26%) were the top three positive impacts anticipated by 2025.

A powerful new technology like generative AI brings with it numerous risks and responsibilities. Our interviews suggest that a motivated AI community of practitioners, startups and companies will increasingly attend to the governance risks of AI, just as they do with environmental sustainability, through a mixture of public interest concern, good governance, and brand protection.

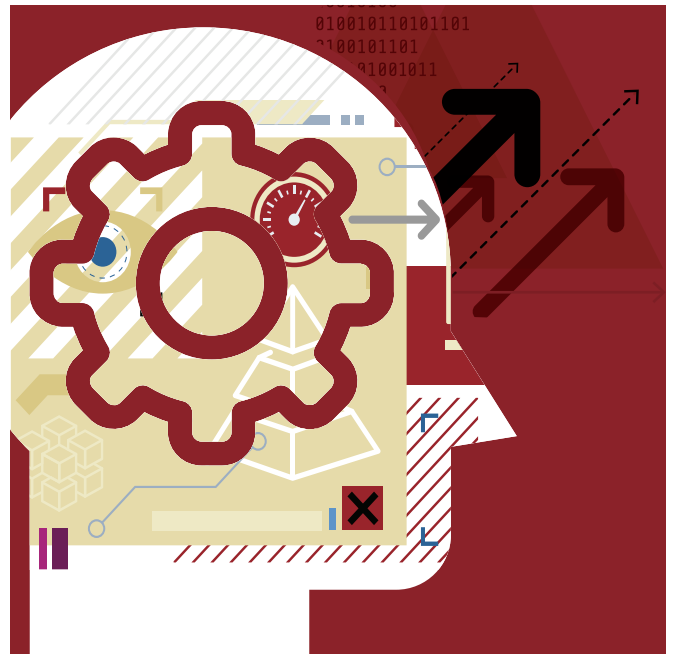
07

Conclusion

AI has been through many springs and winters over the last half century. Until recently, it had made only limited inroads into the enterprise, beyond pilot projects or more advanced functions like IT and finance. That is set to change in the generative AI era, which is sparking the transition to truly enterprise-wide AI.

Few practitioners dismiss generative AI as hype. If anything, its critics are more impressed by its power than anyone. But executives and experts believe that organizations can reap the fruits of the new harvest and also attend to its risks. Commercial organizations and governments alike have to tread a fine line between embracing AI to accelerate innovation and productivity while creating guardrails to mitigate risk and anticipate the inevitable accidents and mishaps ahead.

With these precautions in mind, the most forward-looking CIOs are moving decisively into this AI era. “People who went through the computer and Internet revolution talk about when computers first came online,” says Blyton. “If you were one of those people who learned how to work with computers, you had a very good career. This is a similar turning point: as long as you embrace the technology, you will benefit from it.”



“If you were one of those people who learned how to work with computers, you had a very good career. This is a similar turning point: as long as you embrace the technology, you will benefit from it.”

Andrew Blyton, Vice President and Chief Information Officer, DuPont Water & Protection

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About Databricks

Databricks is the Data and AI company. More than 10,000 organizations worldwide – including Comcast, Condé Nast, and over 50% of the Fortune 500 – rely on the Databricks Lakehouse Platform to unify their data, analytics and AI. Databricks is headquartered in San Francisco, with offices around the globe. Founded by the original creators of Apache Spark™, Delta Lake and MLflow, Databricks is on a mission to help data teams solve the world's toughest problems. In April 2023, Databricks released Dolly, the world's first open source, instruction-following LLM, fine-tuned on a human-generated instruction dataset licensed for research and commercial use. To learn more, follow Databricks on [Twitter](#), [LinkedIn](#), and [Facebook](#).



Endnotes

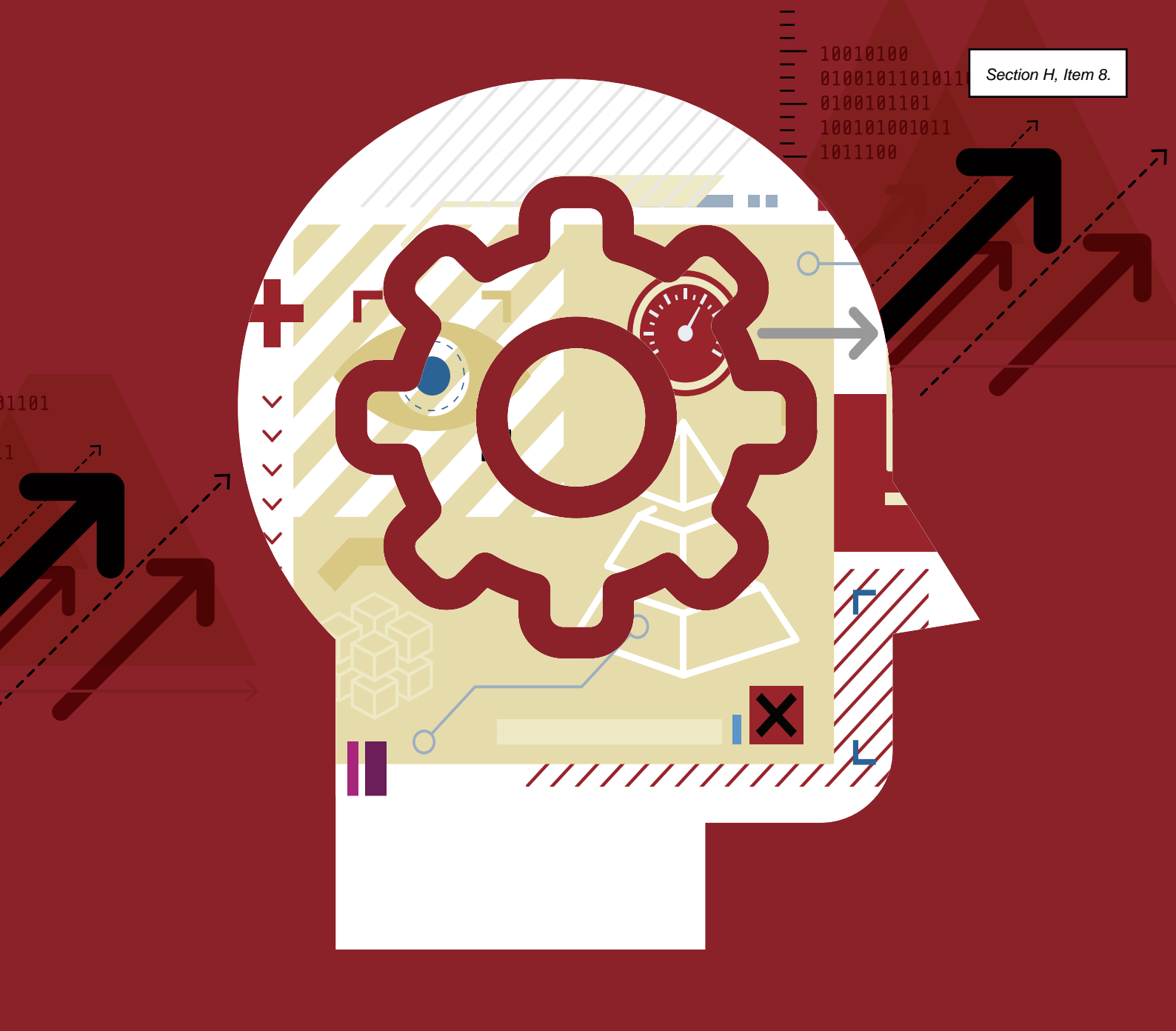
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Illustrations

All illustrations assembled from Adobe Stock and The Noun Project icons.

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Section H, Item 8.

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1. Executive Summary

The City of Clearlake endeavors to use reliable, collaborative, and secure information technology solutions to support the efforts of staff in delivering high-quality services to our community.

As new, relevant local government technologies arise, the City often assesses the value that each can deliver. In recent years, generative AI – creating meaningful output such as text and images from human prompts -- emerged as a powerful new tool in a wide range of contexts. The City quickly recognized that this technology could be extraordinarily useful in the public sector while also acknowledging that it could create unacceptable risks.

The City of Clearlake will partner and collaborate with other government agencies in the region and beyond to maximize the benefits of generative AI and to reduce its risks such as security, privacy, and content issues.

This policy provides rules and guidance for City staff to support responsible use of generative AI tools. The City is committed to encouraging the use of emerging technologies that promote progress and innovation, increase organizational performance and quality service delivery, and serve the public good.

2. Purpose

The purpose of this policy is to set forth requirements and guidance that City users must adhere to when acquiring and using solutions that meet the definition of generative artificial intelligence (AI).

3. Scope

While AI is a broad and deep topic, this policy is currently concerned with solutions that use a specific type of AI called generative AI. Examples include ChatGPT, Google Bard, CoPilot, Stability.ai, Jasper.ai, and similar. This policy also acknowledges that the boundaries of such solutions can be complex to define, and the nature of the technology is changing at a high rate. In the event of uncertainty in how any part of this policy applies, staff should first seek guidance from a supervisor.

4. Benefits and Risks of Using Generative AI in Local Government

Benefits (not an exhaustive list):

- a) Ability to analyze large amounts of information and then identify patterns, answer questions, make recommendations, and summarize findings.
- b) Reduce time spent on regular tasks including the creation of documents such as memos, emails, job descriptions, and reports, and assist with rapid knowledge acquisition.
- c) Improved decision-making by discovering and exploring scenarios, evaluating options, and analyzing relevant data.
- d) Assist in the development of new content such as policies and procedures, website content, and social media posts, including rewording and improving grammar.
- e) Provide community-facing chatbots that provide 24-hour access to information and services.

- f) Translates text into different languages.

Risks (not an exhaustive list):

- a) May create output that uses, for example, inappropriate, generic, and irrelevant language, bias, and tone. Translations too, may not be of an acceptable level of quality.
- b) Information produced may not be accurate, which includes dates, places, names, events, and more.
- c) May reveal personally identifiable or sensitive information, disclose confidential information, or release draft information to the public.
- d) Reliance may reduce the important use of human empathy, personal contact, discretion, and judgement.
- e) All input and output content may be subject to relevant public record laws.
- f) Content produced may be subject to copyright laws and use could result in legal challenges.

5. Acceptable Uses of Generative AI

The range of uses of generative AI are wide and new capabilities are being frequently introduced. This list provides a small set of staff usage examples that can be used as guidance.

- a) Creating an outline for written content. The generative AI content is used as a starting point, but the final product is created by staff. Examples include:
- Letters
 - Emails
 - Project documentation
 - Speaker notes
 - Presentation slides
 - Social media posts
 - RFPs and similar
 - Web content
 - Reports
 - Procedures
 - Policies
 - Job descriptions
 - Press releases
- b) Copying a document into a generative AI tool for the purposes of summarizing and/or querying it.
- c) Suggesting writing improvements.
- d) Learning about and exploring topics.

- e) Analyzing different types of data.
- f) Idea generation.
- g) Research.

6. Requirements for Using Generative AI

- a) All generative AI tools used for work purposes require an account that is explicitly for City use. Personal accounts are not permitted for work use.
- b) Assume that all use of generative AI tools and content could be subject to relevant public records requests and must adhere to existing City data retention requirements where appropriate.
- c) Only provide input content that is okay for public disclosure. The information you provide may be viewable and usable by the AI service provider and may be compromised if they experience a data breach. Sensitive and private information includes but is not limited to the following:
 - a. Personally identifiable information (PII), Protected Health Information (PHI), Tax IDs, passport numbers, driver's license numbers, addresses, contact details, financial information, credit card numbers, and more.
 - b. Passwords, passcodes, and other confidential information.
 - c. Sensitive business data:
 - i. Any information that if exposed publicly would tarnish or harm the reputation of the City.
 - ii. Any information that if exposed publicly would open the City to regulatory or legal action.
- a) Staff are responsible for all outcomes of generative AI used for work purposes. Specifically, the consequences of generative AI use are a human responsibility and issues cannot be deferred to the software and system. Staff assume all responsibility for content produced by generative AI.
- b) Conduct a fact check on all content that is produced by generative AI. Staff must validate all output and ensure that it is factually correct. Staff are responsible for managing the risks of AI hallucinations, i.e., the creation by AI of inaccurate or nonsensical content.
- c) Provide attribution whenever generated content is published including images.
- d) Opt out of data collection whenever possible. AI platforms often retain the data you input and the content it generates as part of its training and self-learning processes. This means every interaction with AI may be saved and utilized to improve its functionality over time. Some generative AI systems allow you to opt out of data collection which means that they will not keep any of the data you provide, and those data will not be used in the systems' models.
- e) Do not use generative AI to generate code or audio at this time.

7. Procurement of Generative AI Solutions

- a) To procure generative AI solutions, staff must follow the existing policies and procedures for acquiring hardware and software for the City.
- b) The policy and procedures for acquiring generative AI solutions also applies to free-to-use, freemium, open source, software-as-a-service (SaaS), and any other solution formats.
- c) Approval to procure a generative AI solution is not required if the identical solution has already been formally approved.
- d) Use of any generative AI solution may be restricted or revoked at any time if, in the judgement of the City, the risk of use results in non-compliance in part or full, with this policy or any other City policy, or other relevant policy, rule, or law.

8. Enforcement

Enforcement may be imposed in coordination with management and department heads. Non-compliance may result in department heads imposing disciplinary action, restriction of access, or more severe penalties up to and including termination of employment or vendor contract.

9. Training

The City will occasionally provide training in generative AI and specific tools. For specific requirements, staff should work with their supervisor to request training following their normal learning needs process.

10. Contact and Oversight Information

This policy will be maintained through the City Manager’s department, owned by the City Manager or designee. Their responsibilities include creating and maintaining the generative AI risk and impact criteria, making recommendations for policy updates, communicating updates on the City’s position on generative AI, and as a point of contact for escalating challenges and issues with the technology.

CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Consider approving a new Employment Services Agreement with Alan Flora as City Manager	MEETING DATE: April 18, 2024
SUBMITTED BY: Ryan Jones, City Attorney	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to consider approval of a new Employment Services Agreement with City Manager Alan Flora. The new Agreement contains a few modification to the terms contained in the previous contract, which are discussed below.

BACKGROUND/DISCUSSION:

Mr. Flora has served as City Manager since March 14, 2019. During that timeframe, the Council has appreciated Mr. Flora’s leadership and execution of the policies and goals set forth by the City Council.

Accordingly, the City Council is considering rescinding Mr. Flora’s current City Manager Agreement, and approving the attached new Employment Services Agreement. The key components of this Agreement are the following:

The Agreement is for a term of 2 years, which is a one-year extension beyond the term of the current Agreement. In addition, the proposed Agreement includes a provision whereby termination without cause for Mr. Flora would require a 4/5th vote of the Council for a period of year after the election of a new council member. The salary, benefits and other terms of the Agreement would not change from the previous Agreement.

Pursuant to subsection (3) to Government Code § 54953(c), prior to the City Council taking final action, staff will provide an oral report summarizing the financial highlights of the proposed Agreement.

OPTIONS:

1. Move to approve the attached Employment Services Agreement
2. Consider modifications to the proposed Agreement
3. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Approval of this resolution will have no fiscal impact.

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

- Attachment:** 1) Employment Services Agreement

CITY OF CLEARLAKE
EMPLOYMENT SERVICES AGREEMENT

CITY MANAGER

1. PARTIES AND DATE.

This Employment Services Agreement (hereinafter referred to as the "Agreement") is made and entered into this April 18, 2024 ("Effective Date") by and between the City of Clearlake, a California municipal corporation (hereinafter referred to as "City") and Alan D. Flora (hereinafter referred to as "Employee"). City and Employee are sometimes individually referred to herein as "Party" and collectively as "Parties".

2. RECITALS.

City desires to continue to employ the services of Employee as City Manager for the City of Clearlake and Employee desires to accept employment as City Manager. It is the desire of the Parties through this Agreement to provide for certain benefits, establish conditions of employment and to set working conditions for Employee.

Employee currently serves the City as the City Manager and has an agreement with the City reflecting that employment relationship. The initial agreement was dated March 14, 2019, and a subsequent agreement was entered into March 18, 2021. Upon execution of this Agreement, the Employee’s agreement, dated March 18, 2021, is terminated immediately and replaced with this Agreement.

3. TERMS.

3.1 Duties.

3.1.1 Designated Duties. City hereby agrees to employ Employee as City Manager to perform the functions and duties pertaining to the City Manager position, and to perform other legally permissible duties and such functions as the City Council shall from time to time assign. The City Council shall have the authority to determine the specific duties and functions that Employee shall perform under the Agreement and the means and manner by which Employee shall perform those duties and functions. Employee agrees to devote all business time, skill, attention and best efforts to the discharge of the duties and functions assigned by the City Council.

3.1.2 Control and Supervision. Employee shall serve at the will and pleasure of the City Council

3.1.3 City Council Meetings. Employee shall attend all City Council meetings

of the City of Clearlake unless directed otherwise or excused. Employee shall also attend all regular meetings of the Planning Commission until such time as a planning director may be employed or contracted as well as any other special meetings and workshops and such other meetings as are determined necessary for the business of the city.

3.2 Conditions of Employment.

3.2.1 During the term of the Agreement, Employee shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of Employee's duties under this agreement.

3.2.2 The City Manager is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the position. Employee does not have set hours of work as Employee is expected to be available at all times.

It is recognized that Employee must devote a great deal of time to the business of the city outside of the city's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee shall spend sufficient hours on site to perform Employee's duties; however, Employee has discretion over Employee's work schedule and work location.

3.3 Compensation and Benefits and Other Considerations. For services rendered pursuant to this Agreement, Employee shall receive the following compensation:

3.3.1 Compensate Employee at a rate \$16,342.05 per month. Compensation shall be paid bi-weekly at the same time as other employees of City are paid and shall be subject to all applicable taxes, insurance and other required deductions.

a. Each year on or about the anniversary of this Agreement, the council shall perform an annual review of performance of Employee with the potential of salary and benefit adjustment. Salary adjustments made under this clause are considered separate from any cost-of-living adjustment that may be made as set forth below.

b. On July 1, 2024, and each year thereafter for the term of the agreement the Employee shall receive a 3% salary adjustment, contingent upon:

- a. a positive evaluation from a majority of the City Council members.
 - b. The Local Economic Benchmark, which is defined as secured property tax revenue, Bradley-Burns sales tax, and transient occupancy tax, exceeds audited revenues from fiscal year 19-20
 - c. City agrees to adjust Employee's annual salary by a cost-of-living adjustment on the same percentage amount and at the same time as cost-of-living adjustments are made to City's management salary ranges.
 - d. City shall not at any time during the term of this agreement reduce the base salary, compensation or other financial benefits of Employee, unless as part of a general City management salary reduction, and then in no greater percentage than the average reduction of all City department heads or unless otherwise renegotiated.
- 3.3.2 Employee will be responsible for paying the Employee's share of the CalPERS retirement contribution cost (7%).
- 3.3.3 The Council agrees to provide Employee health, vision and dental insurance as is provided to management employees as set forth in the Management Employees Classification and Benefit Plan and any other documents that designate management benefits.
- 3.3.4 The Council agrees to provide Employee life insurance coverage equal to that provided to management employees as set forth in the Management Employees Classification and Benefit Plan and any other documents that designate management benefits.
- 3.3.5 The Council shall provide Employee with disability insurance coverage equal to that provided to other full-time employees of city.
- 3.3.6 If Employee serves the full term of his previous March 18, 2021 Agreement, by serving through March 18, 2026, City shall deposit an amount equal to 3% of each year's base salary into a deferred retirement account of Employee's choosing.
- 3.3.7 Employee will earn 120-hours vacation accrual annually, accrued at 10 hours per month commencing on the effective date of the employment agreement.

- 3.3.8 The City Manager position is classified as "exempt" under the Fair Labor Standards Act and Employee shall not be entitled to the payment of overtime. Employee shall be entitled to executive leave of 120 hours per employment year with full pay. Hours shall be credited on January 1st of each year. Executive leave does not accumulate and is not earned vacation time or benefit. Executive leave days not used at the end of the calendar year are lost. Sell back of executive leave is per the Management Benefit Plan.
- 3.3.9 Employee shall accrue sick leave at a rate of eight (8) hours per calendar month of service.
- 3.3.10 Employee shall be entitled to holiday leave consistent with the City's holiday policy.
- 3.3.11 Employee shall be entitled to bereavement leave consistent with the City's policy.
- 3.3.12 Leave Accrual:
- A. Employee shall be allowed to earn vacation accrual credit to a maximum of 240 hours. Employee will not be allowed to earn more than the maximum accrual. Should Employee's vacation leave credits reach the maximum, Employee shall cease to earn any additional vacation credits until the leave balance is reduced sufficiently to allow additional credits to be added without exceeding the maximum accrual unless authorized due to extenuating circumstances by the city council.
 - B. On termination of Employee, Employee shall receive pay for any unused vacation accrual.
 - C. On termination, employee shall be eligible for sick leave payout as provide to management employees as set forth in the Management Employees Classification and Benefit Plan and any other documents that designate management benefits.
- 3.3.13 Employee will be provided a stipend in the amount of \$400 per month to partially reimburse Employee's cost of operation, insurance and availability of Employee's personal vehicle as well as use of Employee's personal cell phone for City business. Employee is not precluded from using City vehicles for City business, during, before and after the normal

workday if needed.

3.3.14 Dues, expenses, professional development.

- A. The Council will budget sufficient funds to cover dues and subscriptions of the City Manager necessary for continued and full participation in regional, state and local associations and organizations necessary and desirable for the full representation of the City's interests. The City shall also pay City Manager's dues for membership in the International City Management Association, provided any travel expenses to attend functions of this organization. It is also provided that the City Manager may request to join other associations and organizations, and, if approved, the City shall pay such other dues and appropriate expenses.
- B. The Council recognizes that certain expenses of a non-personal and generally job-related nature are incurred by the Employee in the performance of Employee's duties and responsibilities. The Council agrees to reimburse or to pay said general expenses on receipt of duly executed expense or petty cash vouchers, receipts or statements, attached to a monthly request for reimbursement form.
- C. Council agrees to budget a sufficient amount of money to pay for the registration, travel and subsistence of Employee to adequately pursue necessary official functions for the City, short courses, institutions, seminars and other functions that are necessary for Employee's professional development and for the good of the city. These shall include but not be limited to the California City Management Association and the League of California Cities.
- D. Any expenses of a purely personal nature while participating in any organization shall be borne by Employee. Employee agrees to obtain prior approval for expenses unless specifically provided in the annual budget.

3.4 Status and Authority of Employee.

3.4.1 Employee shall at all times be considered an agent or employee of the City.

3.4.2 Subject to the prior authorization of the City Council, Employee may act as a representative of City in such a manner as may be required to carry out Employee's duties hereunder.

3.5 Term of Agreement. The term of this Agreement shall commence on April 18,

2024, and remain in effect for a term of two (2) years, ending on April 18, 2026. The term of the Agreement may be extended in one (1) year increments only upon mutual written agreement of both parties.

3.6 Termination.

3.6.1 For a period of one year after a new councilmember is elected and sworn into office, in order to terminate Employee without cause, such action will require a 4/5th vote of the Council.

3.6.2 This Agreement may be terminated with cause at any time upon thirty (30) days advance written notice given by Employee to City or immediately upon written notice by City to Employee. Notice of termination may be delivered personally or by mail. After the one-year period described in Section 3.6.1 above, this Agreement may be terminated without case at any time upon thirty (30) days advance written notice given by Employee to City or immediately upon written notice by City to Employee. All notices permitted or required under this Agreement shall be given to the respective parties at the following address or at such other address as the respective parties may provide in writing for this purpose:

CITY:	City of Clearlake 14050 Olympic Drive Clearlake, CA 95422 ATTN: Mayor
EMPLOYEE:	Alan D. Flora Address on File with City Clerk

3.6.3 Employee will have no recourse or right to appeal City's decision to terminate Employee except as provided by applicable law.

3.6.4 Notwithstanding the above, Employee may voluntarily resign employment with the city by giving 30 days written notice in advance of the last day of employment. However, both parties may mutually agree to a shorter period. In the event of a voluntary resignation, Employee is not entitled to any other compensation except for normal compensation for the 30-day period, pro-rated, following the notice of resignation and the value of all accrued benefits unless otherwise agreed to by parties.

3.6.5 For purposes of this agreement, "cause" shall mean any of the following:

- A. Conviction of a felony
- B. Conviction of a misdemeanor arising out of Employee's duties under this Agreement
- C. Conviction of any crime involving an "Abuse of office or position" as that term is defined in Government Code Section 53243.4
- D. Willful abandonment of duties
- E. Repeated failure to carry out a directive or directives of the City Council
- F. Any grossly negligent action or inaction by Employee that materially and adversely:
 - i. impedes or disrupts the operations of the City or its organizational units;
 - ii. is detrimental to employees or public safety;
 - iii. violates rules or procedures of City.

3.6.6 City may suspend or terminate Employee with cause by the affirmative vote of three members of the Council.

The Council shall provide Employee with written notice of the charges, which serve as the basis for any suspension or termination of cause.

In the event of suspension or termination with cause, Employee is not entitled to any other compensation except regular compensation, including any accrued vacation benefits, up to the suspension or termination date.

3.6.7 The City may suspend or terminate Employee without cause by the

affirmative vote of three members of the Council, except for the first year after a new councilmember is elected and sworn as described in Section 3.6.1 above, an affirmative vote of four members of the Council would be required.

The council shall provide Employee with at least five days written notice in advance of the commencement date of any suspension without cause. The council shall provide Employee with at least five days written notice in advance of the last day of employment because of a termination without cause.

In the event of suspension without cause, Employee shall be entitled to receive normal compensation during the suspension period.

Nothing in this subsection shall prohibit the City Council from placing Employee on an administrative leave of absence with pay for non-disciplinary reasons.

- 3.6.8 Until March 18, 2025, if Employee is terminated without cause during such time as Employee is willing and able to perform the duties of the position, Employee shall be entitled to eleven (11) months severance which is to include base salary plus accrued vacation leave benefits and one month's health insurance. No other compensation or benefits shall be paid except as set forth in Section 3.3.11 (C) above.

After March 18, 2025, the amount of severance pay and benefits shall be increased to twelve (12) months, and is thereafter capped at a maximum of twelve (12) months. No other compensation or benefits shall be paid. In the event that Employee finds other employment within six months, or the adjusted severance term referenced above, of termination, Employee will notify City and payment for health insurance shall cease. In no event shall Employee ever receive more severance pay and benefits than the number of months then remaining on Employee's Agreement term.

In no event shall the above lump sum and health insurance payments exceed the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

- 3.6.9 Notwithstanding all other provisions set forth in this agreement, Employee shall not be terminated without cause for a period of 90 days following the seating of newly elected or appointed Council members.

- 3.6.10 Given the at-will nature of the position of City Manager, an important element of the employment agreement pertains to termination. It is in

both the City's interest and that of Employee that any separation of the City Manager is done in a businesslike manner.

Except as otherwise required by law, in the event the City terminates Employee with or without Cause, the City and Employee agree that no member of the City Council, the city management staff, nor Employee shall make any written, oral, or electronic statement to any member of the public, the press, or any City employee concerning Employee's termination except in the form of a joint press release or statement, which is mutually agreeable to City and Employee. The joint press release or statement shall not contain any text or information that is disparaging to either Party. Either Party may verbally repeat the substance of the joint press release or statement in response to any inquiry.

- 3.7 Indemnification.** City shall defend, save harmless and indemnify Employee against any negligent tort, professional liability, claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged negligent act or omission occurring in the performance of Employee's services as City Manager, except that this provision shall not apply with respect to any intentional tort or crime committed by Employee, or any actions outside the course and scope of employment.
- 3.8 Entire Agreement.** This Agreement constitutes the entire agreement between the parties. This Agreement may be amended if in writing and signed by both Parties. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- 3.9 Governing Law; Venue.** This Agreement shall be construed under and governed by the laws of the State of California, and venue shall be in Lake County, California.

IN WITNESS WHEREOF, City and Employee have signed and executed this Agreement as of the Effective Date first above written.

CITY OF CLEARLAKE

EMPLOYEE

By: _____
David Claffey, Mayor

By: _____
Alan D. Flora

ATTEST:

By: _____
Melissa Swanson, City Clerk

Approved as to form:

By: _____
Ryan Jones, City Attorney