



(ACT) – ACTION NEEDED
(INF) – INFORMATION ONLY
(DIS) – DISCRETIONARY

A G E N D A

REGULAR MEETING OF THE CITY COUNCIL
NEEDLES PUBLIC UTILITY AUTHORITY
CITY OF NEEDLES, CALIFORNIA
TUESDAY, APRIL 26, 2022
COUNCIL EXECUTIVE SESSION – **5:00 P.M.**
CITY COUNCIL MEETING – **6:00 P.M.**
CITY COUNCIL CHAMBERS
1111 BAILEY AVENUE, NEEDLES

AUTHORIZED BY AB 361

THE MAYOR AND COUNCIL MEMBERS MAY BE ATTENDING THIS MEETING VIA

***** MICROSOFT TEAMS *****

**THE PUBLIC MAY ALSO ATTEND VIA TEAMS AND MAY SUBMIT ANY COMMENTS IN WRITING
PRIOR TO NOON ON THE DAY OF THE MEETING BY EMAILING djones@cityofneedles.com**

**TO JOIN THE LIVE TEAMS MEETING log into the City of Needles website at
www.cityofneedles.com to access the agenda and [Click here to join the meeting](#)**

If asked, enter the following: Meeting ID: 165 123 740#

OR listen in and participate by calling Teams: 1-323-488-2227 - Meeting ID: 165 123 740#

The meetings are being recorded. - MASKS ARE ENCOURAGED

CALL TO ORDER

ROLL CALL

Councilmember Belt has requested an excused absence

RECESS THE CITY COUNCIL MEETING AND CONVENE A JOINT COUNCIL / NPUA MEETING

CALL TO ORDER (Roll Call previously taken)

PUBLIC COMMENTS PERTAINING TO THE EXECUTIVE SESSION ITEMS (A three-minute time limit per person has been established.)

RECESS TO EXECUTIVE SESSION

- a) COUNCIL: Conference with real property negotiator pursuant to Government Code §54956.8: Agency negotiator City Manager Rick Daniels or his designee. Negotiating Parties are the City of Needles as the potential Licensor/seller and San Bernardino County as the potential licensee/buyer of a portion of the city owned building located at 1111 Bailey Avenue, APN 0185-221-13-0000. Under negotiations are the price and terms
- b) COUNCIL: Conference with real property negotiator pursuant to Government Code §54956.8: Agency negotiator City Manager Rick Daniels or his designee. Negotiating Parties are the City of Needles as the potential seller and William Cavanaugh as the potential buyer of a portion of the property described as a 4.59 acre vacant parcel, generally located South of W. Broadway Street and West of the S Street Flood Control Channel, APN 0185-071-11. Under negotiations are the price and terms

- c) COUNCIL: Public Employee Performance Evaluation pursuant to Government Code Section 54957 - Title of position: City Clerk
- d) NPUA / COUNCIL: Conference with Legal Counsel regarding potential initiation of litigation pursuant to Government Code Section 54956.9(d)(4) one potential case

RECESS THE JOINT NPUA / COUNCIL MEETING - RECONVENE THE CITY COUNCIL MEETING

EXECUTIVE SESSION – Report by City Attorney

CALL TO ORDER

ROLL CALL Councilmember Belt has requested an excused absence

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

CONFLICT OF INTEREST

CORRESPONDENCE

INTRODUCTIONS

CITY ATTORNEY - Parliamentary procedures

As a courtesy to those in attendance, we would ask that cell phones be turned off or set in their silent mode. Thank you.

PUBLIC APPEARANCE – Persons wishing to address the City Council on subjects other than those scheduled are requested to do so at this time. When called by the Mayor, please announce your name and address for the record. In order to conduct a timely meeting, a three-minute time limit per person has been established by Municipal Code Section 2-18. Amendments to the California Government Code Section 54950 prohibits the City Council from taking action on a specific item until it appears on the agenda.

PRESENTATIONS

(A ten-minute time limit per presentation has been established per Municipal Code Section 2-18.)

- 1) Presentation by Sandy Sup, CPA, MBA, Audit Manager, Fechter & Company, of the final City Audit Report for Fiscal Year ending June 30, 2021 – Receive and File (ACT)
- 2) Presentation by Michael Bracken, Development Management Group (DMG) Inc's Economic Investment Marketing and Branding Strategic Plan (2022-2025) – Accept Plan (ACT)
- 3) Terri Pilawa, One Legacy Ambassador, will share her organ transplant story and receive a proclamation naming April 2022 as National Donate Life Month (INF)

PUBLIC COMMENTS PERTAINING TO THE COUNCIL ITEMS (A three-minute time limit per person has been established.)

CONSENT CALENDAR: All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor or any member of the City Council may pull an item from the Consent Calendar for discussion. Prior to Council action, a member of the public may address the City Council on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **Recommended Action:** Approve Items 4 through 16 on the Consent Calendar by affirmative roll call vote. (ACT)

- 4) Approve the Warrants Register through April 26, 2022

- 5) Approve the minutes of January 11, January 25, February 8, February 22, March 8, and March 22, 2022
- 6) Authorize a two-year contract extension with California Consulting for grant writing services and accept an increase from \$95.00/hour to \$110.00/hour
- 7) Ratify the City Manager's signature accepting two grants from the California Department of Parks and Recreation, Contract No. C9801552 for \$177,952 and Contact No. C9802255 for \$3,164 for Jack Smith Park Improvements
- 8) Accept TKE Engineer's Proposal for design work, bidding assistance and construction management not to exceed \$18,832 for Jack Smith Park Improvements to be reimbursed by the State of California Department of Parks and Recreation Per Capita Contract No.'s C9801552 and C9802255
- 9) Accept Change Order #1 with Pacific Play Systems for additional wood fibers and a filter fabric not to exceed \$9,985 to be funded by the Statewide Park Development and Community Revitalization Duke Watkins Grant No. C9803078
- 10) Accept the work completed by Petrelli Electric Co. for the Electric Reliability Program Task #1 not to exceed \$267,650 funded by Construction Deposits for Electric upgrades and Task #2 not to exceed \$202,000 funded by Electric Asset Replacement Fund and authorize a Notice of Completion and record with the San Bernardino County Recorder's Office
- 11) Waive the reading and adopt Resolution No. 2022-35 authorizing the City Manager or designee to execute the Master Program Supplemental Fund Exchange, Fund Transfer Agreements, and any amendments with the California Department of Transportation and ratify the City Manager's signature on Agreement No. 08-5220S21 awarding the City \$40,000 with a match of \$4,460 to complete a Local Roadway Safety Plan (LRSP)
- 12) Approve a Second Amendment to On-Call Consulting Services Agreement between the City of Needles and Development Management Group, Inc. (DMG) for Economic Development Consulting Services not to exceed \$66,000 using General Fund Reserves
- 13) Waive the reading and adopt Resolution No. 2022-36 approving the list of projects for Fiscal Year 2022-2023 funded by SB1: The Road Repair and Accountability Act of 2017
- 14) Award a bid to Minagar & Associates Inc. to complete a Local Roadway Safety Plan (LRSP) not to exceed \$39,984 funding provided by the California Department of Transportation Agreement No. 08-5220S21
- 15) Authorize the City Manager to prepare and apply for a grant from the State of California for supplemental law enforcement and drug prevention efforts and to undertake all efforts to secure funding
- 16) Approve the Third Amendment to the Professional Services Agreement for Building Support Services with Willdan increasing the Contract Compensation to an amount not to exceed \$198,000

End of Consent

REGULAR ITEM

- 17) Ordinance No. 649-AC Amending Chapter 12 Entitled "Licenses" adding "Short-Term Residential Rentals" to the Needles Municipal Code (2nd reading – adopt) (ACT)
- 18) Ordinance No. 650-AC amending Section 15A-7 "Designated Skateboarding Areas" hours of operation (1st reading – post) (ACT)
- 19) Review and authorize the Mayor to sign a letter(s) of support for legislation proposed by Senator Shannon Grove (ACT)

CITY ATTORNEYS REPORT

CITY MANAGERS REPORT

COUNCIL REQUESTS

Councilmember Campbell
Councilmember Evans
Councilmember Merritt
Vice Mayor Paget
Councilmember Belt
Councilmember Longacre
Mayor Williams

ADJOURNMENT

INTERNET ACCESS TO CITY COUNCIL AGENDAS AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT

<http://www.cityofneedles.com>

Posted April 22, 2022

SB 343-DOCUMENTS RELATED TO OPEN SESSION AGENDAS -- Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the City Clerk's Office, 817 Third Street, Needles, CA 92363.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 326-2113 ext 145. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-104 ADA Title II).

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting.

Dated this 22nd day of April 2022

Dale Jones, CMC, City Clerk



City of Needles, California Staff Report

☒ CITY COUNCIL

☐ NPUA

☐ BOARD OF PUBLIC UTILITIES

☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Presentation by Sandy Sup, CPA, MBA, Audit Manager of the final City audit report for the fiscal year ended June 30, 2021.

Background: Calendar year 2021 was another challenging year for the world. Staff experienced delays throughout the year due to continuance of COVID restrictions, supplies and materials shortages, short staffing and outside agency telecommuting, and a consistent flow of workloads, etc. City staff always strives for the best interests of the City and to work to represent our financial statements accurately.

The financial outlook of the City looks positive as of the stated period. Assets increased, and liabilities also increased during FY 21.

Fechter & Company completed the City of Needles audit report on April 5, 2022. Today Sandy Sup will present the report to City Council via Microsoft Teams.

A copy of the final draft of the report is attached.

Fiscal Impact: None.

Recommended Action: Receive and file the 2021 City of Needles audit report

Submitted By: Sylvia Miledi, Director of Finance

City Management Review:

Rick

Date:

4/19/22

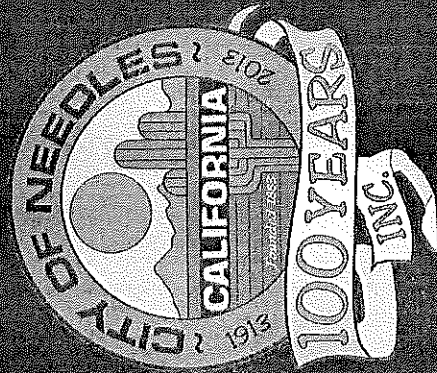
Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: #1



City of Needles California

Presentation of the June 30, 2021 Audit to the

City Council

April 26, 2022



**FECHTER
& COMPANY**
Certified Public Accountants

Fechter & Company

Certified Public Accountants

- Firm is located in Sacramento
- Founded in 2005
- 11 Professional Staff
 - 5 CPA's
 - 6 CPA Candidates
- No negative peer reviews since founding



Engagement Staffing

- Craig R. Fechter, CPA, MST (deceased)
 - Engagement Partner
 - Firm President
- Sandy Sup, CPA, MBA
 - In-charge accountant, Audit Manager
 - 32 years experience
- Scott German, CPA
 - Quality Control Partner
 - 36 years experience



Audit Engagement

- Fourth year of auditing the City
- Scope of Audit
 - We audited all funds EXCEPT
 - Needles Public Utility Authority (NPUA)
 - Measure I Fund
 - Transit Fund



Required Communications City Management's responsibilities

- Qualitative Aspects of Accounting
 - City Management's responsibilities
 - Selection of accounting policies as summarized in Note 1 to the Financial Statements
 - Accurate Preparation of Financial Statements
 - Maintaining Supporting Records and Documents
 - Selection of estimates which are integral to the financial statements
 - Depreciation
 - Pension
 - OPEB
 - Vacation



Required Communications Fechter & Company Responsibilities

- Express an opinion as to whether your financial statements are fairly presented in all material respects in conformity with Generally Accepted Accounting Principles (GAAP).
- Conducted in Accordance with Generally Accepted Auditing Standards (GAAS)
 - Evaluate and test estimates used by the City
 - Evaluate appropriateness of accounting policies used by the City
 - Evaluate overall presentation of the financial statements



Required Communications Fechter & Company Responsibilities

- We design tests to provide *reasonable* assurance.
 - Not *absolute* assurance
- No audit provides 100% guarantee that:
 - Financial Statements are 100% free of errors.
 - Fraud has been detected.
 - Misappropriation of assets has been discovered.
- We did not find any indication of fraud or misappropriation.



Required Communications Difficulties Encountered

- There were no significant difficulties encountered during the audit other than the delay in receiving the audited statements for the NPUA Audit.
- The NPUA final audit was not received until April 6, 2022.



Required Communications Corrected/Uncorrected Misstatements

22 Audit Adjustments Recorded

- Same number of adjustments as last year.
- 3 of these adjustments, with a net income effect of approximately \$347k, were to incorporate the audited financial statements of the NPUA and the Transit Funds into the City's financial statements.
- The most significant adjustment was to record the change in the net pension liability which resulted in an additional liability of \$401k.



Required Communications

Other Items

- Disagreements with Management
 - None
- Consultations with Other Accountants
 - None that we are aware of.
- Management Representation Letter
 - Letter was signed by the City Manager and the Director of Finance.
- Other Findings or Issues
 - We had no findings this year. The prior year finding for not tracking capital assets was removed due to the City hiring a consultant to perform a capital asset inventory and valuation.
- Other Matters
 - None



Summary of Audit Results

- Independent Auditor's Report on Financial Statements
- Report on Internal Control Over Financial Reporting and Compliance
- Schedule of Findings and Questioned Costs



Summary of Audit Results

Independent Auditor's Report on Financial Statements

- Unmodified (or clean) Opinion on the financial statements
- Limited procedures and no opinion on:
 - Management's Discussion and Analysis
 - Supplemental Information
 - Budget vs Actual
 - OPEB – Required Supplemental Disclosures
 - Pension – Required Supplemental Disclosures



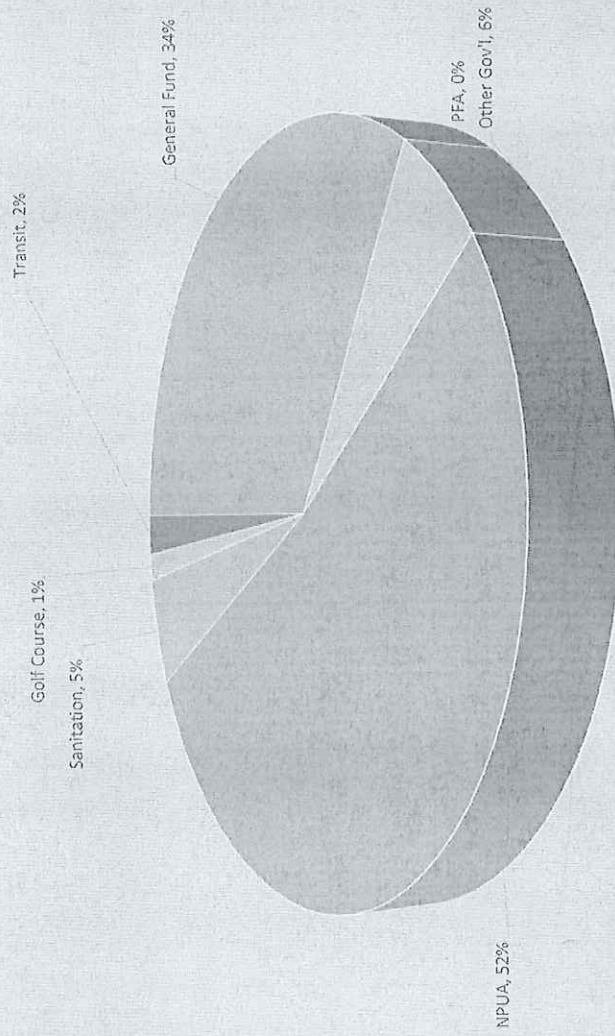
Summary of Audit Results Report on Internal Control Over Financial Reporting and Compliance

- Reports on the results of our testing of the City's internal control over financial reporting. We found no deficiencies in internal control.
- Our prior year finding 2020-001 regarding the City having incomplete capital asset records has been removed.



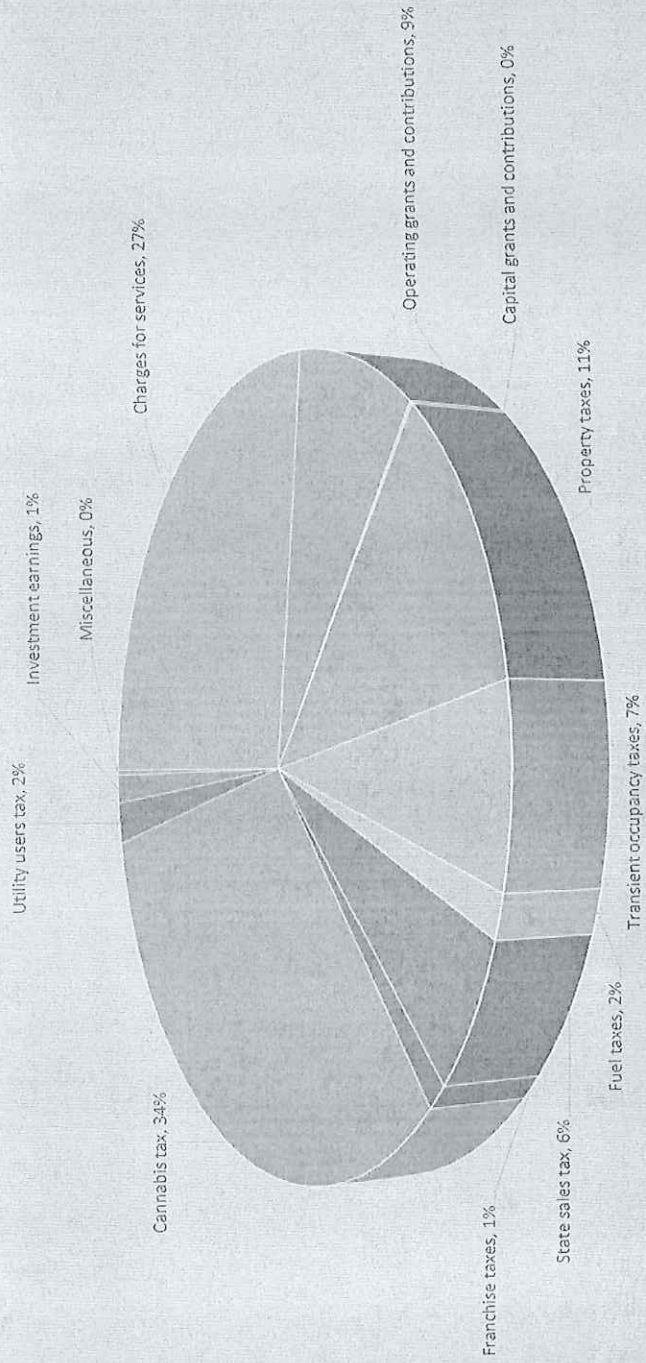
Revenue Highlights

2021 Revenues by Fund



Revenue Highlights

2021 Revenues excluding NPUA



Compensated Absences Liability

	<u>2021</u>	<u>2020</u>
Governmental	\$ 179,183	\$ 157,604
Business activities	\$ 279,822	\$ 309,895
Total City Liability	\$ 459,005	\$ 467,499



Net Pension Liability

	<u>2021</u>	<u>2020</u>
Governmental	\$ 3,045,936	\$ 2,228,086
Business activities	\$ 1,648,064	\$ 2,064,949
Total City Liability	\$ 4,694,000	\$ 4,293,035



Other Post-Employment Benefits Liability

	<u>2021</u>	<u>2020</u>
Governmental	\$ 758,722	\$ 581,852
Business activities	\$ 410,522	\$ 539,250
Total City Liability	\$ 1,169,244	\$ 1,121,102



Thank you
We Appreciate Your Business

Fechter & Company

Certified Public Accountants

3445 American River Drive, Suite A

Sacramento, California 95864

(916) 333-5360

Cfechter@FechterCPA.com



**FECHTER
& COMPANY**
Certified Public Accountants

CITY OF NEEDLES, CALIFORNIA

Annual Financial Report and
Required Supplemental Information
With Independent Auditor's Report Thereon

June 30, 2021

CITY OF NEEDLES, CALIFORNIA

Annual Financial Report

June 30, 2021

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Needles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Needles, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Needles, California's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Needles Public Utility Authority (NPUA), the Needles Area Transit fund, and the Dial-a-Ride funds, which represent 85.0% and 89.0% of the assets and revenues, respectively, of the business-type activities. We also did not audit the financial statements of the Measure I fund, which represents 0.9% and 2.1% of the assets and revenues, respectively, of the governmental activities. The financial statements of the NPUA, the Measure I fund, and the Needles Area Transit and Dial-a-Ride funds were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City funds described above, is based on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

To the City Council
City of Needles, California

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Needles, California, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, the budgetary comparison information on pages 63-65, the schedule of the City's proportionate share of the net pension liability and schedule of the City's contributions for the miscellaneous and safety plan on pages 66-67, and the other postemployment benefits (OPEB) plan schedule of changes in the net OPEB liability on page 68, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

To the City Council
City of Needles, California

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022, on our consideration of the City of Needles, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Needles, California's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Needles, California's internal control over financial reporting and compliance.

Fechter & Company
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in dark ink and is positioned above the printed name and address of the firm.

Sacramento, California
April 5, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Within this section of the annual financial report, the City's management presents this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2021. The financial statements and footnotes follow this section, and should be read in conjunction with this discussion and analysis.

The discussion below includes the City's governmental funds (the general fund, the public financing authority, the Interstate Commerce I-40/J Street Project fund, and other nonmajor governmental funds), as well as the City's proprietary funds (the NPUA, Sanitation, Golf Course, Transit fund, and internal service funds).

Financial Highlights

- The City's net position (excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources) increased from \$39.2 million (restated) to \$46.0 million for the fiscal year. General governmental operations experienced an increase of \$2.7 million, including transfers from business type activities of \$0.8 million. The change in net position resulting from business type activities for the fiscal year was an increase of \$4.1 million. The beginning balance of net position decreased by \$4.4 million for governmental activities and \$2.6 million for business type activities due primarily to a restatement of the City's capital asset balances.
- Total net position comprises the following:
 - (1) Capital assets, net of related debt, of \$28.1 million include property and equipment, net of accumulated depreciation, reduced by outstanding debt related to the purchase or construction of such capital assets.
 - (2) Net position of \$1.4 million that is restricted as to their use by outside factors such as debt covenants, grantors, laws, or regulations.
 - (3) Net position of \$16.5 million that is not restricted as to its use and is available to fund the City's operations.
- The City's governmental funds reflect fund balances totaling \$20.2 million at June 30, 2021. This represents an increase of \$2.7 million for the fiscal year.
- The City's total liabilities increased from \$21.6 million to \$25.2 million. This increase is due primarily to increases of \$2.0 million in accounts payable, \$2.1 million deposits payable, and \$0.4 million in net pension liability which were partially offset by debt retirement of \$1.3 million.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Overview of the Financial Statements

Management's Discussion and Analysis serves as an introduction to the City's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. In addition, there is certain supplemental information included with the financial statements and notes thereto.

Government-wide Financial Statements

The City's government-wide financial statements include: (1) a *Statement of Net Position*, and (2) a *Statement of Activities*.

These financial statements present the City's current and long-term financial information. At the government-wide level, the financial statements are similar to normal operating financial statements, using the full accrual basis of accounting and eliminating or reclassifying internal activities.

The *Statement of Net Position* presents all of the City's assets and liabilities, with the difference presented as *net position*. The evaluation of whether the City's financial status is improving or not can be measured by changes in net position over time. Increases in net position generally represent improvement in financial position.

The *Statement of Activities* reflects the change in the City's net position during the current fiscal year. This statement includes all revenues and expenses for the year, regardless of when the cash is received or paid. The statement shows the costs of the City's functions and activities, then shows how much of those costs are funded by program revenues or grants, with the remaining amount dependent on the City's general revenues.

Both of the above statements report governmental activities of the City that are funded by taxes and intergovernmental grants, and business-type activities that are funded primarily by charges to users. Governmental activities include general government administration, public safety, parks and recreation, and public services. Business type activities include power and water, wastewater, refuse collection, public transportation, and a municipal golf course. Financial statements for fiduciary activities (such as a pension plan) are not included in the government-wide financial statements, as the assets of those activities are not available to fund the City's programs and activities.

The financial reporting entity includes the City's funds and organizations for which the City is accountable. The City itself is considered the primary government, and the organizations for which the City is accountable are considered component units. The component units are legally separate from the City, but are governed by the same individuals who govern the City. There are three such component units: (1) the Needles Public Utility Authority, (2) the Needles Redevelopment Agency, and (3) the Needles Public Financing Authority. All three of these component units are blended into the City's financial statements. More comprehensive information about the City's component units can be found in the notes to the financial statements following this discussion and analysis.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Fund Financial Statements

Fund level financial statements are intended to present the financial position and activities of individual funds within the City. A fund is a self-balancing set of accounts used to ensure that resources intended to fund specific activities or objectives are in fact properly utilized. Fund level financial statements focus on significant funds, with major funds reported separately, and non-major funds aggregated into a single presentation.

There are three primary types of funds, as follows:

Governmental funds are reported in fund level financial statements, and include the governmental types of activities previously mentioned.

The City's major governmental funds include the general fund and the Needles Public Financing Authority.

The fund level statements differ significantly from the government-wide financial statements, as the fund level statements focus on current resources, uses of those resources, and resources remaining at the end of the fiscal year.

The government-wide financial statements include the current resources and use of those resources, as well as the long-term financial information for the City. A reconciliation of the fund level balance sheet and statement of revenues, expenditures and changes in fund balance to the government-wide statements follows the fund level financial statements.

The basic financial statements include budgetary information for the general fund and the Needles Public Financing Authority. This supplemental information is included to reflect the City's compliance with the approved budget.

Proprietary funds are also reported in fund level financial statements, and include those activities for which the costs incurred are intended to be recovered through charges to the users of the services provided. Proprietary funds include *enterprise* funds and *internal service* funds. The functions of enterprise funds are basically the same as the business-type activities reported in the government-wide financial statements. Enterprise funds recover costs primarily through charges to external customers. The City's enterprise funds include the electric, water and wastewater utility, sanitation, public transportation, and the golf course.

Internal service funds provide services to other departments within the City, and charge these departments for such service. Internal service funds include water, wastewater, electricity, and fleet services. Because the public utility dominates the City's financial position, the internal service funds are included within the business-type activities in the government-wide financial statements.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Proprietary funds present their financial position and their activities similar to private companies. Accordingly, the fund level financial statements utilize the same focus as that used for the government-wide financial statements. The major difference is that individual proprietary funds are only presented at the fund level. The City's major proprietary funds include the Needles Public Utility Authority, the sanitation fund, and the golf course. The remaining non-major proprietary funds are aggregated into a single presentation at the fund level.

Fiduciary funds such as trust and agency funds are reported in fiduciary fund financial statements. Such statements are excluded from the government-wide financial statements. Fiduciary fund financial statements report resources that are unavailable to finance City programs. The focus of fiduciary fund financial statements is similar to that for proprietary funds.

Notes to the financial statements

Following the government-wide and fund level financial statements are various notes to such statements. These notes are critical to a reader's understanding of the City and its financial position and performance.

Financial Analysis for the City as a Whole

The accumulation of consistently presented financial information allows a reader to understand the City's financial position and determine whether there is improvement or deterioration.

One measure of such improvement or decline is the change in net position. The City's net position, increased by about \$6.8 million primarily because of positive results from the NPUA, and an increase in cannabis tax revenue.

The following table shows summarized information regarding the City's assets, liabilities, net position, and the changes therein for the fiscal year ended June 30, 2021:

	Governmental Activities		Business-Type Activities		Totals		Amount Change	Percent Change
	2021	Restated * 2020	2021	Restated * 2020	2021	Restated * 2020		
Current and other assets	\$ 22,653,001	\$ 18,513,361	\$ 7,772,155	\$ 2,314,885	\$ 30,425,156	\$ 20,828,246	\$ 9,596,910	46.1%
Non-current assets	16,375,513	15,670,844	23,592,213	23,758,889	39,967,726	39,429,733	537,993	1.4%
Total assets	39,028,514	34,184,205	31,364,368	26,073,774	70,392,882	60,257,979	10,134,903	16.8%
Deferred outflows of resources	827,709	650,232	447,848	602,623	1,275,557	1,252,855	22,702	1.8%
Long-term liabilities	290,000	420,000	12,151,516	13,135,502	12,441,516	13,555,502	(1,113,986)	-8.2%
Other liabilities	6,421,738	3,980,377	6,293,589	4,100,307	12,715,327	8,080,684	4,634,643	57.4%
Total liabilities	6,711,738	4,400,377	18,445,105	17,235,809	25,156,843	21,636,186	3,520,657	16.3%
Deferred inflows of resources	365,694	397,677	137,228	272,651	502,922	670,328	(167,406)	-25.0%
Net Position:								
Invested in capital assets, net of related debt	16,375,513	15,670,844	11,719,630	5,672,050	28,095,143	21,342,894	6,752,249	31.6%
Restricted	1,354,643	1,699,047		700,281	1,354,643	2,399,328	(1,044,685)	-43.5%
Unrestricted	15,048,635	12,666,492	1,510,253	2,795,606	16,558,888	15,462,098	1,096,790	7.1%
Total net position	\$ 32,778,791	\$ 30,036,383	\$ 13,229,883	\$ 9,167,937	\$ 46,008,674	\$ 39,204,320	\$ 6,804,354	17.4%

* Capital assets and net position were restated as of June 30, 2020. Refer to Note 4 for more detail regarding these restatements.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Net position was positive for both governmental activities and business-type activities in 2021 and 2020. Overall, net position increased by about \$6.8 million due to the current year change in operations. The increase in net position from business-type activity operations was about \$4.1 million. There were transfers to governmental funds of \$0.8 million so the actual operating results of the business-type activities, excluding the transfers, was a positive \$4.9 million. Governmental activities expenses increased by about \$1.2 million. Governmental activities revenues increased by about \$2.8 million.

Property taxes and transient occupancy taxes continued to play a significant role in the City's results, totaling about \$2.5 million in revenues for fiscal year 2021. This represents an increase of \$0.3 million from the previous fiscal year. However, the most significant increase was in cannabis taxes which increased \$2.1 million from fiscal year 2020 to 2021.

To assist in analyzing the City's operating results, comparative data is accumulated and presented. The following table summarizes the City's changes in net position for the year ended June 30, 2021:

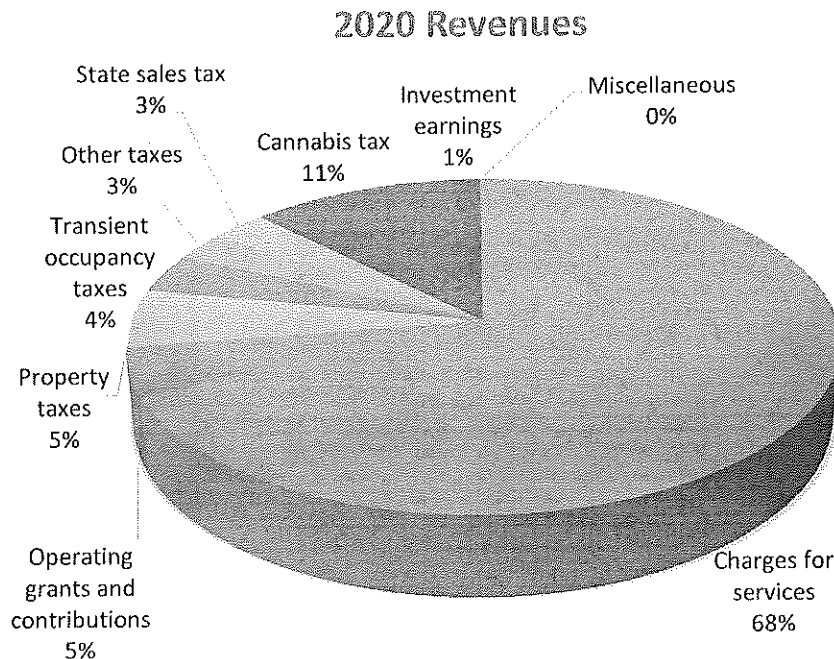
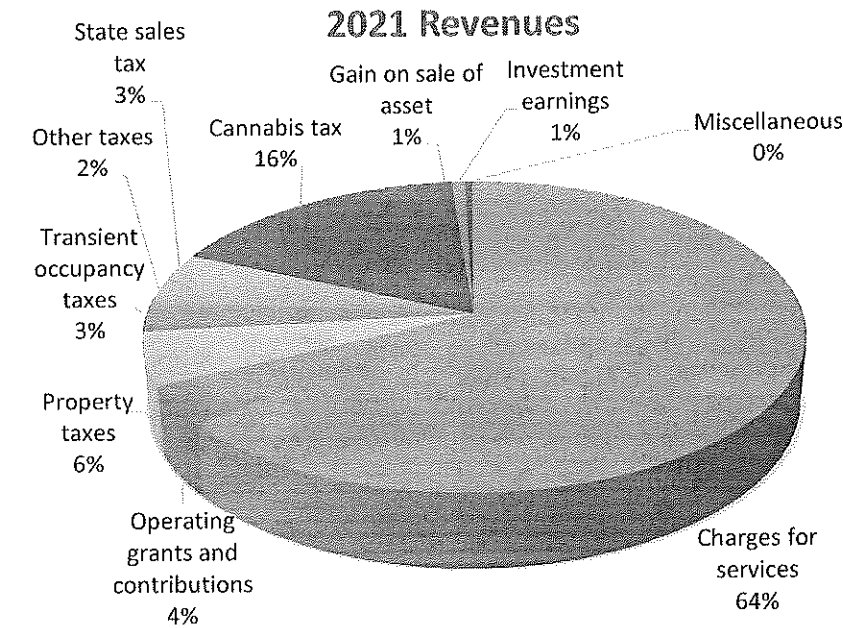
	Governmental Activities		Business-Type Activities		Totals		Amount Change	Percent Change
	2021	2020	2021	2020	2021	2020		
Revenues								
Program revenues								
Charges for services	\$ 1,859,894	\$ 1,565,486	\$ 16,241,031	\$ 14,337,957	\$ 18,100,925	\$ 15,903,443	\$ 2,197,482	13.8%
Operating grants and contributions	714,708	613,901	468,178	486,676	1,182,886	1,100,577	82,309	7.5%
Capital grants and contributions	-	-	94,682	22,585	94,682	22,585	72,097	319.2%
General revenues								
Property taxes	1,548,925	1,304,546	-	-	1,548,925	1,304,546	244,379	18.7%
Transient occupancy taxes	937,710	883,589	-	-	937,710	883,589	54,121	6.1%
Fuel taxes	217,245	210,894	-	-	217,245	210,894	6,351	3.0%
State sales tax	813,617	664,610	-	-	813,617	664,610	149,007	22.4%
Franchise taxes	166,900	177,787	-	-	166,900	177,787	(10,887)	-6.1%
Cannabis tax	4,573,688	2,513,269	-	-	4,573,688	2,513,269	2,060,419	82.0%
Utility users tax	253,396	244,546	-	-	253,396	244,546	8,850	3.6%
Gain on sale of asset	-	-	248,052	-	248,052	-	248,052	-
Investment earnings	159,096	281,926	44,791	76,206	203,887	358,132	(154,245)	-43.1%
Miscellaneous	30,086	15,803	-	-	30,086	15,803	14,283	90.4%
Total revenues	11,275,265	8,476,357	17,096,734	14,923,424	28,371,999	23,399,781	4,972,218	21.2%
Expenses								
General government	1,328,114	892,097	-	-	1,328,114	892,097	436,017	48.9%
Public safety	3,998,857	3,542,629	-	-	3,998,857	3,542,629	456,228	12.9%
Public works	2,050,020	1,867,512	-	-	2,050,020	1,867,512	182,508	9.8%
Parks and recreation	1,326,773	1,128,138	-	-	1,326,773	1,128,138	198,635	17.6%
Community development	638,170	638,162	-	-	638,170	638,162	8	0.0%
Interest on long-term debt	26,625	69,343	-	-	26,625	69,343	(42,718)	-61.6%
Public Utility Authority	-	-	9,576,053	8,751,221	9,576,053	8,751,221	824,832	9.4%
Sanitation	-	-	1,186,491	1,104,868	1,186,491	1,104,868	81,623	7.4%
Golf Course	-	-	896,911	938,724	896,911	938,724	(41,813)	-4.5%
Other	-	-	539,631	543,065	539,631	543,065	(3,434)	-0.6%
Total expenses	9,368,559	8,137,881	12,199,086	11,337,878	21,567,645	19,475,759	2,091,886	10.7%
Increase (decrease) in net position before transfers	1,906,706	338,476	4,897,648	3,585,546	6,804,354	3,924,022	2,880,332	73.4%
Transfers	835,702	989,442	(835,702)	(989,442)	-	-	-	0.0%
Change in net position	2,742,408	1,327,918	4,061,946	2,596,104	6,804,354	3,924,022	2,880,332	73.4%
Beginning net position, restated *	30,036,383	28,708,465	9,167,937	6,571,833	39,204,320	35,280,298	3,924,022	11.1%
Ending net position	\$ 32,778,791	\$ 30,036,383	\$ 13,229,883	\$ 9,167,937	\$ 46,008,674	\$ 39,204,320	\$ 6,804,354	17.4%

* Net position was restated as of June 30, 2020. Refer to Note 17 for more detail regarding this restatement.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

The following charts show graphic representations of the City's revenues for the fiscal years ended June 30, 2021 and 2020:



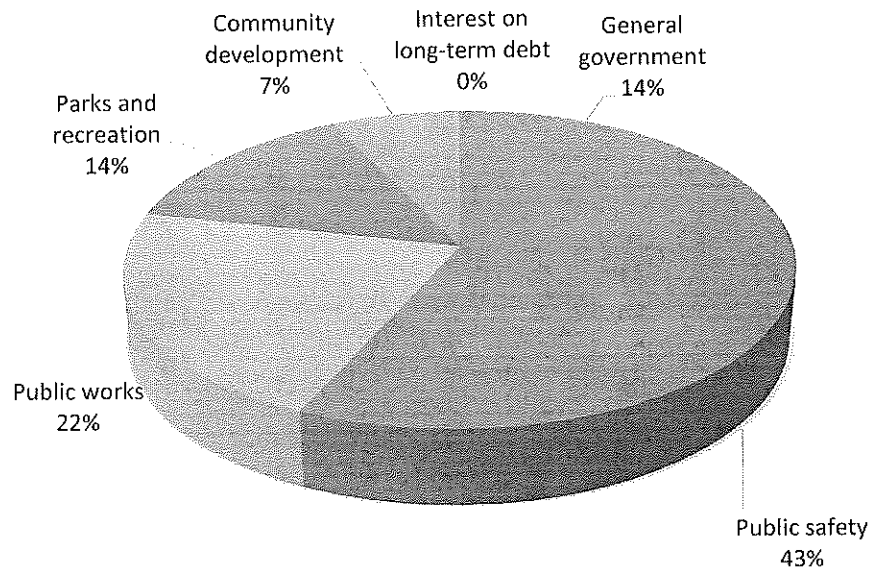
As displayed in the charts above, the revenues from charges for services comprises 64% and 68% of the City's revenues for 2021 and 2020, respectively. The majority of the charges for services is attributed to the public utility authority, which makes up approximately 51% of all revenues in 2021 and 54% of all revenues in 2020.

CITY OF NEEDLES, CALIFORNIA

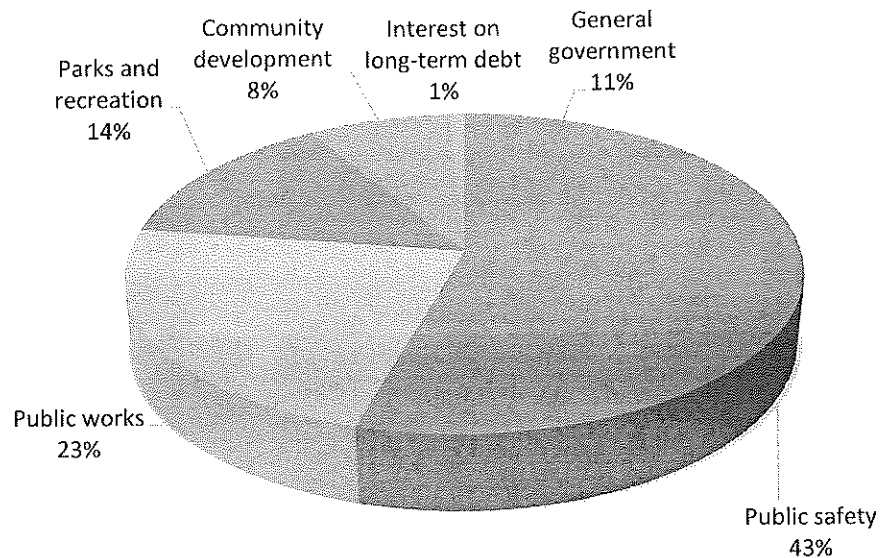
Management's Discussion & Analysis June 30, 2021

The following charts show graphic representations of the City's governmental functional expenses for the fiscal years ended June 30, 2021 and 2020:

2021 Governmental Expenses



2020 Governmental Expenses

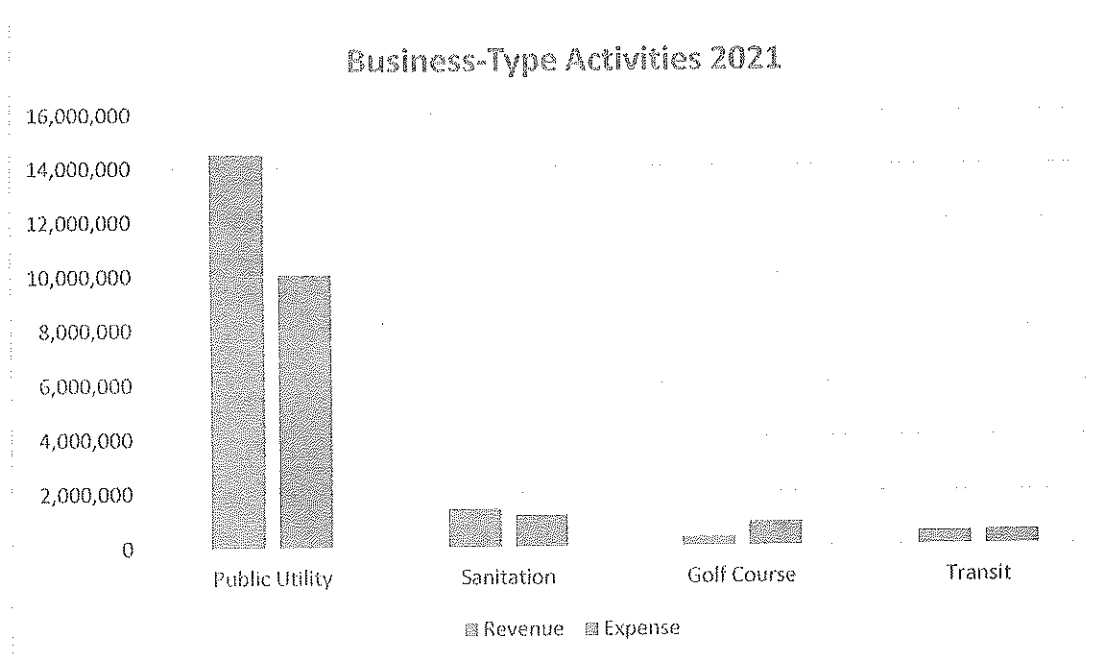


CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

The City contracts with the County of San Bernardino for public safety services. These expenses are funded primarily through general revenues. Parks and recreation expenses are significant for the City, as it is the City's responsibility to maintain the marinas, public swimming pool, skate park, and cemetery.

The following chart depicts the operating revenues (including grants) and expenses of the City's business-type activities for the year ended June 30, 2021:



The public utility authority contributes the majority of the City's revenues, and produced operating income of about \$4.4 million. Interest expense of \$0.7 million on the revenue refinancing bonds and net transfers out of about \$0.6 million figured into the public utility's increase in net position of about \$4.7 million for the fiscal year.

The City's business-type activities also include refuse collection, a golf course, and public transportation. All business-type activities are designed to be self-supporting, and costs are expected to be fully recovered by user fees and other revenues. Refuse collection activities are contracted out to a private company. The sanitation fund increased its net position by \$108,789. The golf course and transit funds reflected a decrease in net position of \$69,729 and \$35,573, respectively, for the fiscal year ended June 30, 2021.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Financial Analysis of the City's Funds

Governmental funds

Governmental funds focus on the availability of resources on a short-term basis, showing inflows and outflows and resulting in an ending balance of spendable resources.

City officials compare these available resources to the upcoming financial obligations. The ending fund balance for governmental funds at June 30, 2021, was \$20.2 million. Of this total, \$8.5 million was unassigned and is available to fund any City requirements. Nonspendable fund balances of \$10.0 million represent assets that cannot be converted to cash, such as inventory, prepaid expenses, advances to other funds, and land held for resale.

There are restricted fund balances totaling \$0.4 million, committed fund balances of \$0.9 million, and assigned fund balances of \$0.4 million.

Governmental fund balances increased by \$2.7 million from the previous year. Revenues exceeded expenditures by about \$1.9 million and net transfers accounted for approximately \$0.8 million of the increase.

Major Governmental Funds

The City's General Fund is the primary governmental fund in use, and accounts for about 85% of governmental revenues and about 78% of governmental expenses. The General Fund's fund balance increased by \$3,129,875 from the previous year. General Fund revenues increased by \$2,792,817 and expenses increased by about \$999,116. Net transfers increased by 90,818.

The Public Financing Authority (PFA) exists to service various long-term obligations. The PFA collects interest income, and makes principal and interest payments. The PFA's fund balance decreased by \$329 during the fiscal year, ending at \$161,753.

Other Governmental Funds

All other governmental funds are considered non-major. Such funds include special revenue funds, debt service funds, and capital projects funds. Together, these funds experienced a decrease in fund balances of \$423,553. Total ending fund balances for these funds was \$830,766.

Proprietary funds

Proprietary fund financial statements are similar to those prepared for private companies, with both short-term and long-term information included in the statements. Also, proprietary funds have the same focus as the government-wide financial statements.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Major Proprietary Funds

The Needles Public Utility Authority (NPUA) is by far the most significant fund for the City, comprising 56% of total assets and about 51% of total revenues. NPUA provides power, water, and wastewater to the City's businesses and residents. All fixed assets of the utility are carried on NPUA's books, as well as the revenue bonds issued to finance the acquisition of the utility.

General Fund Budgetary Highlights

The original budget adopted for the General Fund totaled \$7,093,980 in revenues and \$7,553,619 in expenditures. The budget was amended once during the fiscal year to primarily to reflect increases in revenues of \$1,950,884 and increases in expenditures as follows: general government expenditures of \$109,972, public safety expenditures of \$70,653, public works of \$1,232,858, parks and recreation expenditures of \$86,779, and transfers to other funds of \$132,483.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2021, the City had approximately \$37.5 million invested in capital assets, \$15.8 million of which was in governmental activities and \$17.8 million of which was in business-type activities. During the year, the City engaged an outside firm to perform a comprehensive inventory and valuation of its capital assets. As a result of this engagement, the beginning balances of capital assets as of June 30, 2020 were restated downward by approximately \$6.9 million.

The notes to the financial statements include more detail about changes in capital assets, accumulated depreciation, ongoing construction, and commitments outstanding at the end of the fiscal year.

Capital Assets, Net of Accumulated Depreciation are as follows:

	Governmental Activities		Business-Type Activities		Totals		Amount Change	Percent Change
	2021	Restated 2020	2021	Restated 2020	2021	Restated 2020		
Non-Depreciable Assets								
Land	\$ 349,403	\$ 349,403	\$ 3,209,553	\$ 3,212,347	\$ 3,558,956	\$ 3,561,750	\$ (2,794)	-0.1%
Construction in progress	183,251	175,000	167,403	-	350,654	175,000	175,654	100.4%
Total non-depreciable assets	532,654	524,403	3,376,956	3,212,347	3,909,610	3,736,750	172,860	4.6%
Depreciable Assets								
Infrastructure	8,936,690	7,907,748	-	-	8,936,690	7,907,748	1,028,942	13.0%
Buildings and improvements	6,802,392	7,151,020	666,888	618,417	7,469,280	7,769,437	(300,157)	-3.9%
Equipment and vehicles	103,777	87,673	17,090,971	17,470,727	17,194,748	17,558,400	(363,652)	-2.1%
Total depreciable assets	15,842,859	15,146,441	17,757,859	18,089,144	33,600,718	33,235,585	365,133	1.1%
Total	\$ 16,375,513	\$ 15,670,844	\$ 21,134,815	\$ 21,301,491	\$ 37,510,328	\$ 36,972,335	\$ 537,993	1.5%

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

Long-term debt

At the end of the fiscal year, the City's total long-term debt obligations were \$12.4 million. Of this total, \$0.3 million is in the governmental activities and \$13.1 million is in the business-type activities.

There is a balance of \$290,000 in tax allocation bonds issued by the PFA, the proceeds of which were lent to RDA. Repayment is being made from the loan payments paid by the Redevelopment Agency to the PFA. Finally, the governmental activities debt also includes certificates of participation, the proceeds of which were used to construct a wastewater treatment plant.

The business-type activities debt consists of revenue bonds issued by the public utility authority. These bonds are being repaid from the utility's operating revenues. There is also a note payable in the sanitation fund resulting from an agreement with San Bernardino County related to a municipal landfill.

The following table depicts the City's outstanding long-term debt obligations at June 30, 2021 and 2020:

	Governmental Activities		Business-Type Activities		Totals		Amount Change	Percent Change
	2021	2020	2021	2020	2021	2020		
Tax allocation bonds	\$ 290,000	\$ 420,000	\$ -	\$ -	\$ 290,000	\$ 420,000	\$ (130,000)	-31.0%
Revenue refunding bonds	-	-	11,872,583	12,828,913	11,872,583	12,828,913	(956,330)	-7.5%
Sanitation note payable	-	-	278,933	306,589	278,933	306,589	(27,656)	-9.0%
Total	\$ 290,000	\$ 420,000	\$12,151,516	\$13,135,502	\$12,441,516	\$13,555,502	\$ (1,113,986)	-8.2%

Economic Conditions and Budgeting

New businesses within the City of Needles continue to grow bringing with them job opportunities. The City of Needles continues to work closely with various cannabis companies both established and in the process of starting a business. To-date there is 232,234 square feet of new industrial space built to house the cannabis-related businesses involved in cultivation, manufacturing, distribution, retail, and laboratory testing. These businesses now generate over 503 direct jobs in the community. This growth in business has continued the increase in demand for utilities due to the industrial and commercial uses. It has also positively affected the property assessment roll which has increased from the 2017 roll of \$124 million, to be valued at \$436 million in 2021.

The City maintains a cost of living that is 41% lower than the average in California, and 19% lower than the national average. Development Impact Fees remain at a reduced rate to continue to stimulate further growth.

In FY 21 the City completed Year 2, of the Street Pavement Project. This is part of a 15-year pavement management plan.

CITY OF NEEDLES, CALIFORNIA

Management's Discussion & Analysis June 30, 2021

The City's rehabilitated historic El Garces Intermodal Transportation Facility continues to attract tourists to the downtown area. Several tenants have leased office space in the El Garces, and a planned visitor center is scheduled to open in FY 23.

A brand new 3-story, 46,000 square foot, 80-room Hampton by Hilton Hotel at 1803 Needles Highway, the former site of the El Rancho Motel on a 2-acre property, is under construction and should be completed in late 2022, bringing 35-50 new jobs to the City.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department at 817 Third Street, Needles, California 92363.

You may also contact the City's Finance Department for the separately issued financial statements of the Needles Public Utility Authority, the Needles Public Financing Authority, and the Needles Transit System.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NEEDLES
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 8,417,821	\$ 13,514,861	\$ 21,932,682
Restricted cash	820,816	-	820,816
Accounts receivable, net	637,198	2,121,968	2,759,166
Due from other governments	193,758	106,193	299,951
Internal balances	12,229,717	(12,229,717)	-
Inventory	8,953	706,235	715,188
Prepaid items	162,585	3,552,615	3,715,200
Land held for resale	182,153	-	182,153
Intangible assets	-	2,457,398	2,457,398
Capital assets, net	16,375,513	21,134,815	37,510,328
TOTAL ASSETS	39,028,514	31,364,368	70,392,882
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	777,174	420,505	1,197,679
Deferred outflows of resources related to OPEB	50,535	27,343	77,878
TOTAL DEFERRED OUTFLOWS OF RESOURCES	827,709	447,848	1,275,557
LIABILITIES			
Accounts payable	1,196,540	1,123,956	2,320,496
Due to other governments	239,247	-	239,247
Accrued liabilities	297,457	42,754	340,211
Deposits payable	604,653	2,580,313	3,184,966
Compensated absences	179,183	279,822	459,005
Accrued interest	-	190,951	190,951
Other liabilities	-	17,207	17,207
Estimated claims liability	100,000	-	100,000
Net pension liability	3,045,936	1,648,064	4,694,000
Other post-employment benefits liability	758,722	410,522	1,169,244
Long-term liabilities:			
Due within one year	140,000	1,022,962	1,162,962
Due in more than one year	150,000	11,128,554	11,278,554
TOTAL LIABILITIES	6,711,738	18,445,105	25,156,843
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	253,625	137,228	390,853
Revenues not available to fund current obligations	112,069	-	112,069
TOTAL DEFERRED INFLOWS OF RESOURCES	365,694	137,228	502,922
NET POSITION			
Net investment in capital assets	16,375,513	11,719,630	28,095,143
Restricted for:			
Capital projects	50,246	-	50,246
Debt service	161,753	-	161,753
Community development projects	1,142,644	-	1,142,644
Unrestricted (deficit)	15,048,635	1,510,253	16,558,888
TOTAL NET POSITION	\$ 32,778,791	\$ 13,229,883	\$ 46,008,674

The accompanying notes are an integral part of these financial statements.

**CITY OF NEEDLES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 1,328,114	\$ 999,918	\$ 211,271	\$ -	\$ (116,925)	\$ -	\$ (116,925)
Public safety	3,998,857	-	156,893	-	(3,841,964)	-	(3,841,964)
Public works	2,050,020	814,385	346,544	-	(889,091)	-	(889,091)
Parks and recreation	1,326,773	35,133	-	-	(1,291,640)	-	(1,291,640)
Community development	638,170	10,458	-	-	(627,712)	-	(627,712)
Interest on long-term debt	26,625	-	-	-	(26,625)	-	(26,625)
Total governmental activities	9,368,559	1,859,894	714,708	-	(6,793,957)	-	(6,793,957)
Business-type activities:							
Public utility authority	9,576,053	14,446,391	-	71,920	-	4,942,258	4,942,258
Sanitation	1,186,491	1,415,280	-	-	-	228,789	228,789
Golf course	896,911	345,872	-	-	-	(551,039)	(551,039)
Transit	539,631	33,488	468,178	22,762	-	(15,203)	(15,203)
Total business-type activities	12,199,086	16,241,031	468,178	94,682	-	4,604,805	4,604,805
Total primary government	<u>\$21,567,645</u>	<u>\$18,100,925</u>	<u>\$ 1,182,886</u>	<u>\$ 94,682</u>	<u>(6,793,957)</u>	<u>4,604,805</u>	<u>(2,189,152)</u>
General revenues:							
Taxes:							
Property taxes					1,548,925	-	1,548,925
Transient occupancy taxes					937,710	-	937,710
Fuel taxes					217,245	-	217,245
State sales tax					813,617	-	813,617
Franchise taxes					166,900	-	166,900
Cannabis tax					4,573,688	-	4,573,688
Utility users tax					253,396	-	253,396
Gain on sale of asset					-	248,052	248,052
Interest revenue					159,096	44,791	203,887
Miscellaneous					30,086	-	30,086
Transfers					835,702	(835,702)	-
Total general revenues, special items, and transfers					9,536,365	(542,859)	8,993,506
Change in net position					2,742,408	4,061,946	6,804,354
Net position - beginning					34,390,850	11,747,943	46,138,793
Prior year adjustments					(4,354,467)	(2,580,006)	(6,934,473)
Net position - beginning, as restated					30,036,383	9,167,937	39,204,320
Net position - ending					\$ 32,778,791	\$ 13,229,883	\$ 46,008,674

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NEEDLES
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 7,242,682	\$ 161,753	\$ 1,013,386	\$ 8,417,821
Restricted cash	561,313	-	259,503	820,816
Accounts receivable, net	637,198	-	-	637,198
Due from other funds	2,632,798	-	-	2,632,798
Due from other governments	117,169	-	76,589	193,758
Inventory	8,953	-	-	8,953
Prepaid items	152,419	-	10,166	162,585
Land held for resale	-	-	182,153	182,153
Advances to other funds	9,622,026	-	-	9,622,026
TOTAL ASSETS	\$ 20,974,558	\$ 161,753	\$ 1,541,797	\$ 22,678,108
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 904,719	\$ -	\$ 291,821	\$ 1,196,540
Accrued liabilities	254,670	-	42,787	297,457
Deposits	604,653	-	-	604,653
Due to other funds	-	-	25,107	25,107
Due to other governments	-	-	239,247	239,247
Advances from other funds	-	-	-	-
Total liabilities	1,764,042	-	598,962	2,363,004
DEFERRED INFLOWS OF RESOURCES				
Revenues not available to fund current obligations	-	-	112,069	112,069
FUND BALANCES				
Fund balances - nonspendable	9,783,398	-	192,319	9,975,717
Fund balances - restricted	-	161,753	245,471	407,224
Fund balances - committed	350,000	-	561,735	911,735
Fund balances - assigned	-	-	391,231	391,231
Fund balances - unassigned	9,077,118	-	(559,990)	8,517,128
Total fund balances	19,210,516	161,753	830,766	20,203,035
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,974,558	\$ 161,753	\$ 1,541,797	\$ 22,678,108

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund balances - total governmental funds		\$ 20,203,035
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Governmental capital assets	29,584,699	
Less: Accumulated depreciation	<u>(13,209,186)</u>	
		16,375,513
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability	(3,045,936)	
Deferred outflows of resources related to pensions	777,174	
Deferred outflows of resources related to OPEB	50,535	
Deferred inflows of resources	(253,625)	
Compensated absences	(179,183)	
Bonds payable, net	(290,000)	
Estimated claims liability	(100,000)	
Net OPEB liability	<u>(758,722)</u>	
		<u>(3,799,757)</u>
Net position of governmental activities		<u><u>\$ 32,778,791</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 7,980,817	\$ -	\$ 146,519	\$ 8,127,336
Licenses, permits, and fees	539,252	-	-	539,252
Intergovernmental	211,271	-	1,519,267	1,730,538
Charges for services	433,354	-	61,391	494,745
Fines and forfeitures	194,212	-	-	194,212
Use of money and property	157,708	10	1,378	159,096
Other revenues	29,336	-	750	30,086
Total revenues	9,545,950	10	1,729,305	11,275,265
EXPENDITURES:				
Current:				
General government	945,341	-	-	945,341
Public safety	3,768,192	-	172,309	3,940,501
Public works	588,281	-	835,649	1,423,930
Parks and recreation	870,194	-	122,659	992,853
Community development	128,780	-	90,336	219,116
Capital outlay	1,061,659	-	664,949	1,726,608
Debt service:				
Principal retirement	-	130,000	-	130,000
Interest and fiscal charges	-	26,625	-	26,625
Total expenditures	7,362,447	156,625	1,885,902	9,404,974
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,183,503	(156,615)	(156,597)	1,870,291
Other Financing Sources (Uses):				
Transfers in	1,710,168	156,286	83,436	1,949,890
Transfers out	(763,796)	-	(350,392)	(1,114,188)
Total other financing sources (uses)	946,372	156,286	(266,956)	835,702
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	3,129,875	(329)	(423,553)	2,705,993
Fund balances - beginning	16,080,641	162,082	1,254,319	17,497,042
Prior year adjustments	-	-	-	-
Fund balances - beginning, as restated	16,080,641	162,082	1,254,319	17,497,042
Fund balances - ending	\$ 19,210,516	\$ 161,753	\$ 830,766	\$ 20,203,035

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds		\$2,705,993
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	1,594,519	
Less: current year depreciation	<u>(889,850)</u>	
		704,669
Expenditures in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:		
Change in the liability for compensated absences		(21,579)
Change in net pension liability		(617,906)
Change in OPEB liability		(158,769)
Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		<u>130,000</u>
Change in net position of governmental activities		<u><u>\$2,742,408</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Public Utility Authority	Sanitation	Golf Course	Transit	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 13,560,827	\$ 1,471,638	\$ -	\$ 137,451	\$ 15,169,916	\$ 1,263,465
Accounts receivable, net	1,934,880	184,986	-	-	2,119,866	2,102
Due from other funds	523,651	-	-	-	523,651	-
Due from other governments	-	-	-	106,193	106,193	-
Inventory	703,841	-	1,295	-	705,136	1,099
Prepaid items	650,001	3,775	43,215	876	697,867	2,854,748
Total current assets	17,373,200	1,660,399	44,510	244,520	19,322,629	4,121,414
Non-current assets:						
Intangible assets	2,457,398	-	-	-	2,457,398	-
Capital assets, net	19,432,754	-	582,356	469,028	20,484,138	650,677
Total non-current assets	21,890,152	-	582,356	469,028	22,941,536	650,677
TOTAL ASSETS	39,263,352	1,660,399	626,866	713,548	42,264,165	4,772,091
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions	346,968	-	73,537	-	420,505	-
Deferred outflows of resources related to OPEB	22,561	-	4,782	-	27,343	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	369,529	-	78,319	-	447,848	-
LIABILITIES						
Current liabilities:						
Deficit cash balance	-	-	2,918,520	-	2,918,520	-
Accounts payable	412,848	182,930	29,701	77,436	702,915	421,041
Accrued payroll	-	-	4,184	-	4,184	38,570
Compensated absences	253,651	-	15,526	-	269,177	10,645
Deposits	2,579,813	500	-	-	2,580,313	-
Due to other funds	18,868	2,613,930	-	-	2,632,798	498,544
Deferred revenue	-	-	-	4,973	4,973	-
Accrued interest	190,951	-	-	-	190,951	-
Advance payable - current	39,277	-	-	-	39,277	-
Bonds/note payable - current	993,600	29,362	-	-	1,022,962	-
Other liabilities	-	-	4,582	-	4,582	7,652
Total current liabilities	4,489,008	2,826,722	2,972,513	82,409	10,370,652	976,452
Non-current liabilities:						
Net pension liability	1,359,852	-	288,212	-	1,648,064	-
Other post-employment benefits liability	338,730	-	71,792	-	410,522	-
Advance payable - non-current	9,582,749	-	-	-	9,582,749	-
Bonds/note payable - non-current	10,878,983	249,571	-	-	11,128,554	-
Total non-current liabilities	22,160,314	249,571	360,004	-	22,769,889	-
TOTAL LIABILITIES	26,649,322	3,076,293	3,332,517	82,409	33,140,541	976,452
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	113,230	-	23,998	-	137,228	-
NET POSITION						
Net investment in capital assets	10,017,569	-	582,356	469,028	11,068,953	650,677
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	2,852,760	(1,415,894)	(3,233,686)	162,111	(1,634,709)	3,144,962
TOTAL NET POSITION	\$ 12,870,329	\$ (1,415,894)	\$ (2,651,330)	\$ 631,139	\$ 9,434,244	\$ 3,795,639

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Public Utility Authority	Sanitation	Golf Course	Transit	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services-Public Utility Authority	\$ 13,094,083	\$ -	\$ -	\$ -	\$ 13,094,083	\$ -
Charges for services-Other enterprise funds	-	1,415,280	315,129	28,988	1,759,397	9,449,053
Other fees and sales	-	-	30,537	-	30,537	-
Other revenues	1,352,308	-	206	4,500	1,357,014	16,141
Total operating revenues	14,446,391	1,415,280	345,872	33,488	16,241,031	9,465,194
OPERATING EXPENSES						
Personnel costs	-	-	345,430	-	345,430	2,395,940
Contractual services	-	1,038,891	141,068	-	1,179,959	547,035
Power and utilities	-	-	171,316	-	171,316	2,441,723
Maintenance and operations	8,756,602	120,000	126,855	463,666	9,467,123	2,161,136
Administrative and management	-	9,944	42,726	16,507	69,177	504,266
Insurance	-	11	24,695	1,123	25,829	123,891
Depreciation and amortization	1,256,990	-	44,821	58,335	1,360,146	159,960
Total operating expenses	10,013,592	1,168,846	896,911	539,631	12,618,980	8,333,951
Operating income (loss)	4,432,799	246,434	(551,039)	(506,143)	3,622,051	1,131,243
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	27,473	-	-	241	27,714	17,077
Government grants	71,920	-	-	468,178	540,098	-
Gain on sale of asset	247,102	-	950	-	248,052	-
Interest expense and fiscal charges	(693,704)	(17,645)	-	-	(711,349)	-
Total nonoperating (expenses) revenues	(347,209)	(17,645)	950	468,419	104,515	17,077
Income (loss) before capital contributions and transfers	4,085,590	228,789	(550,089)	(37,724)	3,726,566	1,148,320
Capital contributions - AB 2766	-	-	-	15,000	15,000	-
Capital contributions - State of good repair	-	-	-	7,762	7,762	-
Transfers in	5,805,145	-	480,360	17	6,285,522	-
Transfers out	(5,194,639)	(120,000)	-	(20,628)	(5,335,267)	(1,785,957)
Net capital contributions and transfers	610,506	(120,000)	480,360	2,151	973,017	(1,785,957)
Change in net position	4,696,096	108,789	(69,729)	(35,573)	4,699,583	(637,637)
Net position - beginning	9,548,173	(1,524,683)	(2,454,706)	666,712	6,235,496	5,512,447
Prior year adjustments	(1,373,940)	-	(126,895)	-	(1,500,835)	(1,079,171)
Net position - beginning, as restated	8,174,233	(1,524,683)	(2,581,601)	666,712	4,734,661	4,433,276
Net position - ending	\$ 12,870,329	\$ (1,415,894)	\$ (2,651,330)	\$ 631,139	\$ 9,434,244	\$ 3,795,639

The accompanying notes are an integral part of these financial statements.

CITY OF NEEDLES
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Public Utility Authority	Sanitation	Golf Course	Transit	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:						
Cash collected from customers	\$ 16,458,669	\$ 1,398,050	\$ 345,872	\$ 26,022	\$ 18,228,613	\$ 9,471,384
Cash payments to suppliers for goods and services	(9,047,999)	(1,071,879)	(513,610)	(404,736)	(11,038,224)	(7,081,791)
Cash payments to employees for services	-	-	(398,163)	-	(398,163)	(2,390,812)
Net cash provided (used) by operating activities	7,410,670	326,171	(565,901)	(378,714)	6,792,226	(1,219)
Cash Flows From Noncapital Financing Activities:						
Operating grants received	-	-	-	468,178	468,178	-
Decrease (increase) in due from other funds	(394,993)	-	-	-	(394,993)	-
Increase (decrease) in due to other funds/advances	(159,246)	240,000	-	-	80,754	369,886
Operating transfers in	5,805,145	-	480,360	17	6,285,522	-
Operating transfers out	(5,194,639)	(120,000)	-	(20,628)	(5,335,267)	(1,785,957)
Net cash (used) provided by noncapital financing activities	56,267	120,000	480,360	447,567	1,104,194	(1,416,071)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(1,926,865)	-	(127,657)	-	(2,054,522)	(209,790)
Principal paid on bonds/note payable	(956,330)	(27,656)	-	-	(983,986)	-
Proceeds from sale of asset	247,102	-	950	-	248,052	-
Capital grants received	-	-	-	22,761	22,761	-
Interest paid	(723,889)	(17,645)	-	-	(741,534)	-
Net cash (used) provided by capital and related financing activities	(3,359,982)	(45,301)	(126,707)	22,761	(3,509,229)	(209,790)
Cash Flows from Investing Activities:						
Interest on investments	27,473	-	-	241	27,714	17,077
Net cash provided by investing activities	27,473	-	-	241	27,714	17,077
Net increase (decrease) in cash and cash equivalents	4,134,428	400,870	(212,248)	91,855	4,414,905	(1,610,003)
Cash and cash equivalents, beginning of year	9,426,399	1,070,768	(2,706,272)	45,596	7,836,491	2,873,468
Cash and cash equivalents, end of year	<u>\$ 13,560,827</u>	<u>\$ 1,471,638</u>	<u>\$ (2,918,520)</u>	<u>\$ 137,451</u>	<u>\$ 12,251,396</u>	<u>\$ 1,263,465</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 4,432,799	\$ 246,434	\$ (551,039)	\$ (506,143)	\$ 3,622,051	\$ 1,131,243
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization of fixed assets	1,256,990	-	44,821	58,335	1,360,146	159,960
Adjustment of beginning balances	-	-	-	-	-	982,803
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	23,163	(17,230)	-	-	5,933	6,190
Decrease in due from other governments	-	-	-	(12,439)	(12,439)	-
(Increase) decrease in inventory	(74,533)	-	504	-	(74,029)	-
Decrease (increase) in prepaid expenses	(18,869)	(3,775)	(37,034)	(876)	(60,554)	(2,573,116)
Increase in deferred outflows	137,626	-	17,149	-	154,775	-
Increase (decrease) in accounts payable	308,234	100,742	29,580	77,436	515,992	275,145
Decrease in accrued liabilities	-	-	2,500	-	2,500	11,428
Increase (decrease) in deposits payable	1,989,115	-	-	-	1,989,115	-
Increase (decrease) in deferred revenue	-	-	-	4,973	4,973	-
Increase (decrease) in net pension liability	(377,968)	-	(38,917)	-	(416,885)	-
Increase (decrease) in OPEB liability	(115,092)	-	(13,636)	-	(128,728)	-
Decrease in deferred inflows	(116,228)	-	(19,195)	-	(135,423)	-
Increase in compensated absences payable	(34,567)	-	(634)	-	(35,201)	5,128
Net cash provided (used) by operating activities	7,410,670	326,171	(565,901)	(378,714)	6,792,226	(1,219)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the City of Needles, California (City) are discussed in subsequent sections of this Note. The remaining Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2021.

B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

Description of the Reporting Entity

The City was incorporated on October 30, 1913, as a General Law City. The City became a Charter City on January 28, 1959, and operates under a Council-Manager form of government. The City Council consists of seven members elected by the citizens of the City. The City provides the following services to its citizens: public safety (police and fire), highways and streets, electric, water, wastewater, sanitation, public transportation, health and social services, cemetery, culture-recreation, public improvements, community development (planning, building, zoning), and general administrative services.

The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City, as distinct from legal relationships. Blended component units, although legally separate entities, are in substance part of the City's operations and so data from these units are combined with data of the primary government.

Each blended component unit has a June 30, 2021, fiscal year end, and issues separate audited financial statements. The City has no discretely presented component units.

Management has determined that the following component units should be blended: Needles Transit Authority, Needles Public Financing Authority, and the Needles Public Utility Authority. Additional detailed financial information for each of these entities can be obtained from the City of Needles Finance Department at 817 Third Street, Needles, California, 92363.

Needles Redevelopment Agency

The City established the Needles Redevelopment Agency (Agency) on August 16, 1984, as a separate legal entity in accordance with state law. The City Council declared by Ordinance that the City Council would serve as the Board of Directors of the Agency.

The primary purpose of the Agency is to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational, and public facilities. The City Council members designate management and have financial accountability for the Agency.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION, continued

Needles Redevelopment Agency, continued

Pursuant to the provisions of ABX126, the Redevelopment Agency of the City of Needles was dissolved effective February 1, 2012. The County of San Bernardino currently serves as the successor agency to the former redevelopment agency, and is responsible for revenue collection, maintaining the bond reserves, disposing of any excess property, and fulfilling the remaining obligations of the dissolved Agency through the maturity of the bond debt in August 2022.

Needles Public Financing Authority

The Needles Public Financing Authority (NPFA) was formed on March 7, 1992 for the sole purpose of providing financing for various City capital projects. The Financing Authority is governed by a seven-member board, which consists of members of the City Council.

Needles Public Utility Authority

The Needles Public Utility Authority (NPUA) was formed on January 6, 1997, for the purpose of owning, operating, and maintaining the Utility Enterprise. The Utility Enterprise consists of the Water, Sewer, and Electric Enterprise Funds serving the City and the surrounding area. A seven member Board that consists of members of the City Council governs the Utility Authority.

Other Governmental Agencies

Other governmental agencies providing various levels of service to the City include the State of California, County of San Bernardino, as well as various special districts and school districts.

Each of the above agencies has an independent elected governing board or is dependent on an independently elected governing board other than the City Council. Accordingly, financial data and transactions of these agencies are not included within the scope of this financial report.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION, continued

Government Wide and Fund Financial Statements

Government-Wide Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, which are generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part by fees charged to external customers.

The statement of activities reports the expenses of a given function, offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to the specified program purposes. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Proprietary and fiduciary fund financial statements and financial statements of City component units also report using this same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION, *continued*

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources subject to accrual include: property taxes, sales tax, transient occupancy tax, franchise taxes (fees), intergovernmental revenues, and investment income.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources as necessary. Restricted assets and liabilities payable from restricted assets that are considered current in nature are reported as current assets and liabilities in the financial statements.

Assets that are restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt, are considered non-current.

D. FUND TYPES AND MAJOR FUNDS

Governmental Funds

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources not reported in other funds.

Needles Public Financing Authority – This fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt. Revenues come from interest on invested funds.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. FUND TYPES AND MAJOR FUNDS, continued

Proprietary Funds

The City reports the following major enterprise funds:

Needles Public Utility Authority – This fund accounts for the operating activities of the City's public utility operations.

Sanitation Fund – This fund accounts for the operating activities of the City's refuse collection service, which is contracted to a third-party service provider.

River's Edge Golf Course – This fund accounts for the operating activities of the City's municipal golf course.

Transit Funds – These three funds (Needles Area Transit, Dial-A-Ride, and Dial-A-Ride Medical Transport) account for the operating activities of the City's public transportation system.

Other Fund Types

The City also reports the following fund types:

Internal Service Funds – These funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These include vehicle maintenance (fleet management), business office, and information technology. These are proprietary funds reported with business-type activities in the government-wide statements, as the majority of the activities are charged to other proprietary funds.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

CASH AND INVESTMENTS

The City maintains and controls one major cash and investment pool. Each fund's portion of the pool is displayed on its respective balance sheet as "cash and equivalents".

In addition, non-pooled cash and investments are separately held and reflected in respective funds or component units as "cash with fiscal agents" or "restricted cash".

For purposes of the accompanying statement of cash flows, the City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value.

Securities traded on a national or international exchange are reported at the last reported sales price based on current exchange rates. Cash deposits are reported at carrying amount which reasonably approximates fair value.

INVENTORY OF SUPPLIES

Inventories in governmental funds consist of expendable supplies held for consumption stated on an average cost basis. They are reported at cost, which is recorded as an expenditure at the time the inventory items are used. Proprietary fund inventories and similar component unit inventories are recorded at the lower of cost or market value on an average cost basis. Inventories are reported similarly in the fund financial statements and the government-wide financial statements.

PREPAID EXPENSES

Prepaid items represent payments made to vendors that benefit future reporting periods, and are reported on the consumption basis. Prepaid items are reported similarly in the fund financial statements and the government-wide financial statements.

LAND HELD FOR RESALE

Land held for resale is valued at the lower of cost or market.

CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION, continued

CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION, continued

Proprietary and component unit capital assets are also reported in their respective funds and component unit financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	20 – 30 years
Improvements, other than buildings	5 – 15 years
Mobile equipment	5 – 7 years
Furniture, machinery, and equipment	5 – 7 years

The City does not maintain a complete list of capital assets, that is, it does not include all of the City's land nor does it include capital assets acquired prior to July 1, 1987.

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNTS/PREMIUMS

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as a liability. Bond issuance costs, bond discounts and premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Governmental fund financial statements recognize debt proceeds and premiums as other financing sources of the current fiscal period. Issuance costs are reported as expenditures of the current fiscal period.

UNAVAILABLE REVENUE

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be available to finance expenditures of the current period. Governmental funds report revenues in connection with receivables for revenues not considered available to liquidate as deferred inflows of resources in the current period. Unavailable revenues in the current year represent the pre-need deposits for burial at the City Cemetery.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION, continued

COMPENSATED ABSENCES

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary, and component unit financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees.

FUND BALANCES

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental fund types report fund equity in one of five categories, as follows:

Nonspendable – Fund balances that cannot be spent because they are either:

- Not in Spendable Form—generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable.
- Legally or Contractually Required to be Maintained Intact—amounts that are required to be maintained intact, such as the principal of a permanent fund.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This is the residual classification for the general fund (i.e., everything that is not in another classification or in another fund).

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION, continued

FUND BALANCES, continued

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Prior to the issuance of GASB Statement 54, the governmental fund financial statements reported reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The General Fund reserve for restricted purposes included fund balances/net position restricted for related assets, including advances to other funds and interest receivable. The Capital Projects Fund reserve for restricted purposes included fund balances/net position restricted for waterway construction, low-to-moderate income housing, street improvement, and wastewater resources projects.

F. REVENUES, EXPENDITURES, AND EXPENSES

UTILITY BILLINGS

The NPUA bills individuals and businesses for electric, water, and sewer services on a monthly basis. The billings are considered delinquent when they are not paid by the due date indicated on the billing, which is generally 20 days after the billing date. The City reserves an amount as uncollectible based on historical collection rates. The amount of the estimated uncollectible billings at June 30, 2021 was \$395,125.

USE OF ESTIMATES

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

F. REVENUES, EXPENDITURES, AND EXPENSES, continued

PROPERTY TAX REVENUES

All property taxes are collected and allocated by the County of San Bernardino to the various taxing entities. Property taxes are determined annually as of March 1 and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County of San Bernardino bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when available and measurable. The City considers property tax as available if it is received within 60 days after the year-end.

PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the market value no more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 and 1978 period. Property tax rates for bond debt service are determined by the City, with collections and allocations made by the County.

Deficit Fund Balance/Net Position – Primary Government

Deficit fund balances/net position as of June 30, 2021, not visible in the basic financial statements because they are grouped with other funds, are as follows:

Caltrans Grant Bridge Project	\$ 60,594
Housing and Community Development Grant	56,851
Interstate Commerce I-40/J Street	258,967
Safe Routes to School	2,479
Boating and Waterways Grant	7,700

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

Budgets and Budgetary Accounting

The City prepared and adopted annual operating budgets for the General fund, all Special Revenue funds, and all Capital Projects funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at a specially scheduled session, which is open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. The budget is legally adopted through passage of a resolution.
4. The City Manager is authorized to transfer funds within departmental budgets between major object classifications and between capital projects in the same fund. The City Council must authorize transfers between funds, between departments, and from the fund balances reserved for specific purposes.
5. Annual budgets presented are legally adopted and amended as required for the General, Special Revenue, and Capital Projects funds. All budgets presented are prepared on a basis consistent with GAAP.
6. Budgeted amounts are reflected after all applicable amendments and revisions.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the department level. The legal level of budgetary control is at the level called "department". A "department" for legal appropriation purposes may be a single organization (i.e., City Attorney), or an entire department having multiple organizations (i.e., Parks and Recreation), or an entire fund (i.e., Special Fund for Capital Outlay). All departments and funds should complete the year within legally authorized expenditures.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a failure of the financial institution, the City's deposits will not be returned or the City will not be able to obtain collateral securities pledged by the financial institutions.

Custodial credit risk is not covered by bond indentures, although the indentures usually require the issuer to maintain reserve accounts with the trustee bank named in the indenture.

The City's policy, in accordance with the State of California Government Code, is to require financial institutions to collateralize the City's deposits at 110% of the deposit amount with U.S. government securities in the City's name.

California law allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposit. The City, at management's discretion, may waive the 110% collateral requirements for deposits which are federally insured up to \$100,000. Federal insurance provides up to \$250,000 of coverage for each depositor.

At June 30, 2021, the book balance of the City's deposits was \$22.8 million and the bank balance was \$23.9 million. Of the bank balance, \$500,000 was insured and \$23.4 million was collateralized.

Investments

Credit risk is the risk that an issuer of a security or a counterparty to the investment will not be able to fulfill its obligations with respect to the investment. The City does not have a formal policy with respect to credit risk.

Instead, the City follows State of California law, which authorizes the City to invest in obligations of U.S. Government agencies and U.S. Government securities, certificates of deposit, municipal securities, and the Local Agency Investment Fund (LAIF) of the State of California.

Interest rate risk is the risk that a change in interest rates will have an adverse effect on the fair value of an investment. Concentration of credit risk is the risk of loss attributable to a concentration of funds in a single issue or issuer. The City's investments include only certificates of deposit or investments in LAIF. Accordingly, the City does not have a formal policy with respect to interest rate risk, the matching of investment maturities with anticipated future cash flows or concentration of credit risk.

The City's investments are stated at cost, which approximates fair value. The City's investment in the LAIF is \$4,415,917. The total amount invested by all public agencies in LAIF is \$193,318 million. The LAIF is managed by the State Treasurer. Of that amount, one hundred percent (100%) is invested in non-derivative financial products, and zero percent in derivative financial products.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS, continued

Investments, continued

Investments by all public agencies at June 30, 2021 include \$1,700 million in structured notes and \$2,773 million in asset-backed securities.

Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association and the Federal Home Loan Bank System or an international agency such as the World Bank.

Asset-backed securities entitle the purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs), small business loans, or credit card receivables (such as ABCP).

The City's cash and investments, which includes all funds including the NPUA, at June 30, 2021 were as follows:

	Carrying Amount	Fair Value
California LAIF	\$ 4,415,917	\$ 4,415,917
Petty cash and cash drawers	4,353	4,353
Cash in banks	18,333,228	18,333,228
Total Cash and Investments	<u>\$ 22,753,498</u>	<u>\$ 22,753,498</u>

Reserve Requirements

The Tax Allocation Revenue Bonds 1992 Series A agreement requires a minimum balance of \$164,500 in the reserve fund. At June 30, 2021, the reserve fund totaled \$161,753. The cash for the deposit was provided by the bond proceeds and is to be used for future debt service.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS, continued

Investments at Fair Value

GASB Statement No. 72 requires all investments to be categorized under a fair value hierarchy. The City determines the fair value of its investments based upon both observable and unobservable inputs. The City categorizes its fair value measurements within the fair value hierarchy in accordance with Generally Accepted Accounting Principles. The levels within the hierarchy are as follows:

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs.
- Level 3 – unobservable inputs for an asset or liability, which generally results in a government using the best information available and may include the government's own data.

The remaining investments not categorized under the fair value hierarchy are shown at NAV. These are investments in non-governmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The City considers its investment in the California LAIF to be a level 2 investment.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 4 – CAPITAL ASSETS

A summary of the changes in capital assets follows:

	Restated * Balance July 1, 2020	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2021
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 349,403	\$ -	\$ -	\$ -	\$ 349,403
Construction in progress	175,000	8,251	-	-	183,251
Total capital assets, not being depreciated	<u>524,403</u>	<u>8,251</u>	<u>-</u>	<u>-</u>	<u>532,654</u>
Capital assets being depreciated:					
Infrastructures	12,817,744	1,530,635	-	-	14,348,379
Structures and improvements	13,926,562	16,020	-	-	13,942,582
Equipment	721,471	39,613	-	-	761,084
Total capital assets being depreciated	<u>27,465,777</u>	<u>1,586,268</u>	<u>-</u>	<u>-</u>	<u>29,052,045</u>
Less accumulated depreciation for:					
Infrastructure	(4,909,996)	(501,693)	-	-	(5,411,689)
Structures and improvements	(6,775,542)	(364,648)	-	-	(7,140,190)
Equipment	(633,798)	(23,509)	-	-	(657,307)
Total accumulated depreciation	<u>(12,319,336)</u>	<u>(889,850)</u>	<u>-</u>	<u>-</u>	<u>(13,209,186)</u>
Total capital assets being depreciated, net	<u>15,146,441</u>	<u>696,418</u>	<u>-</u>	<u>-</u>	<u>15,842,859</u>
Capital assets, net	<u>\$ 15,670,844</u>	<u>\$ 704,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,375,513</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 3,212,346	\$ -	\$ (2,793)	\$ -	\$ 3,209,553
Construction in progress	988,307	167,403	-	(988,307)	167,403
Total capital assets, not being depreciated	<u>4,200,653</u>	<u>167,403</u>	<u>(2,793)</u>	<u>(988,307)</u>	<u>3,376,956</u>
Capital assets being depreciated:					
Structures and improvements	1,102,999	97,499	-	-	1,200,498
Equipment	41,113,058	1,924,728	(375,683)	988,307	43,650,410
Total capital assets being depreciated	<u>42,216,057</u>	<u>2,022,227</u>	<u>(375,683)</u>	<u>988,307</u>	<u>44,850,908</u>
Less accumulated depreciation for:					
Structures and improvements	(484,582)	(49,028)	-	-	(533,610)
Equipment	(25,482,257)	(1,452,865)	375,683	-	(26,559,439)
Total accumulated depreciation	<u>(25,966,839)</u>	<u>(1,501,893)</u>	<u>375,683</u>	<u>-</u>	<u>(27,093,049)</u>
Total capital assets being depreciated, net	<u>16,249,218</u>	<u>520,334</u>	<u>-</u>	<u>988,307</u>	<u>17,757,859</u>
Capital assets, net	<u>\$ 20,449,871</u>	<u>\$ 687,737</u>	<u>\$ (2,793)</u>	<u>\$ -</u>	<u>\$ 21,134,815</u>

* During the year, the City engaged an outside firm to perform a comprehensive inventory and valuation of its capital assets. As a result of this engagement, the beginning balances of capital assets as of June 30, 2020 were restated downward by approximately \$6.9 million.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 4 – CAPITAL ASSETS, continued

Depreciation Expense

Depreciation expense was charged to functions of the primary government as follows:

<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
Public safety	\$ 4,536	Public Utility Authority	\$ 1,238,777
Public works	326,301	Golf course	44,821
Parks and recreation	202,553	Transit	58,335
Community development	356,460	Internal service funds	159,960
	<u>\$ 889,850</u>		<u>\$ 1,501,893</u>

NOTE 5 – INTANGIBLE ASSETS

Changes in the intangible assets for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Balance June 30, 2021
Cost			
Water rights	\$ 2,662,807	\$ -	\$ 2,662,807
Canal construction cost sharing	728,366	-	728,366
Total cost	<u>3,391,173</u>	<u>-</u>	<u>3,391,173</u>
Less accumulated amortization			
Water rights	(490,688)	-	(490,688)
Canal construction cost sharing	(424,877)	(18,210)	(443,087)
Total accumulated amortization	<u>(915,565)</u>	<u>(18,210)</u>	<u>(933,775)</u>
Intangible assets, net	<u>\$ 2,475,608</u>	<u>\$ (18,210)</u>	<u>\$ 2,457,398</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM OBLIGATIONS

The City has the following long-term obligations at June 30, 2021:

Bonds Payable and Certificates of Participation

1992 Series A Tax Allocation Bonds

The bonds were issued to provide monies to enable the Financing Authority to fund a loan to the Redevelopment Agency. The bonds are payable solely from the loan payments to be made to the Financing Authority by the Redevelopment Agency and from the reserve account created under the Loan Agreement and investment earnings thereon. Tax revenues of the Agency from its redevelopment project secure repayment of the loan.

Principal payments in amounts from \$15,000 to \$150,000 are due annually to 2022, with interest payments at rates ranging from 5.40% to 7.50% payable semi-annually.

\$ 290,000

Bonds Payable – Enterprise Funds

2016 Revenue Refunding Bonds

In December 2016 the Utility Authority issued \$15,488,000 in revenue bonds bearing interest at 3.86%. Principal payments in various amounts are due annually through February 2031.

\$ 11,872,583

Long-Term Debt – Schedule of Maturities

Debt service requirements for long-term debt for governmental activities are as follows:

Years Ending June 30:	Principal	Interest	Total
2022	\$ 140,000	\$ 16,500	\$ 156,500
2023	150,000	5,625	155,625
	<u>\$ 290,000</u>	<u>\$ 22,125</u>	<u>\$ 312,125</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 6 – LONG-TERM OBLIGATIONS, continued

Debt service requirements for 2016 Revenue Refunding Bonds are as follows:

Years Ending June 30:	Principal	Interest	Total
2022	\$ 993,600	\$ 448,785	\$ 1,442,385
2023	1,032,323	410,062	1,442,385
2024	1,072,556	369,830	1,442,386
2025	1,114,355	328,030	1,442,385
2026	1,157,784	284,600	1,442,384
2027-2031	6,501,965	709,962	7,211,927
	<u>\$ 11,872,583</u>	<u>\$ 2,551,269</u>	<u>\$ 14,423,852</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description and Purpose	Balance July 1, 2020	Increase/ Issued	Decrease/ Refund	Balance June 30, 2021	Due Within One Year
Primary Government					
<i>Governmental Activities:</i>					
Tax allocation 1992 bonds	\$ 420,000	\$ -	\$ (130,000)	\$ 290,000	\$ 140,000
<i>Business-Type Activities</i>					
Revenue Bonds:					
NPUA 2016 bonds	12,828,913	-	(956,330)	11,872,583	993,600
Notes Payable:					
Sanitation fund	306,589	-	(27,656)	278,933	29,362
Total Business-Type Activities	<u>13,135,502</u>	<u>-</u>	<u>(983,986)</u>	<u>12,151,516</u>	<u>1,022,962</u>
Total Primary Government	<u>\$13,555,502</u>	<u>\$ -</u>	<u>\$ (1,113,986)</u>	<u>\$12,441,516</u>	<u>\$ 1,162,962</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 7 – OBLIGATION UNDER AGREEMENT WITH COUNTY OF SAN BERNARDINO

The note payable in the Sanitation Enterprise Fund resulted from an agreement the City made with the County of San Bernardino (County) on January 30, 1996. The County agreed to accept the landfill into the County landfill system and to serve as lead agency for the cleanup, closure, and post-closure activities for the landfill.

The City agreed to reimburse the County \$665,195 for its share of the cleanup, closure, and post-closure costs, to provide in-kind services for post-closure activities, to assist the County in obtaining approval from regulatory agencies for a “monolithic soil cover”, and in seeking recovery from other parties who may be responsible for the costs of cleanup, closure, and post-closure.

Per the agreement, interest shall accrue on the unpaid balance at 6% per annum compounded annually commencing on January 1 of the year following the year in which the landfill is deemed closed.

The landfill ceased accepting waste in 1994, and was closed in 2002. The Closure Agreement calls for annual principal payments of \$50,000 over a 15 year period.

The City settled this obligation with the County by agreeing to pay a principal amount of \$447,361 beginning on July 1, 2014. Payments are \$3,775 per month for 180 months ending on June 1, 2029. This debt bears interest at 6% per annum.

Future payments under this debt are as follows:

Years Ending June 30:	Principal	Interest	Total
2022	\$ 29,362	\$ 15,939	\$ 45,301
2023	31,173	14,128	45,301
2024	33,062	12,239	45,301
2025	35,135	10,166	45,301
2026	37,302	7,999	45,301
2027-2029	112,899	9,707	122,606
	<u>\$ 278,933</u>	<u>\$ 70,178</u>	<u>\$ 349,111</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 8 – UTILITY ENTERPRISE

As disclosed in Note 1, the Needles Public Utility Authority (NPUA) was formed on January 6, 1997, for the purpose of owning, operating, and maintaining the Utility Enterprise. On March 6, 1997, NPUA purchased the Utility Enterprise (consisting of the Water, Sewer, and Electric Funds) from the City for \$65,000,000.

To fund the acquisition, NPUA issued 1997 revenue bonds totaling \$21,145,000, of which \$17,941,092 was used as an initial down payment for the acquisition. These bonds were fully paid during the year ended June 30, 2017, with the proceeds of 2016 revenue refunding bonds issued by the NPUA. The 2016 Revenue Refunding bonds were issued in the face amount of \$15,488,000 and are more fully described in Note 6 above.

The balance of \$47,058,908 was financed by the City and evidenced by an advance from the City to the NPUA. This is being repaid with an annual purchase payment of \$685,300 through the year 2065. As a component unit, the NPUA is included as part of the City's reporting entity (see Note 1). Accordingly, the Utility Enterprise assets and liabilities acquired by NPUA are included in the financial statements at net book value rather than fair market value (acquisition price) and the note, which approximates the step-up to the fair market value, is shown as an interfund advance from the general fund to the NPUA (see Note 12).

The City and NPUA entered into a separate agreement wherein the City has agreed to continue to manage and administer the utility operations. As a result, the City performs the customer billing and collection function and pays the expenses related to the utility operations. NPUA reimburses the City on a monthly basis for expenses incurred.

NOTE 9 – OPERATING LEASES

The City entered into an agreement with Enterprise Fleet Management to lease 7 vehicles. The lease commenced on March 11, 2020 and has a term of 60-months with a monthly payment of \$3,671.

The following is a schedule of future minimum lease payments required as of June 30, 2021:

For Year Ending June 30,	Total
2022	\$ 44,057
2023	44,057
2024	44,057
2025	33,043
	<u>\$ 165,214</u>

The total lease expense for the year ended June 30, 2021 was \$44,057.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 10 – RESTRICTED FUND BALANCES AND NET POSITION

Certain proprietary fund and similar component unit assets are restricted for construction funded through long-term debt or Federal grant revenues. Net position restricted for debt service include the excess of assets over certain liabilities restricted for the debt service on revenue bonds. Cash is restricted for deposits in bank accounts legally restricted for specified uses such as the payment of currently maturing debt service and annual fiscal fees on long-term debt. These are reported with current assets.

The fund balances of the governmental funds have been classified into the five categories of fund balance specified in GASB Statement No. 54. The City's fund balances at June 30, 2021 are as follows:

	General Fund	Public Financing Authority	Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ 8,953	\$ -	\$ -	\$ 8,953
Prepaid items	152,419	-	10,166	162,585
Land held for resale	-	-	182,153	182,153
Advances receivable	9,622,026	-	-	9,622,026
Subtotal	9,783,398	-	192,319	9,975,717
Restricted:				
Debt service	-	161,753	-	161,753
Public works	-	-	105,728	105,728
Cemetery	-	-	139,743	139,743
Subtotal	-	161,753	245,471	407,224
Committed:				
General government	350,000	-	-	350,000
Public safety	-	-	200,665	200,665
Public works	-	-	361,070	361,070
Subtotal	350,000	-	561,735	911,735
Assigned:				
Public works	-	-	22,605	22,605
Community development	-	-	368,626	368,626
Subtotal	-	-	391,231	391,231
Unassigned	9,077,118	-	(559,990)	8,517,128
Total	<u>\$ 19,210,516</u>	<u>\$ 161,753</u>	<u>\$ 830,766</u>	<u>\$ 20,203,035</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE, continued

B. Primary Self-Insurance Programs of the Authority, continued

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Needles participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Needles property is currently insured according to a schedule of covered property submitted by the City of Needles to the Authority. City of Needles property currently has all-risk property insurance protection in the amount of \$35,202,504. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE, continued

C. Purchased Insurance, continued

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$20,165,283. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

NOTE 12 – BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY

In general, outstanding balances between funds are presented in the financial statements as either "Due to/from other funds" (i.e., the current portion of interfund loans) or "Advances to/from other funds" (i.e., the non-current portion of interfund loans).

These balances include outstanding charges by one fund to another fund for goods or services or for other miscellaneous receivables/payables between funds. Balances between governmental funds and business-type funds are reflected in the government-wide financial statements as "internal balances".

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 12 – BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY, continued

DUE TO/FROM OTHER FUNDS

The composition of due to/from other funds as of June 30, 2021 are as follows:

Governmental Activities

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	I40/J Street Project	\$ -	Reimbursement of expenses
	NPUA	18,868	
	Sanitation	2,613,930	Temporary cash borrowing
Total Governmental Funds		<u>\$ 2,632,798</u>	

Business-Type Activities

Receivable Fund	Payable Fund	Amount	Purpose
NPUA	Internal Service Funds	\$ 498,544	Reimbursement of expenses
	All American Canal	25,107	
Total Proprietary Funds		<u>\$ 523,651</u>	

ADVANCES TO/FROM OTHER FUNDS

The City entered into a Purchase Obligation with the NPUA in which the NPUA agreed to pay the City \$685,300 each February 1st, including interest imputed at 6.714% through February 2012. Starting February 2013, the annual payment was reduced to \$673,036 as a result of the \$400,000 prepayments made in 2012. The annual payment was further reduced to \$666,983 in fiscal year 2016 as a result of the additional prepayment made in 2013 amounting to \$350,000. The balance of the obligation at June 30, 2021 was \$9,622,026.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 12 – BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY, continued

ADVANCES TO/FROM OTHER FUNDS, continued

Annual maturities of the Purchase Obligation are presented below:

Years Ending June 30:	Principal	Interest	Total
2022	\$ 39,277	\$ 646,023	\$ 685,300
2023	41,914	643,386	685,300
2024	44,728	640,572	685,300
2025	47,731	637,569	685,300
2026	50,936	634,364	685,300
2027-2031	310,808	3,115,692	3,426,500
2032-2036	430,130	2,996,370	3,426,500
2037-2041	595,259	2,831,241	3,426,500
2042-2046	823,784	2,602,716	3,426,500
2047-2051	1,140,041	2,286,459	3,426,500
2052-2056	1,577,710	1,848,790	3,426,500
2067-2061	2,183,405	1,243,095	3,426,500
2062-2065	2,336,303	404,871	2,741,174
	<u>\$ 9,622,026</u>	<u>\$20,531,148</u>	<u>\$30,153,174</u>

TRANSFERS

Transfers and payments within the reporting entity are primarily for the purpose of providing cash to meet operating and debt service needs or to fund the construction or purchase of capital assets.

The government-wide statement of activities eliminates transfers reported within the segregated governmental and business-type activities columns. Only transfers *between* the two columns appear in this statement.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 12 – BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY, continued

TRANSFERS, continued

The following schedule reports transfers and payments within the reporting entity:

Transfer To	Transfer From	Amount	Purpose
General Fund (GF)	Sanitation Fund	\$ 120,000	Fund operations
	Other Governmental Funds	133,092	Gas tax
	Other Governmental Funds	61,000	Active Transport Program
	Transit Fund	20,624	Fund operations
	NPUA	648,494	Utility purchase
	Internal Service Funds	726,958	Fair share allocation
Total General Fund		<u>1,710,168</u>	
Public Financing Authority	Other Governmental Funds	156,286	Transfer of RDA debt payment
Other Governmental Funds	General Fund	<u>83,436</u>	Cemetery Fund from General Fund
Total Governmental Funds		<u>\$ 1,949,890</u>	
NPUA	Internal Service Funds	5,805,145	Transfer of capital assets
Golf Course Fund	General Fund	480,360	Fund operations
Transit	Other Governmental Funds	<u>17</u>	Fund operations
Total Proprietary Funds		<u>\$ 6,285,522</u>	

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s Employee Pension Plan, a cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. The plans in existence for employees hired before January 1, 2013, (“Classic” plans) are closed to new entrants.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous Plan	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Benefits as a % of annual salary	2.000%	2.000%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	10.484%	7.732%

	Safety Plan
	Prior to January 1, 2013
Hire date	
Benefit formula	3% @ 50
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	50
Benefits as a % of annual salary	3.000%
Required employee contribution rates	0.000%
Required employer contribution rates	0.000%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan were \$606,457.

Net Pension Liability

As of June 30, 2021, the City reported a net pension liability of \$4,520,208 for its proportionate share of the net pension liability of the Miscellaneous Plan and \$173,792 for its proportionate share of the net pension liability of the Safety Plan.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Net Pension Liability, continued

The City's net pension liability for the Miscellaneous Plan and the Safety Plan (the Plans) is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2020, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2020 and 2021 was as follows:

	Miscellaneous Plan	Safety Plan	Total
Proportion June 30, 2020	0.10337%	0.00246%	0.04190%
Proportion June 30, 2021	0.10716%	0.00261%	0.04314%
Change	0.00379%	0.00015%	0.00124%

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan	Safety Plan
Valuation date	June 30, 2019	June 30, 2019
Measurement date	June 30, 2020	June 30, 2020
Actuarial cost method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll growth	2.75%	2.75%
Projected salary increase	3.3% - 14.2% ¹	3.3% - 14.2% ¹
Investment rate of return	7.15% ²	7.15% ²
Mortality	Society of Actuaries Scale BB ³	

¹ Depending on age, service, and type of employment

² Net of pension plan investment expenses, including inflation

³ The mortality table used was developed based on CalPERS' specific data

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. Further details of the Experience Study can be found on the CalPERS website.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Net Pension Liability, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.00%</u>		

⁽¹⁾ An expected inflation of 2.00% used for this period.

⁽²⁾ An expected inflation of 2.92% used for this period.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Net Pension Liability, continued

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS performed stress tests on plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class.

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan measured as of June 30, 2020 is as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Pension Liability/ Asset</u>
<u>Miscellaneous Plan</u>			
Balance at June 30, 2019	\$19,225,098	\$15,085,481	\$ 4,139,617
Changes in the Year:			
Service cost	455,848	-	455,848
Interest on the total pension liability	1,345,690	-	1,345,690
Changes in benefit terms	949	-	949
Changes in assumptions	-	-	-
Difference between expected and actual experience	81,573	-	81,573
Change in proportion	(266,166)	(417,994)	151,828
Net plan to plan resource movement	-	42,233	(42,233)
Contributions - employer	-	689,216	(689,216)
Contributions - employee	-	207,449	(207,449)
Net investment income	-	732,777	(732,777)
Benefits payments, including refunds of employee contributions	(897,067)	(892,812)	(4,255)
Administrative expense	-	(20,633)	20,633
Other miscellaneous income	-	-	-
Net Changes	<u>720,827</u>	<u>340,236</u>	<u>380,591</u>
Balance at June 30, 2020	<u>\$ 19,945,925</u>	<u>\$ 15,425,717</u>	<u>\$ 4,520,208</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Changes in the Net Pension Liability, continued

	Total Pension Liability	Fiduciary Net Position	Pension Liability/ Asset
<u>Safety Plan</u>			
Balance at June 30, 2019	\$ 1,176,802	\$ 1,023,384	\$ 153,418
Changes in the Year:			
Service cost	22,710	-	22,710
Interest on the total pension liability	79,346	-	79,346
Changes in assumptions	-	-	-
Difference between expected and actual experience	17,780	-	17,780
Change in proportion	(67,984)	(32,044)	(35,940)
Net plan to plan resource movement	-	8,176	(8,176)
Contributions - employer	-	18,186	(18,186)
Contributions - employee	-	-	-
Net investment income	-	47,801	(47,801)
Benefits payments, including refunds of employee contributions	(56,442)	(65,750)	9,308
Administrative expense	-	(1,333)	1,333
Other miscellaneous income	-	-	-
Net Changes	<u>(4,590)</u>	<u>(24,964)</u>	<u>20,374</u>
Balance at June 30, 2020	<u>\$ 1,172,212</u>	<u>\$ 998,420</u>	<u>\$ 173,792</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –
The following presents the City's proportionate share of the net pension liability for the Miscellaneous and Safety Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate Minus 1%	Current Discount Rate	Discount Rate Plus 1%
<u>Employer's Net Pension Liability/(Asset)</u>			
Miscellaneous Plan	\$ 7,174,524	\$ 4,520,208	\$ 2,327,030
Safety Plan	<u>332,983</u>	<u>173,792</u>	<u>43,161</u>
Total	<u>\$ 7,507,507</u>	<u>\$ 4,694,000</u>	<u>\$ 2,370,191</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 13 – DEFINED BENEFIT PENSION PLAN, continued

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

Annual Pension Cost – For 2021, the City recognized net pension expense of \$824,114. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 32,819
Differences between expected and actual experience	246,416	-
Differences between projected and actual earnings on plan investments	138,057	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	358,034
Change in employer's proportion	206,749	-
Pension contributions subsequent to the measurement date	606,457	-
Total	<u>\$ 1,197,679</u>	<u>\$ 390,853</u>

The \$606,457 deferred outflow of resources related to pension contributions made subsequent to the measurement will be recognized as a reduction of net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and deferred inflows will be recognized as pension expense as follows:

Years Ending June 30:	Miscellaneous	Safety	Total
2022	(22,459)	(12,518)	(34,977)
2023	99,985	(12,644)	87,341
2024	86,743	(5,034)	81,709
2025	64,404	1,892	66,296
	<u>\$ 228,673</u>	<u>\$ (28,304)</u>	<u>\$ 200,369</u>

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The City has elected to use the GASB 75 “lookback” method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020

Plan Description – In addition to providing pension benefits, the City provides certain health care benefits for retired employees. Classified employees retiring after 20 or more years of service and after having reached age 58 or older are provided medical insurance coverage until the retiree becomes eligible for Medicare. Unclassified employees retiring at age 55 or later with 20 or more years of service are paid \$300 per month for medical insurance coverage until the retiree becomes eligible for Medicare. Five retirees received post-retirement health care benefits during the fiscal year ended June 30, 2021.

Contributions – The contribution requirements of the City are established and may be amended by the City council. While GASB Statement 75 requires that the liability for all post-employment benefits be measured, it does not require that an agency “pre-fund” the accrued liability. The City will pay for the post-employment healthcare cost on a “pay-as-you-go” basis. The provisions of GASB Statement 75 determine the amount that must be presented as an annual expense and accrued liability on the City’s financial statements. The contributions made on behalf of the plan members for the year ended June 30, 2021 were \$92,073.

Significant Assumptions – Significant assumptions are as follows:

Discount rate	2.45%
Expected return on plan assets	N/A
Inflation rate	2.50%
Mortality	Mortality rates were based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of scale MP-2016.
Health care cost trend rate	6.40% for FY 2020, gradually decreasing over several decades to an ultimate rate of 4.00% in FY 2076 and later years.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Participants eligible for OPEB were as follows:

	Valuation Date 6/30/2019
Active employees electing coverage	39
Active employees waiving coverage	6
Retirees electing coverage	4
Total	49

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2021 for the City.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2020	\$ 1,121,102	\$ -	\$ 1,121,102
Changes recognized for the measurement period:			
Service cost	50,497	-	50,497
Interest	35,230	-	35,230
Differences between expected and actual experience	-	-	-
Change of assumptions	54,488	-	54,488
Employer contributions	-	92,073	(92,073)
Benefit payments	(92,073)	(92,073)	-
Net changes	48,142	-	48,142
Balance at June 30, 2021	\$ 1,169,244	\$ -	\$ 1,169,244

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 1.45%	Discount Rate 2.45%	1% Increase 3.45%
Net OPEB liability	\$ 1,253,453	\$ 1,169,244	\$ 1,089,925

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements
June 30, 2021

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Sensitivity of the City's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,050,509	\$ 1,169,244	\$ 1,308,712

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the City's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	<u>Deferred Outflows of Resources⁽¹⁾</u>	<u>Deferred Inflows of Resources</u>
Contributions between measurement date and reporting date	\$ 77,878	\$ -

⁽¹⁾ Includes estimated implicit rate subsidy of \$38,208.

Deferred outflows from contributions between measurement date and reporting date will be recognized as OPEB expense in the year ended June 30, 2021.

Net OPEB Expense

For the year ended June 30, 2021, the City's OPEB expense/(income) was \$140,215. Detail of the expense/(income) is shown below:

Service cost	\$ 50,497
Interest cost	35,230
Changes of assumptions	<u>54,488</u>
Net OPEB Expense (Income)	<u>\$ 140,215</u>

NOTE 15 – RELATED PARTY TRANSACTIONS

The City acts as the manager and operator of the Authority's Enterprises under a Management Agreement. The City receives a management fee equal to its actual costs and direct overhead incurred in connection with the management and operation of the Enterprises.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 15 – RELATED PARTY TRANSACTIONS, continued

Such costs include, but are not limited to, salaries, insurance and retirement benefits of City employees providing services to the Enterprises. Each July 1, the Management Agreement is extended for one year, unless either party notifies the other that it does not intend to extend the term of the Agreement. Total payments made to the City for operating the Enterprises for the year ended June 30, 2021 amounted to \$8,743,937. This amount includes payment of Fair Share Allocation (FSA) and purchase of electric power and capital assets.

In exchange for the City providing rights of way and rights of access to all real property owned by the City and necessary for the Authority to operate the Enterprises, the City collected an annual franchise fee from the Authority. The amount of the franchise fee was determined by the City, the payment of which is subordinate to the Authority's annual debt service. In August 2010, the Authority's Board approved the increase in franchise fee from 5% of gross revenues to 7.5% of gross revenues for two years, and then 5% thereafter. In November 2012, the voters of the City of Needles approved Measure T eliminating 2.5% of the franchise fee that the City of Needles charges the Authority and established a utility user tax of up to 2.5% to be applied to electric, water and sewer charges. In FY 17 the City underwent a study to determine the utilities' actual usage of rights of way and rights of access to all real property owned by the City. After the study the City eliminated the franchise fee and created the Fair Share Allocation (FSA). The FSA and utility user tax amounted to \$979,556 for the year ended June 30, 2021.

NOTE 16 – COVID-19

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent. The early months of COVID, affected the City's Sales tax and TOT revenue. However, the summer months showed recovery as the City remained busy with visitors nesting in their second homes in Needles during quarantine. As a result, overall, the virus has not had a significant financial impact on the City. However, the impact to the State of California is uncertain and there is currently no way to know the ultimate impact on the City.

CITY OF NEEDLES, CALIFORNIA

Notes to the Financial Statements June 30, 2021

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

The following table is a summary of the restatement of beginning fund balances/net position:

<u>Fund Statements</u>	<u>Public Utility Authority</u>	<u>Golf Course</u>	<u>Internal Service Funds</u>
Fund balance/net position, beginning of year, as originally reported	\$ 9,548,173	\$ (2,454,706)	\$ 5,512,447
Adjustment to capital assets per valuation	<u>(1,373,940)</u>	<u>(126,895)</u>	<u>(1,079,171)</u>
Total adjustments	<u>(1,373,940)</u>	<u>(126,895)</u>	<u>(1,079,171)</u>
Fund balance/net position, beginning of year, restated	<u>\$ 8,174,233</u>	<u>\$ (2,581,601)</u>	<u>\$ 4,433,276</u>
<u>Government-Wide Statements</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position beginning of year, as originally reported	\$ 34,390,850	\$ 11,747,943	\$ 46,138,793
Adjustment to capital assets per valuation	<u>(4,354,467)</u>	<u>(2,580,006)</u>	<u>(6,934,473)</u>
Total adjustments	<u>(4,354,467)</u>	<u>(2,580,006)</u>	<u>(6,934,473)</u>
Net position beginning of year, restated	<u>\$ 30,036,383</u>	<u>\$ 9,167,937</u>	<u>\$ 39,204,320</u>

NOTE 18 – EVALUATION OF SUBSEQUENT EVENTS – MANAGEMENT REVIEW

Management has evaluated subsequent events through April 5, 2022, the date which the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEEDLES
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance July 1, 2020	\$ 16,080,641	\$ 16,080,641	\$ 16,080,641	\$ -
Resources (inflows):				
Taxes	\$ 4,452,000	\$ 6,047,000	7,980,817	1,933,817
Licenses, permits, and fees	293,900	384,359	539,252	154,893
Intergovernmental	4,000	348,360	211,271	(137,089)
Charges for services	340,500	312,440	433,354	120,914
Fines and forfeitures	183,000	186,500	194,212	7,712
Use of money and property	93,738	87,238	157,708	70,470
Transfers from other funds	1,710,147	1,667,147	1,710,168	43,021
Other revenues	16,695	11,820	29,336	17,516
Amounts available for appropriation	<u>23,174,621</u>	<u>25,125,505</u>	<u>27,336,759</u>	<u>2,211,254</u>
Charges to appropriations (outflows):				
General government:				
City attorney	90,000	90,000	69,610	20,390
City manager	198,149	198,149	168,097	30,052
Finance and administration	392,531	413,056	392,619	20,437
City clerk	112,459	193,355	169,820	23,535
Planning and zoning	158,084	163,610	29,149	134,461
Engineer	154,423	157,448	116,046	41,402
Community development	28,590	28,590	89,751	(61,161)
Senior center	54,669	54,669	39,029	15,640
Parks and recreation:				
Aquatics	170,350	207,972	178,095	29,877
Parks	382,480	423,145	406,758	16,387
Jack Smith Park Marina	118,030	120,030	133,654	(13,624)
Recreation	293,600	300,092	234,352	65,740
Public safety:				
Police	2,835,411	2,837,411	2,809,970	27,441
Animal control	215,079	217,752	185,276	32,476
Building and safety	280,810	316,654	317,698	(1,044)
Code enforcement	394,015	424,151	455,248	(31,097)
Public works:				
Streets	930,427	2,163,285	1,436,853	726,432
Sanitation	129,368	129,368	130,422	(1,054)
Nondepartmental:				
Transfers to other funds	<u>615,144</u>	<u>747,627</u>	<u>763,796</u>	<u>(16,169)</u>
Total charges to appropriations	<u>7,553,619</u>	<u>9,186,364</u>	<u>8,126,243</u>	<u>1,060,121</u>
Budgetary fund balance June 30, 2021	<u>\$ 15,621,002</u>	<u>\$ 15,939,141</u>	<u>\$ 19,210,516</u>	<u>\$ 3,271,375</u>

**CITY OF NEEDLES
GENERAL FUND
RECONCILIATION BETWEEN BUDGETARY AMOUNTS AND GAAP
FOR THE YEAR ENDED JUNE 30, 2021**

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 27,336,759
--	---------------

Difference - budget to GAAP:

The fund balances at the beginning of the year are budgetary resources but are not current-year revenues for financial reporting purposes	(16,080,641)
---	--------------

Transfers in are budgetary resources but are reported as an "Other financing source" and not as a current-year revenue	<u>(1,710,168)</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u><u>\$ 9,545,950</u></u>
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Charges to appropriations

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 8,126,243
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Transfers out are a budgetary charge to appropriations but are reported as an "Other financing use" and not as a current-year expense	<u>(763,796)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u><u>\$ 7,362,447</u></u>
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CITY OF NEEDLES
BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance July 1, 2018	\$ 162,082	\$ 162,082	\$ 162,082	\$ -
Resources (inflows):				
Use of money and property	-	-	10	(10)
Amounts available for appropriation	162,082	162,082	162,092	(10)
Charges to appropriations (outflows):				
Principal retirement	-	-	130,000	(130,000)
Interest and fiscal charges	-	-	26,625	(26,625)
Total charges to appropriations	-	-	156,625	(156,625)
Budgetary fund balance June 30, 2019	<u>\$ 162,082</u>	<u>\$ 162,082</u>	<u>\$ 5,467</u>	<u>\$ (156,615)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation"
from the budgetary comparison schedule \$ 162,092

Difference - budget to GAAP:

The fund balances at the beginning of the year are budgetary resources but
are not current-year revenues for financial reporting purposes (162,082)

Total revenues as reported on the statement of revenues,
expenditures, and changes in fund balance - governmental funds \$ 10

CITY OF NEEDLES
Required Supplementary Information
Pensions - Miscellaneous Plan
June 30, 2021

Schedule of the City's proportionate share of the Net Pension Liability:

Last 10 Fiscal years*

Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
City's proportion of the net pension liability	0.03302%	0.08325%	0.09839%	0.10014%	0.10036%
City's proportionate share of the net pension liability	2,054,707	2,283,923	\$3,417,806	\$3,947,484	\$3,782,261
City's covered payroll	2,347,411	2,129,947	2,150,169	2,183,340	2,366,448
City's proportionate share of the net pension liability as a percentage of its covered payroll	87.53%	107.23%	158.96%	180.80%	159.83%
Plan Fiduciary net position as a percentage of the total pension liability	87.06%	85.73%	79.32%	78.17%	79.63%

Measurement Date	June 30, 2019	June 30, 2020
City's proportion of the net pension liability	0.10034%	0.10716%
City's proportionate share of the net pension liability	4,139,617	4,520,208
City's covered payroll	2,366,583	2,566,584
City's proportionate share of the net pension liability as a percentage of its covered payroll	174.92%	176.12%
Plan Fiduciary net position as a percentage of the total pension liability	78.47%	77.34%

CALPERS - Schedule of City's contributions:

Last 10 Fiscal Years*

Measurement Date	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 174,760	\$ 357,824	\$ 363,108	\$ 386,723	\$ 448,179
Contributions in relation to the actuarially determined contribution	<u>174,760</u>	<u>357,824</u>	<u>363,108</u>	<u>386,723</u>	<u>448,179</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,347,411	\$ 2,129,947	\$ 2,150,169	\$ 2,183,340	\$ 2,366,448
Contributions as a percentage of covered payroll	7.44%	16.80%	16.89%	17.71%	18.94%
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2020</u>			
Actuarially determined contribution	\$ 500,300	\$ 583,707			
Contributions in relation to the actuarially determined contribution	<u>500,300</u>	<u>583,707</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
City's covered payroll	\$ 2,366,583	\$ 2,566,584			
Contributions as a percentage of covered payroll	21.14%	22.74%			

* Fiscal year ended June 30, 2015 was the first year of implementation.

Additional years will be presented as they become available.

CITY OF NEEDLES
Required Supplementary Information
Pensions - Safety Plan
June 30, 2021

Schedule of the City's proportionate share of the Net Pension Liability:

Last 10 Fiscal years*

Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
City's proportion of the net pension liability	0.00000%	0.00026%	0.00191%	0.00218%	0.00225%
City's proportionate share of the net pension liability	\$0	\$10,757	\$99,001	\$130,042	\$131,962
City's covered payroll	-	-	-	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary net position as a percentage of the total pension liability	N/A	99.23%	92.89%	91.21%	90.91%

Measurement Date	June 30, 2019	June 30, 2020
City's proportion of the net pension liability	0.00246%	0.00261%
City's proportionate share of the net pension liability	\$153,418	\$173,792
City's covered payroll	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A
Plan Fiduciary net position as a percentage of the total pension liability	86.96%	85.17%

CALPERS - Schedule of City's contributions:

Last 10 Fiscal Years*

Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Actuarially determined contribution	\$ -	\$ 4,120	\$ -	\$ 4,758	\$ 33,776
Contributions in relation to the actuarially determined contribution	-	4,120	-	4,758	33,776
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Measurement Date	June 30, 2019	June 30, 2020
Actuarially determined contribution	\$ -	\$ 22,750
Contributions in relation to the actuarially determined contribution	-	22,750
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A

* Fiscal year ended June 30, 2015 was the first year of implementation. Additional years will be presented as they become available.

CITY OF NEEDLES
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
June 30, 2021

Last 10 Fiscal years*

	2018	2019	2020	2021
Net OPEB liability				
Service cost	\$ 45,161	\$ 42,518	\$ 44,458	\$ 50,497
Interest	37,348	44,070	45,273	35,320
Differences between expected and actual experience	-	-	127,243	-
Change in assumptions	(59,030)	(5,315)	(266,725)	54,488
Benefit payments	(53,510)	(70,393)	(70,629)	(92,073)
Net change in Net OPEB liability	(30,031)	10,880	(120,380)	48,232
Net OPEB liability - beginning	1,260,633	1,230,602	1,241,482	1,121,102
Net OPEB liability - ending	<u>\$ 1,230,602</u>	<u>\$ 1,241,482</u>	<u>\$ 1,121,102</u>	<u>\$ 1,169,334</u>
Covered payroll	\$ 2,433,924	\$ 2,767,083	\$ 2,713,144	\$ 2,767,083
Net OPEB liability (asset) as a percentage of covered	50.6%	44.9%	41.3%	42.3%
Plan fiduciary net position as a percentage of the total	0.00%	0.00%	0.00%	0.00%

* Fiscal year ended June 30, 2018 was the first year of implementation.
Additional years will be presented as they become available.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Needles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Needles, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
City of Needles
Needles, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
April 5, 2022

CITY OF NEEDLES, CALIFORNIA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - STATUS OF PRIOR YEAR FINDINGS

Finding 2020-001

Capital Asset Records

Recommendation

We recommend that the City obtain a capital asset valuation on its assets acquired prior to July 1, 1987. In addition, the City should determine which parcels of land it owns. We also recommend that a complete inventory of its capital assets be performed. Going forward, the City should assume the tracking of its own capital assets and maintain a complete depreciation schedule, rather than rely on the outside auditor to do so, and record all capital assets transactions in the general ledger.

Status

Implemented.



City of Needles, California

Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Accept Development Management Group, Inc.'s Economic Investment Marketing and Branding Strategic Plan (2022-2025).

Background: On January 14, 2020 the City Council accepted Development Management Group, Inc.'s proposal to develop an Economic Investment Marketing and Branding Strategic Plan for (2020-2025). Prior to the project being postponed due to COVID, DMG worked with community leaders, residents, and business to understand their desires relative to economic opportunities within the community. The Plan provides a framework, action-oriented steps and effectiveness evaluation criteria with the goal of generating additional economic investment into the City of Needles. DMG, Inc. completed the City's last Economic Development Strategic Plan (2014-2019).

Four (4) core areas were identified to attract additional economic investment:

1. Residential Development (Single Family, Multi-Family Housing and Custom/In-Fill)
2. Retail / Restaurants
3. Industrial Development
4. Hospitality and Tourism

As part of the adoption process, DMG, Inc. shall present a five-year implementation plan that includes activity budgets covering the first three (3) years. DMG, Inc. shall present said budgets (covering first three (3) years) at the time of adoption for consideration by the City to include in the City of Needles Annual Budget.

Fiscal Impact: Economic Investment Marketing and Branding Strategic Plan (2022-2025) drew on the Community Promotions and Economic Development Public Utility Funds (Electric, Water and Sewer) in the amount not to exceed \$39,500. Upon review and potential acceptance/approval of the Plan, city staff will bring back a request to fund the first of branding/marketing as part of the FY 2022-23 Budget.

Recommended Action: Accept Development Management Group, Inc.'s Economic Investment Marketing and Branding Strategic Plan (2022-2025).

Submitted By: Patrick Martinez, Director of Development Services

City Management Review: Rick

Date: 4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 2

PROPOSAL TO CREATE THE CITY OF NEEDLES ECONOMIC DEVELOPMENT STRATEGIC PLAN (2022-2025)

Objective

Develop an Economic Development Strategic Plan for the City of Needles, California to cover years 2020-2025. (FY 20-21 to FY 24-25). Overall the Plan will utilize the following elements as the key sections/drivers of the plan:

- A. Housing
 - a. Single Family
 - b. Multi-Family
- B. Hospitality/Tourism
 - a. Hotel Recruitment/Development
 - b. Destination/Visitor Marketing
 - c. Funding Sources
- C. Retail
 - a. Identification of Retailers & Developers
 - b. Opportunities to Market City/Community
- D. Industrial (Including Logistics, Manufacturing and Energy-Dependent Operations)
 - a. Identify 3-5 Key Subset Industries
 - b. Opportunities to Market to Developers and Users

Incorporated Elements:

- A. Assessment of economic status/conditions in the City of Needles and comparison to conditions in 2014 (previous Economic Development Strategic Plan) using updated economic indicator figures.
- B. Identification of Economic Development Assets within the Community/Region (Including but not limited to transportation, utility infrastructure, economic infrastructure)
- C. Generate / identify of Regional Economic Development Partners both within the State of California and in neighboring states/regions to Needles, CA.
- D. Work with community leaders, residents and other interested parties to understand their desires relative to economic opportunities within the community.
- E. Identify industries and specific business types that provide greatest potential to make additional economic investments in the City of Needles
- F. Create a five-year activity and results-based implementation plan (with matrices for assessment of plan)

Data Gathering Process

DMG, Inc. shall utilize a process that includes the use of both objective (statistical) and primary data gathering. Objective data gathering employs the use of various information sources providing hard statistical data while primary data gathering includes the use of both individual and focus group interviews/discussions.

Relative to individual and focus group interviews/discussions, DMG, Inc. shall request the assistance of the City of Needles (staff) to identify and coordinate communication with (at minimum) the following:

1. Mayor and Members of the City Council
2. Chairperson and Members of the Planning Commission
3. Chairperson and Members of the Utility Commission
4. Chairperson(s) and Members of City/Related Entity Commissions/Committees
5. Members of City Staff (as Identified by the City Manager)
6. Members of Public Safety (Police and Fire Services)
7. Board Leadership and Members of the Needles Chamber of Commerce
8. Local Business Leaders
9. Outside Economic Investors (Past / Present) that May Include Developers and Project Consultants
10. Regional Business Leaders (Located within the Colorado River Region, but Outside of Needles)
11. Elected/Appointed Officials from Communities Outside the City of Needles but within the Colorado River Region)
12. County of San Bernardino Elected/Appointed Officials

Plan Assembly

Utilizing information gathered during the Data Gathering Process and professional experience of Development Management Group, Inc., a Five-Year Economic Development Strategic Plan will be assembled in draft form. The Draft Plan will be submitted to a “Ad-Hoc Review Committee” as determined by the City of Needles. The “Ad-Hoc” may desire an in-person presentation/study session as well as time for individual review and comment.

At such time as the “Ad-Hoc Review Committee” has provided comment and DMG, Inc. has addressed comments, a “Draft-Final” Economic Development Strategic Plan will be presented to the City Council for the City of Needles to consider adoption.

Implementation

As part of the adoption process, DMG, Inc. shall present a five-year implementation plan that includes activity budgets covering the first three (3) years. DMG, Inc. shall present said budgets (covering first three (3) years) at the time of adoption for consideration by the City to include in the City of Needles Annual Budget.

Timing and Delivery

1. Objective/Statistical Research (January-February, 2020)
2. Primary Data Gathering (Interviews and Focus Groups) (January – February, 2020)
3. First Draft of Five-Year Economic Development Strategic Plan (March 31, 2020)
4. Review of Plan by Ad-Hoc (April 15, 2020)
5. Modifications to Plan and Presentation to City Council to Consider Adoption (May 12, 2020)
6. Beginning of Year 1 Implementation (July 1, 2020)

Compensation

Development Management Group, Inc. shall complete all work related to research, drafting and presentation of the Five-Year Economic Development Strategic Plan (Items 1-5 above) under a lump-sum contract amount of \$39,500. Progress payments shall be 50% at completion of First Draft (#3 above) and 50% at Plan Completion (incorporation of "Ad-Hoc" comments). As an alternative, the City of Needles and DMG, Inc. may choose to agree on a monthly payment schedule to assist in cash-flow planning for the City, if said option is requested prior to beginning project. It is noted that DMG, Inc. is currently under an hourly contract to assist with business recruitment and the tasks within this proposal are separate from that arrangement.

Insurance

The City of Needles can and shall be named as an additional insured at the request of the City for both Commercial General Liability, Professional Errors and Omissions and Automobile/Automobile Liability.

Contact Information for Development Management Group, Inc.

Michael Bracken, Managing Partner
41-625 Eclectic Street, Suite D-2
Palm Desert, CA 92260
(760) 346-8820 (office)
(760) 272-9136 (mobile)
Website: www.dmgeconomics.com
Email: michael@dmgeconomics.com

CITY OF NEEDLES, CALIFORNIA



ECONOMIC INVESTMENT MARKETING PLAN

2022-2025



Presented by:

Development Management Group, Inc.

www.dmgeconomics.com

(760) 272-9136

March 22, 2022

1. Prelude

The purpose of the City of Needles Economic Development Marketing Plan is to provide the framework, action-oriented steps and effectiveness evaluation criteria with the goal of generating additional economic investment in the City.

The City of Needles desires to attract additional economic investment in four (4) core areas including:

1. Residential Development (Single Family, Multi-Family Housing and Custom/In-Fill)
2. Retail / Restaurants
3. Industrial Development
4. Hospitality and Tourism

This Plan relies on information from the following sources:

- A. Association of Corporate Real Estate Executives Southern California (ACRE)
- B. City of Needles
- C. Confidential Sources (Unnamed Developers)
- D. County of San Bernardino
- E. Development Management Group, Inc.
- F. Environics Analytics
- G. HdL
- H. Hunter Johnsen Marketing
- I. International Council of Shopping Centers (ICSC)
- J. LinkedIn
- K. National Association of Homebuilders (NAHB)
- L. Society of Industrial and Office Realtors (SIOR)
- M. State of California Department of Finance & Department of Tax and Fee Administration

2. Introduction

The City of Needles is located in eastern San Bernardino County and is immediately adjacent to the Colorado River along the border of California and Arizona. The Southern tip of Nevada is located within ten (10) miles of the Northern tip of the City limits of the City of Needles.

The current population of Needles is 5,353 (January 1, 2021). The City encompasses about 31 square miles and is part of what is commonly referred to as the Colorado River Region which includes the Arizona communities of Lake Havasu City, Bullhead City, Fort Mohave (unincorporated) and Laughlin, Nevada. The community has Interstate 40 running through it (west to east) and Interstate 95 (north to south).

The purpose of this plan is to provide specific actions to assist the City of Needles in generating additional economic investment. The plan will rely on both the City of Needles population and the population of the Colorado River Region for which to draw investment. This is because households and consumers cross communities, zip codes and in this case, state borders for employment, shopping, education and recreation.

This plan will provide an understanding of regional and local economic opportunities by examining current demographics and other statistical information. From that, each segment of the desired economic investment will be addressed to provide context. Finally, a three (3) year month by month action step is presented along with budget.

The plan overall relies on a combination of traditional marketing/advertising and relationship-based marketing. Traditional Marketing/advertising avenues will have response vehicles while relationship-based marketing will rely on a more time intensive method.

3. Acknowledgments

An Economic Development Marketing Plan is put together as a community, for a community. The City of Needles (elected officials, residents, business community and staff) has come together to provide significant visioning as well as qualitative and quantitative information to formulate the plan that follows. The following are recognized for their contributions to the plan:

Mayor & City Council for the City of Needles

Mayor Jeff Williams
Vice Mayor Edward Paget, MD
Councilmember Tona Belt
Councilmember Ellen Campbell
Councilmember Wade Evans
Councilmember Zachery Longacre
Councilmember Kristen Merritt

Committee Commissioners for the City of Needles

Terry Campbell, Public Utility Commission Chair
Linda Kidd, Planning Commission Chair

Community Members and Members of the Business Community

Kim Acosta, Best Western Colorado River Inn
Tim Terral, Golden Valley Cable
Susan Alexis, Wagon Wheel
Billy Andrews, Developer/Landowner
Kristen Baran, 19th Hole
Palm Blake, Community Leader
Eric Bryant, Needles Marina
Todd Burleson, AZYP
Michael Burger, CPA
Lale Cilenti, Palo Verde College
Mary Gonzales, Needles Chamber of Commerce
Shawn Gudmundson, Community Leader
Eileen Hartwick, Napa Auto Parts/Big O Tires
Shatell Hazlewood, River Sisters Realty
Jan Jernigan, Needles Downtown Business Association
Vasu Jolly, Rio Del Sol Inn
Joe Jones, Needles Shell, Subway & Dairy Queen
Sharad Kadakia, Developer/Landowner/Hotel Owner-Operator
Mathew Kaplan, Vertical Companies
Cheryl Luell, The Healing Center
Michael Lundin, LUKO Properties
Dr. Mary McNeil, Superintendent of Schools Needles Unified School District
(Ret.) Judge Patrick Morris

Lyn Parker, Community Leader
Joe Payson, Colorado River Plumbing
Michael Phelps, Retro Pizza
Jason Radwin, Atlas Properties
Jim Rolls, Needles Unified School District
Monna Sanner, Herbarium
Kim Willis, River Sisters Realty
Darin Woinarowicz, Arrowhead Credit Union

Staff Members for the City of Needles

Rick Daniels, City Manager
Patrick Martinez, Assistant City Manager
Sylvia Miledi, Finance Director
Alberto Paiva City Engineer/Building Official
Rainie Torrance Assistant Utility Manager
Justin Scott Electric Supervisor
Brian Hickstein Chief Water Operator
Kim Mitchell Utility Business Office Supervisor
Cindy Semione Associate Planner (Retired)
Tammy Ellmore, Engineering Technician II
Topaz Martinez Permit Tech

4. Contents of Plan

1. Prelude
2. Introduction
3. Acknowledgements
4. Contents of Plan
5. Marketing Slogan / Unification Vision Statement
6. Regional Demographics of Colorado River Region and Analysis
7. Local Community (City) Demographics of Needles and Analysis
8. Opportunities for Residential Development / Tasks & Marketing Program for Residential Development
9. Opportunities for Retail/Restaurant Development / Tasks & Marketing Program for Retail/Restaurant Development
10. Opportunities for Industrial Development / Tasks & Marketing Program for Industrial Development
11. Opportunities for Hospitality and Tourism / Tasks & Marketing Program for Hospitality and Tourism
12. Three (3) Year Quarterly Activity Matrix and Budget
 - a. Exhibit A: Marketing Matrix: Residential
 - b. Exhibit B: Marketing Matrix: Retail & Restaurants
 - c. Exhibit C: Marketing Matrix: Industrial
 - d. Exhibit D: Marketing Matrix: Travel & Tourism

5. Marketing Slogan / Unification Vision Statement

The City of Needles (the community) holds immense pride for who they are. A marketing slogan/vision statement that speaks to both their source and sense of pride will help unify the community further as well as serve as a brand to bring additional economic investment into the local economy. There are multiple ways to look at a slogan, this plan provides three with examples of the first concept.

Concept 1: (Celebration of "Needles" ... a logo for use with marketing that is a set of "Needles Mountains" with "Points" or Needles on them with one of the following (or some variation):

1. **Live the Point! (main theme)**
2. Shop the Point!
3. Grow the Point!
4. Dine the Point!
5. Play the Point!
6. Business at the Point!
7. Vacation the Point!
8. Family at the Point!
9. Move to the Point!
10. Home's at the Point
11. Visit the Point!



Essentially, the use is almost endless. The medallion shown is a mock-up example.

Concept 2: (Cannabis Lean) While 5+ years ago, the attitude regarding a double meaning slogan would be different, today, the City and community should "lean into" its cannabis-related industry growth as that is now the prominent employer and is generating the greatest amount of new economic investment. Ideas for a slogan:

1. Come Grow with Us!
2. Grow with Us!
3. Grow in Our Oasis!

Concept 3: (Celebration of Needles as a River/Desert/Oasis Destination)

1. Live on the River
2. An Oasis Paradise
3. Where the Desert Meets the River
4. California's East Coast

6. Regional Demographics (Colorado River Region)

Needles economic opportunities will rely on their local market (within the City of Needles), regional market (the Colorado River Region) and visitors/flow-thru (a combination of persons visiting the region for recreation and those passing through the region (typically on the I-40 corridor)

The Colorado River Region is generally comprised of Lake Havasu City, Bullhead City, Fort Mohave (unincorporated) and Laughlin, Nevada. The region has a current population of about 136,197. The median age in the region is 55.44 years. By comparison, the median age in the United States is 38 while in California, it is 36. Certainly, this points to the Colorado River Region being one that attracts significant numbers of folks that are retired. In the pages that follow are demographic characteristics of the region:

Ethnicity (Note that ethnicities do not equal 100% as some persons are considered of more than one_classification):

White Alone:	82.91%
Black/African American Alone:	1.35%
American Indian:	2.33%
Asian Alone:	1.27%
Native Hawaiian/Pacific Islander Alone:	0.19%
Other Race:	8.24%
Hispanic or Latino:	19.66%

Language Spoken at Home (Primary):

English	88.12%
Asian/Pacific Islander:	.85%
Indo-European:	.90%
Spanish:	9.63%
Other Language:	0.49%

Population Age:

The region has a population that is older than most across America. The median age is 54.5 years while over 1/3 of the population (33.68%) is over the age of 65. This also means that the region is popular as a retirement destination for persons looking for a lower cost of living and a warm climate.

Median Age:	55.44 Years
Under 18:	14.91%
18-34	15.64%
35-54	18.88%
55-64	15.77%
65+	34.80%

Households:

Family Households:	39,105 (64.81%)
Non-Family Households:	21,229 (35.19%)
Estimated Household Size:	2.25 Persons

Personal Transportation (Percentage of Households):

No Vehicles:	5.66%
1 Vehicle:	35.30%
2 Vehicles:	36.69%
3 Vehicles:	15.14%
4 or More Vehicles:	7.21%

Housing:

Housing Units (Owner-Occupied):	67.31%
Housing Units (Renter-Occupied):	32.69%

Length of Use:

Owner-Occupied:	13.58 Years
Renter-Occupied:	6.44 Years

Estimated Median Value of All Owner-Occupied Housing Units:

\$253,595

Housing Unit Characteristics (Housing Units by Units in Structure):

1-Unit Attached	1,859 (2.21%)
1-Unit Detached	50,454 (60.04%)
2 Units	1,729 (2.06%)
3-4 Units	2,971 (3.54%)
5-19 Units	5,711 (6.80%)
20-49 Units	1,156 (1.38%)
50+ Units	1,813 (2.16%)
Mobile Home or Trailer Units	18,031 (21.46%)
Boat/RV/Van Units	314 (.37%)

Educational Attainment (Adults 25+ / Highest Level Attained) (Entire Population):

Less than High School Graduate/GED:	12.66%
High School Graduate or GED:	35.10%
Some College, No Degree:	29.98%
Associate's Degree:	8.95%
Bachelor's Degree:	8.53%
Master's Degree:	3.08%
Professional/Doctorate Degree:	1.70%

Educational Attainment (Hispanic/Latino):

High School Graduate or GED:	35.33%
Some College or Associates:	31.34%
Bachelor's Degree or Higher:	6.42%

Household Income:

<\$35,000:	30.09%
\$35,000-\$49,999:	14.92%
\$50,000-\$74,999:	21.13%
\$75,000-\$99,999:	13.11%
\$100,000-\$149,999:	13.48%
\$150,000+:	7.27%

Average Household Income:	\$71,611
Median Household Income:	\$55,316
Ratio Average to Median:	1.29x

By comparison, the Median Household Income in the United States is about \$67,463 while it is \$75,200 in California and \$58,900 in Arizona and \$60,400 in Nevada.

Median Household Income by Ethnicity:

White Alone	\$ 55,363
Black or African American Alone	\$ 43,635
American Indian Alone	\$ 58,049
Asian Alone	\$ 48,988
Native Hawaiian or Other Pacific Islander Alone	\$195,916*
Some Other Race Alone	\$ 57,152
Two or More Races	\$ 51,134
Hispanic or Latino	\$ 54,882
Not Hispanic or Latino	\$ 55,403

*Note that the number of persons in this category is limited and likely skews the figures.

Poverty Status (Example: Family of 4 Poverty Line is \$26,200):

Poverty levels are essentially the same in 2021 as they were in 2013. Overall, the region has a poverty rate of 9.1% which is lower than both that of California (11.8%) and the United States (10.5%).

lies at/above Poverty Line: 90.95%

Families below Poverty Line: 9.05%

Families with Children at/above Poverty 94.30%

Families with Children below Poverty Line: 5.70%

Employment:

White Collar:	46.94%
Blue Collar:	24.55%
Service & Farming:	28.50%

Job Types (Large Scale) Total Employment:

Total:	49,725 (100%)
For-Profit Private Employers	36,163 (72.73%)
Non-Profit Private Employers	2,749 (5.53%)
Local Government	3,618 (7.28%)
State Government	1,006 (2.02%)
Federal Government	782 (1.57%)
Self-Employed	5,366 (10.79%)
Unpaid Family Workers	42 (.09%)

7. Local Community (City) Demographics (City of Needles, CA)**Population: 5,353****Ethnicity:**

Needles is a community that has seen additional diversification over the last eight (8) years. In 2013, "White Alone" accounted for about 74% of the population while "Hispanic/Latino" accounted for 23%. Below are the current demographic breakdown:

White Alone:	68.47%
Black/African American Alone:	2.46%
American Indian:	11.06%
Asian Alone:	0.85%
Native Hawaiian/Pacific Islander Alone:	0.18%
Other Race:	8.86%
Hispanic or Latino:	26.35%

*Note that ethnicities do not equal 100% as some persons are considered of more than one classification.

Language Spoken at Home (Primary):

English	94.47%
Asian/Pacific Islander:	0.65%
Indo-European:	0.24%
Spanish:	2.57%
Other Language:	2.07%

Population Age:

The community is also younger today than it was eight (8) years ago when the median age was 38.6.

Under 18:	25.60%
18-34	21.39%
35-54	20.61%
55-64	12.45%
65+	19.95%

Median Age: 37.52 Years

Households:

Family Households:	1,250 (63.10%)
Non-Family Households:	731 (36.90%)
Estimated Household Size:	2.50 Persons

Personal Transportation (Percentage of Households):

No Vehicles:	12.12%
1 Vehicle:	44.22%
2 Vehicles:	26.65%
3 Vehicles:	12.47%
4 or More Vehicles:	4.54%

Housing:

Housing Units (Owner-Occupied):	53.46%
Housing Units (Renter-Occupied):	46.54%

Length of Use:

Owner-Occupied:	18.50 Years
Renter-Occupied:	8.30 Years

Estimated Median Value of All Owner-Occupied Housing Units: \$99,270

Housing Unit Characteristics (Housing Units by Units in Structure):

1-Unit Attached	125 (3.7%)
1-Unit Detached	1,572 (46.49%)
2 Units	58 (1.72%)
3-4 Units	242 (7.16%)
5-19 Units	159 (4.70%)
20-49 Units	7 (0.21%)
50+ Units	216 (6.39%)
Mobile Home or Trailer Units	967 (28.60%)
Boat/RV/Van Units	35 (1.03%)

Educational Attainment (Adults 25+ / Highest Level Attained) (Entire Population):

Less than High School Graduate/GED:	15.47%
High School Graduate or GED:	40.16%
Some College, No Degree:	27.38%
Associate's Degree:	4.52%
Bachelor's Degree:	7.61%
Master's Degree:	3.64%
Professional/Doctorate Degree:	1.22%

Educational Attainment (Hispanic/Latino):

High School Graduate or GED:	46.44%
Some College or Associates:	37.10%
Bachelor's Degree or Higher:	10.74%

Household Income:

Median Household Income in 2013 was \$29,852. Today, it is \$42,122 an increase of 41% in the last nine (9) years. Average Household Income has also increased from \$47,300 to \$58,448 (a 24% increase) over the same time period. Income disparity (a calculation which divides the average household income by median household income) has improved from 1.60x to 1.39x in the past nine (9) years. A contributing factor for increasing household incomes and improvement in disparity has been an increase in minimum wage in California.

<\$35,000:	43.26%
\$35,000-\$49,999:	13.86%
\$50,000-\$74,999:	18.63%
\$75,000-\$99,999:	7.92%
\$100,000-\$149,999:	9.84%
\$150,000+:	6.67%

Average Household Income:	\$58,448
Median Household Income:	\$42,122
Ratio Average to Median:	1.39x

Median Household Income by Ethnicity:

White Alone	\$43,179
Black or African American Alone	\$75,000
American Indian Alone	\$67,832
Asian Alone*	\$ 7,125
Native Hawaiian or Other Pacific Islander Alone	\$82,264
Some Other Race Alone	\$20,220
Two or More Races	\$72,231
Hispanic or Latino	\$44,701
Not Hispanic or Latino	\$41,491

Poverty Status (Example: Family of 4 Poverty Line is \$26,200):

Poverty levels are essentially the same in 2021 as they were in 2013.

Families at/above Poverty Line: 81.04%

Families below Poverty Line: 18.96%

Families with Children at/above Poverty 86.8%

Families with Children below Poverty Line: 13.2%

Employment Types:

White Collar:	38.22%
Blue Collar:	28.19%
Service & Farming:	33.59%

Job Types (Large Scale) Total Employment:	1,536
For-Profit Private Employers:	802 (52.21%)
Non-Profit Private Employers:	108 (7.03%)
Local Government:	326 (21.22%)
State Government:	133 (8.66%)
Federal Government	65 (4.23%)
Self-Employed	96 (6.25%)
Unpaid Family Workers	6 (.39%)

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Employment

Employment within the City of Needles robust. First, San Bernardino County has 2,181,654 residents. Employment within San Bernardino County is 992,100 with a labor force of 940,800 (5.2% unemployment rate). Needles has a population of 5,353 with 1,700 involved in the labor force. Currently 1,600 are employed for an unemployment rate of 6.7%. Currently, there are 2,804 jobs within the City of Needles (meaning employment within the City) or 1.65 jobs per person in the labor force. These figures do not include cannabis-related employment as there is a reporting lag for NAICS (North American Industrial Classification System) Codes. As of January 31, 2022, there were 509 persons actively employed in cannabis-related industries. Below is a list of industries and employment:

<u>Industry</u>	<u>Number of Employers</u>	<u>Total Employment</u>
Agriculture	2	4
*Agriculture (Cannabis-Related)	22	509
Utilities	2	25
Construction	12	49
Manufacturing	2	16
Retail	44	219
Transportation & Warehousing	9	60
Information	8	27
Finance & Insurance	25	32
Real Estate & Rental/Leasing	21	64
Professional, Scientific, Technical	11	40
Administrative/Support/Waste Management	4	13
Education	9	329
Health Care & Social Assistance	40	359
Arts/Entertainment/Recreation	10	40
Accommodation & Food Service	37	351
Other Services	34	131
Public Administration	48	533
Unassigned	13	3
Total	351	2,804
Average Employees Per: 7.99		

Note (*) Cannabis-related employment does not show in NAICS code analysis. DMG, Inc. provides estimates based on past economic impact analysis. The total employment in cannabis-related companies is 509 as of January 31, 2022. It is estimated that there are about 35 cannabis-related businesses currently operating, within 22 different ownerships.

CITY OF NEEDLES, CALIFORNIA

ECONOMIC INVESTMENT MARKETING PLAN

2022-2025

RESIDENTIAL GROWTH & DEVELOPMENT OPPORTUNITIES



***Single Family Home Development (First-Time Homebuyers)**

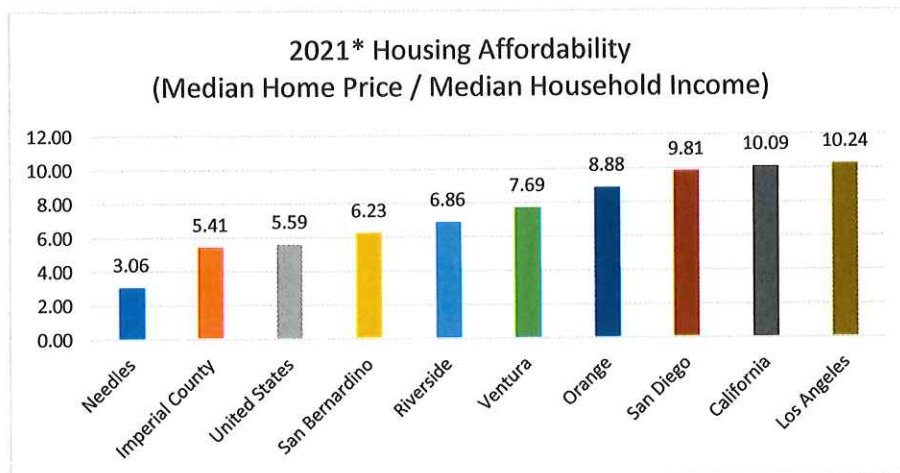
***Multi-Family Development**

***Custom Home & Infill Development**

8. Residential Housing

The current housing market is currently stable and there have been a fair number of transactions in recent years. The following housing market charts are presented to provide a better understanding of the Needles housing market in recent years:

Housing Affordability: Needles has one of the most affordable housing markets in the entire Nation. Consider that in California (as a whole) the median home price is 10.09 times the median household income. In San Bernardino County, it is 6.23 times. The United States as a whole has a median home price that is 5.59 times the median household income, while Needles is significantly more affordable at only 3.06 times.



Home Sales: Needles has ranged from about 52-139 over the past five (5) years while the median home price has ranged from a low of \$66,500 to \$95,000 over the past five (5) years.

Exhibit B

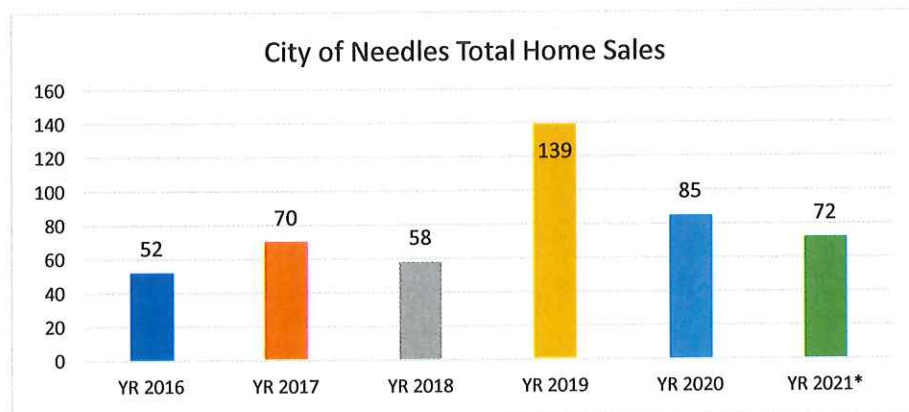


Exhibit C

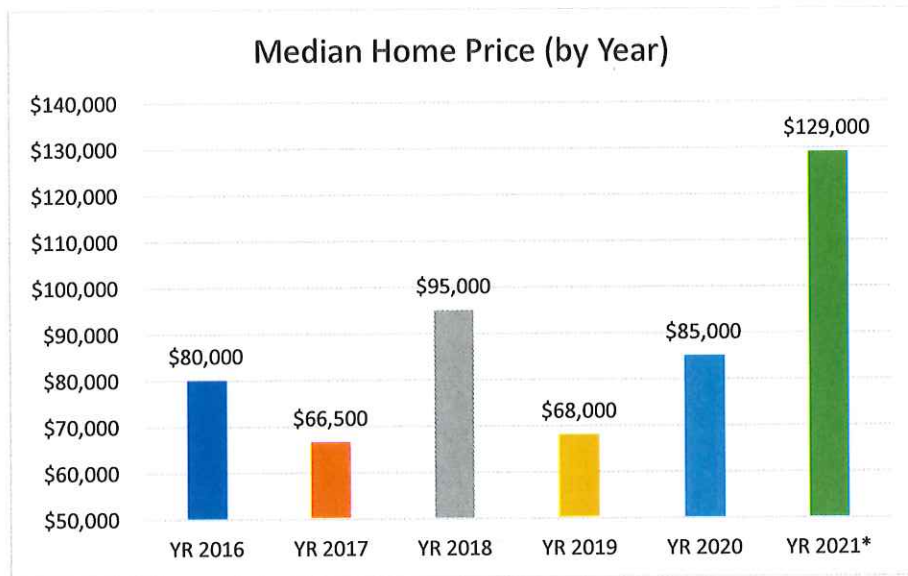
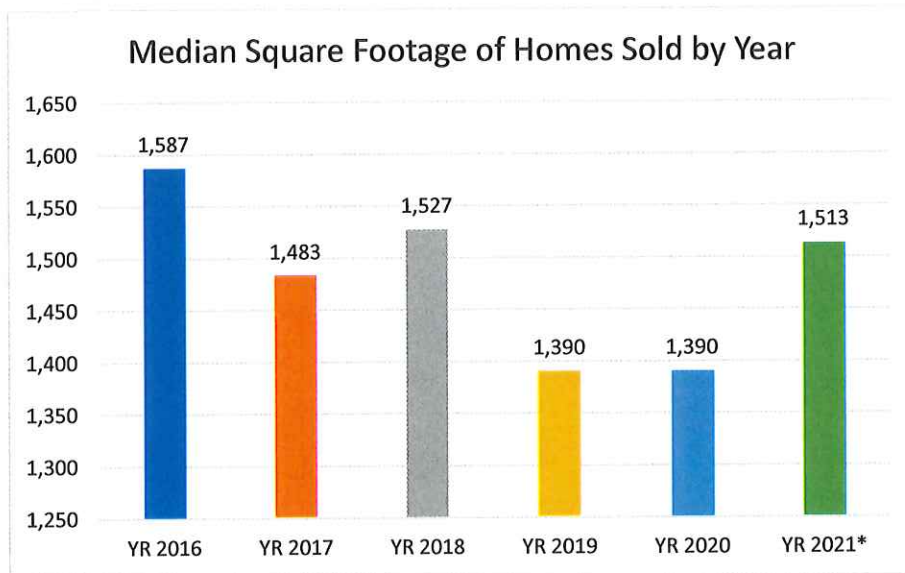


Exhibit D



*The median home size sold since 2016 has ranged from about 1,390 to 1,587 square feet.

In general, the housing market in Needles is stable. Distress in the housing market is seen through Real Estate Owned (REO)'s which generally means bank owned, short-sales (meaning a home sold for less than the loan amount with the consent of the lender), foreclosures and defaults (notices provided to homeowners that are behind in payments). Activity in each of these categories is at historic lows.

Exhibit E

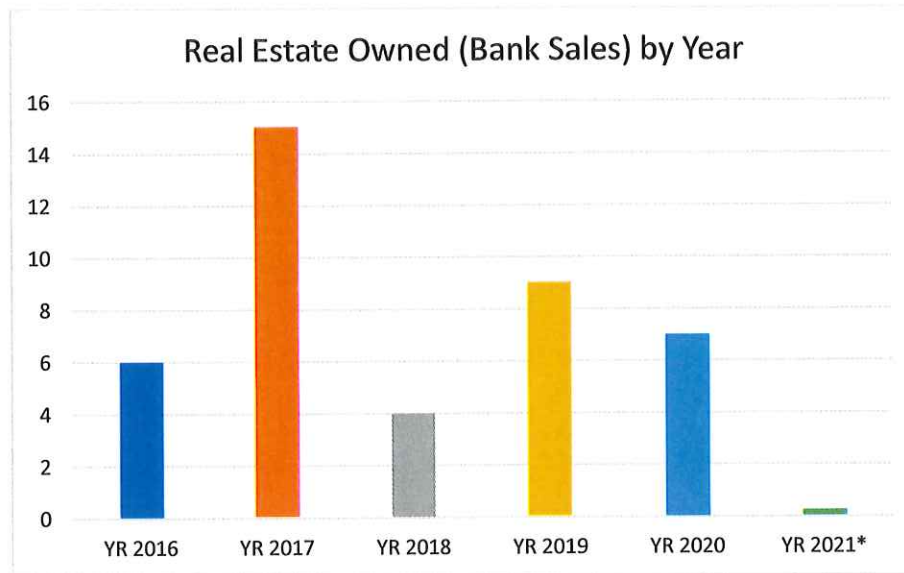


Exhibit F



Exhibit G

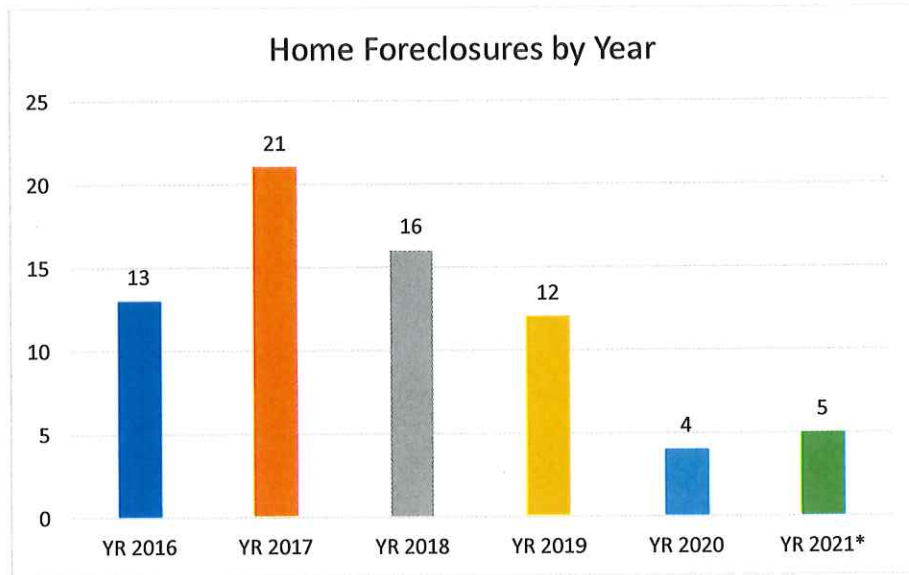
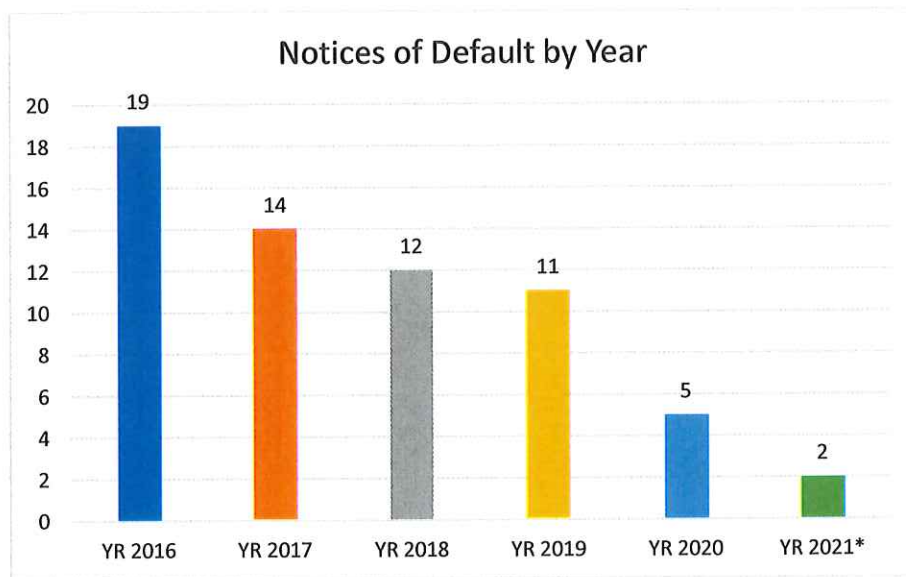


Exhibit H



Absentee/Investment Buyers: Finally, activity from absentee homebuyers continues to be strong. As the housing market in other areas of California continue strengthen, investors look to affordable markets like Needles for which to purchase homes. In San Bernardino County, an average of 25.5% of homes are purchased by absentee owners for investment purposes. In Needles, between 40% and 60% of homes over the past five years have been purchased as investment properties.

Exhibit I

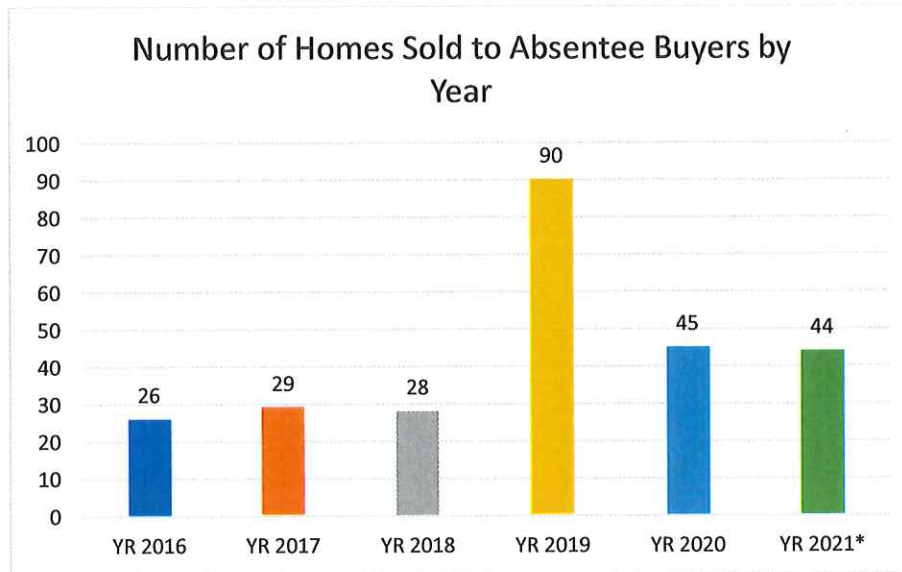


Exhibit J

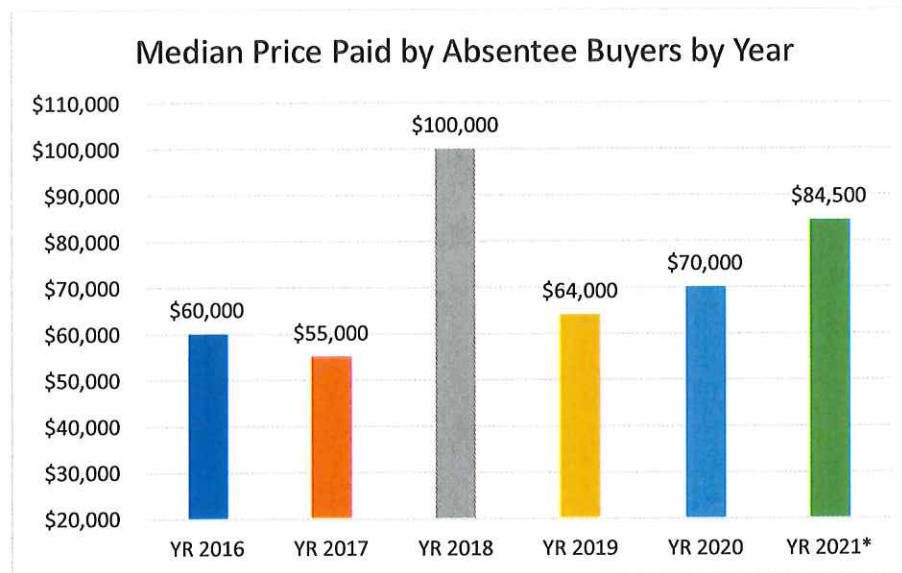
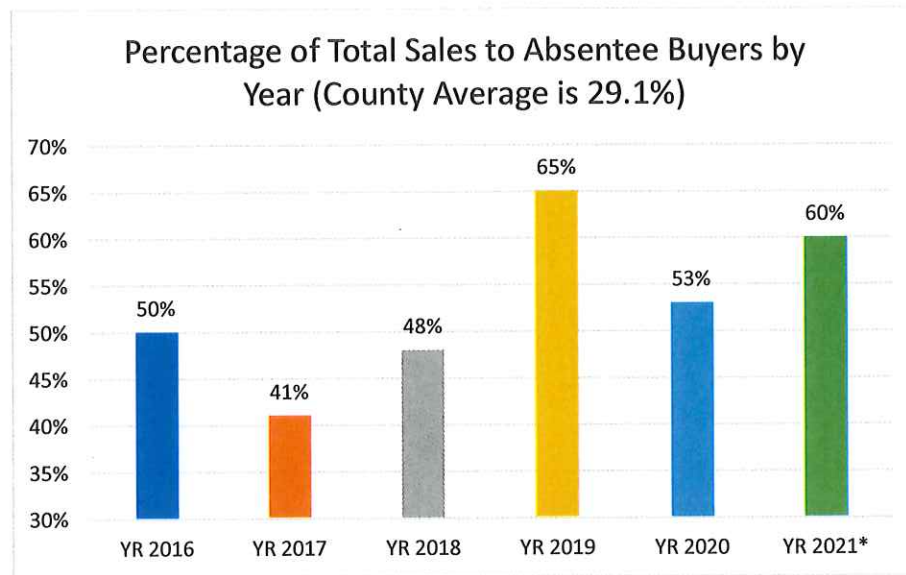


Exhibit K



Housing Deficit Calculation

Needles is experiencing a housing deficit based on the number of persons employed in the community. Using national (United States) figures, there is a total population of about 329,000,000. There are 139,640,000 housing units in total or one housing unit per 2.36 persons. There were 152,234,000 persons employed in January 2020 (using Pre-Covid figures). This means that there are 1.09 housing units per employed person in the United States.

In Needles, there are currently 2,336 housing units for a population of 5,248 or one housing unit per 2.24 persons (similar to the United States as a whole). While the labor force currently living in the City of Needles totals 1,700 with 1,600 employed (unemployment rate of 6.4%), there are an estimated 2,854 jobs within the City limits. At current, there is .82 housing units per person employed within the City. To match the United States average of 1.09 housing units per employed person, Needles would need a total of 3,111 total housing units. This means the current housing deficit is about 775 units.

Table 1: Housing Deficit Calculations

Item	Number/Figure
Population	5,353
Total Housing Units*	2,379
Labor Force	1,700
Total Employed	1,600
Total Currently Employed Within Jurisdiction	2,804
Job Growth Projection (2022-2025)**	1,288
Projected Total Employment	4,072
Local Ratio Units to Jobs (Current)	.85
Housing Units Needed by 2025 (Local Ratio)	3,455
Additional Units Needed by 2025	1,076
National Ratio Units/Jobs	.92
Housing Units Needed by 2025 (National Ratio)	3,746
Additional Units Needed by 2025 (National Ratio)	1,367

Total Additional Housing Units Needed by 2025: 1,076 to 1,367

*Housing Units defined as fixed structures

** Job Growth factors ONLY Cannabis-Related businesses (Under Construction/Approved)

Current & Future Demand for Housing:

For the first time in decades, the City of Needles is growing and there is an industry that is driving the growth. In recent years, new construction has generally been limited to custom home construction, typically along the shoreline of the Colorado River. That said, in the last three (3) years, the community has added over 500 new jobs mostly as a result of cannabis-related businesses. Currently, there are 509 persons working in 240,500 square feet of cannabis-related business space. This is about 1 person for every 473 square feet of space. There is an additional 184,337 under active construction. This will result in about 390 additional jobs. Finally, there is another 424,409 square feet of space that has been entitled and is estimated to be constructed over the next three (3) years, creating an additional 898 jobs.

The growth of this industry is creating a housing shortage in the community. Based on both local and national housing to jobs ratios, the City of Needles needs an additional 1,076 and 1,367 housing units over the next three to five years to meet current and future demand.

Before housing developers (for sale or rental) begin, they will desire to understand market affordability and costs. Below are three (3) scenarios for which to consider:

Housing Affordability

Scenario #1

A household with one (1) income. Full-time Cannabis-Related Business Employee makes \$18 per hour.

Income #1: \$37,444

Total Household Income: \$37,444

Monthly Income: \$3,120

Amount Available for Housing (30%): \$936.00 per month

Housing options would be limited to either a rental (one-bedroom) or a two-bedroom with roommate(s) or a purchase whereby there are multiple people purchasing together. The maximum amount this person could afford on their own is about \$150,000. Below is a sample purchase:

Home Purchase: \$150,000 (Loan Amount)

Interest Rate (30-Year Fixed): 4%

Payment (Principal & Interest): \$716/month

Property Taxes (1.125%): \$141/month

Homeowners Insurance: \$80/month

Total Payment: \$937/month or 30% of income

Scenario #2

A household with two (2) incomes. First full-time making \$18 per hour, second working part-time (50%) at \$16 per hour (current minimum wage)

Income #1: \$37,440 / Income #2: \$16,640

Total Household Income: \$54,080

Monthly Income: \$4,507

Home Purchase: \$225,000 (Loan Amount)

Interest Rate (30-Year Fixed): 4%

Payment (Principal & Interest): \$1,074/month

Property Taxes (1.125%): \$211/month

Homeowners Insurance: \$125/month

Total Payment: \$1,410/month or 31% of income

Scenario #3

A household with two (2) incomes. Both full-time making \$18 per hour:

Income #1: \$37,440 / Income #2: \$37,440

Total Household Income: \$74,880

Monthly Income: \$6,240

Home Purchase: \$275,000 (Loan Amount)

Interest Rate (30-Year Fixed): 4%

Payment (Principal & Interest): \$1,709/month

Property Taxes (1.125%): \$258/month

Homeowners Insurance: \$150/month

Total Payment: \$2,117/month or 34% of income

City could consider using a portion of the cannabis-tax money to assist first-time or low-moderate income homebuyers purchase older homes in community and have funds to “rehab or fix-up”. There would be owner occupancy requirement (covenant) and use funds as a silent second mortgage (no payments, no interest) but paid back at time they sell home.

Additionally, the City could consider using a portion of the cannabis-tax money to assist first-time homebuyers with new homes through a down payment assistance of up to 3% of the purchase price (\$6,000) There would be owner occupancy requirement (covenant) and use funds as a silent second mortgage (no payments, no interest) but paid back at time they sell home.

Housing Opportunities for Needles, CA

1. New construction rental housing (multi-family) to host those largely in cannabis-related industries.
2. New construction tract housing for those largely employed in cannabis-related industries.
3. Continued expansion of custom homes along the Colorado River
4. Retirement housing (single family) for those desiring to leave larger markets (and use their equity to fund retirement)
5. Institutional retirement housing (staged care, senior care apartments)
6. Housing for State or County Employees (like CHP, Caltrans, Sheriff or Fire) whereas State/County works with private developer to build housing (2-3 bedroom) that is used by State/County employees when rotating through Needles, CA as the community’s lack of housing is a barrier to attract professionals to provide public services.

Proof of Concept

Obviously, single-family new home construction is what would bring the greatest long-term growth potential and family stability to the community. This is because families are putting down “roots” and will generally become active in the community and local school system.

Needles offers one of the most affordable housing opportunities in California. That said, there has been little new housing built in recent years. Since 2016 only a handful of new homes have been built. These are generally limited to custom homes built on parcels with direct access to the Colorado River. The community has generally been ignored by homebuilders as the population was not increasing. Since 2018, this dynamic has begun to change with the welcoming of cannabis-related businesses to the community. Below are figures regarding the housing market over the last five (5) years:

Home Construction (Based on 1,350 Square Foot 3-Bedroom 2-Bathroom Home)

	<u>Calle Hernandez Lots</u>	<u>Stromberg Lots</u>
Sale Price	\$250,000	\$250,000
Land	\$12,000	\$4,000
Infrastructure	\$0	\$24,000
Building Fees (1,350 sq. ft)	\$8,464	\$8,464
Utility Fees (1,350 sq. ft.)	\$5,700	\$5,700
School Fees (\$4.08 psf)	\$5,508	\$5,508
Home Construction (\$125 psf)	\$168,750	\$168,750
Closing Costs (7%)	\$17,500	\$17,500
Developer Profit	\$32,078	\$16,078

Tasks and Marketing Program for Residential Development:

- A. Consider a down-payment assistance program for owner-occupied housing units.
- B. Consider a residential rehabilitation program for owner-occupied housing units.
- C. Consider state legislation that allow for “halo” of real estate professionals and construction professionals (general and sub-contractors) to have reciprocity of licenses between AZ, NV and Needles. This would recognize their out-of-state licenses so long as they register for license in California and carry proper insurance (but waives separate testing requirements).
- D. Acquire database of all active homebuilders in Southern California, Western Arizona and Southern Nevada.
- E. Develop Map of City that shows all existing approved tract maps.
- F. Develop Map of City that shows all existing approved residential lots (custom & infill homes).
- G. Develop Map of City showing large parcel(s) that could accommodate master-planned retirement community development.
- H. Develop “Asset Map” of Needles and Region to “recruit” new homeowners showing shopping, dining, healthcare, community services and recreational opportunities. Asset map would also show availability of utilities (such as internet connection/download speeds).
- I. Develop sample fee schedule for:
 - a. Single-family home development (20-units)
 - b. Multi-family home development (48-units)
 - c. Custom Home / infill development (1-unit)
- J. Develop a Postcard for Direct Mail use to homebuilders (2)
- K. Become Active Member of Building Industry Association(s) in Inland Empire (Baldy View/Riverside), Western Arizona and Southern Nevada
- L. Attend Annual Homebuilders Convention (typically in January): Year 1 as “Invader”, Years 2-3 as Exhibitor
- M. Use Postcards as Direct Mail to Homebuilders Twice Per Year
- N. Use Email Campaign (aka Constant Contact) to target homebuilders from database on quarterly basis.
- O. Use LinkedIn (individual or City campaign) to target those that work in homebuilding in the target areas (Southern California, Western Arizona and Southern Nevada)
- P. Over first 12 months, work to generate 25-50 “ongoing relationships” that for quarterly “check-in or sales call.”
- Q. Schedule Annual State of the City or similar for residential builders and real estate professionals.

CITY OF NEEDLES, CALIFORNIA

ECONOMIC INVESTMENT MARKETING PLAN

2021-2024

RETAIL GROWTH AND OPPORTUNITIES



***Retail to Serve Local Community**

***Retail to Serve I-40 / I-95 Travelers**

***Retail to Serve Daytime Workforce**

***Retail to Serve Colorado River Region**

9. Retail Growth/Opportunities

The City of Needles is experiencing both population and job growth for the first time in decades. The cannabis industry is bringing new people to the community either for work or to both work and live. This is creating new interest by retailers to serve the community. Overall, the community is targeted by retailers seeking to serve:

- A. Permanent Population (5,353 persons)
- B. Daytime Population (combination of permanent population and those that work in Needles) that includes over 2,800 persons working in Needles daily.
- C. Flow-through traffic on Interstate 40 (x cars a day)
 - a. I-40 @ I-95 North (17,500 AADT)
 - b. I-40 @ I-95 South (14,400 AADT)
 - c. I-95 North @ E/B I-40 (4,200 AADT)
- D. Visitors to the Colorado River and Desert Region for recreational activities

Retail distribution is a driver in what retail opportunities exist in the region. It is important to know what retailers (regional and national) have stores in the Colorado River Region (including Lake Havasu City, Fort Mohave, Bullhead City and Laughlin). Additionally, retailers and restaurants that are franchise driven are more likely to have interest from franchisees that are already invested in the general area. Before proceeding with the retail marketing strategy, the pages that follow show the total retail demand (sales) for both the Colorado River Region and the City of Needles.

Colorado River Region Retail Demand

Demand for retail products and services is driven by a combination of the resident population, part-time (generally winter) residents, visitors (to the Colorado River or surrounding Desert areas for tourism purposes), vacationers to the gaming/resort destinations including Avi and Laughlin-based hotels/casinos and travelers coming through the region. Retail sales per capita (residents) is \$21,0720 which is slightly higher than the estimated national figure of \$16,970. This is attributed to tourism (river, desert and gaming/resorts).

Total Retail Demand	\$ 2.87 billion
Motor Vehicles & Parts	\$ 519.33 million
Furniture & Home Furnishings	\$ 44.95 million
Electronics & Appliances	\$ 31.90 million
Building Materials	\$ 200.65 million
Food & Beverage	\$ 370.49 million
Health & Personal Care	\$ 158.78 million
Gasoline Stations	\$ 190.49 million
Clothing	\$ 85.30 million
Sporting Goods	\$ 32.06 million
General Merchandise	\$ 313.21 million
Miscellaneous	\$ 51.45 million
Non-Store Retailers	\$ 424.10 million
Food Services and Drinking Places	\$ 264.21 million

Retail Demand is a calculation of how much retail products and services are needed to support a region based on its local population, demographically adjusted. Demand is usually provided in current (2022) and future (2026) dollars to show growth potential. Demand does not adjust for visitors, highway flow-thru or other non-local demand considerations.

The overall five-year compounded annual growth rate (per Environics Analytics) is expected to be about 1.84%. Certain categories are expected to grow at a faster rate including Health and Personal Care (2.31%), Gasoline Stations (2.46%) and Food/Drinking Establishments (2.72%).

The third-party analytics does not reflect recent growth in Needles as a result of the cannabis industry. There is typically a data-lag of at least 2-3 years for most industries. The cannabis industry has not shown up in most statistical categories as County, State and Federal Government Agencies struggle to categorize it correctly.

Retail Demand in the City of Needles is approximately \$13,688 per person, which is 19.3% lower than the national average of \$16,970. Keep in mind that this figure is not necessarily the average true spend per person but also includes visitors (tourism and flow-thru) and a workforce that comes to Needles for employment.

Total Retail Demand	\$73.27 million
Motor Vehicles & Parts	\$14.03 million
Furniture & Home Furnishings	\$ 1.18 million
Electronics & Appliances	\$.87 million
Building Materials	\$ 4.88 million
Food & Beverage	\$ 10.38 million
Health & Personal Care	\$ 4.17 million
Gasoline Stations	\$ 5.63 million
Clothing	\$ 2.40 million
Sporting Goods	\$.91 million
General Merchandise	\$ 8.74 million
Miscellaneous	\$ 1.41 million
NonStore Retailers	\$ 11.41 million
Food Services and Drinking Places	\$ 7.26 million

Regional/National Retailers with Presence in Needles, CA (Est. Population 5,353)

America's Best Value Inn	Hampton Inn & Suites*
Auto Zone	Jack in the Box
Best Western	McDonalds
Big O Tires	Mobile
Carl's Jr	Napa Auto Parts
Chevron	Quality Inn
Circle K	Red Roof
Dairy Queen	Rite-Aid
Days Inn	Rodeway Inn
Dollar General	Shell
Domino's Pizza	Subway

*Hampton Inn & Suites under construction as of 3/16/22

Regional/National Retailers with Presence in Colorado River Region
Lake Havasu City (Est. Population 55,800)

Ace Hardware	In-N-Out Burger
Arbys	Jersey Mikes
Bashas	KFC
Big 5	Little Caesars
Big Lots	Lowe's
Big O Tire	McDonalds
Burger King	Mobil
Caliber Collision	Motel 6
Carl's Jr.	O'Reillys Auto Parts
Carquest	Panda Express
Chase Bank	Pet Smart
Chilis	Pizza hut
Chipotle	Planet Fitness
Circle K	Quality Inn
CVS Pharmacy	Red Robin
Del Taco	Rosati's
Dillard's	Ross
Discount Tire	Safeway
Dollar General	Shell
Dunkin	Sportclips
El Pollo Loco	Staples
Enterprise Rent a Car	Starbucks
Federal Express	Super 8 Motel
Food City	Terrible Herbst (Gas/Convenience)
Great Clips	Tractor Supply Co.
Habit Burger	U-Haul
Harbor Freight Tools	UPS Store
Hobby Lobby	Verizon
Holiday Inn	Walgreens
Home Depot	Walmart
Human Bean	Wells Fargo
IHOP	Wienerschnitzel

Regional/National Retailers with Presence in Colorado River Region

Bullhead City (Est. Population 40,900)

99 Only Stores	IHOP
Aarons Rent a Center	Joann's
Ace Hardware	KFC
Arby's	H&R Block
ATT Mobile	Harbor Freight
AutoZone	Home Depot
Bank of America	Little Caesars Pizza
Baskin Robbins	Lowes
Big 5 Sporting Goods	Mattress Firm
Black Bear Diner	McDonalds
Boost Mobile	O'Reilly's
Buffalo Wild Wings	Panda Express
Burger King	Papa Johns
Carl's Jr.	Planet Fitness
Chase Bank	Safeway
Chevron	Sears Hometown
Circle K	Smart & Final
Cold Stone Creamery	Smith's
Cost Cutters	Sonic
CVS	Starbucks
Del Taco	Subway
Denny's	T-Mobil
Discount Tire	Taco Bell
Dollar General	Texaco
Dollar Tree	U-Haul
Dominos Dutch Brothers	UPS
Enterprise Rent a Car	US Bank
Famous Footwear	Verizon
Great Clips	Walgreens
Goodwill Stores	Wendy's
Hobby Lobby	Walmart
Human Bean	Wienerschnitzel

Regional/National Retailers with Presence in Colorado River Region

Fort Mohave (Unincorporated) (Est. Population 15,000)

Arco AM/PM
Chase Bank
Mobil

Dollar General
Family Dollar

Regional/National Retailers with Presence in Colorado River Region

Laughlin (Est. Population 7,400)

76 Fuel
Chevron
Days Inn
Family dollar
Shell
Starbucks

Famous Footwear
Harrah's
In-N-Out
Panda Express
Terrible Herbst

A successful retail recruitment strategy will include the following:

1. Targeting retail businesses with a presence in the Colorado River Region, as this means there is existing distribution and management to support operations (lists on previous pages).
2. Marketing the growing employment base in Needles and the fact that each new job generated statistically adds over \$10,000 in retail spending within the economy. This adds to the market potential for retailers.
3. Generating and cultivating new and existing relationships with retail developers and retailers keeping in mind that many developers focus on particular regions. With Needles really being within three regions (Southern California, Western Arizona and Southern Nevada), efforts must be made to reach out to developers in each region to establish relationships and describe opportunities. Professional Social Media such as LinkedIn can assist in introducing Needles to potential economic investors as it can target specific industry-category professionals.
4. Generate database of commercial property owners in Colorado River Region Corridor as they are experienced in ownership and tenants in the region.
5. Needles must make use of trade show events that bring brokers, developers and retailers together such as ICSC-San Diego and ICSC-Las Vegas
6. Needles can utilize organizations such as ACRE as a means of generating new relationships with real estate brokers that are involved in tenant-representation activities.
7. Needles must make specific outreach attempts to retailers in specific sub-categories where there is community need. This includes full-service grocery store as well as grocery retailers that target/cater to families utilizing government assistance (such as Mother's Nutrition now known simply as Mother's).
8. The City (itself, through Crexi or LoopNet) needs to maintain a list of vacant and available buildings suitable for retailers as well as land that is either located appropriately for the marketplace or is already entitled for retail in order to introduce potential sites to brokers, developers and retailers (knowing that actual transactions will occur between landowners, brokers and developers/users).
9. As users and developers are sensitive to California's development fee system/schedule, the City of Needles would benefit from having a sample fee calculation for three (3) new construction buildings:
 - a. 20,000 square foot new construction general retail
 - b. 6,000 square foot new construction general retail
 - c. 2,500 square foot new construction (quick-serve restaurant)

Sample LinkedIn Post to Promote Location

Example A

Real Estate Broker-Product

Progressive Real Estate Partners + Follow
901 followers
1w • Edited • 🌐

Lots of CRE activity happening in the High Desert region of SoCal's Inland Empire! Congrats to our ...see more



Progressive Real Estate Partners Announces Sale of High Desert La...

progressiverep.com • 2 min read

Example B

Retailer Celebrating New Store

AARON HARRIS • 1st ...
Vice President of Real Estate and Construction for Dutch Bros Coffee
2d • 🌐

Saturday Night Update from **Dutch Bros Coffee** and our team has done it again. ...see more



Example C Needles, CA Celebrating Success

Congratulations to our economic development client, the City of Needles and The Green Group. Construction has started on a new Hampton Inn & Suites in Needles! Sharad Kadakia and his team are bullish on a town that has added 500+ new jobs in the last 2 years!



CITY OF NEEDLES, CALIFORNIA

ECONOMIC INVESTMENT MARKETING PLAN

2021-2024

INDUSTRIAL GROWTH AND OPPORTUNITIES



***Warehouse/Logistics/Trucking**

***Vertical Suppliers to Cannabis Industry**

***Data Centers (Crypto Mining Operations)**

10. INDUSTRIAL

Of the four categories for which the City desires to market opportunities, traditional industrial and/or distribution/logistics will likely be the most difficult to see success. Businesses based in California are at a disadvantage as the State minimum wage is currently \$15.00 per hour. In Arizona it is \$12.80 per hour while it is \$9.50 in Nevada. By way of reference, the national minimum wage is \$7.25 per hour. That said, employers located near border states with lower minimum wage often report that they are able to attract the “best of the best” in the labor market as they often offer higher pay than employers in nearby states.

Over the past twenty-five years, logistics has been a driving force in the economic expansion of the Inland Empire. The industry has centered in Ontario, Jurupa Valley, Mira Loma and San Bernardino. In more recent years, the City of Perris has seen logistics growth. The (now) more urbanized communities within the Inland Empire are exceedingly passing new restrictive laws preventing the expansion of logistics in their city. This is because residents have complained of traffic, noise and air quality. Logistics-oriented companies are now looking north to Victorville, Hesperia, Apple Valley and Adelanto.

The City of Needles should make sure they are included in consideration for logistic companies as land is generally inexpensive and plentiful and the community is located with easy access to the Los Angeles (I-40/I-15), Las Vegas (I-95) and Midwest/Southern Markets (I-40). Additionally, as last-mile delivery expands (Federal Express, UPS, Amazon-Direct) Needles should lobby for facilities as the community is located in the center of the Colorado River Region.

1. Membership and active participation in Inland Empire Economic Partnership (IEEP)
2. Membership and active participation in Society of Industrial and Office Realtors (SIOR)
3. Direct Communication with Brokers Representing Industrial (Typically Inland Empire based brokers) Examples include:
 - a. Lee & Associates
 - b. CBRE
 - c. Colliers International
 - d. Daum Commercial
4. Research List of Developers that own Industrial Parks in Western Arizona/Southern Nevada
5. National Association of Industrial and Office Professionals
6. Direct Communication with Industrial Developers (Prologis & Hillwood)
7. Get Database of all industrial brokers SoCal, Western AZ, So. Nevada)
8. Asset Map of Needles and surrounding area that includes major interstates and highways, off-ramps, land zoned for industrial (uses which could include warehousing, transportation or fuel/switch yards). Said Map should also include current electrical and water rates as a comparative tool for development use.
9. Communication with existing Cannabis-Related Businesses to request names of suppliers or ask that they contact **suppliers** to move facilities into Needles to **support cannabis industry** (packaging, soil, chemicals, seeds, lighting, irrigation, water treatment).
10. Acquire database of **trucking, transportation and logistics** companies along with trade publications catering to that industry. As California continues to increase regulation on the industry that may call for non-diesel vehicles in California, Needles could be the “switch station” that includes a yard and facility to change from diesel vehicles that are likely to be allowed in other states for the foreseeable future to alternative (non-diesel) tractors.

11. An industry has developed of **data centers** to facilitate crypto currency transactions. While the job creation is low in this industry, the energy usage is high. The City offers a significant advantage as the geographic location of Needles makes it a low-risk target for physical sabotage. The energy rates are such that crypto mining facilities would benefit from locating in the community. If the City were to explore this, it would be beneficial to adopt a CUP process for such use and allow for the negotiation of a Development Agreement whereby the City could “profit” from this enterprise and be able to utilize those funds to further other economic development/community development objectives.
12. The City needs to develop a virtual tour tool so that brokers, developers and potential users that are considering options remotely have a means to tour the City via an online presentation. This can be accomplished with appropriate scripting, still photography and video (both static and aerial).

Growth Industries

In about 2015, the City of Needles made a conscious decision to actively work with the cannabis industry as a means of fueling local growth in the economy. All told, some 86 cannabis-related companies are or have applied/entitled to operate in Needles. At current, there are twenty-nine (29) cannabis related businesses operating in Needles in approximately 232,234 square feet of space.

As of this writing (March, 2022), there are sixteen (16) cannabis-related companies actively under construction for an additional 184,337 square feet of space.

Finally, there are about forty-one (41) additional companies that have received approval (Conditional Use Permits) to operate for an additional 424,409 square feet.

Cannabis-related industries are creating a significant economic investment into the community as well as creating hundreds of new jobs. The draw to Needles is three-fold: available land, willingness of local government to support the industry and ability to acquire utilities (notably water and electricity) at competitive rates.

At current, there is one (1) job for every 473 square feet of cannabis-related business space. This figure is consistent with the over fifty (50) Economic/Job/Fiscal Impact Analysis that DMG, Inc. has completed relative to this industry (average is 1 per 350 square feet). In total, there are about 509 persons actively employed in this industry in Needles, CA. The facilities under construction are sent to employ an additional estimated 390 persons. If the projects that are approved (not yet under construction) also were to be 100% built, an additional 897 employment opportunities will exist in Needles, CA.

Note: Cannabis has not been assigned a NAICS Code, therefore employers and others reporting data do not have a separate industry code for which to report to/for, therefore salary information cannot be verified, though from previous work, about 90% of jobs in the industry pay between \$15-\$20 per hour (\$31,000 to \$46,000 per annum).

50%: \$15-\$18 per hour

40%: \$19-\$23 per hour

10%: \$24-\$30 per hour

CITY OF NEEDLES, CALIFORNIA

ECONOMIC INVESTMENT MARKETING PLAN

2021-2024

TOURISM OPPORTUNITIES



***Marketing Partnership (TBID)**

***Route 66 Tourism**

***River Destination**

***Desert (Sand Toys / 4x4 Destination)**

***Travelers Oasis**

***Support for Visiting Laborforce**

11. HOSPITALITY/TOURISM

Needles has long been the gateway to the Colorado River from Southern California. Visitors usually travel on Interstate 40 east from the Barstow area but also come from Highway 95 North. It is estimated that 6 million people per year visit the Colorado River for recreational purposes. The community also serves as a traveler's "Oasis" as the closest to Needles traveling west is Barstow (144 miles) and east to Kingman, AZ (62 miles). Needles provides an opportunity for passenger vehicle travelers to stop, rest, seek food, gasoline/fuel and automotive repairs. Commercial truck drivers are able to use Needles for similar purposes as well as Federally required rest breaks. The region also sees significant tourism from those seeking to experience "Historic Route 66" either from a passenger car or motorcycle. The community sees a fair number of organized car drives and rallies from car clubs and similar.

Overall, the visitors to the region mostly fall within the following categories:

- A. Flow-thru traffic traveling on I-40 or I-95
- B. Visitors Touring Historic Route 66 (and likely visiting surrounding communities)
- C. Visiting to "play" on the River
- D. Visiting to "play" in the Desert and/or Camp
- E. Travel to Region for Employment (mining, agriculture, railroad, pipeline, environmental cleanup, regulatory (Federal, State or County))

Within literally millions of people traveling into or through the area each year, it is the goal of a tourism program to welcome those travelers for both planned and spontaneous stops in Needles. By providing appropriate marketing and messaging, the community will benefit from increased economic activity. Below are a number of steps to consider in this process:

- A. Entry Monument Signs on I-40 (West and East Bound) welcoming people to City of Needles. As Needles is literally a Desert Oasis, this will create a sense of place and community while guiding motorists to stop.
- B. Overpass Signage, similar to the entry monument, consider working to secure ability to place identifiers for the City on overpasses along I-40 (West and East Bound).
- C. Billboards (maybe City-owned to save money) that advertise what is available in Needles (gas, food, rest, shade, picnic, relief for pets, auto repairs, misters?) one east bound (5 miles outside of core) and one west bound (5 miles outside of core)
- D. App that has basic services listed and contact numbers (private/public resources)
- E. Targeted marketing to automotive clubs and other groups to push group stays in the community.
- F. TBID, a TBID is a Tourism Business Improvement District. This is formed legally by those involved in the industry (usually hotels but can also include restaurants). It is recommended that the City work to form a TBID through a qualified consultant that would create funding for various tourism related activities (including visitor amenities and marketing). It is suggested that the TBID include a 2% hotel tax (raising hotel taxes to 12% from 10%) and that the City contribute 2% of its current 10% as a match. The Board of the TBID would be public/private and include representatives from both the City and private sector.

*In FY 21 (July 1, 2020 to June 30, 2021) the City of Needles saw total hotel room sales of about \$7.99 million, generating about \$779,489 in TOT for the benefit of the community. This represents a 10% Transient Occupancy Tax (also known as hotel taxes).

**If a TBID is formed at 2% TOT equivalent, this would generate about \$160,000 per year in funding for additional tourism related marketing. If the City of Needles were to match this from currently approved TOT (10%), the annual budget for tourism related marketing would be over \$320,000.

- G. Creation of Defined "Rest Areas" for Commercial Truck Traffic. This may be in conjunction with a "switch yard" as described in the Industrial section of this report. This facility would serve as a safe rest area for truckers, provide a more defined invitation to them to be in the community and likely results in additional economic activity (fuel, truck service, food service).
- H. Creation of Defined "Rest Areas" for Passenger Vehicle Travelers. This would be an "Oasis" that could include shade (trees or structure), cooling (mistifiers), picnic tables, pet relief station. This would be a "reason" to stop in Needles and may also result in additional economic activity (fuel, auto service, food service, hotel stays). A combination of the two rest areas may also decrease traffic accidents in the region as travelers may be more rested when going through the region, thereby limiting driver fatigue.
- I. Visitors Center (Real and Virtual)
- J. Geofence Advertising to travelers in the area (Geofencing allows targeted messages to people entering a defined area on social media for goods and services)
- K. Asset/Visitors Map
- L. Consider allowance for creation of a Cannabis Lounge to spark cannabis-based tourism.
- M. Consider allowing for increased signage and brand identification with cannabis-related companies thus creating a tour market (similar to winery tours)
- N. Participation in Hotel Professional Conferences to Recruit Additional Hotels to the Region. This would also include developing a database of all hotel-owning investor groups with assets in the Colorado River Region (from Laughlin to Yuma)

Exhibit A

City of Needles Marketing Plan: Retail (Recommended Annual Expenditure for Retail Marketing: \$20,000)

		Budget Amount (Annual)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Retail														
Economic Infrastructure Items														
1	Create Community Marketing Slogan	N/A	X											
2	Annual One-Sheet (Demographic and Market Analysis) City Demographics / Retail	\$1,500			X				X				X	
3	Colorado River Region (N, BH, L, FM, LHC) Demographics/Retail Annual Property Map	\$1,750			X				X				X	
4	Key Retail Sites (Online and Printable)													
5	Entitled Sites and Vacant/Available Buildings				X				X				X	
6	Annual Retail Map (Same as Above)	\$1,750			X				X				X	
7	Show Location of National Credit Tenants (Online/Printable)													
Economic Development Memberships/Professional Affiliations														
6	ISC Affiliation	\$1,000	X				X				X			
7	ACRE Affiliation	\$500	X				X				X			
Retail Marketing Activities														
8	Monthly Linked In Post (PM/MB)	\$500	X	X	X	X	X	X	X	X	X	X	X	X
9	Monthly Linked In (Paid Promotion)	\$1,000	X	X	X	X	X	X	X	X	X	X	X	X
10	Annual Demographic/Market Report & Map to Top 100 Retailers/Developers	\$500	X											
11	ISC - Las Vegas	\$3,500		X		X				X				X
12	ISC-San Diego	\$2,500					X				X			
13	Participation in Lodging Conference	\$2,500	X				X				X			
14	Needles Virtual Tour Event	\$500			X				X			X		
15	Quarterly Call to Top 25 Brokers/Developers	N/A	X	X	X	X	X	X	X	X	X	X	X	X
16	Use of Advertising on Credi / Loopnet	TBD	TBD											
17	Use of Advertisement (Print/Online) California Centers / Western Business	TBD	TBD											
Regional Initiatives														
16	Regional Economic Development Showcase (On-Line or In-Person)													
17	Annual Business Showcase (Exhibits, Job Fair, Speakers on Finance, Economics)			X	X			X	X			X	X	



Exhibit B

City of Needles Marketing Plan: Housing (Recommended Annual Expenditure Housing Marketing: \$17,500)

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Exhibit C

City of Needles Marketing Plan: Industrial (Recommended Annual Marketing Expenditure Industrial: \$12,000)

		Budget Amount (Annual)		3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Industrial															
Economic Infrastructure Items															
1	Energy Rate Comparison (Needles vs. SCE vs. SDG&E vs. PG&E) or Example			X				X				X			
2	Water Rate Example			X				X				X			
3	Asset Map of Industrial			X				X				X			
	Corridors Highways/Railroad														
	Labor Market Statistics (Regional)														
	Key Sites for Large Scale Industrial														
4	Example of Industrial Development Fees (50,000 and 250,000 Sq. Ft. Buildings)			X				X				X			
5	Database of Logistics, Trucking & Distribution and Industry Groups			X				X				X			
Economic Development Memberships/Professional Affiliations															
5	Membership and Participation in IEEP (Industrial Committee)			X				X				X			
6	Membership and Participation in SIOR (Society of Industrial and Office Realtors)			X				X				X			
Industrial Development Marketing Activities															
7	Monthly Linked in Post (PW/MB)			X	X	X	X	X	X	X	X	X	X	X	X
8	Monthly Linked in (Paid Promotion) Industrial Developers			X	X	X	X	X	X	X	X	X	X	X	X
9	Geo Fence Industrial Brokers/Developers Visiting Area			X	X	X	X	X	X	X	X	X	X	X	X
10	Needles Virtual Tour Event			X	X	X	X	X	X	X	X	X	X	X	X
11	Marketing/Advertising on Loopnet and Crexi			X	X	X	X	X	X	X	X	X	X	X	X
12	Encourage Land Owners to Use Loopnet or Crexi			X	X	X	X	X	X	X	X	X	X	X	X
13	Annual Asset Map & Sample Fees Send to All SIOR / IEEP Industrial Members			X	X	X	X	X	X	X	X	X	X	X	X
Industry Initiative Items															
14	Cannabis-Related Business Roundtable/Industry Group Semi-Annual Mtg-City							X		X		X		X	
15	JPA or Similar Arrangement with Cities Involved in Cannabis Industry							X		X		X		X	



Exhibit D

City of Needles Marketing Plan: Tourism (Recommended Annual Tourism Expenditure \$12,500 (Not Including TBID Formation and Direct Marketing from TBID Funding)

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City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ SARDA

☒ Regular ☐ Special

Meeting Date: APRIL 26, 2022

Title: Warrants

Background: n/a

Fiscal Impact: n/a

Recommended Action: **APPROVE**, the Warrants Register through APRIL 26, 2022.

Submitted By: Sylvia Miledi, Director of Finance

City Management Review: *Rick*

Date: *4/19/22*

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: *4*

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR APRIL 08, 2022**

		DEPT. AMT.	FUND AMT.	8-Apr	21-22 BUDGET
FUND 101	GENERAL FUND	\$ 12,809.11			
101.1015.412	CITY ATTORNEY	\$ -		\$ 46,504.95	\$80,000
101.1020.413	CITY MANAGER	\$ 2,073.21		\$ 159,598.93	\$205,293
101.1025.415	FINANCE DEPT.	\$ 4,535.90		\$ 379,017.63	\$425,654
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 1,658.78		\$ 126,480.66	\$201,933
101.1035.416	PLANNING /ZONING	\$ 479.15		\$ 138,010.93	\$304,327
101.1040.417	ENGINEERING	\$ 998.60		\$ 141,247.25	\$269,415
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 35,014.54	\$69,770
101.1070.410	SENIOR CENTER	\$ -		\$ 32,447.11	\$55,404
101.2010.421	SHERIFF	\$ -		\$ 2,528,706.29	\$3,216,842
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 92.91		\$ 135,925.69	\$236,591
101.2025.424	BULDING & SAFETY	\$ 606.07		\$ 328,411.76	\$454,386
101.2030.423	CODE ENFORCEMENT	\$ 5,522.02		\$ 421,327.72	\$629,675
101.3010.431	PUBLIC WORKS	\$ 3,987.69		\$ 846,971.50	\$4,513,905
101.4730.472	SANITATION	\$ 221.69		\$ 108,554.91	\$156,217
101.5770.452	AQUATICS	\$ -		\$ 99,946.38	\$180,845
101.5772.452	PARKS	\$ 6,047.15		\$ 366,037.87	\$637,633
101.5773.452	JACK SMITH PARK MARINA	\$ 1,520.30		\$ 92,493.46	\$139,888
101.5774.452	RECREATION	\$ 2,513.44		\$ 234,045.72	\$353,231
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ 43,066.02		\$12,131,009
FUND 205	CDBG		\$ -	\$ 33,821.16	\$27,243
FUND 206	CEMETERY		\$ 1,682.37	\$ 97,263.06	\$209,276
FUND 208	CALTRANS GRANTS		\$ -	\$ 886,383.32	\$984,573
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$0
FUND 210	SPECIAL GAS TAX		\$ -	\$ 113,130.00	\$235,135
FUND 213	DEPT OF HOUSE. & COMM DEVL		\$ -	\$ 41,643.74	\$168,149
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 1,539.86	\$93,300
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 138,432.17	\$283,431
FUND 235	INTERSTATE COMM/140 J ST.		\$ -	\$ -	\$0
FUND 239	CA.CONSERV RECYCLING GRANT		\$ -	\$ 63,937.60	\$80,500
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 241	SAFE RTS TO SCHOOL (SR2S)		\$ -	\$ -	\$12,885
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ 165,340.30	\$204,500
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ 446.72	\$300,000
FUND 501	NPUA		\$ -	\$ 2,456,502.44	\$2,687,194
FUND 502	WATER DEPARTMENT		\$ 7,287.47	\$ 1,460,211.57	\$2,001,236
FUND 503	WASTEWATER DEPARTMENT		\$ 4,531.65	\$ 960,971.67	\$1,297,932
FUND 505	SANITATION		\$ -	\$ 970,224.25	\$1,324,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ 382.77	\$ 732,199.58	\$1,012,427
FUND 507	GOLF FUND	\$ 65.68			
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -		\$ 479,969.23	\$731,730
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 1,685.08		\$ 252,230.35	\$368,468
FUND 507	GOLF FUND TOTAL		\$ 1,750.76		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -	\$ 3,784.46	\$ 251,980.85	\$359,455
FUND 509	MIS		\$ -	\$ 155,028.51	\$252,370
FUND 510	ADMIN. FACILITY		\$ -	\$ 118,024.06	\$395,203
FUND 511	FLEET MANAGEMENT		\$ 1,729.54	\$ 148,107.57	\$270,933
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ -	\$ 154,546.85	\$229,711
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 17,291.68	\$40,458
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 292,334.03	\$494,264
FUND 580	ELECTRIC		\$ 18,329.23	\$ 8,809,730.00	\$12,526,973
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 26,552.00	\$26,552
FUND 582	NPUA CAPITAL WATER		\$ -	\$ 1,209,449.70	\$2,142,785
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ 98,768.00	\$2,218
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ 30.16	\$88
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ 22.62	\$24
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 82,544.27	\$ 26,356,856.35	\$40,894,922

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Charter, Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Kippy Poulson, City Treasurer

Date

Sylvia Miledi, Director of Finance

Date

15216	1924	00	AHA MRCAY POWER SERVICE	04/08/2022	202.36	-00
15217	2450	00	CALPERS	04/08/2022	949.68	-00
15218	3319	00	CITY EMPLOYEES ASSOCIATES	04/08/2022	200.00	-00
15219	3286	00	COLONIAL LIFE	04/08/2022	2,660.60	-00
15220	1305	00	GREAT WEST LIFE	04/08/2022	4,612.00	-00
15221	3634	00	GREAT-WEST LIFE & ANNUITY	04/08/2022	631.72	-00
15222	2879	00	JENNIFER VALENZUELA	04/08/2022	468.95	-00
15223	3458	00	MUTUAL OF OMAHA	04/08/2022	3,338.41	-00
15224	1199	00	SDPEA TEAMSTERS LOCAL 1932	04/08/2022	836.20	-00
15225	3242	00	SDRMA	04/08/2022	68,644.35	-00

NUMBER OF CHECKS

10

GRAND TOTAL

82,544.27

PREPARED 04/08/2022, 6:46:39

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2022/10
REPORT NUMBER 93

PAGE 1

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15216	1924	AHA MACAV POWER SERVICE	007184		04/08/2022	580-4750-473.63-12	202.36 202.36 *	202.36
15217	2450	CALPERS	007225		04/08/2022	101-1020-413.25-00	949.68 949.68 *	949.68
15218	3319	CITY EMPLOYEES ASSOCIATES	007222 007223 007224		04/08/2022 04/08/2022 04/08/2022	101-0000-209.03-01 580-0000-209.03-01 502-0000-209.03-01	140.00 40.00 20.00 200.00 *	200.00
15219	3286	COLONIAL LIFE	007217 007218 007219 007220 007221		04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022	101-0000-209.03-01 502-0000-209.03-01 503-0000-209.03-01 508-0000-209.03-01 580-0000-209.03-01	2,085.16 87.28 195.82 196.88 95.46 2,660.60 *	2,660.60
15220	1305	GREAT WEST LIFE & ANNUITY	007181 007182 007183		04/08/2022 04/08/2022 04/08/2022	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	2,508.00 275.00 1,829.00 4,612.00 *	4,612.00
15221	3634	GREAT WEST LIFE & ANNUITY	007175 007176 007177 007178 007179 007180		04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022	101-0000-209.01-00 101-0000-209.01-00 101-0000-209.01-00 580-0000-209.01-00 580-0000-209.01-00 580-0000-209.01-00	38.13 24.27 213.04 174.52 53.93 127.83 631.72 *	631.72
15222	2879	JENNIFER VALENZUELA	007185 007186 007187 007188 007189		04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022	101-5774-452.31-42 101-5774-452.49-01 101-5774-452.62-00 101-5774-452.60-24 101-5774-452.65-10	150.00 150.00 65.00 9.98 93.97 468.95 *	468.95
15223	3458	MUTUAL OF OMAHA	007197 007198 007199 007200 007201 007202 007203 007204 007205 007206 007207 007208		04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022 04/08/2022	101-1020-413.24-10 101-1025-415.24-10 101-1030-414.24-10 101-1035-416.24-10 101-1040-417.24-10 101-2020-423.24-10 101-2025-424.24-10 101-2030-423.24-10 101-3010-431.24-10 101-4730-472.24-10 101-5772-452.24-10 101-5773-452.24-10	71.26 196.71 63.79 41.47 123.26 92.91 142.40 248.44 242.43 24.29 144.74 52.35	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15223	3458	MUTUAL OF OMAHA	007209		04/08/2022	101-5774-452.24-10	118.67	
			007210		04/08/2022	206-5771-452.24-10	44.57	
			007211		04/08/2022	502-4710-471.24-10	542.60	
			007212		04/08/2022	503-4720-475.24-10	169.06	
			007213		04/08/2022	506-4713-477.24-10	45.75	
			007214		04/08/2022	508-4810-478.24-10	164.60	
			007215		04/08/2022	511-3020-432.24-10	91.36	
			007216		04/08/2022	580-4750-473.24-10	717.75	
							3,338.41	3,338.41
15224	1199	SBPEA TEAMSTERS LOCAL 193	007190		04/08/2022	101-0000-209.03-01	381.75	
			007191		04/08/2022	502-0000-209.03-01	118.63	
			007192		04/08/2022	503-0000-209.03-01	23.29	
			007193		04/08/2022	507-0000-209.03-01	65.68	
			007194		04/08/2022	508-0000-209.03-01	52.82	
			007195		04/08/2022	511-0000-209.03-01	31.38	
			007196		04/08/2022	580-0000-209.03-01	162.65	
							836.20	836.20
15225	3242	SPECIAL DISTRICT RISK	007226		04/08/2022	101-1020-413.24-10	1,052.27	
			007227		04/08/2022	101-1025-415.24-10	4,339.19	
			007228		04/08/2022	101-1030-414.24-10	1,594.99	
			007229		04/08/2022	101-1035-416.24-10	437.68	
			007230		04/08/2022	101-1040-417.24-10	875.34	
			007231		04/08/2022	101-2025-424.24-10	463.67	
			007232		04/08/2022	101-2030-423.24-10	5,273.58	
			007233		04/08/2022	101-3010-431.24-10	3,745.26	
			007234		04/08/2022	101-4730-472.24-10	197.40	
			007235		04/08/2022	101-5772-452.24-10	5,902.41	
			007236		04/08/2022	101-5773-452.24-10	1,467.95	
			007237		04/08/2022	101-5774-452.24-10	1,925.82	
			007238		04/08/2022	101-0000-209.03-01	7,418.76	
			007239		04/08/2022	206-5771-452.24-10	1,303.26	
			007240		04/08/2022	206-0000-209.03-01	334.54	
			007241		04/08/2022	502-4710-471.24-10	4,962.74	
			007242		04/08/2022	502-0000-209.03-01	1,281.22	
			007243		04/08/2022	503-4720-475.24-10	3,314.58	
			007244		04/08/2022	503-0000-209.03-01	828.90	
			007245		04/08/2022	506-4713-477.24-10	263.22	
			007246		04/08/2022	506-0000-209.03-01	73.80	
			007247		04/08/2022	507-5762-454.24-10	1,685.08	
			007248		04/08/2022	508-4810-478.24-10	2,632.16	
			007249		04/08/2022	508-0000-209.03-01	738.00	
			007250		04/08/2022	511-3020-432.24-10	1,270.78	
			007251		04/08/2022	511-0000-209.03-01	336.02	
			007252		04/08/2022	580-4750-473.24-10	11,917.15	
			007253		04/08/2022	580-0000-209.03-01	3,008.58	
							68,644.35	68,644.35

BANK/CHECK TOTAL

82,544.27

82,544.27

PREPARED 04/08/2022, 6:46:39

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PAGE 3

PROGRAM: GM346L

ACCOUNTING PERIOD 2022/10

CITY OF NEEDLES

REPORT NUMBER 93

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
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ALL BANKS/CHECKS TOTAL	82,544.27
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82,544.27

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR APRIL 15, 2022**

		DEPT. AMT.	FUND AMT.	15-Apr	21-22 BUDGET
FUND 101	GENERAL FUND	\$ -			
101.1015.412	CITY ATTORNEY	\$ -		\$ 46,504.95	\$80,000
101.1020.413	CITY MANAGER	\$ -		\$ 159,598.93	\$205,293
101.1025.415	FINANCE DEPT.	\$ -		\$ 379,017.63	\$425,654
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -		\$ 126,480.66	\$201,933
101.1035.416	PLANNING /ZONING	\$ -		\$ 138,010.93	\$304,327
101.1040.417	ENGINEERING	\$ -		\$ 141,247.25	\$269,415
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 35,014.54	\$69,770
101.1070.410	SENIOR CENTER	\$ -		\$ 32,447.11	\$55,404
101.2010.421	SHERIFF	\$ -		\$ 2,528,706.29	\$3,216,842
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -		\$ 135,925.69	\$236,591
101.2025.424	BULDING & SAFETY	\$ -		\$ 328,411.76	\$454,386
101.2030.423	CODE ENFORCEMENT	\$ -		\$ 421,327.72	\$629,675
101.3010.431	PUBLIC WORKS	\$ -		\$ 846,971.50	\$4,513,905
101.4730.472	SANITATION	\$ -		\$ 108,554.91	\$156,217
101.5770.452	AQUATICS	\$ -		\$ 99,946.38	\$180,845
101.5772.452	PARKS	\$ -		\$ 366,037.87	\$637,633
101.5773.452	JACK SMITH PARK MARINA	\$ -		\$ 92,493.46	\$139,888
101.5774.452	RECREATION	\$ -		\$ 234,045.72	\$353,231
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ -		\$12,131,009
FUND 205	CDBG		\$ -	\$ 33,821.16	\$27,243
FUND 206	CEMETERY		\$ -	\$ 97,263.06	\$209,276
FUND 208	CALTRANS GRANTS		\$ 405,000.00	\$ 1,291,383.32	\$984,573
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$0
FUND 210	SPECIAL GAS TAX		\$ -	\$ 113,130.00	\$235,135
FUND 213	DEPT OF HOUSE. & COMM DEVL		\$ -	\$ 41,643.74	\$168,149
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 1,539.86	\$93,300
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 138,432.17	\$283,431
FUND 235	INTERSTATE COMM/I40 J ST.		\$ -	\$ -	\$0
FUND 239	CA.CONSERV RECYCLING GRANT		\$ -	\$ 63,937.60	\$80,500
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 241	SAFE RTS TO SCHOOL (SR2S)		\$ -	\$ -	\$12,885
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ 165,340.30	\$204,500
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ 446.72	\$300,000
FUND 501	NPUA		\$ -	\$ 2,456,502.44	\$2,687,194
FUND 502	WATER DEPARTMENT		\$ -	\$ 1,460,211.57	\$2,001,236
FUND 503	WASTEWATER DEPARTMENT		\$ -	\$ 960,971.67	\$1,297,932
FUND 505	SANITATION		\$ -	\$ 970,224.25	\$1,324,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ -	\$ 732,199.58	\$1,012,427
FUND 507	GOLF FUND	\$ -			
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -		\$ 479,969.23	\$731,730
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -		\$ 252,230.35	\$368,468
FUND 507	GOLF FUND TOTAL		\$ -		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -		\$ 251,980.85	\$359,455
FUND 509	MIS		\$ -	\$ 155,028.51	\$252,370
FUND 510	ADMIN. FACILITY		\$ -	\$ 118,024.06	\$395,203
FUND 511	FLEET MANAGEMENT		\$ -	\$ 148,107.57	\$270,933
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ -	\$ 154,546.85	\$229,711
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 17,291.68	\$40,458
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 292,334.03	\$494,264
FUND 580	ELECTRIC		\$ -	\$ 8,809,730.00	\$12,526,973
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 26,552.00	\$26,552
FUND 582	NPUA CAPITAL WATER		\$ -	\$ 1,209,449.70	\$2,142,785
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ 98,768.00	\$2,218
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ 30.16	\$88
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ 22.62	\$24
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 405,000.00	\$ 26,761,856.35	\$40,894,922

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with § 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Kippy Poulson, City Treasurer

Date

Sylvia Miledi, Director of Finance

Date

PAGE 1
DISBURSEMENT PERIOD 10/2022

DISBURSEMENT PERIOD 10/2022

[illegible]

TS/RETAINAGE

COPIES TAKEN

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

.00.

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15306	3879	ARIZONA DEPT OF TRANSPORT	PI0224	022085	04/15/2022	208-3010-431.70-06	405,000.00 405,000.00 *	405,000.00
							BANK/CHECK TOTAL	405,000.00
							ALL BANKS/CHECKS TOTAL	405,000.00

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR APRIL 26, 2022**

FUND 101	GENERAL FUND	DEPT. AMT.	FUND AMT.	26-Apr	21-22 BUDGET
101.1015.412	CITY ATTORNEY	\$ 4,140.65		\$ 46,526.75	\$80,000
101.1020.413	CITY MANAGER	\$ 21.80		\$ 159,589.93	\$205,293
101.1025.415	FINANCE DEPT.	\$ 35.33		\$ 379,017.63	\$425,654
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 58.43		\$ 126,480.66	\$201,933
101.1035.416	PLANNING /ZONING	\$ 56.53		\$ 141,125.93	\$304,327
101.1040.417	ENGINEERING	\$ 3,318.52		\$ 150,727.25	\$269,415
101.1060.410	COMMUNITY PROMOTIONS	\$ 9,524.17		\$ 44,344.61	\$69,770
101.1070.410	SENIOR CENTER	\$ 9,330.07		\$ 32,447.11	\$55,404
101.2010.421	SHERIFF	\$ -		\$ 2,528,706.29	\$3,216,842
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 267,620.00		\$ 136,158.17	\$236,591
101.2025.424	BULDING & SAFETY	\$ 618.40		\$ 328,411.76	\$454,386
101.2030.423	CODE ENFORCEMENT	\$ 63.00		\$ 421,647.44	\$629,675
101.3010.431	PUBLIC WORKS	\$ 425.05		\$ 847,006.27	\$4,513,905
101.4730.472	SANITATION	\$ 1,396.95		\$ 108,554.91	\$156,217
101.5770.452	AQUATICS	\$ -		\$ 100,438.44	\$180,845
101.5772.452	PARKS	\$ 492.06		\$ 370,477.85	\$637,633
101.5773.452	JACK SMITH PARK MARINA	\$ 5,683.23		\$ 92,492.46	\$139,888
101.5774.452	RECREATION	\$ -		\$ 234,069.40	\$353,231
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 218.40	\$ 303,002.59		\$12,131,009
FUND 205	CDBG		\$ -	\$ 33,821.16	\$27,243
FUND 206	CEMETERY		\$ -	\$ 97,263.06	\$209,276
FUND 208	CALTRANS GRANTS		\$ -	\$ 1,291,383.32	\$1,389,573
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$0
FUND 210	SPECIAL GAS TAX		\$ -	\$ 113,130.00	\$235,135
FUND 213	DEPT OF HOUSE. & COMM DEVL		\$ -	\$ 41,643.74	\$168,149
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 1,539.86	\$93,300
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ 7,321.00	\$ 138,432.17	\$283,431
FUND 235	INTERSTATE COMM/40 J ST.		\$ -	\$ -	\$0
FUND 239	CA.CONSERV RECYCLING GRANT		\$ 63,800.00	\$ 64,737.60	\$80,500
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 241	SAFE RTS TO SCHOOL (SR2S)		\$ -	\$ -	\$12,885
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ 165,340.30	\$204,500
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ 446.72	\$300,000
FUND 501	NPUA		\$ 43.50	\$ 2,456,502.44	\$2,687,194
FUND 502	WATER DEPARTMENT		\$ 12,447.70	\$ 1,472,042.56	\$2,001,236
FUND 503	WASTEWATER DEPARTMENT		\$ 7,069.49	\$ 966,592.89	\$1,297,932
FUND 505	SANITATION		\$ 95,949.47	\$ 1,066,173.72	\$1,324,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ 312.99	\$ 870,065.60	\$1,012,427
FUND 507	GOLF FUND	\$ 270.83			
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 6,118.93		\$ 480,013.35	\$731,730
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 6,268.56		\$ 252,921.61	\$368,468
FUND 507	GOLF FUND TOTAL		\$ 12,658.32		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -	\$ 586.20	\$ 251,991.43	\$359,455
FUND 509	MIS		\$ 59,026.46	\$ 197,224.97	\$252,370
FUND 510	ADMIN. FACILITY		\$ 15,843.20	\$ 130,582.28	\$395,203
FUND 511	FLEET MANAGEMENT		\$ 4,180.96	\$ 148,939.96	\$270,933
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ 6,162.09	\$ 160,686.00	\$229,711
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ 1,871.35	\$ 19,163.03	\$40,458
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ 34,345.07	\$ 326,656.16	\$494,264
FUND 580	ELECTRIC		\$ 145,117.55	\$ 8,859,925.12	\$12,526,973
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 26,552.00	\$26,552
FUND 582	NPUA CAPITAL WATER		\$ -	\$ 1,209,449.70	\$2,142,785
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ 98,768.00	\$2,218
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ 30.16	\$88
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ 22.62	\$24
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 769,737.94	\$ 27,190,264.39	\$41,299,922

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with §

8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Kippy Poulson, City Treasurer

Date

Sylvia Miledi, Director of Finance

Date

PROGRAM: GM348U
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
15226	342	00	ABC FIRE EXTINGUISHER CO.	04/26/2022	177.96	.00
15227	3305	00	AGUA CALIENTE	04/26/2022	25,948.00	.00
15228	1924	00	AHA MACAV POWER SERVICE	04/26/2022	6,642.47	.00
15229	1	00	ANDREWS, BILLY W	04/26/2022	17.01	.00
15230	3750	00	AUTO ZONE	04/26/2022	239.17	.00
15231	480	00	BEST BEST & KRIEGER LLP	04/26/2022	304.80	.00
15232	178	00	BIG O TIRES & NAPA AUTO PARTS	04/26/2022	1,624.76	.00
15233	7	00	BORDER STATES INDUSTRIES, INC.	04/26/2022	33,983.32	.00
15234	1213	00	CALIF. DEPT. OF TAX & FEE ADMIN.	04/26/2022	950.00	.00
15235	4023	00	CENTRAL SQUARE TECHNOLOGIES, LLC	04/26/2022	13,480.00	.00
15236	1	00	CHRIS GILFILLIN	04/26/2022	200.68	.00
15237	3136	00	CITY OF NEEDLES	04/26/2022	1,232.00	.00
15238	4030	00	CITY OF PHOENIX	04/26/2022	47.00	.00
15239	455	00	CULLIGAN WATER COND.	04/26/2022	44.80	.00
15240	1	00	D.R. & G SERVICES	04/26/2022	26.49	.00
15241	440	00	DECO FOODSERVICE INCORP.	04/26/2022	121.60	.00
15242	3523	00	DEVELOPMENT MANAGEMENT GROUP INC.	04/26/2022	29,156.46	.00
15243	3580	00	DIAMOND PURE WATER	04/26/2022	95.00	.00
15244	501	00	DOI-BOR-REGION: LOWER COLORADO	04/26/2022	13,782.99	.00
15245	3890	00	EAN SERVICES, LLC	04/26/2022	255.08	.00
15246	2900	00	EXTREME IRON WELDING	04/26/2022	750.00	.00
15247	615	00	FEDEX	04/26/2022	29.80	.00
15248	1296	00	FRONTIER	04/26/2022	230.63	.00
15249	4025	00	GOLF MAINTENANCE SOLUTIONS	04/26/2022	4,999.00	.00
15250	4012	00	GOLFNOW	04/26/2022	590.00	.00
15251	3451	00	GREENS ELECTRIC, LLC	04/26/2022	2,272.44	.00
15252	2612	00	HARDWARE EXPRESS INCORP.	04/26/2022	275.18	.00
15253	2489	00	HOME DEPOT CREDIT SERVICES	04/26/2022	663.20	.00
15254	2712	00	HORIZON MECHANICAL CONTRACTORS OF	04/26/2022	980.00	.00
15255	3445	00	HUMANE SOCIETY MOHAVE COUNTY	04/26/2022	235.00	.00
15256	4000	00	JARROD DELEON	04/26/2022	232.93	.00
15257	3978	00	JOSE SANCHEZ	04/26/2022	219.00	.00
15258	3744	00	LILBURN CORPORATION	04/26/2022	2,252.50	.00
15259	1	00	LOUIS FREESE	04/26/2022	228.83	.00
15260	3283	00	LOWE'S	04/26/2022	3,727.63	.00
15261	125	00	MCCORMICK CONSTRUCTION CO.	04/26/2022	1,065.24	.00
15262	2485	00	MESA VALLEY PIPE & SUPPLY	04/26/2022	286.18	.00
15263	3998	00	MICHAEL BAKER INTERNATIONAL, INC	04/26/2022	6,610.00	.00
15264	3889	00	MICHAEL WILLIS	04/26/2022	354.00	.00
15265	218	00	NEWS WEST PUBLISHING CO.	04/26/2022	324.06	.00
15266	1786	00	NPUA	04/26/2022	7,992.69	.00
15267	3315	00	ONLINE INFORMATION SERVICE	04/26/2022	62.40	.00
15268	239	00	PHILLIPS EXCAVATING INC.	04/26/2022	63,000.00	.00
15269	240	00	PITNEY BOWES GLOBAL FIN. SVS. LLC	04/26/2022	2,632.36	.00
15270	15	00	QUILL CORP.	04/26/2022	1,046.17	.00
15271	818	00	R & R PRODUCTS INC.	04/26/2022	142.88	.00
15272	4028	00	RED BRICK SOLUTION	04/26/2022	11,996.00	.00
15273	2861	00	REINKE A/C CORP.	04/26/2022	4,806.11	.00
15274	309	00	REPUBLIC SERVICES #785	04/26/2022	95,949.47	.00
15275	2068	00	RICOH USA, INC.	04/26/2022	324.19	.00
15276	2468	00	RON'S TIRE & AUTO	04/26/2022	1,357.11	.00

PREPARED 4/14/2022, 8:29:09

PROGRAM: GM348U

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE PRELIMINARY CHECK REGISTER

PAGE 2
DISBURSEMENT PERIOD 10/2022

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
15277	3361	00	S.B. COUNTY SHERIFF'S DEPARTMENT	04/26/2022	274,941.00	.00
15278	4001	00	SIMPLOT TURF & HORTICULTURE	04/26/2022	118.53	.00
15279	284	00	SOUTHWEST GAS CORP.	04/26/2022	73.36	.00
15280	4029	00	SOUTHWEST TIRE SUPPLY, INC	04/26/2022	295.00	.00
15281	3875	00	STANTEC CONSULTING SERVICES INC.	04/26/2022	497.92	.00
15282	3705	00	SUPERIOR, LLC	04/26/2022	37,275.86	.00
15283	3483	00	SWRCB	04/26/2022	1,738.00	.00
15284	3851	00	SY FOLEY	04/26/2022	669.49	.00
15285	3950	00	TKE ENGINEERING INC	04/26/2022	9,480.00	.00
15286	2817	00	TONY RUBALCABA	04/26/2022	232.48	.00
15287	3917	00	TOUCHSTONE GOLF LLC	04/26/2022	5,000.00	.00
15288	3873	00	TRANSPORTATION CONCEPTS	04/26/2022	42,332.63	.00
15289	3014	00	TRI STATE FIRE SYSTEMS, INC.	04/26/2022	194.57	.00
15290	772	00	TRI-STATE ACE HARDWARE	04/26/2022	592.20	.00
15291	2819	00	TRI-STATE HOSE & FITTINGS	04/26/2022	905.38	.00
15292	2798	00	U.S. DEPARTMENT OF ENERGY	04/26/2022	37,045.69	.00
15293	3272	00	ULINE	04/26/2022	471.73	.00
15294	3825	00	ULTRA PEST CONTROL, LLC	04/26/2022	45.00	.00
15295	315	00	UNDERGROUND SERVICE ALERT OF SO CAL	04/26/2022	94.15	.00
15296	3830	00	UNIFIRST CORPORATION	04/26/2022	827.64	.00
15297	761	00	USABUEBOOK	04/26/2022	712.83	.00
15298	4026	00	VANESSA FERRER	04/26/2022	21.75	.00
15299	3695	00	VINCE GARZA	04/26/2022	354.00	.00
15300	3906	00	WATER WORKS ENGINEERS, LLC	04/26/2022	.21	.00
15301	3528	00	WESTERN ENVIRONMENTAL TESTING LAB.	04/26/2022	1,303.00	.00
15302	1023	00	XEROX	04/26/2022	493.70	.00
15303	3780	00	ZIA ELECTRICAL PRODUCTS	04/26/2022	986.63	.00
15304	1293	00	ZUBRICK T-SHIRTS	04/26/2022	800.00	.00
15305	3828	00	3D-NETWORKS L.L.C.	04/26/2022	8,270.60	.00

NUMBER OF CHECKS

80

GRAND TOTAL

769,737.94

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15226	342	ABC FIRE EXTINGUISHER CO.	007056		04/26/2022	503-4720-475.43-02	177.96 177.96 *	177.96
15227	3305	AGUA CALIENTE	007254		04/26/2022	580-4750-473.63-10	25,948.00 25,948.00 *	25,948.00
15228	1924	AHA MACAV POWER SERVICE	PI0213	022078	04/26/2022	580-4750-473.43-12	6,642.47 6,642.47 *	6,642.47
15229	1	ANDREWS, BILLY W	UT		04/26/2022	501-0000-211.00-00	17.01 17.01 *	17.01
15230	3750	AUTO ZONE	007157 007158 007159 007255		04/26/2022 04/26/2022 04/26/2022 04/26/2022	511-3021-432.43-38 511-3020-432.43-57 511-3021-432.43-26 511-3021-432.43-26	24.22 105.78 89.98 19.19 239.17 *	239.17
15231	480	BEST BEST & KRIEGER LLP	007295 007296		04/26/2022 04/26/2022	506-4713-477.31-50 101-1015-412.31-50	283.00 21.80 304.80 *	304.80
15232	178	BIG O TIRES & NAPA AUTO P	007091 007133 007148 007149 007150 007151 007152 007153 007154 007256 007257 007258 007312		04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022	580-4750-473.43-03 580-4750-473.43-03 511-3021-432.43-26 511-3021-432.43-36 511-3021-432.43-38 511-3021-432.43-38 511-3021-432.43-26 511-3020-432.61-28 101-5772-452.43-03 511-3020-432.61-14 511-3021-432.43-27 511-3021-432.43-26 580-4750-473.60-55	1.90 29.07 17.23 122.67 496.72 425.29 99.80 36.98 46.63 190.70 46.63 36.98 74.16 1,624.76 *	1,624.76
15233	7	BORDER STATES INDUSTRIES, PI0214	022070		04/26/2022	580-4750-473.60-55	33,983.32 33,983.32 *	33,983.32
15234	1213	CALIFORNIA DEPT. OF TAX &	007092 007093 007094 007095 007096 007097 007098 007099 007100 007101		04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022	101-1025-415.61-02 101-2025-424.61-02 101-1035-416.61-02 101-1040-417.31-40 101-2020-423.61-21 101-5774-452.61-01 503-4720-475.60-33 503-4720-475.43-02 506-4713-477.61-01 508-4810-478.61-02	23.10 27.67 23.17 8.84 -78 -78 46.46 1.16 29.99 12.01	

PREPARED 04/14/2022, 8:41:21

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2022/10
REPORT NUMBER 97

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15244	501	DOI-BOR-REGION: LOWER COL	007172		04/26/2022	580-4750-473.63-10	13,782.99 *	13,782.99
15245	3890	EAN SERVICES, LLC	007313		04/26/2022	101-2030-423.55-00	255.08 *	255.08
15246	2900	EXTREME IRON WELDING	007064 007156		04/26/2022 04/26/2022	507-5761-453.43-04 101-0000-204.11-00	600.00 150.00 750.00 *	750.00
15247	615	FEDEX	007167		04/26/2022	101-5772-452.31-90	29.80 29.80 *	29.80
15248	1296	FRONTIER	007314 007315		04/26/2022 04/26/2022	510-4410-405.52-10 101-5772-452.52-10	95.03 135.60 230.63 *	230.63
15249	4025	GOLF MAINTENANCE SOLUTION	007054		04/26/2022	507-5761-453.31-90	4,999.00 4,999.00 *	4,999.00
15250	4012	GOLFNOW, LLC	007316 007317		04/26/2022 04/26/2022	507-5762-454.61-09 507-5762-454.61-09	295.00 295.00 590.00 *	590.00
15251	3451	GREENS ELECTRIC, LLC	007134 007135 007136		04/26/2022 04/26/2022 04/26/2022	580-4750-473.43-13 580-4750-473.43-13 580-4750-473.43-13	6.29 919.27 1,346.88 2,272.44 *	2,272.44
15252	2612	HARDWARE EXPRESS INCORP.	007132 007139 007140 007141 007142 007143 007144 007145 007146 007147 007262 007263 007272		04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022 04/26/2022	580-4750-473.43-08 511-3021-432.43-26 511-3021-432.43-26 511-3021-432.43-26 101-5772-452.61-12 101-3010-431.43-08 101-3010-431.43-04 101-5772-452.43-18 101-5772-452.61-12 101-5772-452.43-57 511-3021-432.43-26 511-3020-432.43-57 101-5770-452.43-02	25.04 18.42 36.50 15.35 16.51 8.47 2.66 40.93 12.20 34.73 9.79 26.61 27.97 275.18 *	275.18
15253	2489	HOME DEPOT CREDIT SERVICE	007083 007084 007085 007086		04/26/2022 04/26/2022 04/26/2022 04/26/2022	503-4720-475.43-14 101-5772-452.43-04 101-5772-452.43-04 101-5772-452.43-04	117.13 137.73 150.00 258.34 663.20 *	663.20

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ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

 ACCOUNTING PERIOD 2022/10
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CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15254	2712	HORIZON MECHANICAL	CONTRA 007070		04/26/2022	101-2020-423.52-10	70.00	
			007071		04/26/2022	101-2030-423.52-10	70.00	
			007072		04/26/2022	508-4810-478.52-10	70.00	
			007073		04/26/2022	503-4720-475.52-10	140.00	
			007074		04/26/2022	502-4710-471.52-10	280.00	
			007075		04/26/2022	580-4750-473.52-10	175.00	
			007076		04/26/2022	101-3010-431.52-10	980.00	980.00
15255	3445	HUMANE SOCIETY MOHAVE	COU 007297		04/26/2022	101-0000-204.06-00	235.00	235.00
15256	4000	JARROD DELEON	007058		04/26/2022	507-5761-453.43-04	135.60	
			007065		04/26/2022	507-5761-453.43-04	97.33	
							232.93	232.93
15257	3978	JOSE SANCHEZ	007318		04/26/2022	502-4710-471.55-00	219.00	219.00
15258	3744	LILBURN CORPORATION	007301		04/26/2022	502-4710-471.31-90	2,252.50	2,252.50
15259	1	LOUIS FREESE	003494		04/26/2022	101-0000-204.73-00	228.83	228.83
15260	3283	LOWE'S	007302		04/26/2022	580-4750-473.54-62	1,053.31	
			007303		04/26/2022	580-4750-473.54-62	1,707.79	
			007304		04/26/2022	101-5772-452.43-18	73.21	
			007305		04/26/2022	101-5772-452.61-08	98.05	
			007306		04/26/2022	101-5772-452.61-33	795.27	
							3,727.63	3,727.63
15261	125	MCCORMICK CONSTRUCTION CO	007155		04/26/2022	101-3010-431.60-11	1,065.24	1,065.24
15262	2485	MESA VALLEY PIPE & SUPPLY	007166		04/26/2022	503-4720-475.43-14	286.18	286.18
15263	3998	MICHAEL BAKER INTERNATIONAL	007320		04/26/2022	101-0000-204.43-00	937.50	
			007321		04/26/2022	101-0000-204.03-01	555.00	
			007322		04/26/2022	101-0000-204.65-00	685.00	
			007323		04/26/2022	101-0000-204.39-00	750.00	
			007324		04/26/2022	101-0000-204.03-01	517.50	
			PI0223	022047	04/26/2022	101-1035-416.31-90	3,165.00	6,610.00
15264	3889	MICHAEL WILLIS	005891		04/26/2022	580-4750-473.55-00	354.00	354.00
15265	218	NEWS WEST PUBLISHING CO.	007117		04/26/2022	507-5762-454.53-00	147.22	

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PROGRAM: GW346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2022/10
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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15274	309	REPUBLIC SERVICES #78					95,949.47 *	95,949.47
15275	2068	RICOH USA, INC.	007300		04/26/2022	510-4410-405.70-02	324.19 324.19 *	324.19
15276	2468	RON'S TIRE & AUTO	007161 007162		04/26/2022 04/26/2022	511-3021-432.43-38 511-3021-432.43-38	331.82 1,025.29 1,357.11 *	1,357.11
15277	3361	S.B.COUNTY SHERIFF'S DEPA	007113 007114		04/26/2022 04/26/2022	101-2010-421.31-80 225-2010-421.31-80	267,620.00 7,321.00 274,941.00 *	274,941.00
15278	4001	SIMPILOT TURF & HORTICULTU	007308		04/26/2022	507-5761-453.60-10	118.53 118.53 *	118.53
15279	284	SOUTHWEST GAS CORP.	007338 007339 007340		04/26/2022 04/26/2022 04/26/2022	510-4410-405.41-60 101-3010-431.41-60 507-5761-453.41-50	13.00 34.77 25.59 73.36 *	73.36
15280	4029	SOUTHWEST TIRE SUPPLY, IN	007274		04/26/2022	503-4720-475.61-21	295.00 295.00 *	295.00
15281	3875	STANTEC CONSULTING SERVIC	PI0215	022015	04/26/2022	580-4750-473.31-10	497.92 497.92 *	497.92
15282	3705	SUPERION, LLC	PI0225	022086	04/26/2022	509-4910-479.43-05	37,275.86 37,275.86 *	37,275.86
15283	3483	SWRCB ACCOUNTING OFFICE	007337		04/26/2022	503-4720-475.69-03	1,738.00 1,738.00 *	1,738.00
15284	3851	SY FOLEY	007336 007349		04/26/2022 04/26/2022	503-4720-475.57-00 503-4720-475.55-00	189.88 479.61 669.49 *	669.49
15285	3950	TKE ENGINEERING INC	007276 007277 007278		04/26/2022 04/26/2022 04/26/2022	101-1040-417.31-16 101-1040-417.31-16 101-1040-417.31-16	3,622.50 2,180.00 3,677.50 9,480.00 *	9,480.00
15286	2817	TONY RUEBACABA	007350		04/26/2022	101-2020-423.55-00	232.48 232.48 *	232.48
15287	3917	TOUCHSTONE GOLF LLC	PI0211	022011	04/26/2022	507-5762-454.31-89	5,000.00 5,000.00 *	5,000.00
15288	3873	TRANSPORTATION CONCEPTS	007279 007280		04/26/2022 04/26/2022	525-4770-461.32-90 525-4770-461.62-00	31,745.22 2,576.91	31,745.22

PREPARED 04/14/2022, 8:41:21

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2022/10
REPORT NUMBER 97

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
15297	761	USABLUBOOK	007342		04/26/2022	502-4710-471.60-55	286.18	
			007343		04/26/2022	502-4710-471.60-17	296.85	
			007344		04/26/2022	580-4750-473.61-01	75.39	
			007345		04/26/2022	580-4750-473.61-01	54.41	
							712.83	712.83
15298	4026	VANESSA FERRER	007061		04/26/2022	508-4810-478.55-00	21.75	21.75
							21.75	
15299	3695	VINCE GARZA	005892		04/26/2022	580-4750-473.55-00	354.00	354.00
							354.00	
15300	3906	WATER WORKS ENGINEERS, LL	007311		04/26/2022	502-4710-471.31-16	.21	.21
							.21	
15301	3528	WESTERN ENVIRONMENTAL TES	007057		04/26/2022	503-4720-475.59-75	195.00	
			007173		04/26/2022	503-4720-475.59-75	239.00	
			007174		04/26/2022	503-4720-475.59-75	214.00	
			007293		04/26/2022	502-4710-471.59-75	416.00	
			007298		04/26/2022	503-4720-475.59-75	239.00	
							1,303.00	1,303.00
15302	1023	XEROX	007122		04/26/2022	101-1020-413.70-01	35.33	
			007123		04/26/2022	101-1025-415.70-01	35.33	
			007124		04/26/2022	101-1030-414.70-01	56.53	
			007125		04/26/2022	101-1035-416.70-01	35.33	
			007126		04/26/2022	101-1040-417.70-01	35.33	
			007127		04/26/2022	101-2025-424.70-01	35.33	
			007128		04/26/2022	101-2030-423.70-01	35.33	
			007129		04/26/2022	101-3010-431.70-01	14.13	
			007130		04/26/2022	510-4410-405.70-01	70.68	
			007138		04/26/2022	101-5774-452.60-55	140.38	
							493.70	493.70
15303	3780	ZIA ELECTRICAL PRODUCTS	007346		04/26/2022	580-4750-473.60-55	986.63	986.63
							986.63	
15304	1293	ZUBRICK T-SHIRTS	007294		04/26/2022	239-4730-472.59-42	800.00	800.00
							800.00	
15305	3828	3D-NETWORKS LLC	007115		04/26/2022	509-4910-479.31-90	2,950.00	
			007116		04/26/2022	509-4910-479.31-53	400.00	
			007341		04/26/2022	509-4910-479.31-53	450.00	
			007347		04/26/2022	509-4910-479.31-90	3,287.50	
			007348		04/26/2022	509-4910-479.52-13	1,183.10	
							8,270.60	8,270.60

BANK/CHECK TOTAL

769,737.94

ALL BANKS/CHECKS TOTAL

769,737.94



City of Needles, California Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Authorize a two-year (2) contract extension to California Consulting for grant writing services and accept an increase from \$95.00/hour to \$110.00/hour

Background: On November 30, 2019 the City issued a request for proposals for professional grant writers. On April 23, 2019 the City executed a three-year contract at \$95.00 per hour with California Consultant.

The total amount paid to California Consultant for grant writing services over the three years is \$31,750 of which the City received assistance either writing the full grant application or assisting with narratives for the following grants awards:

- BOR WaterSMART Water and Energy Efficiency Program (full grant) \$213,826
- Sustainable Planning Transportation Grant Program (full grant) \$203,987
- Local Roadway Safety Program (notice of intent only) \$40,000
- Prop 68 Statewide Park Development and Community Revitalization Program (narratives only) \$3,965,400

California Consulting is requesting an increase in the hourly rate from \$95.00/hour to \$110.00 which is still the lowest bid when compared to the 2019 proposals.

Fiscal Impact: Grant writing costs ranges based on the type and involvement in the grant application/process.

sm Sylvia Miledi

Recommended Action: Authorize a two-year (2) contract extension to California Consulting for grant writing services and accept an increase from \$95.00/hour to \$110.00/hour

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: R. Torrance

Date: 4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 6



and

City of Needles

By the Numbers

Total Grant Awards	\$4,423,213
Total Paid to CC	\$31,750
Return on Investment	13931%
Total Earned for Client	\$4,391,463
Number of Contract Years	April 2019 as needed

Grant Awards

Prop 68 - Statewide Park Development and Community Revitalization Program	\$3,965,400
Local Road Safety Program	\$40,000
Sustainable Planning Transportation Grant Program	\$203,987
WaterSMART Water and Energy Efficiency Program	\$213,826

**CITY OF NEEDLES
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 23rd day of April, 2019, between the **CITY OF NEEDLES**, a California Charter City, (hereinafter referred to as the "City") and California Consulting (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Services.

The City solicited proposals to provide Professional Services for Grant Writing pursuant to that certain Request for Proposals, which is attached hereto as Exhibit "A."

2.2 Proposal

Consultant has made a proposal ("Proposal") to the City dated November 30, 2019 to provide such professional services, which Proposal is attached hereto as Exhibit "B."

2.3 Consultant.

City desires to retain Consultant to perform and assume responsibility for the provision of such services required by the City on the terms and conditions set forth in this Agreement. Consultant represents and warrants to City that Consultant possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 Professional Services. Consultant agrees to perform **the services described herein and in "Exhibit B" ("Services")**. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Consultant designates Steve Samuelian as Consultant's professional responsible for overseeing the Services provided by Consultant.

3.1.2 Term. This Agreement shall become effective when executed and shall remain in effect until terminated as provided herein. Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically terminate after three (3) years unless extended in writing by the Parties with the approval of the City Council of the City.

3.1.3 Conflict. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

3.2 **Responsibilities of Consultant.**

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or by its employees under Consultant's supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for other clients during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of the City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall determine its own work hours and schedule; provide its own equipment; maintain its own offices; provide its own vehicles; insurance; cell phones and office phones; and Consultant shall be solely responsible for managing and supervising its personnel and employees. Consultant shall further be responsible for all reports and obligations, including, but not limited to: social security taxes, income tax withholding, payroll taxes, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the applicable standard

of care. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of a Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-assigned to perform any Services to City.

- 3.2.3 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services. If the Consultant performs any work contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold the City, its officials, directors, officers, employees and agents harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- 3.2.4 Employment Eligibility. Consultant shall be solely responsible for obtaining Employment Eligibility Verification information from Consultant's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Consultant's employees are eligible to work in the United States.
- 3.2.5 CalPers. In the event that Consultant employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.
- 3.2.6 Drug-free Workplace Certification. By signing this Agreement, the Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.
- 3.2.7 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees, City personnel and third parties appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as

applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

4. Indemnification; Insurance.

4.1 Insurance. Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached to and made a part of this Agreement.

4.2 Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

4.3 Indemnity Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or the City for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

4.4 Duty to Defend. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the Services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises

from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

5. Responsibilities of City.

5.1 Requests. The City agrees to comply with all reasonable requests of Consultant and provide reasonable access to documents including objectives and constraints, space, capacity, and performance requirements, flexibility, and expandability, and any budgetary limitations, reasonably necessary to the performance of Consultant's duties under this Agreement. In order to facilitate Consultant's conformance with the performance schedule, the City shall respond to Consultant's submittals in a timely manner.

5.2 City Representative. The City designates the City Manager or his designee as City representative ("City Representative") with respect to the work to be performed under this Agreement. The City Representative shall have complete authority to transmit instructions, receive information, and interpret and define the City's policy and decisions with respect to materials, equipment, elements, and systems pertinent to the Services covered by this Agreement.

6. Fees and Payments.

6.1 Compensation. City agrees to pay per the bid specifications submitted. Consultant shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Section 6, total fees and charges paid by City under this Agreement shall not exceed \$95.00/hr. The approval of moving forward with completing a potential grant will need to be pre-approved by the City of Needles and estimated number of hours must be submitted.

6.2 Invoices. Consultant shall submit to the City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall have the right to review and audit all invoices prior to or after payment to Consultant. This review and audit may include, but not be limited to City's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or

inappropriate, City shall either return the bill to Consultant with a request for explanation or adjust the payment accordingly, and give notice to Consultant of the adjustment.

6.3 Payment. If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

6.4 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by the City Manager.

6.5 Additional Services. In the event Consultant performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Consultant shall not be compensated for such services. Consultant expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

6.6 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. The City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

6.7 Accounting Records.

6.7.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of the City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

7. General Provisions.

7.1 Termination of Agreement.

7.1.1 Grounds for Termination. The City or Consultant may, by written notice to the other party, terminate this Agreement at any time and without cause by giving written notice to the other party of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those Services which have been actually and adequately rendered to the City, and Consultant shall be entitled to no further compensation.

7.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Consultant shall provide all finished or unfinished Documents and Data (as defined below), programming source code, plans reports and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

7.1.3 Services. In the event this Agreement is terminated in whole or in part as provided herein, the City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

7.2 Delivery of Notices. 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:

To Vendor: **California Consulting Inc.**
214 Main Street, Suite 102
El Segundo, CA 90245

To City: **City of Needles**
817 Third Street
Needles, CA 92363
Attention: City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

7.3 Ownership of Materials and Confidentiality.

7.3.1 City Ownership. All documents and data ("Documents & Data"), including data on electric, digital or magnetic media, prepared by

Consultant under this Agreement shall be the property of the City, except that Consultant shall have the right to retain copies of all Documents & Data for its records. The City shall not be limited in any way in its use of the Documents & Data at any time. Should Consultant, either during or following termination of this Agreement, desire to use any Documents & Data prepared in connection with this Agreement, Consultant shall first obtain the written approval of the City Manager.

7.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of the City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use the City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the City.

7.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

7.5 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

7.6 Governing Law. This Agreement is entered into and shall be performed in Needles, California and shall be governed by the laws of the State of California. Any claims arising under this Agreement shall be brought in the state or federal courts located in San Bernardino County.

7.7 Time of Essence. Time is of the essence for each and every provision of this Agreement.

7.8 City's Right to Employ Other Consultants. The City reserves the right to employ other consultants at any time for any purpose.

7.9 Assignment; Sublease; Transfer. Consultant shall not assign, sublease, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest

herein without the prior signed written consent of the City Manager. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

7.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to the City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

7.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

7.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

7.13 No Third Party Beneficiaries. The Needles Public Utility Authority and other City entities shall be intended beneficiaries of this Agreement. Otherwise, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

7.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

7.15 Improper Payment. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability.

7.16 Conflict of Interest. For the term of this Agreement, no member, officer, or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom. Consultant has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Consultant agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood

and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Consultant shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

7.17 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

7.18 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

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

7.20 Attorney Fees. If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

7.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

7.22 Contents of Request for Proposal and Proposal. Consultant is bound by the contents of City's Request for Proposal and the Proposal. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Proposal. The incorporation of the Proposal shall be for the Services to be rendered and the price for such Services only, and any other terms and conditions included in the Proposal shall have no force and effect on this Agreement or the relationship between Consultant and/or City, unless expressly agreed to in writing.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date and year set forth above.

CITY: (City of Needles)

BY:



TITLE:

City Manager

DATE:

May 7, 2019

ATTEST:

BY:



TITLE:

city clerk

DATE:

May 7, 2019

CONSULTANT:

BY:



TITLE:

CEO

DATE:

April 29, 2019

EXHIBIT A

Request for Proposals

[Attached behind this page]



CITY OF NEEDLES

INVITATION FOR SEALED BIDS
FOR

PROFESSIONAL SERVICES FOR GRANT WRITING

CITY OF NEEDLES
817 Third Street
Needles, CA 92363
(760) 326-2115 ext. 140

NOTICE IS HEREBY GIVEN that the CITY OF NEEDLES (herein called the "City") invites and will receive sealed bids up to the hour of 3:30 p.m. Pacific Standard Time (PST) on **November 30, 2019** for Professional Services for Grant Writing. At said time, sealed Bid Proposal (herein called the "Bid") will be publicly opened and read aloud by the office of the City Clerk at:

CITY OF NEEDLES
817 Third Street
Needles, CA 92363

Questions regarding the Bid Documents are to be directed to Rainie Torrance, Finance Assistant, by email at ndlsacct@citlink.net.

Bids shall be submitted only on forms provided in the Bid Packet. Bids shall be in the hands of the City Clerk of the City, 817 Third Street, Needles, California, 92363 on or before the hour of 3:30 p.m. PST on **November 30, 2018**. No late Bids will be accepted and will be returned unopened. No oral, telegraphic, electronic, facsimile, or telephone bid submittals or modifications will be considered. Bids received after the bid submittal deadline will be rejected and returned to the Bidder unopened.

The Bid Proposal forms can be obtained from the City of Needles' website at www.cityofneedles.com.

The City reserves the right to reject any and/or all Bids received.

Information for Bidders

Bids will be received by the City of Needles Office of the City Clerk, at City of Needles, 817 Third Street, Needles, CA 92363, until 3:30 p.m. Pacific Standard Time (PST), on **Friday, November 1, 2018** then publicly opened and read aloud. Each Bid must contain one complete original set of Bid documents. The Bid Proposal must include the requirements set forth. The Addendum, if issued, will be posted on the City's website at www.cityofneedles.com. Bidder must acknowledge Addendum, if issued, by submitting signed Addendum with the Bid Proposal Forms. The completed Bid must be submitted in a sealed envelope and addressed to the City at 817 Third Street, Needles, CA 92363. Each sealed envelope containing a Bid must be plainly marked on the outside as **"Professional Grant Writing Services; Attention City Clerk"**, and the envelope shall also bear on the outside, the name of the Bidder, and Bidder's address. If forwarded by mail, the sealed envelope containing the Bid Proposal forms must be enclosed in another envelope addressed to the City Clerk at 817 Third Street, Needles, CA 92363, and both envelopes clearly state **"Professional Grant Writing Services; Attention City Clerk"**.

Total Bid Price must be filled in, in ink or typewritten on the proposal. The proposal shall be signed by a person or persons legally authorized to bind Bidder to the Contract. The individuals signing each document shall warrant that they are authorized to bind the Bidder. Mistakes must be corrected and the correction inserted; correction must be initialed in ink by person signing the Bid Form. Each Bidder is responsible for the review of the Bid documents.

The City may waive any informalities or minor defects or reject any and all Bids. Any Bid may be withdrawn prior to the above scheduled time for the opening of Bid or authorized postponement thereof. Any Bid received after the time and date specified shall not be considered. All Bids shall remain firm for at least ninety (90) calendar days after the date and time of the bid opening unless otherwise specified. Should there be reasons why the Bid cannot be awarded within the specified period; the time may be extended by mutual agreement between the City and the Bidder. Award of Bid will be to the lowest responsible Bidder as determined by the City. A conditional or qualified Bid will not be accepted. The failure and omission of any Bidder to do any of the foregoing shall not relieve any Bidder from any obligation with respect to the Bid. The City will not be responsible for, nor be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives. Any request for clarifications or questions of the bid documents shall be emailed to:

Rainie Torrance, Senior Accountant
ndlsacct@citlink.net

Requests for clarification or questions shall be delivered to the City by 4:00 p.m. PST on **November 20, 2018**. Any City response to a request for clarification, questions and answers will be posted to the City's website at www.cityofneedles.com not later than 4:00 p.m. PST, **November 21, 2018** and if necessary become a part of the Bid as an Addendum. The proposed timeline of events associated with the awarding of Bid Proposal:

Release of Advertisement for Bids		Friday, November 9, 2018
Deadline to submit questions/clarifications	4:00 p.m.	Tuesday, November 20, 2018
Addendum/Questions/Clarifications Posted	4:00 p.m.	Wednesday, November 21, 2018
Bid Opening	3:30 p.m.	Friday, November 30, 2018
City Council Awards Bid (subject to change)	6:00 p.m.	Tuesday, December 11, 2018
Issuance of a Purchase Order (subject to change)	By	Wednesday, December 12, 2018

Bid proposals shall remain valid for at least sixty (60) days after the opening of Bids. No Bid proposal may be withdrawn after the Bid opening. The enclosed "Bid Form" must be submitted with each bid.

I. SCOPE OF SERVICES

The City of Needles is seeking to retain a consultant to assist the City in conducting a needs assessment, researching, and identifying potential grants and providing general strategic, planning, and grant writing services associated with the completion and submission of grant applications, program development, project planning, administration and delivery.

II. SERVICES PERIOD AND TERMS

The contract shall be for one year with an option to extend year-to-year for up to three (3) years from date of award at the same hourly rate and conditions. Any option to extend shall be at the sole discretion of the City of Needles.

III. GENERAL SPECIFICATIONS

All responses to this request for proposals for services shall be submitted on respondent's stationary.

A. Information to be Provided by the Consultant

1. Provide a brief outline of your experience in providing planning, needs assessments, and grant writing services, to include at a minimum the following:
 - Number of years firm has been in existence;
 - Brief examples of planning, strategy, needs assessment and grant writing projects, including a list of successfully funded projects; and
 - A minimum of two (2) references from clients other than the City of Needles for whom you have performed services. Please include a contact name and telephone number for each reference.
2. Identify individual(s) in your firm who will be assigned to work with the City of Needles.
3. Explain how your firm will access potential sources of grant funding and other types of funding.
4. Provide a brief description of how your firm will perform the following services:
 - a) Structural and funding needs analysis;
 - b) Identification of funding resources;
 - c) Opportunity to review and approval process;
 - d) Grant preparation process;
 - e) Post submission process.
5. Fee basis should be an all-inclusive, hourly fee. Include an estimated number of hours anticipated to be spent monthly based on previous work of a similar nature.
6. Identify opportunities to train City staff on grants management.

B. Evaluation Criteria

Proposals will be evaluated on the following criteria:

- Demonstrated knowledge of sources of grant and non-traditional funding, including, but not limited to public/private partnerships
- Demonstrated proficiency in obtaining funds
- Demonstrated capability of project management and completion
- Cost of services
- Other information provided by the Consultant

C. Award

Award will be made to the Consultant that best meets the City of Needles' needs and requirements. All aspects of evaluation will be taken into consideration in awarding this contract. The City of Needles reserves the right to reject any and all proposals, and to waive any informalities and/or irregularities in any proposal.

D. Services Requested/Consultants Responsibilities

The following are typical services and/or items that successful Consultant will be required to provide to the City of Needles, if it is awarded the contract, and should be addressed in each Consultant's proposal.

1. Needs Analysis – Work with City Manager and City staff to assess the organization's current situation, goals, objectives, strengths, weaknesses, and long and short term funding priorities.
2. Funding Research – Network with federal, state, and local points of contact including private industry to establish relationships and familiarize them with the needs of the City of Needles. Conduct research to identify grant resources including, but not limited to federal, state, county, foundations, agencies and organizations that support the City's funding needs and priorities as expressed in the Needs Analysis.
3. Special Projects – At the discretion and request of the City Manager, the Consultant will be available for work on special projects including, but not limited to research and reporting, strategy, negotiation, program creation, and planning.
4. Grant Application Development – Work with City staff on the creation of projects and programs, including project planning in conjunction with the development and submission of grant applications on behalf of the City of Needles.
5. Project Management – At the request of the City Manager, the Consultant will work with City staff to implement awarded grants and manage projects and programs assuring that all grant contracts, covenants and requirements are satisfied as specified in the grant funding contract.
6. Invoicing – Consultant will submit monthly invoices with time sheet and copies of completed work product at the end of each month, but no later than the fifth (5th) day of the following month.
7. Insurances – Consultant will carry a minimum of \$1,000,000 in errors and omissions/general liability insurance.
8. The Professional Services agreement in "Attachment A" will be executed in addition to any Letter of Engagement

F. City's Responsibilities

1. The City will pay the Consultant within 30 days of receipt of invoice from Consultant.
2. City staff will answer e-mails and return calls from Consultant.
3. City staff will provide the consultant with all supporting materials needed for the successful completion and submission of grant applications, including but not limited to financial documents, budgets, estimates, engineering certifications, reports, and plans.
4. At the request of the Consultant, and with the consent of the City Manager, the City may hire additional consultants who can provide specialized expertise associated with highly technical grants, including but not limited to engineering sketches, studies, specialized engineering certifications, the preparation of maps and exhibits requiring technical input.

Bid Form

TO: CITY
CITY OF NEEDLES
817 Third Street
Needles, CA 92363

DATE: _____

In compliance with the Invitation for Sealed Bids for **Professional Grant Writing Services** the undersigned, as Bidder, hereby offers to sell to the City, in accordance with the terms, conditions, requirements and specifications set forth in the Bid documents for the price quoted on this Bid Form for **Professional Grant Writing Services**.

TOTAL BID PRICE \$ (include hourly rate) _____

The undersigned certifies under penalty of perjury that the quotation on this Bid Form constitutes a bona-fide offer to sell, that he/she is an authorized representative of the company listed, that the quotation is in no way sham or collusive, and that issuance of a Purchase Order by City constitutes acceptance of bidder's offer on the terms and conditions stated in the Bid documents, and forms a contract. Bidder will not withdraw its Bid for at least ninety (90) calendar days from the date and time of the bid opening.

BIDDER'S COMPANY

PRINT NAME - AUTHORIZED

ADDRESS

AUTHORIZED SIGNATURE

TELEPHONE NUMBER

ARE YOU CLAIMING A LOCAL BUSINESS PREFERENCE? _____ YES _____ NO

If yes submit written proof of the address of your principle place of business and a copy of your current City business license.

THIS PAGE MUST BE COMPLETED AND RETURNED WITH BID PROPOSAL FORMS

EXHIBIT B

Proposal

[Attached behind this page]

Bid Form

TO: CITY
CITY OF NEEDLES
817 Third Street
Needles, CA 92363

DATE: 11-30-2018

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TOTAL BID PRICE \$ (include hourly rate) \$95.00 hourly

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BIDDER'S COMPANY

California Consulting Inc.

PRINT NAME -AUTHORIZED

Steve Samuelian

ADDRESS

|

214 Main Street, Suite 102

AUTHORIZED SIGNATURE



TELEPHONE NUMBER

(323) 728-9002

ARE YOU CLAIMING A LOCAL BUSINESS PREFERENCE? YES _____ NO X

If yes submit written proof of the address of your principle place of business and a copy of your current City business license.

THIS PAGE MUST BE COMPLETED AND RETURNED WITH BID PROPOSAL FORMS

Bid Form

TO: CITY
CITY OF NEEDLES
817 Third Street
Needles, CA 92363

DATE: 11-30-2018

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THIS PAGE MUST BE COMPLETED AND RETURNED WITH BID PROPOSAL FORMS



TRANSPORTATION



HOUSING AND COMMUNITY



PARKS and RECREATION



WATER



FIRE and POLICE



**Invitation for Sealed Bids
for
Professional Services for Grant Writing**

Submitted
November 30, 2018

www.californiaconsulting.org

214 Main Street, Suite 102
El Segundo, CA 90245
(323) 728-9002



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Cover Letter

City of Needles
City Clerk
817 Third Street
Needles, California 92220

Dear City Clerk,

California Consulting, Inc. is pleased to provide this response to the Invitation for Sealed Bids for Professional Services for Grant Writing and to introduce our proven expertise to the City of Needles.

Since inception in 2004, California Consulting has developed an expertise in representing public agencies, private companies, and non-profit organizations. California Consulting has a proven track record of writing successful grant applications, writing over 900 successful grant applications totaling over \$210 million and is the largest grant writing firm in California.

We have secured over \$1.6 billion for our clients since inception through grant writing and governmental affairs efforts combined. California Consulting continues to grow and the majority of our new clients come from referrals from existing clients. We have built this solid reputation by effectively communicating with our clients and working hard for them. Our aggressive, hard-working, and results-oriented style has translated into millions of dollars for our clients. Our grant writers are diligent and current on every Federal, State, Private Foundation, and Local grants available on a myriad of different topics and public policy areas.

The Contact Person authorized to bind the firm in contract is Steve Samuelian, CEO. He may be reached at (323) 728-9002 or via email at steve@californiaconsulting.org. The contact person regarding this Bid is Dan Rodriguez, Director of Operations. He may be reached at (323) 728-9002 or dan@californiaconsulting.org. The contract shall be for one year with an option to extend year-to-year for up to three (3) years from date of award at the same hourly rate and conditions. Any option to extend shall be at the sole discretion of the City of Needles.

Warmest regards,

Steve Samuelian, CEO



Firm's Qualifications

Founded in 2004, California Consulting has offices in Northern, Central, and Southern California. We currently have approximately over 80 clients statewide consisting of 40 cities, almost 30 school districts, and several nonprofit, and private sector clients that we provide grant writing services to. We have 30 members of our team from Chico in the North, to Los Angeles in the South that provide and maintain client's accounts. California Consulting continues to grow and the majority of our new clients come from referrals from existing clients. We have built this solid reputation by effectively communicating with our clients and working hard for them. California Consulting is the largest grant writing firm in California. We have secured over \$1.6 billion for our clients since inception through grant writing and governmental affairs efforts combined. The California Consulting team boasts over 25 grant writers.

California Consulting is a full service grant writing firm. We are experts in the fields of grant research and identification, preparing comprehensive and concise grant application packages, submitting grants in a timely fashion and follow through after the grant has been submitted to determine the status of the grant. California Consulting subscribes to a wide range of grant sites that allows us to track current and upcoming grants in order to let our client's know what is available and what we recommend would fit their situation. By regularly tracking grant announcements we are able to present these grant opportunities to our clients.

Through years of experience our grant writers have a proven track record of success and have mastered their skills of identifying, researching, and obtaining funding for significant projects at every level of government. Our aggressive, hard-working, and results-oriented style has translated into millions of dollars for our clients. Our grant writers are diligent and stay current on every Federal, State, and private foundation grant available on a myriad of different topics and public policy areas. We have written over 900 successful grant applications totaling over \$210 million for our clients.

California Consulting is the leader in the grant writing industry. We have set the standard for the following:

- Thorough knowledge of policy and grant writing expertise
- Hands on approach by the CEO, Steve Samuelian, on strategic planning and client care
- Grant advocacy for each client
- Collaborative team approach to grant writing for every client
- Maintain extensive grant administration, portfolio management experience to various grant programs offered through Federal, State, and local agencies such as, but not limited to the following:
 - ✓ Water improvements
 - ✓ Sewer improvements
 - ✓ Street improvements



- ✓ Park improvements
- ✓ Municipal facility improvements (i.e. buildings, fuel stations, etc.)

California Consulting staff is experienced in all facets of grant research, grant writing, and grant management. We have a thorough understanding of our client's needs through open and continual communication. Our grant writers have over 75 years of grant writing experience combined. California Consulting works collaboratively with our clients to create a strategy identifying funding opportunities that align with the client's needs, whether it's at the Federal, State, or Private Foundation level.

California Consulting works collaboratively with its clients to create a strategy identifying funding opportunities that align with the client's needs, whether it's at the Federal, State or Private Foundation level. California Consulting is committed to the following:

- Identifying client projects and pairing those projects with funding opportunities
- Developing quality grant applications
- Advocating for your grant application during the selection process
- Following up with grant agency to ensure timely fund distribution

California Consulting Staff meets personally with clients to conduct needs assessment at the outset of the contract in order to identify the client goals. We are extensively experienced and very capable of arranging and attending any meetings on behalf of the City. The California Consulting project manager assigned to the City of Needles will be the main points of contact. They will meet with the City immediately and continue to meet with City Staff monthly to ensure an accurate and quality work product. As well, California Consulting will submit a monthly report on the first day of each month to the City. This report will outline all activities conducted by California Consulting for the City of Needles during the prior month.

Staffing

Management Team

California Consulting CEO Steve Samuelian has held various leadership posts during a career spanning almost 34 years. He began as a volunteer for a political campaign and founded a political foundation where he served as president in high school and college. Steve graduated from California State Polytechnic University at Pomona with a degree in Political Science. In January 1995, he was appointed as Field Director for a U.S. Congressman. He was later promoted to District Director overseeing the 19th Congressional District Office staff and District operations for the Congressman, where he served in this capacity for 8 years. Steve served on the board of a Chamber of Commerce, on the board of Crime Stoppers, and on the board of a County United Way. A tireless worker for Armenian-American issues nationwide, Steve has traveled twice to Armenia. He traveled as an international election observer as part of the Office Organization of Security and Cooperation in Europe (OSCE) delegation to observe the adoption of Armenia's first Constitution. His election observation report was later filed in the US Congress Congressional Record. In 2002, Steve was elected to the California State Assembly representing the 29th Assembly District. He was appointed to the Assembly Appropriations Committee by the Speaker and served as the Vice-Chairman of the Assembly Elections and Redistricting Committee. Currently Steve is the Co-Chair of the USC Unruh Institute Ambassador Program <http://dornsife.usc.edu/unruh/ambassador-press-release/> and is elected to the Board of Directors of the L.A. County Business Federation (BizFed) where he is an elected Executive Committee Member serving as an Officer for one of the largest business organizations in the U.S. Steve has been the keynote speaker, a panelist and has participated in many forums, conferences, and events throughout California. He has been a guest speaker for League of Cities division meetings, Contract Cities, and other municipal and education groups. He has been interviewed by local, State and National Television, Radio and Newspaper outlets on a variety of issues related to local government.

Holly Bachman is the Statewide Senior Director. Her responsibilities include overseeing client relations and business development throughout California. Holly has over 16 years of marketing, PR, events and business development. Her experiences include serving as a Membership Consultant and Co-Chair of LA Area Chamber of Commerce's new nonprofit council where she assists in growing membership and consults with various sized businesses and organizations in the greater community. Holly received her B.A. in Sociology/Social Psychology from the University of Minnesota. Holly believes in the importance of giving back to the community through mentoring and organizing various local and national events that promote identity, diversity, and unity. Holly is also a member of the Beverly Hills Chamber of Commerce, Los Angeles Football Club (LAFC), and University of Minnesota Alumni Association.

Danielle Sotelo is our Senior Project Manager and assists with keeping our grant program running smoothly. Danielle has been with California Consulting for 8 years. She has constructed over 270 federal, state and private foundation grants for school districts, cities and non-profit organizations. Danielle is directly responsible for writing and submitting grants that has resulted over \$7 million in awarded grants for our clients. She has administered state and federal grants to meet all reporting requirements. Danielle earned her Bachelor of Arts degree in International Relations with an emphasis in Political Science and a minor in Philosophy from Pepperdine University. She has worked in the office of a U.S. Congressman, has worked in Washington D.C. for the Guatemala Human Rights Commission, and has taught at San Joaquin Valley College in Fresno.

Project Managers

At California Consulting, we operate using a collaborative approach to grant writing. All individuals listed below are highly successful grant writers with an excellent track record. Holly Bachman, Statewide Grants Director along with Danielle Sotelo, Senior Project Manager, will oversee all grant writing efforts for the City of Needles and will assist whenever necessary.

David Marquez *will be assigned to work with the City of Needles.* He is a Project Manager and has been with California Consulting for over 6 years. He is focused on developing capacity building and community development related services on behalf of non-profit agencies, local government, and the private sector to serve the diverse communities of Los Angeles. He has extensive experience and familiarity in the area of community and economic development, social and health services and planning and land use issues. He has combined his knowledge of varied issues with his experience in policy development, coalition building, grant management, fund development and local government to develop both strategies for issue oriented advocacy and program sustainability for his clients. David served as Chief Deputy of Legislation and Policy for former Los Angeles Councilmember Mike Hernandez, where he managed the legislative and planning staff. He began his career as a community organizer, nearly twenty years ago in East Los Angeles. He considers his experience and education as a community organizer as the foundation of his present work. David was born in East Los Angeles. He graduated from the University of La Verne with a Bachelor of Arts in History and International Studies.

Karen Simpson is a Project Manager and has been with California Consulting for over four (4) years. She has served within municipal government for almost 30 years for the Cities of Los Angeles and Pomona. Ms. Simpson has garnered her grant-writing skills for federal and state funding opportunities from multiple community and economic development programs. She has extensive knowledge and training in grant program management, grant research, grant writing, and post-award program compliance. Ms. Simpson is skilled in building collaboration between community based organizations, faith-based entities, educational entities, and social institutions, which resulted in Federal grant awards totaling \$10.4 million in less than seven years. She has written grants addressing at-risk children and youth, K-12 education, job training, homeless assistance, economic development, housing improvement, and lead-hazard control. Ms. Simpson



is also a grant consultant for non-profit organizations providing grant writing services, capacity building, and funding strategies to help meet needs in underserved neighborhoods.

Ilya Malinsky is a Project Manager and has over a decade of professional writing experience, he has authored a wide range of successful grant proposals focusing on social services and education. During the last fiscal year, Mr. Malinsky helped secure nearly \$1 million in grant funding for his clients. Previously, Ilya has written grants for After-School All-Stars, Los Angeles Unified School District, and Jewish Family Service, as well as articles and content for organizations including AOL, Nielsen Business Media, and Audible.com. Ilya has secured funding for a number of publicly and privately funded projects serving low-income communities and student populations. Projects have included educational and skill-building programs in underserved urban communities, programs for pregnant & parenting high school students, and comprehensive after-school programs for middle school students in cities including Los Angeles, Chicago, and Washington, DC. Ilya earned his Bachelor's Degree in Journalism from Boston University.

References

Below is a list of references with services similar in scope to this proposal who are current clients of California Consulting. California Consulting is privileged to have clients as our references.

1. Client Name: City of Huntington Park
Project Description: Land Water Conservation Fund
Contact Name: Ricardo Reyes, City Manager
Contact Number: (323) 584-6223
E-Mail: RReyes@hpcg.gov
2. Client Name: City of Lynwood
Project Description: Urban Greening Program Grant – Urban Bicycle Trail Project
Contact Name: Jose Ometeotl, City Manager
Contact Number: (310) 603-0220 ext. 200
E-mail: jometeotl@lynwood.ca.us
3. Client Name: City of Patterson
Project Description: Urban Greening Program Grant – Urban Bicycle Trail Project
Contact Name: Ken Irwin, City Manager
Contact Number: (209) 895-8010
E-mail: kirwin@ci.patterson.ca.us

Methodology

California Consulting is a full service grant writing firm. We are experts in the fields of grant research and identification, preparing comprehensive and concise grant application packages, submitting grants in a timely fashion, and follow through after the grant has been submitted to determine the status of the grant.

California Consulting has a fundamental business philosophy founded on open communication and tailoring the grants we go after to fit the client's needs.

1. **Funding Needs Analysis:** *(In-Depth Meeting with Department Heads to review priorities and funding needs).* We learn about the client at the outset of the contract by conducting an in-depth Needs Assessment at the City. Each client is assigned to a lead Project Manager and they meet with the client regularly and continue dialog with them on an ongoing basis. This relationship building is the key to keeping the grants pursued on target with the client's overall goals.

Sample questions asked during the Needs Assessment:

- a) *List and describe any program initiatives or priority projects.*
- b) *What needs, projects, or content areas would you like to target for funding? Client can list specific projects or general areas in which you have funding needs.*
- c) *List any grants for which you are considering applying or have decided to apply. In addition, please list what kind of grant-writing support would be helpful for each grant.*
- d) *List past grants that have been funded.*
- e) *List past grant applications you would like to revise and submit again.*
- *The Client will provide an established point of contact for California Consulting Project Manager to contact regarding the grant.*
- *California Consulting will have reasonable access to the required information and documentation required to complete the grant on behalf of the Client.*
- *The Client will provide the required information and documentation in a timely manner in order for California Consulting to submit the grant by deadline.*
- *California Consulting will provide a monthly report listing the Grant Opportunities we recommend for the Client based on the input from the Staff through ongoing communication.*
- *At the discretion of the Client, we will present a report to the City Council once per quarter, or as often as requested by the Client. The report will provide an update on grants written, grant in progress, and provide the Council Members an opportunity to offer their input on the direction of the grant research and identification conducted.*
- *We will provide the Client with monthly reports on grants written, grants in progress, along with upcoming grant opportunities.*

- *We will provide training to City Staff in preparation of successful grant proposals and applications.*
- 2. **Grant Funding Research and Identification:** Our Project Managers are experts in grant identification. They conduct thorough research on an ongoing basis. We have several grant related search engine and List Service websites we subscribe to in order to research all current and upcoming Federal, State, and Private Foundation grants. We track current and upcoming grants in order to let our clients know what is available and what we recommend would fit their situation. The Project Manager will assist the Client in deciding which grants fit best with the Client's projects that was identified at the Needs Assessment. The Project Manager will be able to advise the Client on the strength of the Client's project when competing for the grant and will make recommendations based on the Client's budget and ability to meet the grant requirements, as well as any other factors regarding grant agency guidelines. We will focus our grant research and identification in the following areas but not limited to:
 - ✓ Community Development
 - ✓ Economic Development
 - ✓ City Infrastructure
- 3. **Grant Proposal Development:** We will write all sections of the grant application. Once a grant has been identified, we work with staff to interpret guidelines and gather information necessary for a strong proposal and application. We take your thoughts and ideas and turn them into reality. By learning about the Client's history, needs, and how the award will positively impact the Client's project, we are able to communicate that information with a clear and concise grant package to get the agency's attention. When your staff and California Consulting agree to develop a grant proposal, we will develop a checklist and schedule. The checklist and schedule will include what items the Client will be responsible for and a timeline as to when we will need them submitted to our office. The only reason the Client will have to be involved in the grant preparation process is when our Project Managers do not have access to the required information needed. California Consulting retains copies of all grants we have submitted. If a similar grant application was previously approved, we will use this application as a guide when creating the Client's application.

Below is a list of general tasks for our grant process:

 - a. *Create a task timeline with due dates*
 - a. *Ensure the proposed project meets the grant agency's requirements*
 - b. *Review similar successful grant applications and apply where possible*
 - c. *Collect information on the project*
 - d. *Meet with staff to create an accurate scope of work, budget, timeline, narratives, and cost analysis*
 - e. *Attend pre-proposal conferences, webinars, as necessary*
 - f. *Coordinate with local agencies and organizations as needed when applying for collaborative grants*
 - g. *Obtain letters of support, when necessary*
 - h. *Work with staff to determine if City Council approval is required for submission and work with staff to prepare staff report for City Council*
 - i. *Draft proposals and send to staff for review*
 - j. *Incorporate staff edits in final drafts*

- k. Ensure grant application is in the appropriate format with the required number of copies and all other grant requirements are met*
 - l. Submit completed application timely*
 - m. Monitor funding agency until grant awards are announced*
 - n. Obtain agency feedback if grant is not awarded and provide Client with findings and advice on future applications*
4. **Preparation of Grant Application Documentation:** The Project Manager will be responsible for preparing any associated exhibits and presentations related to the grant application being prepared. The Project Manager will prepare any studies required of the grant application. If the study requires the services of a sub-consultant, the Project Manager will assist the Client in developing an RFP/Q in an effort to obtain a qualified sub-consultant for these services. The Project Manager will review and assist the Client in the preparation of plans, specifications, bid documents, and other documents prepared by the Client or other consultants to ensure grant requirements are in compliance.
5. **Grant Review and Approval Process:** California Consulting takes pride in our impeccable grant applications. We have been successful in this area due to our thorough quality assurance measures. Our Grant Managers conduct group meetings with all Project Managers twice each month. In addition, our Grant Managers meet individually with each Project Manager regularly to review each client. These meetings thoroughly discuss the client's needs, what grants are being worked on and what additional grants may be a good fit. The review processes ensures the best quality product prior to final submission.
6. **Timely Submission:** We create a precise timeline to ensure the grant is submitted on time. This timeline not only captures the submission deadline, but establishes internal deadlines in order to obtain the information needed for a quality submissions.
7. **Grant Administration:** Some grants require post award compliance, reporting and administration. California Consulting will prepare required agency reports and submit them by the required due date. We propose that to the extent legally allowed, the Client hire California Consulting as grant administrators when dollars are available from within the grant (at no additional cost to the Client). When grant dollars from the grant are not available for administration, reporting, and evaluation purposes we have the ability to provide these services at an hourly rate.
8. **Progress Reports:** California Consulting will prepare a monthly report for the Client reflecting grants in progress, grants submitted, and grants awarded. This will provide the Client with a clear return on investment. Our staff is more than happy to present this information to the Council as requested by the Client. Our Project Managers along with the Statewide Senior Director will participate and attend monthly meetings to report on work and provide updates as required by the Client.
9. **Identify Opportunities to train City Staff on grants management** When grant dollars from the grant are not available for management, reporting, and evaluation purposes we have the ability to provide these training services at an hourly rate.

Grants Funded (partial list)

Since opening the firm, California Consulting has written every type of grant available through federal, state, and private foundations. Below is a sampling of some of the grants California Consulting Grant Writers have successfully written and been awarded to include Urban Greening grants for its municipal clients and special districts.

<i>Grant Name</i>	<i>Client Name</i>	<i>Award Amount</i>
Urban Greening Grant	City of Lynwood	\$2,853,000
Prop 1 Storm Water Grant Program (Round 1)	City of Hermosa Beach	\$3,099,400
CalFire Urban Forest Management & Expansion	City of Carson	\$270,000
Rubberized Asphalt Concrete (RAC) Program	City of Monterey Park	\$66,218
Firesubs Public Safety Grant	City of Vacaville	\$24,806
CalFire Urban & Community Grant Program	City of Maywood	\$201,000
Urban Greening Grant	City of Westminster	\$2,324,140
Caltrans Active Transportation Program (ATP) Cycle 3 Grant	City of Patterson	\$907,000
Rivers and Mountains Conservancy (RMC)	City of Lynwood	\$1,692,575
Pre- Disaster Flood Mitigation Assistance - FEMA	City of Lynwood	\$51,562
WaterSmart Small scale efficiency	City of Coachella	\$75,000
FEMA Staffing for Adequate Fire & Emergency Response (SAFER)	Cosumnes CSD Fire Department	\$1,947,191
CA State Parks/OGALS Land Water Conservation Fund	City of Oakley	\$413,515
HCD Housing Related Parks Program	City of San Fernando	\$193,950
CalTrans Systemic Safety Analysis Report Program	City of Hermosa Beach	\$93,500
HCD Housing Related Parks Program (HCD)	City of Lompoc	\$307,450

HCD Housing Related Parks Program (HCD)	City of Lynwood	\$516,150
OTS Pedestrian/Bicycle Safety Grant	City of Lompoc	\$25,000
DBW Non-Motorized Boat Launching Grant	City of Waterford	\$470,290
FEMA Staffing for Adequate Fire & Emergency Response (SAFER) Grant	City of Upland	\$2,499,627
CalRecycle Tire Derived Product Grant	City of San Joaquin	\$149,865
CalTrans Active Transportation Program (ATP) Cycle 2	City of Rosemead	\$702,000
Caltrans Highway Safety Improvement Program (HSIP) Cycle 7	City of Monterey Park	\$312,160
Caltrans Highway Safety Improvement Program (HSIP) Cycle 7	City of Pismo Beach	\$163,260
CalTrans Active Transportation Program (ATP) Cycle 2 - StanCOG Local Solicitation	City of Patterson	\$594,000
USDOJ COPS Hiring	City of San Fernando	\$125,000
CA State Parks Land & Water Conservation Fund (LWCF)	City of Huntington Park	\$650,000
CalFire Urban & Community Forestry Management for GHG Reduction Grant	City of Patterson	\$150,400
HUD Lead Based Paint Abatement Program	City of Huntington Park	\$1,057,000
USDOJ COPS Hiring Program	City of Orange Cove	\$125,000
USDOJ COPS Hiring Program	City of Chowchilla	\$189,100
CalTrans Active Transportation Program (ATP) Grant Cycle 1	City of Chowchilla	\$550,000
FEMA Assistance to Firefighters Grant (AFG)	City of Orange Cove	\$269,388
Energy Conservation Assistance Act Low Interest Loan	City of Patterson	\$2,876,172
CNRA Prop 84 California River Parkways Grant	City of Waterford	\$1,478,340
CalEMA (CalOES) Law Enforcement Specialized Units Grant	City of Orange Cove	\$536,937

Cost of Proposed Services

California Consulting is a full service grant writing firm. We are experts in the fields of grant research, grant writing, and grant administration. California Consulting can offer services as detailed in this RFP Response for the City of Needles at the rate of \$95 per hour plus reimbursement of out of pocket expenses. The \$95 hourly rate is for all grant writing services performed by one of our Project Managers.

Staff Name/Position	Hourly Rate
Steve Samuelian, CEO	\$250.00 per hour
Holly Bachman, Statewide Senior Director	\$150.00 per hour
Danielle Sotelo, Senior Project Manager	\$110.00 per hour
David Marquez, Karen Simpson, Ilya Malinsky – Project Managers	\$95.00 per hour

Reimbursable Expenses	Rate
Mileage (Current IRS Rate)	\$0.545 per mile
Travel Expenses (Tolls, Lodging)	Cost
Copies	\$0.20 per page (Black/White)
	\$0.40 per page (Color)
Courier Service	Cost
Postage, Binding, Conference Calls, Overnight Courier	Cost

**Costs incurred for copies, binding, and overnight courier are only incurred if the granting agency requires the application be submitted as a hard copy rather than submitted online.*

EXHIBIT C

Insurance Requirements

Time for Compliance.

Consultant shall not commence Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

Minimum Requirements.

Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

- i. **General liability.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.
- ii. **Automobile liability.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.
- iii. **Professional liability (errors & omissions).** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the Services required by this Agreement.
- iv. **Worker's Compensation.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Other Provisions or Requirements

- **Separation of Insureds; No Special Limitations.** All insurance required by this Section shall contain standard separation of insured's provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers.
- **Deductibles and Self-Insurance Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.
- **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City.
- **Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the City prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- **City Approval.** All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
- **Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant

or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement. Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

- **Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.
- **Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- **Notice of cancellation.** Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.
- **Additional insured status.** All policies required herein shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies.
- **Pass through clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.
- **City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change

results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

- **Timely notice of claims.** Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.
- **Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.



City of Needles, California

Request for Action

☒ CITY COUNCIL ☐ NPUA ☐ PARKS & RECREATION
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Ratify the City Managers Signature from the California Department of Parks and Recreation to accept Contract No. C9801552 for \$177,952 and Contract No. C9802255 for \$3,164 for Jack Smith Park Improvements

Background: The California Department of Parks and Recreation through Proposition 68 has a general per capita program which funds \$185,000,000 for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis.

The City has received award of \$181,116.00. The proposed project(s) must be a capital outlay rather than a maintenance and repair. In addition, through the California Department of Resources Recycling and Recovery (CalRecycle) was awarded \$18,335 to procure a tire derived walking path.

The proposed project is;

- install an 8-foot wide 1,600 liner foot long walking trail made from tire derived product with approximately 10 exercise cut outs
- Upgrade the existing playground equipment
- Automate the irrigation system

Enclosed are the official contracts with the California Department of Parks and Recreation. The Contract performance period in through June 30, 2038.

The Parks and Recreation Commission approved the recommended action on April 18, 2022.

Fiscal Impact: No match requirements, increase in grant funds for park improvements

Am Sylvia Miledi

Recommended Action: Ratify the City Managers Signature from the California Department of Parks and Recreation to accept Contract No. C9801552 for \$177,952 and Contract No. C9802255 for \$3,164 for Jack Smith Park Improvements

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 4/19/22

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 7

State of California - Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

GRANT CONTRACT
2018 Parks Bond Act
Per Capita Grant Program

GRANTEE City of Needles

THE PROJECT PERFORMANCE PERIOD is from July 01, 2018 through June 30, 2024

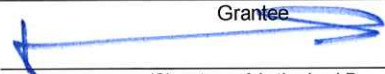
CONTRACT PERFORMANCE PERIOD is from July 01, 2018 through June 30, 2048

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of the Department of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the GRANT SCOPE(s) as defined in the GRANT SCOPE/Cost Estimate Form or acquisition documentation for the application(s) filed with the State of California.

The General and Special Provisions attached are made a part of and incorporated into the Contract.

City of Needles

By 
(Signature of Authorized Representative)

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

Title City Manager

By _____

Date 4/11/22

Date _____

CERTIFICATION OF FUNDING
(For State Use Only)

CONTRACT NO C9801552	AMENDMENT NO	FISCAL SUPPLIER I.D. 0000013351			PROJECT NO. 18-36-068
AMOUNT ENCUMBERED BY THIS DOCUMENT \$177,952.00		FUND. Drought, Water, Cln Air, Cstl Protc, Outdoor Fund			
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT		ITEM 3790-101-6088	CHAPTER 29	STATUTE 18	FISCAL YEAR 2021/22
TOTAL AMOUNT ENCUMBERED TO DATE \$ 177,952.00		Reporting Structured. 37900091	Account/Alt Account. 5432000-5432000000	ACTIVITY CODE 69801	PROJECT / WORK PHASE

I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and City of Needles (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$177,952, subject to the terms and conditions of this AGREEMENT and the 2018/19 California State Budget, Chapter 29, statutes of 2018, Item number – 3790-101-6088 (appropriation chapter and budget item number hereinafter referred to as "PER CAPITA GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 01, 2018 to June 30, 2024.

II. GENERAL PROVISIONS

A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "ACT" means the California Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for All Act of 2018, as referred to in section I of this CONTRACT.
2. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program process guide requirements.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this CONTRACT.
6. The term "GRANT SCOPE" means the items listed in the GRANT SCOPE/Cost Estimate Form or acquisition documentation found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term "PROCEDURAL GUIDE" means the document identified as the "Procedural Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Per Capita Program." The

PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

B. Project Execution

1. Subject to the availability of GRANT MONIES, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

The GRANTEE agrees to submit any change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all changes that occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this CONTRACT.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, Section 21000, et seq., Title 14, California Code of Regulations, Section 15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.).

C. Project Costs

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

D. Project Administration

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the

grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the Grant Performance Period, whichever is earlier.

2. The GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made such a request. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the grant performance period, whichever is earlier. The Grant Performance Period is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

E. Project Termination

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this CONTRACT at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amended only by mutual agreement in writing between the GRANTEE and the STATE, unless the provisions of this CONTRACT provide that mutual agreement is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) any legislation applicable to the ACT, (c) this CONTRACT as well as any other grant contracts, specified or general, that GRANTEE has entered into with STATE, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

F. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual agreement as addressed in Paragraph E, provision 2, of this CONTRACT.

G. Hold Harmless

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.
3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

H. Financial Records

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and to make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project

termination or issuance of final payment, whichever is later.

2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following project termination or issuance of final payment, whichever is later.
4. The GRANTEE shall use a generally accepted accounting system.

I. Use of Facilities

1. The GRANTEE agrees that the GRANTEE shall operate and maintain the property acquired or developed with the GRANT MONIES, for the duration of the Contract Performance Period.
2. The GRANTEE agrees that, during the Contract Performance Period, the GRANTEE shall use the property acquired or developed with GRANT MONIES under this contract only for the purposes of this grant and no other use, sale, or other disposition or change of the use of the property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.
3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.
4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.

5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

J. Nondiscrimination

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

K. Severability

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

L. Liability

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.
2. GRANTEE will secure adequate liability insurance, performance bond, and/or other security necessary to protect the GRANTEE's and STATE'S interest against poor workmanship, fraud, or other potential loss associated with completion of the grant project.

M. Assignability

Without the written consent of the STATE, the GRANTEE'S interest in and responsibilities under this CONTRACT shall not be assignable by the GRANTEE either in whole or in part.

N. Use of Grant Monies

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

O. Section Headings

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT.

P. Waiver

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach, shall *not* be construed as a waiver of said rights; and the waiver of any breach under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

City of Needles
GRANTEE

By: 
Signature of Authorized Representative

Title: City Manager

Date: 4/11/22

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

By: _____

Date: _____

State of California - Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

GRANT CONTRACT
2018 Parks Bond Act
Per Capita Grant Program

GRANTEE City of Needles

THE PROJECT PERFORMANCE PERIOD is from July 01, 2018 through June 30, 2024

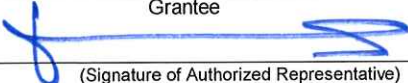
CONTRACT PERFORMANCE PERIOD is from July 01, 2018 through June 30, 2038

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of the Department of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the GRANT SCOPE(s) as defined in the GRANT SCOPE/Cost Estimate Form or acquisition documentation for the application(s) filed with the State of California.

The General and Special Provisions attached are made a part of and incorporated into the Contract.

City of Needles

By 
(Signature of Authorized Representative)

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

Title City Manager

By _____

Date 4/11/22

Date _____

CERTIFICATION OF FUNDING
(For State Use Only)

CONTRACT NO C9802255	AMENDMENT NO	FISCAL SUPPLIER I.D. 0000013351			PROJECT NO. 18-36-069
AMOUNT ENCUMBERED BY THIS DOCUMENT \$3,164.00		FUND. Drought, Water, Cln Air, Cstl Protc, Outdoor Fund			
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT		ITEM 3790-101-6088	CHAPTER 23	STATUTE 19	FISCAL YEAR 2021/22
TOTAL AMOUNT ENCUMBERED TO DATE \$ 3,164.00		Reporting Structured. 37900091	Account/Alt Account. 5432000-5432000000	ACTIVITY CODE 69803	PROJECT / WORK PHASE

I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and City of Needles (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$3,164, subject to the terms and conditions of this AGREEMENT and the 2019/20 California State Budget, Chapter 23, statutes of 2019, Item number – 3790-101-6088 (appropriation chapter and budget item number hereinafter referred to as "PER CAPITA GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 01, 2018 to June 30, 2024.

II. GENERAL PROVISIONS

A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "ACT" means the California Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for All Act of 2018, as referred to in section I of this CONTRACT.
2. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program process guide requirements.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this CONTRACT.
6. The term "GRANT SCOPE" means the items listed in the GRANT SCOPE/Cost Estimate Form or acquisition documentation found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term "PROCEDURAL GUIDE" means the document identified as the "Procedural Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Per Capita Program." The

PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

B. Project Execution

1. Subject to the availability of GRANT MONIES, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

The GRANTEE agrees to submit any change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all changes that occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this CONTRACT.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, Section 21000, et seq., Title 14, California Code of Regulations, Section 15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.).

C. Project Costs

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

D. Project Administration

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the

grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the Grant Performance Period, whichever is earlier.

2. The GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made such a request. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the grant performance period, whichever is earlier. The Grant Performance Period is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

E. Project Termination

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this CONTRACT at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amended only by mutual agreement in writing between the GRANTEE and the STATE, unless the provisions of this CONTRACT provide that mutual agreement is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) any legislation applicable to the ACT, (c) this CONTRACT as well as any other grant contracts, specified or general, that GRANTEE has entered into with STATE, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

F. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual agreement as addressed in Paragraph E, provision 2, of this CONTRACT.

G. Hold Harmless

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.
3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

H. Financial Records

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and to make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project

termination or issuance of final payment, whichever is later.

2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following project termination or issuance of final payment, whichever is later.
4. The GRANTEE shall use a generally accepted accounting system.

I. Use of Facilities

1. The GRANTEE agrees that the GRANTEE shall operate and maintain the property acquired or developed with the GRANT MONIES, for the duration of the Contract Performance Period.
2. The GRANTEE agrees that, during the Contract Performance Period, the GRANTEE shall use the property acquired or developed with GRANT MONIES under this contract only for the purposes of this grant and no other use, sale, or other disposition or change of the use of the property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.
3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.
4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.

5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

J. Nondiscrimination

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

K. Severability

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

L. Liability

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.
2. GRANTEE will secure adequate liability insurance, performance bond, and/or other security necessary to protect the GRANTEE's and STATE'S interest against poor workmanship, fraud, or other potential loss associated with completion of the grant project.

M. Assignability

Without the written consent of the STATE, the GRANTEE'S interest in and responsibilities under this CONTRACT shall not be assignable by the GRANTEE either in whole or in part.

N. Use of Grant Monies

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.


O. Section Headings

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT.

P. Waiver

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach, shall *not* be construed as a waiver of said rights; and the waiver of any breach under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

City of Needles
GRANTEE

By: 
Signature of Authorized Representative

Title: City Manager

Date: 4/11/22

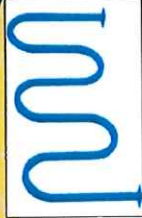
STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

By: _____

Date: _____

JACK SMITH PARK

NEEDLES CALIFORNIA



AMENITIES



SHADE STRUCTURES & BENCHES



PLAYGROUND EQUIPMENT



SHADE OVER PLAYGROUND EQUIPMENT

EXERCISE EQUIPMENT ALONG THE TRAIL





City of Needles, California Request for Action

☒ CITY COUNCIL ☐ NPUA ☐ PARKS & RECREATION
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Accept TKE Engineer's Proposal for Design Work, Bidding Assistance and Construction Management not to exceed \$18,832 be reimbursed by the State of California Department of Parks and Recreation Per Capita Contract No.'s C9801552 and C9802255

Background: The California Department of Parks and Recreation through Proposition 68 has a general per capita program which funds \$185,000,000 for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis.

The City has received award of \$181,116.00. The proposed project(s) must be a capital outlay rather than a maintenance and repair. In addition, through the California Department of Resources Recycling and Recovery (CalRecycle) was awarded \$18,335 to procure a tire derived walking path.

The proposed project is;

- install an 8-foot wide 1,600 liner foot long walking trail made from tire derived product with approximately 10 exercise cut outs
- Upgrade the existing playground equipment (bid to be conducted by staff)
- Automate the irrigation system

Enclosed is the cost estimate from TKE to complete the design work of the walking trail, exercise cut outs and automate the irrigation system.

The Parks and Recreation Commission approved the recommended action on April 18, 2022

Fiscal Impact: Reimbursable expenditure per Contact No.'s C9801552 and C9802255

Am Sylvia Miledi

Recommended Action: Accept TKE Engineer's Proposal for Design Work, Bidding Assistance and Construction Management not to exceed \$18,832 be reimbursed by the State of California Department of Parks and Recreation Per Capita Contract No.'s C9801552 and C9802255

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 4/19/22

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 8

Jack Smith Park Improvements Project
Consulting Engineering Fee
Revised March 30, 2022

Notes:

1) Reimbursables Include Cost for Prints, Copies, Mileage, Etc.

- 1.) Reimbursables Include Cost for Prints, Copies, Mileage, Etc.
- 2.) Subconsultant Costs for Landscape Architecture
- 3.) Includes site survey, CAD base drawings, conceptual park design and one round of review/comment by the City.
- 4.) Includes preparing the final bid package based on the City's comments on the conceptual design. No additional review/comment included.
- 5.) Includes attending virtual pre-bid meeting and responding to RFIs.
- 6.) Includes attending virtual pre-construction meeting, responding to RFIs, review of up to five material submittals, and coordination with the City and contractor.

TKE Engineering, Inc.



City of Needles, California Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ PARKS & RECREATION
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Accept Change Order #1 with Pacific Play Systems the Bid for additional wood fibers and a filter fabric not to exceed \$9,985 to be funded by the Statewide Park Development and Community Revitalization Duke Watkins Grant No. C9803078

Background: In June, the City submitted a grant application to the BHHS Legacy Foundation ("Legacy") to partner together to complete much needed improvements at Duke Watkins Park. On August 10, 2021, the Legacy awarded the city \$110,000 in grant funding to support the project.

The City issued a Request for Proposals for the playground equipment and received three (3) bids of which only one (1) was considered a responsive bid and is awardable. Pacific Play Systems bid will provide a new main play structure, new swings, proper ground covering and a large shade structure. Estimated lead time is 14 weeks. The Parks and Recreation Commission approved the recommended action on October 18, 2021.

The estimated construction date of the playground equipment, swing, ground covering, and shade structure is the week of April 25th. Additional ground covering is needed to cover the entire area properly in addition a filter fabric needs to be added to the project to reduce shrubs growing through the mulch.

The Parks and Recreation Commission approved the recommended action on April 18, 2022.

Fiscal Impact: To be funded by the Statewide Park Development and Community Revitalization Duke Watkins Grant No. C9803078

sm Sylvia Miledi

Recommended Action: Accept Change Order #1 with Pacific Play Systems the Bid for additional wood fibers and a filter fabric not to exceed \$9,985 to be funded by the Statewide Park Development and Community Revitalization Duke Watkins Grant No. C9803078

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐


Other: ☐

Agenda Item: 9

CHANGE ORDER



www.pacificplayinc.com

CHANGE ORDER				 www.pacificplayinc.com		
Customer	Contractor	Project	EWF			
City of Needles 817 3rd Street Needles CA 92363	Pacific Play Systems, Inc. Contractor Lic. # 957776 Class A/B/C61/D34/D12 Phone (760) 599-7355	Date	4/4/2022			
		Terms	Net 30			
		Valid for	30 Days			
Description			Qty	Rate	Total	
Scope of Work: Change Order Request (COR-1) as outlined per below:						
Additional 100 cubic yards of Engineered Wood Fibers (EWF) (materials only, no installation)			100	46.00	4,600.00T	
SPUNBOND Filter Fabric, 6'x300' per roll, (materials only, no installation)			4	300.00	1,200.00T	
Freight & delivery costs, EWF			1	3,043.50	3,043.50	
Freight & delivery costs, Filter fabric (does not include unloading)			1	692.00	692.00	
Contractor's O&P, no charge			1	0.00	0.00	
Required Statement for California Projects: Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is field within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.						
This Change Order is executed between Pacific Play Systems, Inc., a California corporation and Customer, identified in the Customer section of this Change Order. The purpose of this Change Order is for Pacific Play Systems, Inc. to provide Customer with additional services as outlined in the Scope of Work in exchange for the sum of money outlined in this Change Order.						
Thank you for your business.			Total			

CHANGE ORDER



www.pacificplayinc.com

Customer	Contractor	Project	EWF		
City of Needles 817 3rd Street Needles CA 92363	Pacific Play Systems, Inc. Contractor Lic. # 957776 Class A/B/C61/D34/D12 Phone (760) 599-7355	Date	4/4/2022		
		Terms	Net 30		
		Valid for	30 Days		
Description			Qty	Rate	Total
<p>By signing below, both Parties acknowledge that they are entering into a legally binding Contract, which includes Exhibit A. Customer acknowledges the receipt and review of Exhibit A (Terms and Conditions) which shall be made a part of this Contract and enforceable to the full extent allowed by law.</p> <p>ACCEPTED BY CUSTOMER: Customer's Name: _____ Date accepted: _____ Signature: _____ Signed By: _____</p> <p>ACCEPTED BY PACIFIC PLAY SYSTEMS, INC.: Federal Tax I.D. # 27-4620108 DIR # 1000012253 Date accepted: _____ California Contractors License #957776 Classifications: A, B, C61-D12, C61-D34 Signature: _____ Signed By: _____ CA SalesTax, San Bernardino County - Hesperia</p>				7.75%	449.50
<p>Thank you for your business.</p>			Total		\$9,985.00



Request for Board Action City of Needles, California

☒ CITY COUNCIL ☐ UTILITY BOARD ☒ NPUA

☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Accept work completed work by **PETRELLI ELECTRIC CO.** for Task #1 & Task #2 of the Electric Reliability Program. Bush Street to Victory Drive and authorize a Notice of Completion and record with the San Bernardino County Recorder's Office.

Background: On 03/10/2021 an invitation to bid was published for a 4-person electrical line crew including equipment and electrical tools. Petrelli Electric Co was awarded a 3-year contract beginning November 2021 and expiring November 2024 with each task being approved.

On 12/14/2021 Tasks #1 & #2 were approved to move forward. Work began 04/06/2022 and completed 04/13/2022.

Fiscal Impact: Tasks #1 & #2 were requested with Task #1 not to exceed \$267,650 to be paid by Construction Deposits for Electric upgrades and Task #2 not to exceed \$202,000. to be paid by Electric Asset Replacement Fund balance. sm Sylvia Miledi Both projects were complete under budget.

Recommendation: Accept work completed by **PETRELLI ELECTRIC CO** under the Electric Reliability Program for Tasks #1 & #2 and authorize a Notice of Completion and record with the San Bernardino County Recorder's Office.

Submitted By: Tammy Ellmore, Engineering Tech II
Rainie Torrance, Assistant Utility Manager

City Management Review:

Rick

Date:

4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

AGENDA ITEM: 10

RECORDING REQUESTED BY:

City of Needles
817 Third Street
Needles, CA 92363

AND WHEN RECORDED MAIL TO:

City of Needles
817 Third Street
Needles, CA 92363

No fee per Govt. Code § 27383

~ SPACE ABOVE FOR RECORDER'S USE ONLY ~

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

The undersigned is OWNER or AGENT OF THE OWNER of the interest or estate stated below in the property hereinafter described.

The full NAME of the OWNER is

CITY OF NEEDLES

The ADDRESS of the OWNER is

817 THIRD STREET, NEEDLES, CA 92363

The NATURE OF THE INTEREST or
estate of the undersigned is

In FEE

Street Address / APN (if applicable)

City of Needles Electric Service Area

The full name(s) and address(es) of all persons, if any, who hold such interest or estate with the undersigned as joint tenants or as tenants in common are:

Contractor's Name

Contractor's Address:

PETRELLI ELECTRIC, INC.

11615 DAVENPORT ROAD, AGUA DULCE, CA 91390

The property on which said work of improvement was completed is in the City of **Needles**, County of **San Bernardino**, State of **California**, and was approved by the Needles City Council by minute action at the **04/26/2022** meeting and is DESCRIBED AS FOLLOWS:

Improvement on the property hereinafter described and COMPLETED on **April 15, 2022**

Improvements described as **Replacement of Electric related structures and wire on designate poles known as Task #1 & Task #2.**

I, **RICK DANIELS** am the
(Name of below signor)

CITY MANAGER
(Owner, President, Authorized Agent, Partner, etc.)

the declarant of the foregoing Notice of Completion. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: **04/26/2022**

Signature:

Signature of Owner or Agent of Owner



City of Needles, California Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Adopt Resolution No. 2022-35 Authorizing the City Manager or Designee to execute Master, Program Supplemental, Fund Exchange, Fund Transfer Agreements and any Amendments with the California Department of Transportation and Ratify the City Manager signature on Agreement No. 08-5220S21

Background: The City of Needles needs to develop a Local Roadway Safety Plan (LRSP). The LRSP will include an evaluation of the City's entire roadway network using a defined set of criteria to identify and prioritize safety projects to submit for future HSIP funding consideration. The City of Needles will use three years of the most current crash data sourced from its own Department of Public Works, Planning Department, San Bernardino Sheriff's Department and the UC Berkeley Transportation Injury Mapping (TIMS).

The process of preparing a LRSP creates a framework to systematically identify and analyze safety problems and recommend safety improvements. Preparing a LRSP facilitates the development of local agency partnerships and collaboration, resulting in a prioritized list of improvements and actions that can demonstrate a defined need and contribute to the statewide plan. The LRSP offers a proactive approach to addressing safety needs and demonstrates agency responsiveness to safety challenges. Starting Highway Safety Improvement Program (HSIP) Cycle 11 (2022) and on, a LRSP (or its equivalent) will be required for an agency to be eligible to apply.

The City of Needles was allocated \$40,000 from the California Department of Transportation (CalTrans) to conduct an LRSP. The match requirement is \$4,460 which staff time will be allocated as the in-kind match.

Fiscal Impact: The California Department of Transportation (CalTrans) awarded the City \$40,000 with a match of \$4,460 to complete a Local Roadway Safety Plan (LRSP)

SM Sylvia Miledi

Recommended Action: Adopt Resolution No. 2022-35 Authorizing the City Manager or Designee to execute Master, Program Supplemental, Fund Exchange, Fund Transfer Agreements and any Amendments with the California Department of Transportation and Ratify the City Manager signature on Agreement No. 08-5220S21

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 4/19/22

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
Agenda Item: <u>11</u>			

RESOLUTION NO. 2022-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE MASTER, PROGRAM SUPPLEMENTAL, FUND EXCHANGE, FUND TRANSFER AGREEMENTS AND ANY AMENDEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the City of Needles (the "City") is eligible to receive Federal and/or State funding for certain Transportation Projects, through the California Department of Transportation; and

WHEREAS, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements need to be executed with the California Department of Transportation before such funds could be claims; and

WHEREAS, The City Council of the City of Needles wishes to delegate authorization to execute these agreements and any amendments thereto to the City Manager or his/her designated representative; and

NOW, THEREFORE BE IT RESOLVED that the City Manager or his/her designated representative be authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements and any amendments thereto with the California Department of Transportation

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 26th day of April, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

(SEAL)

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

MASTER AGREEMENT
ADMINISTERING AGENCY-STATE AGREEMENT FOR
STATE-FUNDED PROJECTS

08	City of Needles
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District	Administering Agency

Agreement No. 08-5220S21

This AGREEMENT, is entered into effective this 12 day of April, 2022, by and between the City of Needles, hereinafter referred to as "ADMINISTERING AGENCY," and the State of California, acting by and through its Department of Transportation (Caltrans), hereinafter referred to as "STATE", and together referred to as "PARTIES" or individually as a "PARTY."

RECITALS:

1. WHEREAS, the Legislature of the State of California has enacted legislation by which certain State funds are made available for use on local transportation related projects of public entities qualified to act as recipients of these state funds; and
2. WHEREAS, ADMINISTERING AGENCY has applied to the California Transportation Commission (CTC) and/or STATE for funding from a State-funded program (herein referred to as STATE FUNDS), as defined in the Local Assistance Program Guidelines (LAPG) and/or in the respective CTC Guidelines, for use on local authorized transportation related projects as a local administered project(s), hereinafter referred to as "PROJECT"; and
3. WHEREAS, said PROJECT will not receive any federal funds; and
4. WHEREAS, before STATE FUNDS will be made available for PROJECT, ADMINISTERING AGENCY and STATE are required to enter into an agreement to establish terms and conditions applicable to the ADMINISTERING AGENCY when receiving STATE FUNDS for a designated PROJECT facility and to the subsequent operation and maintenance of that completed facility.

NOW, THEREFORE, the PARTIES agree as follows:

ARTICLE I - PROJECT ADMINISTRATION

1. This AGREEMENT shall have no force or effect with respect to any program project unless and until a project- specific Program Supplement to this AGREEMENT for state funded projects, hereinafter referred to as "PROGRAM SUPPLEMENT", has been fully executed by both STATE and ADMINISTERING AGENCY.
2. The State approved project-specific allocation notification letter and approved CTC allocation documentation designate the party responsible for implementing PROJECT, type of work, and location of PROJECT for projects requiring CTC allocation by PROJECT component of work.
3. The PROGRAM SUPPLEMENT sets out special covenants as a condition for the ADMINISTERING AGENCY to receive STATE FUNDS from/through STATE for designated PROJECT. The PROGRAM SUPPLEMENT shall also show these STATE FUNDS that have been initially encumbered for PROJECT along with the matching funds to be provided by ADMINISTERING AGENCY and/or others. Execution of PROGRAM SUPPLEMENT by the PARTIES shall cause ADMINISTERING AGENCY to adopt all the terms of this AGREEMENT as though fully set forth therein in the PROGRAM SUPPLEMENT. Unless otherwise expressly delegated in a resolution by the governing body of ADMINISTERING AGENCY, and with written concurrence by STATE, the PROGRAM SUPPLEMENT shall be approved and managed by the governing body of ADMINISTERING AGENCY.
4. ADMINISTERING AGENCY agrees to execute and return each project-specific PROGRAM SUPPLEMENT. The PARTIES agree that STATE may suspend future allocations, encumbrances and invoice payments for any on- going or future STATE FUNDED PROJECT performed by ADMINISTERING AGENCY if any project-specific PROGRAM SUPPLEMENT is not returned, unless otherwise agreed by STATE in writing.
5. ADMINISTERING AGENCY further agrees, as a condition to the release and payment of STATE FUNDS encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all the agreed-upon Special Covenants or Remarks incorporated within the PROGRAM SUPPLEMENT, and Cooperative/Contribution Agreement where appropriate, defining and identifying the nature of the specific PROJECT.
6. STATE FUNDS will not participate in any portion of PROJECT work performed in advance of the effective date of allocation by CTC, or by STATE for allocations delegated to STATE by CTC, for said PROJECT.
7. Projects allocated with STATE FUNDS will be administered in accordance with the current CTC STIP Guidelines, applicable chapter(s) of the LAPG, LAPM and/or any other instructions published by STATE.
8. ADMINISTERING AGENCY agrees to ensure compliance with all relevant State laws and requirements for work related to PROJECT, including the California Environmental Quality Act (CEQA).

9. ADMINISTERING AGENCY's eligible costs for preliminary engineering work includes all preliminary work directly related to PROJECT up to contract award for construction, including, but not limited to, environmental studies and permits (E&P), preliminary surveys and reports, laboratory work, soil investigations, the preparation of plans, specifications and estimates (PS&E), advertising for bids, awarding of a contract and project development contract administration.

10. ADMINISTERING AGENCY's eligible costs for construction engineering include actual inspection and supervision of PROJECT construction work; construction staking; laboratory and field testing; and the preparation and processing of field reports, records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

11. Unless the PARTIES agree otherwise in writing, ADMINISTERING AGENCY's employees or its contracted engineering consultant shall be responsible for all PROJECT engineering work.

12. ADMINISTERING AGENCY shall not proceed with final design of PROJECT until final environmental approval of PROJECT. Final design entails the design work necessary to complete the PS&E and other work necessary for a construction contract but not required earlier for environmental clearance of that PROJECT.

13. If PROJECT is not on STATE-owned right-of-way, PROJECT shall be constructed in accordance with Chapter 11 of the LAPM that describes minimum statewide design standards for local agency streets and roads. The design standards for projects off the National Highway System (NHS) allow STATE to accept either the current Caltrans Highway Design Manual standards, the current FHWA-adopted American Association of State Highway and Transportation Officials (AASHTO) A Policy on Geometric Design of Highways and Streets standards, or the approved geometric design standards of ADMINISTERING AGENCY. Additionally, for projects off the NHS, STATE will accept ADMINISTERING AGENCY-approved standard specifications, standard plans, materials sampling and testing quality assurance programs that meet the conditions described in the then current Local Assistance Procedures Manual.

14. If PROJECT involves work within or partially within STATE-owned right-of-way, that PROJECT shall also be subject to compliance with the policies, procedures and standards of the STATE Project Development Procedures Manual and Highway Design Manual and where appropriate, an executed cooperative agreement between STATE and ADMINISTERING AGENCY that outlines the PROJECT responsibilities and respective obligations of the PARTIES. ADMINISTERING AGENCY and its contractors shall each obtain an encroachment permit through STATE prior to commencing any work within STATE rights-of-way or work which affects STATE facilities.

15. When PROJECT is not on the State Highway System (SHS) but includes work to be performed by a railroad, the contract for such work shall be prepared by ADMINISTERING AGENCY or by STATE, as the PARTIES may hereafter agree. In either event, ADMINISTERING AGENCY shall enter into an agreement with the railroad providing for future maintenance of protective devices or other facilities installed under the contract.

16. ADMINISTERING AGENCY shall comply with the provisions of sections 4450 and 4454 of the California Government Code, as well as other Department of General Services guidance, if applicable, for the contract PS&E for the construction of buildings, structures, sidewalks, curbs and related facilities for accessibility and usability. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

17. ADMINISTERING AGENCY shall provide a full-time public employee to be in responsible charge of each PROJECT. ADMINISTERING AGENCY shall provide or arrange for adequate supervision and inspection of each PROJECT. ADMINISTERING AGENCY may utilize consultants to perform supervision and inspection work for PROJECT with a fully qualified and licensed engineer. Utilization of consultants does not relieve ADMINISTERING AGENCY of its obligation to provide a full-time public employee to be in responsible charge of each PROJECT.

18. Unless otherwise provided in the PROGRAM SUPPLEMENT, ADMINISTERING AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.

19. The cost of maintenance, security, or protection performed by ADMINISTERING AGENCY or contractor forces during any temporary suspension of PROJECT or at any other time may not be charged to the PROJECT.

20. ADMINISTERING AGENCY shall submit PROJECT-specific award information to STATE's District Local Assistance Engineer, within sixty (60) days after contract award.

21. ADMINISTERING AGENCY shall submit the final report documents that collectively constitute a "Final Project Expenditure Report", LAPM Exhibit 17-M, within one hundred eighty (180) days of PROJECT completion. Failure by ADMINISTERING AGENCY to submit a "Final Project Expenditure Report", within 180 days of project completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the Local Assistance Procedures Manual.

22. ADMINISTERING AGENCY shall comply with the Americans with Disabilities Act (ADA) of 1990 that prohibits discrimination on the basis of disability and all applicable regulations and guidelines issued pursuant to the ADA.

23. The Governor and the Legislature of the State of California, each within their respective jurisdictions, have prescribed certain nondiscrimination requirements with respect to contract and other work financed with public funds. ADMINISTERING AGENCY agrees to comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto as Exhibit A and further agrees that any agreement entered into by ADMINISTERING AGENCY with a third party for performance of work connected with PROJECT shall incorporate Exhibit A (with third party's name replacing ADMINISTERING AGENCY) as parts of such agreement.

24. ADMINISTERING AGENCY shall include in all contracts and subcontracts awarded when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code sections 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of contract award by the ADMINISTERING AGENCY.

ARTICLE II - RIGHTS-OF-WAY

1. No contract for the construction of a STATE FUNDED PROJECT shall be awarded until all necessary rights of way have been secured. Prior to the advertising for construction of PROJECT, ADMINISTERING AGENCY shall certify and, upon request, shall furnish STATE with evidence that all necessary rights-of-way are available for construction purposes or will be available by the time of award of the construction contract.

2. The furnishing of rights of way by ADMINISTERING AGENCY as provided for herein includes, and is limited to, the following, unless the PROGRAM SUPPLEMENT provides otherwise.

(a) Expenditures of capital and support to purchase all real property required for PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by ADMINISTERING AGENCY.

(b) The cost of furnishing of right-of-way as provided for herein includes, in addition to real property required for the PROJECT, title free and clear of obstructions and encumbrances affecting PROJECT and the payment, as required by applicable law, of damages to owners of remainder real property not actually taken but injuriously affected by PROJECT.

(c) The cost of relocation payments and services provided to owners and occupants pursuant to Government Code sections 7260-7277 when PROJECT displaces an individual, family, business, farm operation or nonprofit organization.

(d) The cost of demolition and/or the sale of all improvements on the right-of-way after credit is recorded for sale proceeds used to offset PROJECT costs.

(e) The cost of all unavoidable utility relocation, protection or removal.

(f) The cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which ADMINISTERING AGENCY accepts responsibility and where the actual generator cannot be identified, and recovery made.

3. ADMINISTERING AGENCY agrees to indemnify and hold STATE harmless from any liability that may result in the event the right-of-way for a PROJECT is not clear as certified by ADMINISTERING AGENCY, including, but not limited to, if said right-of-way is found to contain hazardous materials requiring treatment or removal to remediate in accordance with Federal and State laws. ADMINISTERING AGENCY shall pay, from its own non- matching funds, any costs which arise out of delays to the construction of PROJECT because utility facilities have not been timely removed or relocated, or because rights-of-way were not available to ADMINISTERING AGENCY for the orderly prosecution of PROJECT work.

ARTICLE III - MAINTENANCE AND MANAGEMENT

1. ADMINISTERING AGENCY will maintain and operate the property acquired, developed, constructed, rehabilitated, or restored by PROJECT for its intended public use until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, ADMINISTERING AGENCY or its successors in interest in the PROJECT property may transfer this obligation and responsibility to maintain and operate PROJECT property for that intended public purpose to another public entity.

2. Upon ADMINISTERING AGENCY's acceptance of the completed construction contract or upon contractor being relieved of the responsibility for maintaining and protecting PROJECT, ADMINISTERING AGENCY will be responsible for the maintenance, ownership, liability, and the expense thereof, for PROJECT in a manner satisfactory to the authorized representatives of STATE and if PROJECT falls within the jurisdictional limits of another Agency or Agencies, it is the duty of ADMINISTERING AGENCY to facilitate a separate maintenance agreement(s) between itself and the other jurisdictional Agency or Agencies providing for the operation, maintenance, ownership and liability of PROJECT. Until those agreements are executed, ADMINISTERING AGENCY will be responsible for all PROJECT operations, maintenance, ownership and liability in a manner satisfactory to the authorized representatives of STATE. If, within ninety (90) days after receipt of notice from STATE that a PROJECT, or any portion thereof, is not being properly operated and maintained and ADMINISTERING AGENCY has not satisfactorily remedied the conditions complained of, the approval of future STATE FUNDED PROJECTS of ADMINISTERING AGENCY will be withheld until the PROJECT shall have been put in a condition of operation and maintenance satisfactory to STATE. The provisions of this section shall not apply to a PROJECT that has been vacated through due process of law with STATE's concurrence.

3. PROJECT and its facilities shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians as PROJECT reasonably requires. Said operations and maintenance staff may be employees of ADMINISTERING AGENCY, another unit of government, or a contractor under agreement with ADMINISTERING AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the complete PROJECT improvements.

4. ADMINISTERING AGENCY shall comply with all applicable law, including but not limited to, all applicable legal authority regarding construction standards.

ARTICLE IV - FISCAL PROVISIONS

1. All contractual obligations of STATE are subject to the appropriation of resources by the Legislature and the allocation of resources by the CTC.

2. STATE'S financial commitment of STATE FUNDS will occur only upon the execution of this AGREEMENT, the execution of each project-specific PROGRAM SUPPLEMENT and/or STATE's approved finance letter.

3. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices in arrears for reimbursement of allowable PROJECT costs at least once every six months commencing after the STATE FUNDS are encumbered on either the project-specific PROGRAM SUPPLEMENT or through a project-specific finance letter approved by STATE. STATE reserves the right to suspend future allocations and invoice payments for any on-going or future STATE FUNDED project performed by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period

4. Invoices shall be submitted on a standardized billing summary template, in accordance with Chapter 5 of the LAPM to claim reimbursement by ADMINISTERING AGENCY. For construction invoices, pay estimates must be included.

5. ADMINISTERING AGENCY must retain at least one copy of supporting backup documentation for allowable costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.

6. Payments to ADMINISTERING AGENCY can only be released by STATE as reimbursements of actual allowable PROJECT costs already incurred and paid for by the ADMINISTERING AGENCY.

7. Indirect Cost Allocation Plans/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to the Inspector General - Independent Office of Audits and Investigations for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect cost incurred within each fiscal year being claimed for reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the LAPM, and the ICAP/ICRP approval procedures established by STATE.

8. STATE will withhold the greater of either two (2) percent of the total of all STATE FUNDS encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.

9. The estimated total cost of PROJECT, the amount of STATE FUNDS obligated, and the required matching funds may be adjusted by mutual consent of the PARTIES with a finance letter, and an allocation notification letter when applicable. STATE FUNDING may be increased to cover PROJECT cost increases only if such additional funds are available and the CTC and/or STATE concurs with that increase in the form of an allocation and finance letter.

10. When such additional STATE FUNDS are not available, ADMINISTERING AGENCY agrees that any increases in PROJECT costs must be defrayed with ADMINISTERING AGENCY's own funds.

11. ADMINISTERING AGENCY shall use its own non-STATE FUNDS to finance the local share of eligible costs and all PROJECT expenditures or contract items ruled ineligible for financing with STATE FUNDS. STATE shall make the final determination of ADMINISTERING AGENCY's cost eligibility for STATE FUNDED financing with respect to claimed PROJECT costs.

12. ADMINISTERING AGENCY will reimburse STATE for STATE's share of costs for work performed by STATE at the request of ADMINISTERING AGENCY. STATE's costs shall include overhead assessments in accordance with section 8755.1 of the State Administrative Manual.

13. STATE FUNDS allocated by the CTC and/or STATE are subject to the timely use of funds provisions approved in CTC Guidelines and State procedures approved by the CTC and STATE.

14. STATE FUNDS encumbered for PROJECT are available for liquidation only for a limited period from the beginning of the State fiscal year when those funds were appropriated in the State Budget. STATE FUNDS not liquidated within these periods will be reverted unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Section 16304 of the Government Code. The exact date of fund reversion will be reflected in the STATE signed PROJECT finance letter.

15. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid to rank and file STATE employees under current California Department of Human Resources (CalHR) rules unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Government Code section 16304. If the rates invoiced by ADMINISTERING AGENCY are in excess

of CalHR rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand.

16. ADMINISTERING AGENCY agrees to comply with California Government Code 4525-4529.14. Administering Agency shall undertake the procedures described in California Government Code 4527(a) and 4528(a). Administering Agency shall also comply with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, excluding 2 CFR Part 200.318-200.326.

17. ADMINISTERING AGENCY agrees and will assure that its contractors and subcontractors will be obligated to agree that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items. Every recipient and sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, excluding 2 CFR Part 200.318-200.326 Governments. ADMINISTERING AGENCY agrees to comply with the provisions set forth in 23 CFR Parts 140, 645 and 646 when contracting with railroad and utility companies.

18. Every recipient and sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR 200 excluding 2 CFR Part 200.318-200.326, 48 CFR Chapter 1, Part 31, LAPM, Public Contract Code (PCC) 10300- 10334 (procurement of goods), PCC 10335-10381 (non-A&E services), California Government Code 4525-4529.5 including 4527(a) and 4528(a), and other applicable STATE regulations.

19. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be questioned, disallowed, or unallowable under 2 CFR, Part 200, 48 CFR, Chapter 1, Part 31, 23 CFR Parts 140, 645 and 646, LAPM, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), California Government Code 4525-4529.5 including 4527(a) and 4528(a), and other applicable STATE regulations are subject to repayment by ADMINISTERING AGENCY to STATE and may result in STATE imposing sanctions on ADMINISTERING AGENCY as described in Chapter 20 of the Local Assistance Procedures Manual.

20. Should ADMINISTERING AGENCY fail to refund any moneys due upon written demand by STATE as provided herein or should ADMINISTERING AGENCY breach this AGREEMENT by failing to complete PROJECT without adequate justification and approval by STATE, then, within thirty (30) days of demand, or within such other period as may be agreed to in writing between the PARTIES hereto, STATE, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the amount paid by or owed to STATE for each PROJECT, from future apportionments, or any other funds due ADMINISTERING AGENCY from the Highway Users Tax Fund or any other sources of funds, and/or may also withhold approval of future STATE FUNDED projects proposed by ADMINISTERING AGENCY.

21. Should ADMINISTERING AGENCY be declared to be in breach of this AGREEMENT or otherwise in default thereof by STATE, and if ADMINISTERING AGENCY is

constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, STATE is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, from those constituent entities comprising a joint powers authority or by bringing of an action against ADMINISTERING AGENCY or its constituent member entities, to recover all funds provided by STATE hereunder.

22. ADMINISTERING AGENCY acknowledges that the signatory party represents the ADMINISTERING AGENCY and further warrants that there is nothing within a Joint Powers Agreement, by which ADMINISTERING AGENCY was created, if any exists, that would restrict or otherwise limit STATE's ability to recover STATE FUNDS improperly spent by ADMINISTERING AGENCY in contravention of the terms of this AGREEMENT.

ARTICLE V

AUDITS, THIRD PARTY CONTRACTING, RECORDS RETENTION AND REPORTS

1. STATE reserves the right to conduct technical and financial audits of PROJECT work and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by paragraph three (3) of Article V.

2. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices sent to or paid by STATE.

3. ADMINISTERING AGENCY, ADMINISTERING AGENCY's contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States, all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts, and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above-referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years, or 35 years for Prop 1B funds, from the date of final payment to ADMINISTERING AGENCY.

4. ADMINISTERING AGENCY shall not award a construction contract over \$25,000 on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. All contracts awarded by ADMINISTERING AGENCY intended or used as local match credit must meet the requirements set forth in this AGREEMENT regarding local match funds.

5. ADMINISTERING AGENCY shall comply with Chapter 10 (commencing with Section 4525) Division 5 of Title 1 of the Government Code and shall undertake the procedures described in California Government Code 4527(a) and 4528(a). Administering Agency shall comply with Chapter 10 of the LAPM for A&E Consultant Contracts.
6. ADMINISTERING AGENCY shall comply with Government Code Division 5 Title 1 sections 4525-4529.5 and shall undertake the procedures described in California Government Code 4527(a) and 4528(a) for procurement of professional service contracts. Administering Agency shall follow Public Contract Code Section 10335-10381 for other professional service contracts.
7. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain all of the provisions of Article IV, FISCAL PROVISIONS, and this ARTICLE V, AUDITS, THIRD-PARTY CONTRACTING, RECORDS RETENTION AND REPORTS and shall mandate that travel and per diem reimbursements and third- party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.
8. To be eligible for local match credit, ADMINISTERING AGENCY must ensure that local match funds used for a PROJECT meet the fiscal provisions requirements outlined in ARTICLE IV in the same manner that is required of all other PROJECT expenditures.
9. Except as provided in this Article, this AGREEMENT is solely between and for the benefit of the PARTIES and there are no third-party beneficiaries.

ARTICLE VI - MISCELLANEOUS PROVISIONS

1. ADMINISTERING AGENCY agrees to use all PROJECT funds reimbursed hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution and other California laws.
2. ADMINISTERING AGENCY shall conform to all applicable State and Federal statutes and regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by STATE and incorporated herein, including all subsequent approved revisions thereto applicable to PROJECT unless otherwise designated in the project-specific executed PROJECT SUPPLEMENT.
3. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or adopted by the CTC that may affect the provisions, terms, or funding of this AGREEMENT in any manner.
4. ADMINISTERING AGENCY and the officers and employees of ADMINISTERING AGENCY, when engaged in the performance of this AGREEMENT, shall act in an independent capacity and not as officers, employees or agents of STATE.

5. Each project-specific PROGRAM SUPPLEMENT shall separately establish the terms and funding limits for each described PROJECT funded under this AGREEMENT and that PROGRAM SUPPLEMENT. No STATE FUNDS are obligated against this AGREEMENT.

6. ADMINISTERING AGENCY certifies that neither ADMINISTERING AGENCY nor its principals are suspended or debarred at the time of the execution of this AGREEMENT, and ADMINISTERING AGENCY agrees that it will notify STATE immediately in the event a suspension or a debarment occurs after the execution of this AGREEMENT.

7. ADMINISTERING AGENCY certifies, by execution of this AGREEMENT, that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by ADMINISTERING AGENCY for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this AGREEMENT without liability, pay only for the value of the PROJECT work actually performed, or in STATE's discretion, to deduct from the price of PROGRAM SUPPLEMENT consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8. In accordance with Public Contract Code section 10296, ADMINISTERING AGENCY hereby certifies under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against ADMINISTERING AGENCY within the immediate preceding two (2) year period because of ADMINISTERING AGENCY's failure to comply with an order of a federal court that orders ADMINISTERING AGENCY to comply with an order of the National Labor Relations Board.

9. ADMINISTERING AGENCY shall disclose any financial, business, or other relationship with STATE that may have an impact upon the outcome of this AGREEMENT or any individual PROJECT encompassed within a PROGRAM SUPPLEMENT. ADMINISTERING AGENCY shall also list current contractors who may have a financial interest in the outcome of a PROJECT undertaken pursuant to this AGREEMENT. These disclosures shall be delivered to STATE in a form deemed acceptable by the STATE prior to execution of this AGREEMENT.

10. ADMINISTERING AGENCY hereby certifies that it does not have, nor shall it acquire, any financial or business interest that would conflict with the performance of any PROJECT initiated under this AGREEMENT.

11. ADMINISTERING AGENCY certifies that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any STATE employee. For breach or violation of this warranty, STATE shall have the right, in its sole discretion, to terminate this AGREEMENT without liability, to pay only for PROJECT work actually performed, or to deduct from a PROGRAM SUPPLEMENT price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Any dispute concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by the STATE's Contract Manager, who shall be identified to ADMINISTERING AGENCY at the time of execution of this AGREEMENT and, as applicable , any time that Contract Manager changes during the duration of this AGREEMENT who may consider any written or verbal evidence submitted by ADMINISTERING AGENCY. The decision of the Contract Manager, issued in writing, shall be conclusive and binding on the PARTIES on all questions of fact considered and determined by the Contract Manager.

13. Neither the pendency of a dispute nor its consideration by the Contract Manager will excuse the ADMINISTERING AGENCY from full and timely performance in accordance with the terms of this AGREEMENT and each PROGRAM SUPPLEMENT.

14. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction of ADMINISTERING AGENCY arising under this AGREEMENT. It is understood and agreed that ADMINISTERING AGENCY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under this AGREEMENT.

15. Neither ADMINISTERING AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority or jurisdiction arising under this AGREEMENT. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the ADMINISTERING AGENCY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this AGREEMENT.

16. In the event of (a) ADMINISTERING AGENCY failing to timely proceed with effective PROJECT work in accordance with the project-specific PROGRAM SUPPLEMENT; (b) failing to maintain any applicable bonding requirements; and (c) otherwise materially violating the terms and conditions of this AGREEMENT and/or any PROGRAM SUPPLEMENT, STATE reserves the right to terminate funding for that PROJECT upon thirty (30) days' written notice to ADMINISTERING AGENCY.

17. No termination notice shall become effective if, within thirty (30) days after receipt of a Notice of Termination, ADMINISTERING AGENCY either cures the default involved or, if the default is not reasonably susceptible of cure within said thirty (30) day period the ADMINISTERING AGENCY proceeds thereafter to complete that cure in a manner and time line acceptable to STATE.

18. Any such termination shall be accomplished by delivery to ADMINISTERING AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the

extent to which funding of work under this AGREEMENT and the applicable PROGRAM SUPPLEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, ADMINISTERING AGENCY and STATE shall meet to attempt to resolve any dispute. In the event of such termination, STATE may proceed with the PROJECT work in a manner deemed proper by STATE. If STATE terminates funding for PROJECT with ADMINISTERING AGENCY for the reasons stated in paragraph sixteen (16) of ARTICLE VI, STATE shall pay ADMINISTERING AGENCY the sum due ADMINISTERING AGENCY under the PROGRAM SUPPLEMENT and/or STATE-approved finance letter prior to termination, provided, however, ADMINISTERING AGENCY is not in default of the terms and conditions of this AGREEMENT or the project-specific PROGRAM SUPPLEMENT and that the cost of any PROJECT completion to STATE shall first be deducted from any sum due ADMINISTERING AGENCY.

19. In the case of inconsistency or conflicts with the terms of this AGREEMENT and that of a project-specific PROGRAM SUPPLEMENT and/or Cooperative Agreement, the terms stated in that PROGRAM SUPPLEMENT and/or Cooperative Agreement shall prevail over those in this AGREEMENT.

20. Without the written consent of STATE, this AGREEMENT is not assignable by ADMINISTERING AGENCY either in whole or in part.

21. No alteration or variation of the terms of this AGREEMENT shall be valid unless made in writing and signed by the PARTIES, and no oral understanding or agreement not incorporated herein shall be binding on any of the PARTIES.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officer.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

City of Needles

By _____

By  _____

Chief, Office of Project Implementation
Division of Local Assistance

City of Needles
Representative Name & Title
(Authorized Governing Body Representative)

Date _____

Date 4/12/22 _____

EXHIBIT A - FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this Agreement, ADMINISTERING AGENCY will not discriminate against any employee for employment on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. ADMINISTERING AGENCY will take affirmative action to ensure that employees are treated during employment without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ADMINISTERING AGENCY shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.

2. ADMINISTERING AGENCY, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, 12900 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs., Title 2, 11000, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the ADMINISTERING AGENCY'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

3. ADMINISTERING AGENCY shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

4. ADMINISTERING AGENCY will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

5. Remedies for Willful Violation:

(a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which ADMINISTERING AGENCY was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that ADMINISTERING AGENCY has violated the Fair Employment Practices Act.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services thereunder shall be borne and paid for by ADMINISTERING AGENCY and by the surety under the performance bond, if any, and STATE may deduct from any moneys due or thereafter may become due to ADMINISTERING AGENCY, the difference between the price named in the Agreement and the actual cost thereof to STATE to cure ADMINISTERING AGENCY's breach of this Agreement.

PROGRAM SUPPLEMENT NO. 00000A001
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR STATE FUNDED PROJECTS NO 08-5220S21

Adv. Project ID 0822000115
Date: April 01, 2022
Location: 08-SBD-0-NED
Project Number: LRSPL-5220(008)
E.A. Number:
Locode: 5220

This Program Supplement, effective 3/24/22, hereby adopts and incorporates into the Administering Agency-State Agreement No. 08-5220S21 for State Funded Projects which was entered into between the ADMINISTERING AGENCY and the STATE with an effective date of and is subject to all the terms and conditions thereof. This PROGRAM SUPPLEMENT is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the ADMINISTERING AGENCY on (See copy attached).

The ADMINISTERING AGENCY further stipulates that as a condition to the payment by the State of any funds derived from sources noted below encumbered to this project, Administering Agency accepts and will comply with the Special Covenants and remarks set forth on the following pages.

PROJECT LOCATION: Throughout the City of Needles

TYPE OF WORK: Develop a Local Roadway Safety Plan (LRSP) **LENGTH:** 0.0(MILES)

Estimated Cost	State Funds	Matching Funds		
	STATE	LOCAL		OTHER
\$44,460.00	\$40,000.00	\$0.00		\$4,460.00

CITY OF NEEDLES

By RICK DANIELS
Title CITY MANAGER
Date 4/12/22
Attest [Signature]

STATE OF CALIFORNIA
Department of Transportation

By _____
Chief, Office of Project Implementation
Division of Local Assistance
Date _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer [Signature] Date 4/6/2022 \$40,000.00

SPECIAL COVENANTS OR REMARKS

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature and the encumbrance of funds under this Agreement. Funding and reimbursement are available only upon the passage of the State Budget Act containing these STATE funds.
2. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

3. ADMINISTERING AGENCY agrees to comply with the requirements in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (applicable to Federal and State Funded Projects).
4. This PROJECT is funded with State-Only funding from the Local Roadway Safety Plan (LRSP) Program. ADMINISTERING AGENCY agrees to develop an LRSP under this PROJECT.

The ADMINISTERING AGENCY agrees to follow all relevant State laws and requirements including the California Environmental Quality Act (CEQA).

This PSA allows reimbursement of eligible PROJECT expenditures to the ADMINISTERING AGENCY for which the LRSP State funds are allocated. The effective State allocation date establishes the eligibility date for the ADMINISTERING AGENCY to start reimbursable work. Any work performed prior the effective allocation date is not eligible for reimbursement from the LRSP funds.

SPECIAL COVENANTS OR REMARKS

ADMINISTERING AGENCY agrees that LRSP funds available for reimbursement will be limited to the amount allocated and encumbered by the STATE consistent with the scope of work in the STATE approved application. Funds encumbered may not be used for a modified scope of work after a project is awarded unless approved by the Statewide LRSP Coordinator prior to performing work.

ADMINISTERING AGENCY agrees to the program delivery and reporting requirements. The study and the LRSP must be completed within thirty-six (36) months of the funding allocation. The Final Report of Expenditure, the final invoice and the LRSP report must be submitted to the DLAE within six (6) months of the report completion.



City of Needles, California

Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Approve Second Amendment to On-Call Consulting Services Agreement Between the City of Needles and Development Management Group, Inc. for Economic Development Consulting Services in the amount not to exceed \$66,000.

Background: On March 22, 2022, the City Council amended Development Management Group, Inc.'s contract for on-call economic development services to extend for 1-Year Term expiring on March 22, 2023. The second amendment to the agreement would include on-call economic development services through the entirety of the contract which terminates March 2023 and would not exceed \$66,000.

As our economic development consultant, DMG, Inc. has worked collaboratively with the City Council and City Staff to attract businesses to our community. DMG, Inc. has successfully recruited Dollar General, AutoZone, Hampton Inn and others to the City of Needles. Development Management Group, Inc. contract expired in June of 2019.

DMG, Inc. continues to represent the City at numerous events throughout the year. DMG, Inc. has secured the City's first booth at ICSC 2022 Las Vegas which is the nation's largest three-day gathering of dealmakers and industry experts, who are driving innovation and evolution in the retail industry.

Fiscal Impact: City has budgeted \$30,000 for FY 22 and needs a remainder of \$12,000 from the General Fund Reserves. For FY 23 an amount not to exceed \$24,000 needs to be budgeted.

Sylvia Miledi SM

Recommended Action: Approve Second Amendment to On-Call Consulting Services Agreement Between the City of Needles and Development Management Group, Inc. For Economic Development Consulting Services in the amount not to exceed \$66,000.

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review: PK

Date: 4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 12

DRAFT

City of Needles Accounting 4/11/22

#	Item	Invoice Date	Amount
	FY 2021-22 (Remainder of Current FY)		
1	Professional Services Prior Nov/Dec 2021	Prior 12/31/2021	\$13,792.30
2	Professional Services Nov/Dec 2021	12/31/2021	\$9,406.46
3	ICSC Booth Expenses (thru 4/10/22)	TBA	\$1,800.00
4	Jan-Mar Retainer	TBA	\$7,500.00
5	April-June Retainer	TBA	\$7,500.00
6	Travel Expenses for ICSC (Hotel/Mileage)	TBA	\$700.00
7	One-Sheet Design/Printing-2022	TBA	\$1,250.00
	Total (Remainder FY 21-22)		\$41,948.76
	FY 2022-23 (through 3/31/23)		
7	ICSC San Diego Booth Expenses	TBA	\$1,000.00
8	ICSC San Diego Travel Expenses	TBA	\$500.00
9	July-Sept Retainer	TBA	\$7,500.00
10	Oct-Dec Retainer	TBA	\$7,500.00
11	Jan-Mar, 2023 Retainer	TBA	\$7,500.00
	Estimates for FY 22-23 (thru 3/31/23)		\$24,000.00

**SECOND AMENDMENT TO
CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF NEEDLES
AND DEVELOPMENT MANAGEMENT GROUP, INC.
FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES**

1. PARTIES AND DATE.

This SECOND AMENDMENT TO CONSULTING SERVICES AGREEMENT is made and entered into April 26, 2022 ("Effective Date"), by and between the CITY OF NEEDLES, a California Charter City, (hereinafter referred to as the "City") and Development Management Group, Inc., a California corporation (hereinafter referred to as "DMG"). City and DMG are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

City and DMG entered into that certain CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF NEEDLES AND DEVELOPMENT MANAGEMENT GROUP, INC. FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES ("Agreement") dated December 1, 2013 with a term commencing December 1, 2013 and and end date of June 30, 2015;

City and DMG entered into a FIRST AMENDMENT TO CONSULTING SERVICES AGREEMENT dated March 22, 2022 ("First Amendment") which among other things increased the authorized compensation to DMG in the amount of Thirty Thousand Dollars;

The parties wish to further amend the Agreement to supersede the compensation terms in the First Amendment to authorize payments previously made by City and to be made against invoices through June 30, 2022 in the total amount of Forty One Thousand Nine Hundred Forty Eight Dollars and seventy six cents (\$41,948.76) and to authorize further payments in the amount of Twenty Four Thousand Dollars (\$24,000.00) against invoices submitted from July 1, 2022 through March 22, 2023.

3. AMENDMENT.

Section 1.1 is hereby amended to read as follows:

Term of Services. The term of this Agreement shall be for a period beginning on the Effective Date and ending on March 22, 2023 ("Termination Date"). Subject to such policy direction and approvals as the CITY may determine from time to time, CONSULTANT shall perform the work described in Exhibit A to the original Agreement prior to the termination date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8 of the original Agreement. The time provided to CONSULTANT to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8 of the original Agreement. After the Termination date, the term of this Agreement shall continue from month to month subject to the right of either Party to terminate this Agreement as provided in Section 8 of the original Agreement.

Section 2 is hereby amended to read as follows

Section 2. COMPENSATION. *CITY shall pay CONSULTANT for services rendered under this Agreement to authorize payments previously made by City and to be made against invoices through June 30, 2022 in the total amount of Forty One Thousand Nine Hundred Forty Eight Dollars and seventy six cents (\$41,948.76) and to authorize further payments against invoices in the amount of Twenty Four*

Thousand Dollars (\$24,000.00) from July 1, 2022 through March 22, 2023. Such payments shall be the only payments from CITY to CONSULTANT for services rendered pursuant to this Agreement. CONSULTANT shall submit all invoices to CITY in the manner specified herein, and as stated in Exhibit A of the original Agreement (invoices will be paid upon completion of services and delivery of invoice to the CITY). Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. CONSULTANT and CITY acknowledge and agree that compensation paid by CITY to CONSULTANTS under this Agreement, as amended, is based upon Consultant's written proposal dated October 14, 2013 for providing the services required hereunder. CONSULTANT shall be solely responsible for compensating its personnel, agents, subcontractors, officers, directors and employees for any wages and expenses, including but not limited to the following: salaries, wages, payroll taxes, healthcare benefits, disability insurance, workers compensation insurance, unemployment insurance, retirement contributions, expenses, travel costs, lodging, meals, and any other form of benefit, compensation or cost reimbursement. CITY shall have the right to confirm that CONSULTANT has performed work consistent with the Scope of Work. Payment shall be subject to final approval and satisfaction of the CITY.

All other terms of the Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date and year set forth above.

City of Needles

By: _____

Its: _____

Date: _____

ATTEST:

By: _____

Its: City Clerk

Date: _____

**Development Management Group, Inc., a
California corporation**

By: _____

Michael Bracken, Managing Partner

Date: _____



Request for Council Action

City of Needles, California

☒ CITY COUNCIL ☐ UTILITY BOARD ☐ NPUA

☒ Regular ☐ Special

Meeting Date: April 26, 2202

Title: Adopt Resolution 2022-36 List of Projects for Fiscal Year 2022 – 2023 funded by SB1: The Road Repair and Accountability Act of 2017

Background: Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide.

The City of Needles must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA).

The City of Needles used a Pavement Management System to develop the SB1 project list to ensure revenues are being used on the most high-priority and cost-effective projects

Fiscal Impact: The City of Needles, will receive an estimated \$93,010 in RMRA funding in Fiscal Year 2022-2023 from SB 1 funding.

Recommendation: Approve Resolution 2022-36 List of Projects for Fiscal Year 2022 – 2023 funded by SB1: The Road Repair and Accountability Act of 2017

Submitted By: Tammy Ellmore, Engineering Tech II

City Management Review:

Rick

Date:

4/19/22

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

RESOLUTION NO 2022-36

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA ADOPTING A
LIST OF PROJECTS FOR FISCAL YEAR 2022-
2023 FUNDED BY SB1: THE ROAD REPAIR AND
ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Needles are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of Needles must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the locations of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvements; and

WHEREAS, the City of Needles, will receive an estimated \$93,010 in RMRA funding in Fiscal Year 2022-2023 from SB 1; and

WHEREAS, this is the fifth year in which the City of Needles is receiving SB 1 funding and will enable the City of Needles to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City of Needles has undergone a robust public process to ensure public input into our community's transportation priorities / the project list; and

WHEREAS, the City of Needles used a Pavement Management System to develop the SB1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

WHEREAS, the funding from SB1 will help the City of Needles to maintain and rehabilitate various streets, roads and bridges, and active transportation infrastructure throughout the City of Needles this year and dozens of similar projects into the future; and

WHEREAS, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in very poor condition and this

revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into good condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE, IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the City of Needles, California as follows:

1. The foregoing recitals are true and correct.
2. The following list of proposed projects will be funded in-part or solely with fiscal year 2022 – 2023 Road Maintenance and Rehabilitation Account revenues. See attached form for further project details:

- Needles Hwy (Pashard St to Broadway Ave)
- River Road (K Street to Jack Smith Park)
- Various sidewalk safety repairs

The following previously proposed and adopted projects may also utilize fiscal year 2022-2023 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution. The City of Needles is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues, See attached form for further project details:

- River Road (K Street to Jack Smith Park)
- Various sidewalk safety repairs
- Five Mile Road Rehabilitation Project

PASSED AND ADOPTED by the City Council of the City of Needles, California this 26th day of April 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jeff Williams, Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

SB1 PROJECT LIST:

Identified as part of City of Needles Pavement Management System Phase III

- | | |
|--|----------------------------|
| • River Road (K Street to Jack Smith Park) | Grind & Pave with Petromat |
| • Various sidewalk safety repairs | Repair broken sidewalk |
| • Five Mile Road (Hwy 95 South to City Limits) | Grind & Pave with Petromat |

Program Fund Received to date:

FY 18 - \$ 18,865 actual

FY 19 - \$ 88,684 actual

FY 20 - \$ 97,907 actual

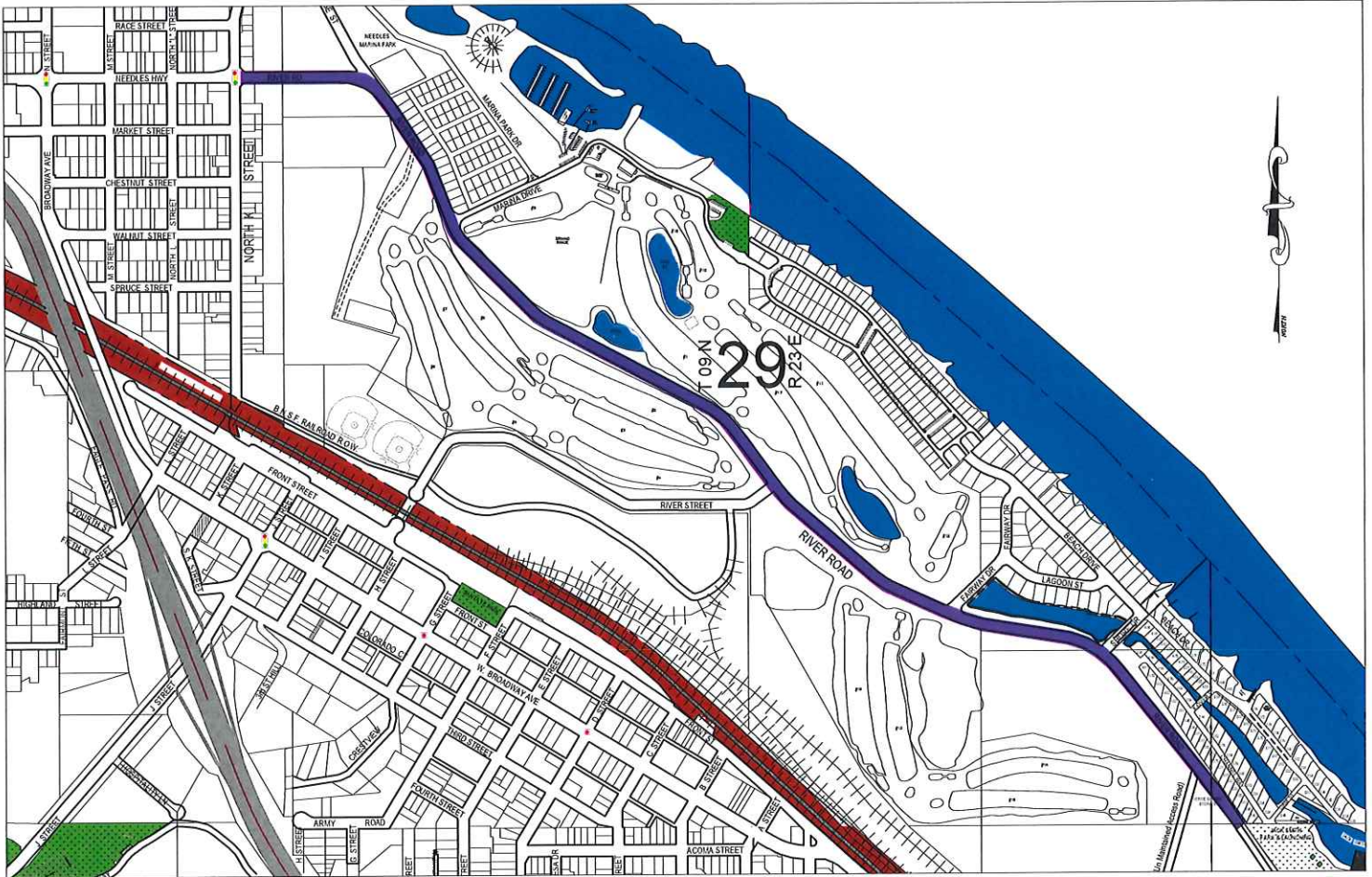
FY 21 - \$ 93,010 actual (less due to Covid-19)

FY 22 - \$ 99,385 budgeted

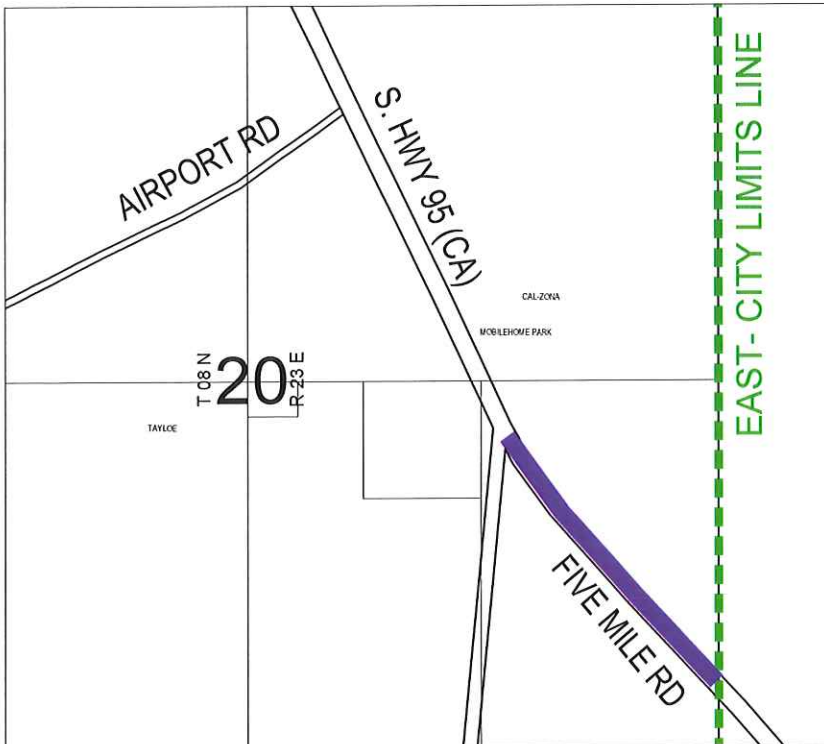
City of Needles Capital Projects

SB 1 - Street Improvement Project

FY 2022- 2023



River Road (North K to Jack Smith Park)



River Road (North K to Jack Smith Park)

LEGEND



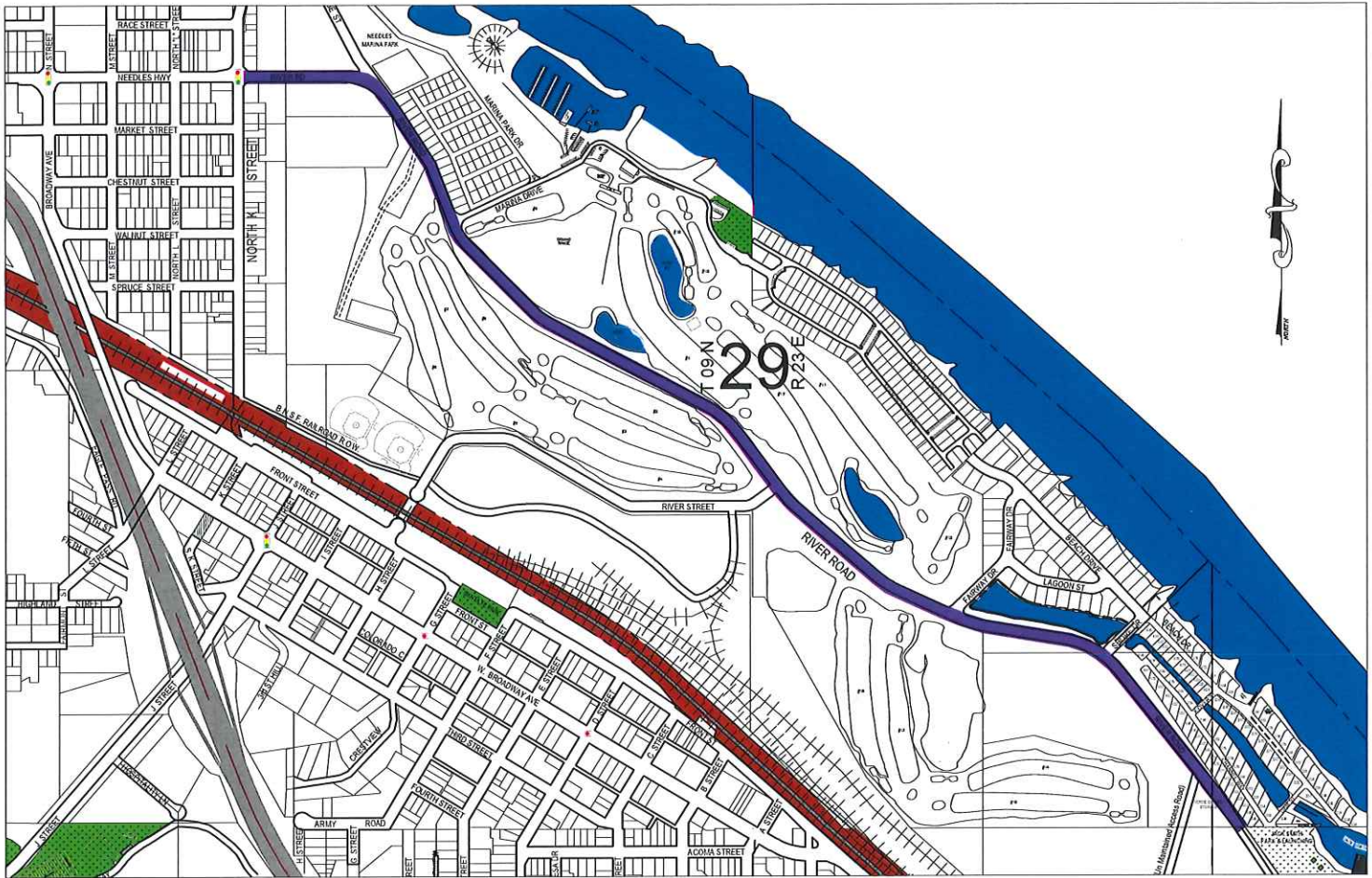
PAVING IMPROVEMENTS (Grind and Pave with Petromat)
including Water Services if needed.

Various Sidewalk (not shown)

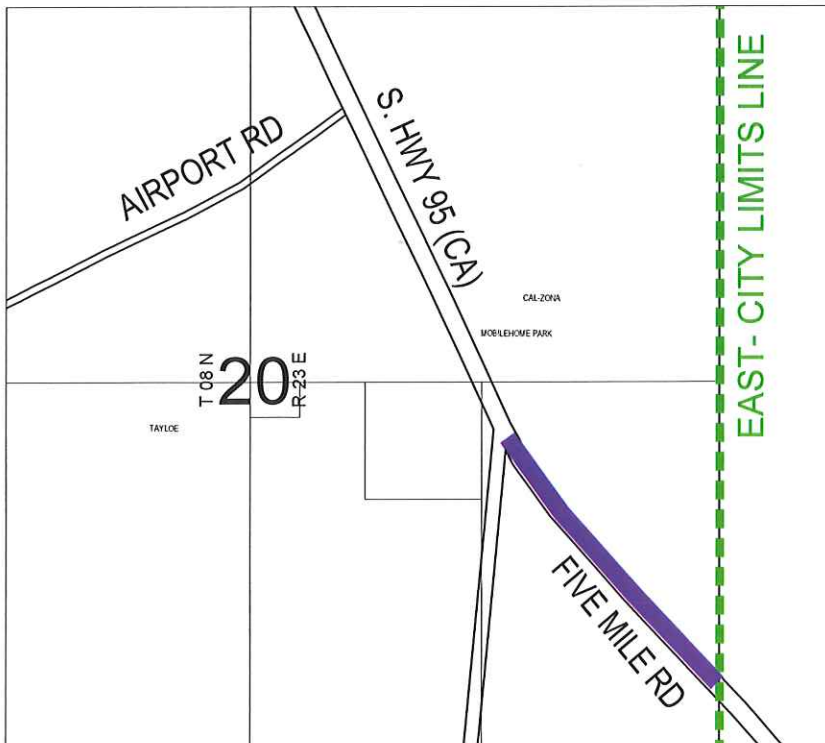
City of Needles Capital Projects

SB 1 - Street Improvement Project

FY 2022- 2023



River Road (North K to Jack Smith Park)



River Road (North K to Jack Smith Park)

LEGEND

PAVING IMPROVEMENTS (Grind and Pave with Petromat)
including Water Services if needed.

Various Sidewalk (not shown)



City of Needles, California Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Award Minagar & Associates Inc. to complete a Local Roadway Safety Plan (LRSP) not to exceed \$39,984

Background: The City of Needles needs to develop a Local Roadway Safety Plan (LRSP). The LRSP will include an evaluation of the City's entire roadway network using a defined set of criteria to identify and prioritize safety projects to submit for future HSIP funding consideration.

On March 24, 2022 the City of Needles was allocated \$40,000 from the California Department of Transportation (CalTrans) to conduct an LRSP. The match requirement is \$4,460 which staff time will be allocated as the in-kind match.

Staff issued a request for proposals on April 6, 2022 and the following bids were received:

Kimley-Horn	\$44,362.40
Minagar & Associates Inc.	\$39,984.00

Fiscal Impact: To be funded by the California Department of Transportation (CalTrans) awarded the City \$40,000 with a match of \$4,460 to complete a Local Roadway Safety Plan (LRSP)

DM Sylvia Miledi

Recommended Action: Award Minagar & Associates Inc. to complete a Local Roadway Safety Plan (LRSP) not to exceed \$39,984

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 4/20/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 14

MANHOURS & LEVELS OF EFFORTS ESTIMATES

City of Needles

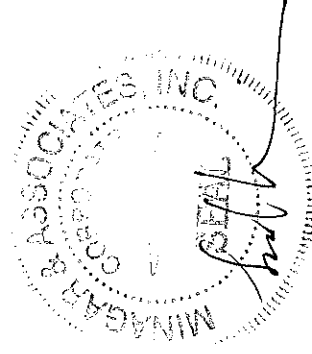
Local Roadway Safety Plan (LRSP) Report

MINAGAR & ASSOCIATES, INC.

TASK AND DESCRIPTION	PM	PE	SE	FM	SD	EA	DIRECT COST*	TOTAL
1 Project Administration	24	0	0	0	0	4	\$0	\$5,699
2 Field Review and Data Collection	14	2	0	8	0	28	\$0	\$6,725
3 Safety Analysis	15	8	0	0	0	44	\$0	\$8,485
4 Counts Measures and Potential Improvement Identification	12	4	0	0	0	16	\$0	\$4,803
5 Final LRSP Report	26	15	14	0	0	36	\$0	\$14,272
Total Hours	91	29	14	8	0	128		
Hourly Rate	\$224.92	\$224.92	\$167.24	\$127.36	\$165.72	\$75.26	\$0	
Total Labor Cost (\$)	\$20,468	\$6,523	\$2,341	\$1,019	\$0	\$9,633	\$0	\$39,984
TOTAL COST NOT TO EXCEED	\$39,984							
PM Project Manager	SE Senior Engineer							
SD Senior Designer	FM Field Manager/Dep Rep							

4/18/2022

NOTE: All the outlined tasks and related community & partner engagements shall be performed on the TOTAL COST not exceed!



CITY OF NEEDLES
Local Road Safety Plan

[illegible]



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Supplemental Law Enforcement and Drug Prevention Grant Opportunity

Background: The City is eligible to apply for a grant from the California Cannabis Bureau and can apply before the June application deadline. The funding is derived from the proceeds of Proposition 64 which allowed adult marijuana use and created a state tax on cannabis sales. Only jurisdictions that permit the sale of cannabis are eligible to apply. Last year \$39M was distributed to municipal applicants.

There is a list of eligible activities for this 3 year grant. The primary requirement is to develop a plan for the use of these funds. After meeting yesterday with the Sheriff's Office, NUSD, City Code Enforcement, and City Finance we concluded that our plan should focus on supplemental law enforcement necessary because of the legal existence of cannabis in our community, and drug use prevention, especially targeted at school kids. Each party mentioned above is itemizing their portion of the plan.

The Sheriff's Office is focusing on adding an additional Deputy/School Resources Officer, and a drug sniffing dog. Code Enforcement is focusing on greater inspections of cannabis facilities, and the NUSD is focusing on developing a "Best Practices" drug education/use prevention program.

The City should be firmly committed to the prevention effort,. Many studies document that prevention is the most cost-effective way to deal with this matter; arrest the bad behavior at the earliest stage possible. The children of Needles deserve the very best program possible.

Fiscal Impact: \$5000 to prepare the grant application.

Recommendation: Authorize the City Manager to prepare and apply for a grant from the State of California for supplemental law enforcement and drug prevention efforts, and to undertake all efforts to secure that funding.

Submitted By: City Manager Daniels

City Management Review: *Rick*

Date: *4/20/22*

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: *15*

PROPOSITION 64 PUBLIC HEALTH & SAFELY GRANT PROGRAM
Cohort 2 Project Summaries (in alphabetical order)

City of Berkeley - \$1,000,000

Lead Public Agency: City of Berkeley

The City of Berkeley's Youth Together project consists of an awareness campaign focusing on: promoting healthy behaviors; prevention/intervention activities addressing substance abuse; delinquency and dropping out of school; and gang/gun violence. Programming will focus on working with at-risk youth under the age of 21 years and will be rooted in the Cultural Awareness/Cultural Response Approach, the Positive Youth Development Approach, and the Trauma-Informed Approach. Grant funds will also assist the city in developing youth-led, culturally competent cannabis education awareness campaigns. A collaboration of stakeholders (such as caregivers, community members, healthcare, law enforcement, etc.) will convene to help inform, monitor, and advise the project activities and the development of programs and partnerships which will provide the needed supports and services for youth who are involved in gang violence, have a history of incarceration, or have justice-involvement.

City of Chula Vista - \$1,000,000

Lead Public Agency: Chula Vista Police Department

The City of Chula Vista's Youth Mitigation and Cannabis Awareness project is aimed at youth education, youth prevention, and community education regarding cannabis use. The Chula Vista Police Department will work with a local non-governmental organization to assist with educating youth and community about cannabis. In addition, the project will focus on the legal and illegal cannabis industry. By combatting the illegal cannabis entities in the city, the project can keep the illegal cannabis industry from supplying the youth in the community with cannabis products. Along with combating the illegal operators, the project will also devote time to working with legal operators to ensure they are complying with city regulations and laws. By establishing partnerships with the its legal operators, the city can ensure those operators are focused on responsible business practices which should ensure their success going forward. With these goals in place, the city believes it can ensure a safer community and cannabis industry going forward.

City of Encinitas - \$275,702

Lead Public Agency: City of Encinitas

The City of Encinitas' Youth Development, Prevention, and Intervention Project will utilize evidence-based programming to teach youth under the age of 18 skills and relevant information in cannabis prevention. Programming will be executed through the Boys & Girls Clubs of San Dieguito and will draw on health and wellness education and drug refusal skill-building to facilitate healthy choices and behavior. Two evidence-based programs will be used: Healthy Habits and SMART Moves. These programs will be implemented in two Boys & Girls Clubs of San Dieguito Clubhouses within the City of

Encinitas, both areas having a majority of youth who are at-risk, low income, and within the immigrant population.

City of Firebaugh - \$298,881

Lead Public Agency: City of Firebaugh Police Department

The City of Firebaugh's Youth Outreach Project, Crime Prevention, and Marijuana Education will support a full-time Police Grant Officer to provide education to teens on the dangers and risks of cannabis use. Athletic sports are one of the primary ways that the Firebaugh Police Department will be able to engage local youth. The Grant Officer will build relationships with youth through engagement in outdoor activities, sports, education, and leadership development. The Officer will also conduct student and parent educational presentations at school events regarding the short- and long-term impacts of cannabis use. The project goals are to prevent local youth from using cannabis and to have a well-informed community on the dangers and risks of cannabis use.

City of Fresno - \$1,958,057

Lead Public Agency: City of Fresno Police Department

The City of Fresno in collaboration with the City of Mendota, and in partnership with the Fresno Economic Opportunities Commission (FEOC) and the Boys & Girls Club of Fresno County, will provide services to local youth and young adolescents on the impacts of the legalization of cannabis. The FEOC will provide job trainings/internships and conduct outreach in the City of Mendota. The Boys & Girls Club will provide a range of curriculums focusing on drug and gang prevention, personal choices/development, and academic support. Public Health will provide mental health and substance abuse services to the youth who reside in the City of Fresno and the rural community of the City of Mendota. Both cities will provide Community Services Officers to help build trust in their communities, conduct community outreach and education events, and act as liaisons between cannabis retailers and City Council.

City of La Mesa - \$1,000,000

Lead Public Agency: City of La Mesa

The City of La Mesa's Proposition 64 Public Health & Safety Grant project will be implemented to minimize the impact of the presence of cannabis and cannabis-related businesses on the city's youth and overall crime rates. Grant funds will be used to proactively address youth prevention and intervention, public health, and public safety through a partnership between the La Mesa Police Department, Code Enforcement, and Mending Matters (a school-based mental health organization). Efforts include: a Mending Matters clinician to provide evidence-based substance use education and intervention to High School students; a Code Enforcement Officer to ensure cannabis-related businesses are operating in compliance; a Police Officer to implement evidence-based outreach and education at Middle Schools, conduct parent/community education,

oversee social media messaging, and assist the Code Enforcement Officer with compliance issues; and procuring monitoring equipment for the Communication Center.

City of Los Angeles - \$1,000,000

Lead Public Agency: City of Los Angeles Department of Cannabis Regulation

The City of Los Angeles' Cannabis Progressive Enforcement and Public Information Campaign project will implement a media campaign intended to educate minors about the dangers of consuming cannabis and the general public of the risks associated with products sold and distributed by unauthorized/unlicensed operators. Additionally, grant funds will be used to support Los Angeles Police Department positions that will coordinate the City's progressive cannabis enforcement strategy and collect enforcement data. This data, along with fostering more efficient enforcement actions and outcomes, will be utilized in partnership with a university or other public research institute to conduct a robust analysis of cannabis enforcement-related activities within the City of Los Angeles and study racial disparities with the goal of identifying, assessing, and eliminating any disparities that may exist within the City's existing enforcement efforts.

City of Merced - \$885,546

Lead Public Agency: City of Merced

The City of Merced's Youth Mentorship Pilot project is a 3-year program that creates a collaboration between the City of Merced and Merced County, to serve at-risk youth through a three-month cannabis intervention program. Participants, ages 12-18, who either are referred to Probation or who violate their probation for cannabis will be potential candidates. There will be ten participants in the program at a time, allowing the program to intentionally serve up to 40 individuals each year. At the conclusion of the 3-month program, additional participation activities including youth mentorship and recreational activities, job training, and drug intervention, education, and treatment programs will be offered for the length of the 3-year pilot program for all participants. Project activities support the goals of engaging youth in their community, creating a community where youth feel adults care about them, reducing the number of youth using cannabis, and creating stronger peer groups oriented around healthy behaviors and decision making.

City of Mt. Shasta - \$836,977

Lead Public Agency: Mt. Shasta Police Department

The City of Mt. Shasta's Community Enhancement Program is a multi-pronged approach to address the impacts of cannabis legalization on young people, the community, and public health and safety. The Mt. Shasta Police Department in partnership with the Boys & Girls Club of Greater Shasta will implement youth-focused education programs that focus on mentorship, diversion, career skills, and drug education. In addition, much-needed code and law enforcement personnel resources will be expanded. This project supports the evolution of cannabis into a positive economic driver while diminishing criminal behavior.

The City of Nevada City - \$1,000,000

Lead Public Agency: City of Nevada City

The Nevada City Cannabis Health, Safety, and Compliance Project is a multi-stakeholder approach to provide effective and comprehensive mitigation to combat the potential impacts of cannabis on its residents, the community, and most importantly its youth, with a strong emphasis for schools. The project will hire a full-time School Resource Officer whose primary focus will be anti-cannabis outreach and education for youth. This Officer will focus on middle school students and engage them in cannabis-focused outreach and education as well as educational programs for teachers and parents. Additionally, the project includes procurement of surveillance cameras, computers, and safety equipment for public safety personnel. These items will assist individuals in their duties and assignments pertaining to cannabis business inspections and other cannabis-related contacts (volatile businesses or non-volatile). The project will also obtain a tracking, budgeting, and permitting system that will assist the city in organizing and maintaining files on cannabis related businesses.

The City of Oakland - \$997,694

Lead Public Agency: City of Oakland

The City of Oakland's Cannabis Awareness and Safety Project is a partnership of Oakland's Special Activity Permits Division (Cannabis Equity Program), the Oakland Police Department (OPD), the Oakland Unified School District (OUSD), the Public Health Institute, and East Oakland Youth Development Center (EOYDC). The project consists of three components: (1) a campaign to educate youth about cannabis with a goal of decreasing youth usage rate; (2) a campaign to inform consumers 21 years of age and over about safe cannabis use by encouraging these individuals to support equity-owned cannabis businesses in the regulated market; and (3) a series of security workshops for cannabis businesses.

The City of Palm Springs - \$1,000,000

Lead Public Agency: City of Palm Springs

The City of Palm Springs' Cannabis Education Center/SMART Move 4 Healthy Lifestyle project will focus on middle school and high school students to ensure the safe, healthy development of at-risk youth. Creating this Center will address the need to reduce cannabis use among youth, prevention, and diversion. The Center will provide education and resources as well as serve as a safe place for the youth of Palm Springs. The center will further serve as a venue for speakers, summits, and classes related to youth substance abuse education and prevention. The project will also target youth development/youth prevention and intervention by implementing a city-wide youth substance use and intervention effort through the Boys & Girls Club of Palm Springs.

The City of Pomona - \$1,000,000
Lead Public Agency: City of Pomona

The City of Pomona's Commercial Cannabis Public Health, Safety, and Youth Development project will specifically focus on addressing the impacts from its emerging Commercial Cannabis Permit Program. The grant program has three priorities. First, fund the creation of the first-of-its-kind public health coordinator position who will take a social determinants of public health model towards the impact of cannabis on the Pomona community. This individual will actively work towards improving the Commercial Cannabis Program and serve as the liaison between City and community stakeholders. Second, fund Community Services for after-school programs for Pomona's youth, specifically in its most vulnerable census tracts and adjacent to legal cannabis operators. Third, fund the increased capacity of Code Enforcement and Police to proactively enforce both illegal and legal cannabis operators citywide.

The City of Port Hueneme - \$998,126
Lead Public Agency: Port Hueneme Police Department

The City of Port Hueneme's Cannabis Enforcement and Teen Intervention Project is a multi-partner program that will offer intervention/prevention programs using effective strategies for youth ages 11-18 who have been cited or suspended from school for cannabis intoxication/possession and referred by police or school police resource officers. Through an expansion of the Boys & Girls Club of Oxnard and Port Hueneme's Brent's Club Program, youth will be referred to an 8-week, twice weekly program designed to hone youth decision-making and critical-thinking skills to ensure healthy choices and avoid and/or resist drugs, alcohol, tobacco, and premature sexual activity. The project will also provide strategic regulation and enforcement through the Port Hueneme Police Department's dispensary inspections, software audits, minor decoy operations, and Responsible Cannabis Server training courses.

The City of Sacramento - \$999,555
Lead Public Agency: Office of the City Manager

The City of Sacramento's #SacYouthWorks: Futures project (#Futures) will support youth in creating pathways to healthy futures and college/career success. The project builds on two successful local initiatives and integrates underage cannabis and substance use prevention education with work-based learning to respond to the youth and community needs emerging due to the legalization of adult use cannabis. #Futures will engage youth 14-19 years old in a 40-hour program (10 hours dedicated specifically to prevention education) with up to 10 hours of work-readiness training and a minimum of 20 hours committed to applied-service/work supporting city-wide prevention efforts or community needs. #Futures build on the strengths of the city's community-based organizations (CBOs) in connecting and responding to the needs of the most vulnerable youth. The project will create a network of CBOs that will guide small cohorts of youth through experiences and build capacity of community prevention efforts.

The City of San Diego - \$999,960

Lead Public Agency: City of San Diego Police Department

The City of San Diego's Youth Marijuana Use Prevention and Intervention project will dedicate grant funding to youth residing in two of the most economically disadvantaged and ethnically diverse neighborhoods in the city: City Heights and Southeastern. The grant will fund 1.5 full-time equivalent police officer positions to assist STAR/PAL (the partnering community-based organization) in implementing an evidence-based middle school mentoring curriculum, *Mentoring Youth for Tomorrow*, both at STAR/PAL and on school campuses. The curriculum includes leadership training, crime prevention, and substance abuse education. The positions will also allow the expansion of programming (*Life Skills* and *We Can*) to high school youth already involved with the juvenile justice system as well as educating parents and other adults in the community about the risks of youth cannabis use.

The City of Woodlake - \$600,368

Lead Public Agency: City of Woodlake

The City of Woodlake's Youth Development Program will partner with the Boys & Girls Club (BCC) in coordination with the Woodlake Unified School District. The BCC will be open daily for at least 4 hours per day and will operate out of Woodlake's Community Center. The BCC will provide a mix of "high yield activities" and curriculum-based programs for youth ages 12-18. All BCC programs will focus on three priority outcomes: 1) academic success – graduate from high school ready for college or trade school; 2) good character and citizenship – be an engaged citizen involved in the community and model strong character; and 3) healthy lifestyles – adopt a healthy diet, practice healthy lifestyle choices and make a lifelong commitment to fitness. These outcomes will be achieved through a variety of mentoring-based programs, service-based programs, and curriculum focused on substance abuse prevention as well as teaching leadership skills.

The City and County of San Francisco - \$1,000,000

Lead Public Agency: Office of the City Administrator

The City and County of San Francisco's (CCSF) Public Health and Safety Grant Program, through the Office of the City Administrator will assist with law enforcement efforts and other projects to address public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA). Grant funds will address: 1) Youth Development/Youth Prevention and Intervention; 2) Public Health; and 3) Public Safety. CCSF will partner with an organization to facilitate an outreach and educational campaign to mitigate youth substance use and addiction, and promote healthy behaviors. CCSF will create cross-departmental collaboration by leveraging grant funds to conduct additional inspections and enforcement of cannabis businesses, and abatement activities. CCSF will also leverage funds to conduct law and code enforcement activities. The grant will help pay for City partner services to mitigate the impacts of non-compliance.

The County of Inyo - \$779,537

Lead Public Agency: Inyo County Probation Department

Inyo County's Healing Through Outdoor Activities, Prevention, and Engagement project will partner the County Health and Human Services (HHS) Department and the Probation Department to build upon existing, successful youth prevention programs such as the outdoor adventure program, which will now include a peer leadership component and a peer mentoring program. Additionally, the project will provide area youth with other types of activities like art, music, farm-to-table, after-school enrichment, leadership, and life skills. The project aims to reduce the risk factors and raise the protective factors for underserved youth through evidence-based/promising programs that prevent substance use disorders in school-aged youth (elementary through high school) referred by school counselors/staff, HHS Behavioral Health, and other county programs.

The County of Mendocino - \$866,484

Lead Public Agency: Mendocino County Probation Department

The Mendocino County's Restorative Justice Youth Court project is a public/private partnership between Mendocino County Probation and the Arbor-Drug Free Communities Coalition, a Division of Redwood Community Services, Inc. Using youth-driven, restorative approaches based on Youth Court, the project will work with high-risk youth and young adults to advocate for restorative practices in schools, with law enforcement, and community-based organizations, providing trauma-informed alternatives to juvenile justice and suspension systems. Youth will participate in peer-with-peer support and mentorship activities to increase protective factors and independent living skills. To ensure equity of access to the project across the rugged rural areas of the county, services will be provided through a varied model of in person and virtual activities.

The County of Mono - \$814,798

Lead Public Agency: Mono County Probation Department

The Mono County's Mammoth Lakes After School Program (MLAP) targets the need for youth cannabis and substance use prevention and intervention programs. The grant will provide trauma informed education about the health impacts of youth cannabis use for 12 to 21-year old individuals, including their caregivers and schools. The project will create a safe environment for after-school activities such as academics, recreation, and program intervention, and will provide an objective evaluation of its programs on the reduction of youth referrals for cannabis use. Mono Probation will partner with the Mammoth School District to provide the location of the MLAP. Mono Probation will contract with a social worker for individual and family counseling and conduct intake assessments for all participating youth. Grant funding will be used for prevention and intervention program material, overtime salary for teachers and coaches providing direct assistance, mentor stipends, recreational equipment, and enrichment activities.

The County of Nevada- \$1,000,000

Lead Public Agency: Nevada County Superintendent of Schools Office

Nevada County's Local Impact of Prop 64 project partners the Superintendent of Schools, the Nevada Joint Union High School District, the Grass Valley City School District, the Nevada County Public Health, and the Nevada County Office of Education (Tobacco Use Prevention Education Program) to implement a peer-based Restorative Justice Program within the above school districts. The project includes establishing a peer-based Alternative to Suspension Program, an Alcohol and Drug Safety Skills Training (to be attended by students and their parents), a Youth Advocate Training program, and school/community educational trainings. The project will develop and implement a substance abuse intervention program. The goal of the project is to create a non-punitive collaboration of administrators, substance use counselors, and Youth Advocates who support students and provide intervention, support, and resources to keep youth in school.

The County of Santa Barbara- \$959,859

Lead Public Agency: Santa Barbara County Department of Behavioral Wellness

Santa Barbara County's Healthy Student Initiative (HSI) project will use a three-pronged approach to combat youth cannabis use. The Behavioral Wellness Department's Alcohol and Drug Program (ADP) will hire three Alcohol and Drug Services Specialists to assist with the development of Student Assistance Programs and peer leaders to provide prevention and early intervention in schools (virtual and in-person) with direct linkages to higher levels of care, as needed. ADP will also partner with the county Public Health Department for youth-driven social media campaigns to increase the perception of harm around cannabis use. In addition, ADP will partner with the Sheriff's Office to collaborate with School Resource Officers (SROs) when students face disciplinary action. HSI staff will facilitate educational opportunities about cannabis use to youth, parents, school staff, SROs, and community members.



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ RDA ☒ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Third Amendment to the Professional Services Agreement for Building Support Services with Willdan Increasing the Contract Compensation for Building Permit Inspections

Background: On April 13, 2021 the Council awarded the RFP Proposal to Willdan for a building inspector. Beginning in June, the building inspector has assisted with inspections for the following building activity:

- 80 room 45,696 sq. ft. Hampton by Hilton Hotel
- Over 150,000 Sq. Ft. of Cannabis Development
- Chamber of Commerce Visitor Center
- Residential construction, roofs, plumbing, electrical panels, pools,

Since June 2021 the building inspector has completed the following inspections:

Permit Summary Report Inspection Status													
Inspection Date 5/31/2021 TO 04/19/2022													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Row Total
Approved	46	63	67	51	0	33	36	57	49	20	27	64	513
Approved Partial	5	7	14	8	0	1	4	1	13	4	3	5	65
Failed	11	15	10	5	0	10	4	22	12	12	9	18	128
Information Only	1	0	1	0	0	0	0	3	2	0	1	0	8
Open	0	1	2	0	0	2	0	0	0	0	0	0	5
Totals:	63	86	94	64	0	46	44	83	76	36	40	87	719

The City of Needles continues to experience an increase in building activity and to maintain a streamlined permitting process the City will need to continue to retain Willdan to assist in providing inspections to our customers while the City seeks to hire a building inspector. The City's Building Department is able to provide a 10-day turnaround time for in-house plan reviews with the assistance of a contract building inspector completing City permit inspections.

Fiscal Impact: The Building Inspector Services Contract Compensation increase not to exceed \$56,000 to be paid out of the General Fund Reserves.

The Building Departments total revenues for the fiscal year \$173,000 YTD.
fiscal year.

Sylvia Miledi

#16

Recommendation: Approve the Third Amendment to the Professional Services Agreement for Building Support Services with Willdan Increasing the Contract Compensation to an amount not to exceed \$198,000

Submitted By: Patrick Martinez, Assistant City Manager/Development Services

City Management Review: Pick

Date: 4/20/22

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
Agenda Item: <u>16</u>			

**THIRD AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
CONSULTANT SERVICES**

1. PARTIES AND DATE.

This Amendment is made and entered into April 26, 2022, by and between the **CITY OF NEEDLES**, a California Charter City, (hereinafter referred to as the "City") and Willdan Engineering, a California corporation (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

City and Willdan entered into a Professional Services Agreement ("Agreement") dated April 19, 2021;

City and Willdan entered into a First Amendment to Professional Services Agreement ("Agreement") dated July 13, 2021 for Comprehensive Plan Review and Structural Plan Review;

City and Willdan entered into a Second Amendment to Professional Services Agreement ("Agreement") dated September 14, 2021 for Certified Building Official Services.

City and Willdan wish to amend the Agreement to increase the maximum contract amount.

3. AMENDMENT.

Section 2.1 is hereby amended to increase the maximum contract amount from One Hundred and Forty Thousand Dollars (\$140,000) to One Hundred and Ninety Eight Thousand Dollars (\$198,000)

All other terms of the Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date and year set forth above.

City of Needles

Its: _____

Date: _____

By: _____

**Willdan Engineering, a California
corporation**

By: _____

Its: _____

Date: _____



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: April 26, 2022

Subject: City Council Ordinance No. 649-AC
Amending Chapter 12, Entitled "Short-Term Residential Rentals", in the Needles Municipal Code

Background: In 2021 the Planning Commission appointed an ad hoc committee to review the City's regulations of short-term house rentals. Staff and the City Attorney to drafted a Short-Term Residential Rental Ordinance to establish a permit procedure, maintenance and operational standards, for the use of legal residential dwelling units located in the City as transient occupancies, to ensure the health and safety of occupants, guests, and the surrounding residential neighborhood, and to minimize negative secondary effects associated with such use.

Located on the Colorado River, Needles is a tourism and recreation center. Short-term vacation rental platforms continue to boost the local tourism sector in Needles. The City has received complaints from property owners regarding their neighbors renting out their homes on platforms such as Airbnb, VRBO, and Homeaway. The short-term rental complaints from the community were anything from properties acting as wedding venues, excessive noise, and the illegal use of fireworks. Short-term rentals becoming more common because second homeowners are looking to make extra income when they're not using their properties here in Needles. Other communities have found problems when short-term rentals are not governed by municipal ordinances.

Currently short-term rental units are required to apply for their business license with the City. We only have approximately four (4) that have done so this year. According to Deckard Technologies, a government data analytics company which provides jurisdictions with information on transient occupancy taxes, there are 51 active/live short term rental listings over the past year in Needles. Deckard Technologies believes that there are more than 40-50 short-term rental properties active in the City of Needles annually.

A permitted structure for purposes of short-term residential use includes but is not limited to a single-family dwelling unit, a condominium, apartment, and duplex in a residential or commercial zone. A short term residential unit owner may use a permitted structure as a short-term residential rental unit only if such owner has a current valid short-term residential unit permit and business license and complies with the requirements of this Chapter and other applicable provisions of the Municipal Code and other laws.

The Ordinance will apply to all persons involved in the short-term rental of residential dwelling units (30 days or less) and will include:

- An application process which includes collecting a fee of \$400/year to cover cost of the program.
- Notification requirements to all affected property owners.
- Occupancy standards that comply with the California Fire Code, California Building Code, the National Fire Protection Association Standards or regulations, and any other applicable uniform codes, as adopted by the City, and other applicable laws and codes.
- Conditions of operation that set minimal requirements for the short-term residential units which include:
 - Prohibited to operate in commercial activities such as weddings, conferences, fraternity parties, and corporate retreats.
 - Property owners are required to maintain records sufficient to prove compliance with the Municipal Code.

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- Shall administer registration of renters prior to allowing occupancy of the rental unit.
- Advertising guidelines and posting notice requirements.
- Call response requirements for unit owners to be available by telephone on a 24-hour basis and maintain the ability to be physically present at the property within 30 minutes in order to respond and remedy calls or complaints.
- Property owner responsible to take lawful action necessary to ensure that renters and occupants abide by the Municipal Code and inform renters they not violate noise standards, parking standards, or otherwise create a public or private nuisance.
- Enforcement to ensure owners and renters of short-term residential units comply with the requirements of the Municipal code or other laws. Violations are subject to the enforcement and remedy provisions of Municipal Code Chapter 2A (Administrative Citations and Hearings).
- Ability for the City to suspend or revoke a short-term residential unit permit.
- Hosting platform requirements which include hosting platforms being responsible for collecting all applicable uniform transient occupancy tax required by the City's Taxation Code.

A short term rental is often a substitute for a hotel or motel room rental. The visitors renting short term rentals creates the same impacts as a hotel guest such as traffic, demands for law enforcement, fire safety, and other demands on the public service system. As such, the Planning Commission also recommends that the City's Transient Occupancy Tax (10% of total rental charge) be collected from rentals. The City Charter requires that application of the Transient Occupancy Tax requires voter approval on even numbered year general elections such as November 2022. A tax ordinance will come back at a later date.

At the February 2, 2022 Planning Commission meeting, Planning Commissioners voted unanimously to approve the Short-Term Residential Rental Ordinance with a condition it be reviewed by the ad hoc committee and the City Attorney.

Application Fee Analysis	
La Quinta	\$ 1,250.00
Big Bear	\$ 550.00
San Bernardino County	\$ 667.00
Lake Havasu	10.5% Tax of Gross
Needles	\$400

On April 12, 2022 the City Council received public comment and received written correspondence proposing the following changes the Short-term rental Ordinance:

- Permit Renewal. The short-term residential rental unit permit shall be renewed annually from application date of first submittal.
- All vehicles of short-term residential rental unit renters must be parked on the short-term residential rental unit property or adjacent thereto.
- ~~Parking shall be provided on-site at a ratio of not less than one parking space for every four renters. Short term residential rental properties with occupancy limits of two renters shall be limited to two vehicles.~~ Parking spaces may include garage, carport, street parking, and driveway spaces, and may allow for tandem parking.
- Short-term residential rental unit renters shall abide by Article V of Chapter 13 of the Municipal Code, as may be amended from time to time, which includes but is not limited to Section 13-44.1 which prohibits parking and/or leaving standing for more than twelve (12) hours any boat, bus,

camper, motor home, fifth wheel travel trailer, house car, travel trailer, construction equipment trailers, or any other recreational vehicle on any street, alley, or highway or any other public place. Additionally, parking a vehicle for more than a consecutive period of seventy-two hours is prohibited on any street or alley.

- The short-term residential rental unit owner or agent shall be personally available by telephone on a 24-hour basis and maintain the ability to be physically present at the property within **sixty (60) minutes** in order to respond and remedy calls or complaints regarding the condition or operation of the unit or the behavior of persons on the property in violation of this Chapter or other law.

Fiscal Impact: Program will be funded by a \$400 annual fee/rental unit set forth in the short-term rental ordinance. The fee is expected to raise \$annually to cover the cost of Code Enforcement. If the TOT applied during 2021, it would have generated approximately \$84,300 (according to Deckard Technologies) that would be available for general fund public services such as roads, parks, and public safety programs.

Recommendation: Approve Ordinance No. 649-AC Amending Chapter 12, Entitled "Short-Term Residential Rentals", in the Needles Municipal Code.

City Management Review: Rick **Date:** 4/30/22

Submitted By: Patrick Martinez, Assistant City Manager/Development Services

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: <u>17</u>

ORDINANCE NUMBER 649-AC

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, AMENDING CHAPTER 12, ENTITLED "SHORT- TERM RESIDENTIAL RENTALS", IN THE NEEDLES MUNICIPAL CODE

WHEREAS, located on the Colorado River, Needles is a tourism and recreation center;
and

WHEREAS, short-term vacation rental platforms continue to boost the local tourism sector
in Needles; and

WHEREAS, in 2021 the Planning Commission appointed a subcommittee to work with the
City Attorney to draft a Short-Term Residential Rental Ordinance to establish a permit procedure,
maintenance and operational standards, for the use of legal residential dwelling units located in
the City as transient occupancies, to ensure the health and safety of occupants, guests, and the
surrounding residential neighborhood, and to minimize negative secondary effects associated
with such use; and

WHEREAS, a permitted structure for purposes of short-term residential use includes but is
not limited to a single-family dwelling unit, a condominium, apartment, and duplex. A short term
residential unit owner may use a permitted structure as a short-term residential rental unit only if
such owner has a current valid short-term residential unit permit and business license and complies
with the requirements of this Chapter and other applicable provisions of the Municipal Code and
other laws; and

WHEREAS, an application for a short-term residential rental unit permit shall be submitted
to the City on a pre-approved form; and

WHEREAS, a public hearing notice was published in the Needles Desert Star on
March 30, 2022.

NOW, THEREFORE, the City Council of the City of Needles does ordain as follows:

SECTION 1. Incorporation of Recitals. The recitals reflected above are true and
correct and are incorporated by this reference herein as the cause and foundation for the action
taken by the and through this Ordinance.

SECTION 2. CEQA. Pursuant to section 15060(c)(2) of the California CEQA Guidelines,
adoption of the subject Ordinance will not result in a direct or reasonably foreseeable indirect
physical change in the environment and therefore is not subject to CEQA. Additionally, pursuant
to section 15060(c)(3) the activity is not a "project" as defined in section 15378 because it has no
potential for resulting in physical change to the environment, directly or indirectly.

SECTION 3. The City Council HEREBY FINDS AND DETERMINES that facts do exist to
approve an amendment to the Needles Municipal Code ("Needles Code").

SECTION 4. The City Council HEREBY APPROVES Ordinance 649-AC amending the
Needles Code amending Chapter 12 to add Section 12-68.3 "Short-Term Residential Rentals" as
set forth in Exhibit "A" attached hereto and incorporated herein by this reference.

Chapter 12 of the Needles Code is hereby amended to add section 12-68.3 as follows:

SECTION 5. Effective Date. This action shall become final and effective thirty (30) days after this decision by the City Council as provided by the Needles Code.

SECTION 6. Severability. If any section or provision of this Ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, the remaining sections and/or provisions of this Ordinance shall remain valid. The City Council hereby declares that it would have adopted this Ordinance, and each section or provision thereof, regardless of the fact that any one or more section(s) or provision(s) may be declared invalid or unconstitutional or contravened via legislation.

SECTION 7. Certification. The City Clerk shall certify to the adoption of this Ordinance.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 12 day of April, 2022, by the following roll call vote:

AYES:
NOES
ABSENT
ABSTAIN

Jeff Williams, Mayor

Attest:

Dale Jones, City Clerk

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 26 day of April, 2022.

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeff Williams, Mayor

(Seal)

Attest:

Dale Jones, City Clerk

Approved as to form:

John O. Pinkney, City Attorney

EXHIBIT "A"
to Ordinance No. 649-AC

CHAPTER 12-68.3

SHORT-TERM RESIDENTIAL RENTALS

Section

- 12-68.3.010 Purpose.
- 12-68.3.020 Applicability.
- 12-68.3.030 Definitions.
- 12-68.3.040 Permit Required.
- 12-68.3.050 Application Process.
- 12-68.3.060 Occupancy Standards.
- 12-68.3.070 Conditions of Operation.
- 12-68.3.080 Enforcement.
- 12-68.3.090 Suspension of Permit.
- 12-68.3.100 Revocation of Permit.
- 12-68.3.110 Hosting Platform Requirements.

12-68.3.010 Purpose.

The purpose of this Chapter is to establish a permit procedure, and maintenance and operational standards, for the use of legal residential dwelling units located in the City as transient occupancies, to ensure the health and safety of occupants, guests, and the surrounding residential neighborhood, and to minimize negative secondary effects associated with such use.

12-68.3.020 Applicability.

The standards and permit procedures of this Chapter apply to all persons involved, and at all times, as more fully set forth herein, the short-term residential rental unit where allowed in the City in compliance with the City's Zoning Ordinance, as may be amended from time to time, or in connection with a legal nonconforming residential structure located in a non-residential land use zoning district. "Short-term" means 30 days or less.

12-68.3.030 Definitions.

The definitions in this section are intended to apply to this Chapter only. Any term which is not specifically defined herein shall have the definition as provided elsewhere within the Municipal Code.

(a) Booking Transaction shall mean any reservation or payment service provided by a person who facilitates a short-term rental unit transaction between a prospective short-term residential rental unit renter and a short-term residential rental unit owner.

(b) Hosting Platform shall mean a marketplace in whatever form or format, which facilitates rental of a short-term residential rental unit through advertising, match-making or any other means, using any medium or facilitation, and from which the operator of the hosting platform derives revenues from providing or maintaining the marketplace.

(c) Inspections—Initial shall mean any inspection incident to the review of an application for an initial short-term residential rental unit permit. The City shall inspect the subject property to determine maximum occupancy and parking capacity for the property, and to verify compliance with the standards of this Chapter and of other applicable Municipal Code provisions.

(d) Inspections—Renewal shall mean the reinspection, upon the application for renewal of a short-term residential unit permit, whereby the subject property shall be inspected to ensure continued compliance with the standards of this Chapter and of other applicable Municipal Code provisions. Notwithstanding anything to the contrary, an applicant seeking renewal of a short-term residential rental unit permit shall comply with all applicable standards of this Chapter at the time of renewal.

(e) Potentially Affected Property Owner shall mean the owner of property that is located within the applicable distance from the short-term residential rental unit as set forth in the City's Land Use laws, as may be amended from time to time.

(f) Responsible Department shall mean the department or subdivision thereof designated by the City Manager to implement this Chapter.

(g) Short-Term Residential Rental Unit Owner shall mean the owner of a property, as shown by the most current legally prepared document that has been recorded by the County Recorder's Office that transfers, grants or imports total or partial ownership of a parcel, with a single-family dwelling unit that is being used as a short-term residential rental unit; any individual or organization working on behalf of such property owner; or any individual or organization that has the legal right to rent out, or allow the occupancy of a single-family residential dwelling unit as a short-term residential rental unit.

(h) Short-Term Residential Rental Unit Renter shall mean an individual who enters into an agreement or is authorized by the short-term residential rental unit owner, regardless of remunerations, the use of property as a short-term residential rental unit. Such renter is not considered a tenant or a person who hires a dwelling unit under Civil Code § 1940.

(i) Short-Term Residential Rental Unit shall mean a residential dwelling unit or portion thereof rented or otherwise used for residential transient occupancy by a transient lodger as defined in section 20-8.2 of the Municipal Code. Transient occupancy means occupancy for 30 consecutive calendar days or less.

12-68.3.040 Permit Required.

(a) A permitted structure for purposes of short-term residential use includes but is not limited to a single-family dwelling unit, a condominium, apartment, and duplex. A short term residential unit owner may use a permitted structure as a short-term residential rental unit only if such owner has a current valid short-term residential unit permit and business license and complies with the requirements of this Chapter and other applicable provisions of the Municipal Code and other laws. A separate permit shall be required for each dwelling unit used as a short-term residential rental unit when there is more than one legal single-family dwelling unit or a duplex on the parcel. An accessory dwelling unit, primary dwelling unit, guesthouse, casita, or other residential accessory structure may be permitted as a short-term residential rental unit when at least one of the dwelling units (primary dwelling, accessory dwelling unit, or caretaker dwelling) is occupied by the property owner or legal agent. This owner-occupancy requirement shall not apply to a parcel two acres or greater. A maximum of two legal dwelling units per parcel of land may be approved for separate individual short-term residential rental unit permits. An individual unit, such as an apartment or condominium, located within a multi-family residential project, is not eligible for a short-term residential rental unit permit.

(b) Short-term residential unit renters are subject to the uniform transient occupancy tax, if and when approved, as set forth in the Municipal Code as may be amended from time to time.

(c) A short-term residential rental unit permit is transferrable to the new owner of the rental unit in question, provided that the new owner informs the City of its desire to assume the responsibilities of holding the short-term residential rental unit permit in question within 30 days of taking title to the property. Within 30 days of taking title to the property, the new owner is also responsible to provide the City with the information necessary to satisfy the requirements of section 12-68.3.050(a)(1) through (7) herein, so that the City may be assured that the new owner understands its duties and responsibilities as the owner of a short-term residential rental unit.

(d) The annual permit fee is \$400.00 and may be amended from time to time.

12-68.3.050 Application Process.

(a) *Application.* An application for a short-term residential rental unit permit shall be submitted to the City on a pre-approved form. The required content of the form may be revised from time to time, but at a minimum shall require the following:

- (1) Property owner name and contact information.
- (2) Applicant name and contact information, if different from the property owner.
- (3) Address and Assessor's parcel number for the property containing the single-family dwelling unit, accessory dwelling unit or other permitted structure to be used as a short-term residential rental unit.
- (4) Total square footage of the single-family dwelling unit, accessory dwelling unit or other permitted structure to be used as a short-term residential rental unit.
- (5) The name of the managing agency, agent, or property manager, if different from the property owner, and a telephone number at which that party may be immediately reached

on a 24-hour basis. The managing agency, agent, property manager and/or the property owner will be contacted about such issues as Code violations.

(6) Acknowledgment that the permittee understands and agrees to operate the short-term residential rental unit in compliance with the regulations and requirements set forth in this Chapter.

(7) Acknowledgment of restrictions in the vicinity of the short-term residential rental unit regarding such things as parking and access to the river and boat launches and alternate parking and/or routes that may be used by the renter.

(b) *Notification Requirements.*

(1) The City shall provide notice of the application to all potentially affected property owners in the following circumstances:

(A) The application is submitted as a result of the issuance of a notice of violation due to the advertising of a dwelling unit for short-term residential rental use or use of a property as a short-term residential rental unit without a short-term residential rental unit permit.

(B) During the processing of the application, the City is made aware of circumstances that would lead it to reasonably believe that the property has been used in violation of this Chapter, including but not limited to that the property was used as a short-term residential rental unit without a short-term residential rental unit permit.

(C) Notice of application will be provided to neighboring property owners of properties that are located within 300 feet of the applicant's property.

(2) If there are additional costs to the City in providing notice to all potentially affected property owners, the cost of the permit application shall be changed to allow the City to recover those costs. The notice shall provide that comments may be submitted to the City up to 20 calendar days after the date of said notice.

(3) The City shall notify the applicant if the application is approved or denied at the applicant's mailing address as shown on the most recent application or otherwise filed with the City. Within ten calendar days of the issuance or renewal of a short-term residential rental permit, the City shall send notice to all potentially affected property owners informing them that a permit was issued. This notice shall contain, at a minimum, the following information:

(A) The name of the managing agency, agent, property manager, or owner of the unit, and a telephone number at which that party may be immediately reached on a 24-hour basis;

(B) The phone number of the City's 24/7 short-term rental complaint line;

(C) The maximum number of occupants allowed in the unit;

(D) The maximum number of vehicles allowed to be parked on the property.

(c) *Operation During Application Process.* Notwithstanding section 12-68.3.040, while a new application for a short-term residential rental unit permit is pending, a dwelling may be used as a short-term residential rental unit for up to thirty (30) days provided that the unit has passed a physical inspection by the City and otherwise complies with the requirements of sections

12-68.3.060 and 12-68.3.070 any applicable requirements set forth in City's Building Code, as may be amended from time to time, and other law.

(d) *Application Denial.* An application for a short-term residential rental unit permit or renewal of a permit under this Chapter shall be denied by the City upon one or more of the following grounds:

(1) The application is incomplete, or the applicant has otherwise failed to comply with the requirements of this Chapter.

(2) The applicant or permittee provided material information that was knowingly incorrect or provided material information that the applicant should have reasonably known was incorrect, in the application for a permit under this Chapter.

(3) The short-term residential rental unit or property is not in compliance with the standards of this Chapter or other applicable Municipal Code provisions and has failed to pass the initial or renewal inspection.

(e) *Applicant Appeals.* An applicant may appeal the denial or conditional acceptance of an application for a short-term residential rental permit. Such appeal must be in writing and submitted to the City within ten days of the date of the notice provided pursuant to section 12-68.3.050(b)(3). When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day. The appeal shall follow the procedure set forth in section 12-68.3.090(c).

(f) *Affected Property Owners' Appeals.* Potentially affected property owners may appeal the granting of a new short-term residential rental unit permit. All such appeals must be submitted to the City within ten days of the date of the notice provided pursuant to section 12-68.3.050(b)(3). When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day. The ground for such appeal is limited to the claim that past use of the property as a short-term residential rental unit has not complied with one or more requirements of sections 12-68.3.060(b) through (d), or section 12-68.3.070, or that, based on competent evidence, any prospective use for such purpose will likely not comply with one or more of such requirements. Such appeal shall be heard in the same manner as specified in section 12-68.3.090(c). The applicant shall be provided notice of the hearing. If the potentially affected property owner prevails in the appeal, then the applicant's application shall be deemed to be denied and such decision shall be the final decision of the City. No further appeal shall be available at the administrative level.

(g) *Permit Renewal.* The short-term residential rental unit permit shall be renewed annually from application date of first submittal. Permit renewal shall be approved if the current conditions of operation and other standards in this Chapter have been met, the subject property passes the renewal inspection, and the applicable renewal fee is \$400.00 and may be amended from time to time. Renewal payments submitted after permit expiration are subject to a \$50 administrative fee and maybe amended from time to time. Continued use of a short-term residential rental unit is prohibited following permit expiration until renewal payment, including any administrative/delinquent fee, has been received by the City. Failure to submit renewal payment within 45 days of permit expiration, including any administrative/delinquent fee, shall result in immediate suspension of the short-term residential rental unit permit. The short-term residential rental unit owner shall be required to submit a new application, pay the applicable permit application fee, and be subject to the application process in Subdivision (a) above.

12-68.3.060 Occupancy Standards.

(a) *Compliance with Uniform Codes and Other Laws.* At the time of issuance of a short-term residential rental unit permit and thereafter, the short-term residential rental unit shall be in compliance with the California Fire Code, California Building Code, the National Fire Protection Association Standards or regulations, and any other applicable uniform codes, as adopted by the City, and other applicable laws and codes.

(b) *Occupancy Limits.* Occupancy limits per room for all short-term residential rental units shall be determined as follows:

(1) In order for a room to be considered habitable space for overnight sleeping purposes, it must be a minimum of 70 square feet. A 70 square foot room may sleep up to two (2) people. Each sleeping room occupied by more than one person shall contain not less than 50 square feet of floor area for each additional person.

(2) Kitchens, bathrooms, toilet rooms, halls, closets, storage or utility spaces, and similar areas are not considered habitable rooms for sleeping purposes, thus the square footage represented by these rooms shall not be used in the calculation for determining the maximum number of occupants.

(c) *Maximum Occupancy Limits.* Maximum occupancy limits per short term residential rental unit shall be determined as follows:

(1) Notwithstanding the allowances per subdivision (b) above, the maximum occupancy of a short-term residential rental unit shall not exceed six persons if the rental unit is smaller than 800 square feet.

(2) Notwithstanding the allowances per subdivision (b) above, the maximum occupancy of a short-term residential rental unit shall not exceed eight persons if the rental unit is smaller than 1,200 square feet.

(3) Notwithstanding the allowances per subdivision (b) above, on parcels smaller than one-quarter acre, the maximum occupancy of a short-term residential rental unit shall not exceed ten persons.

(4) Notwithstanding the allowances per subdivision (b) above, on parcels smaller than one-half acre, the maximum occupancy of a short-term residential rental unit shall not exceed 12 persons.

(5) Notwithstanding the allowances per subdivision (b) above, on parcels one-half acre to one acre, the maximum occupancy of a short-term residential rental unit shall not exceed 15 persons.

(6) Notwithstanding the allowances per subdivision (b) above, on parcels greater than one acre, the maximum occupancy of a short-term residential rental unit shall not exceed 20 persons.

(7) Notwithstanding the allowances per subdivisions (b) and (c)(1) through (6) above, the maximum occupancy of a short-term residential rental unit shall not exceed the occupancies supported by the on-site parking spaces as required by subdivision (d) below.

(d) *Parking.* All vehicles of short-term residential rental unit renters must be parked on the short-term residential rental unit property or adjacent thereto. No vehicle of renters shall be parked on neighboring properties or within the transportation right-of-way, or in any manner that would create an obstruction. ~~Parking shall be provided on-site at a ratio of not less than one parking space for every four renters. Short-term residential rental properties with occupancy limits of two renters shall be limited to two vehicles.~~ Parking spaces may include garage, carport, street parking, and driveway spaces, and may allow for tandem parking. On-site parking areas shall be kept free from any obstructions which would prevent use for vehicle parking. Only the approved parking areas/spaces pursuant to the short-term residential rental unit permit shall be used for vehicle parking. Pursuant to section 12-68.3.080(a)(2), violations of the parking requirements of this Chapter may result in vehicles being towed without notice. ~~Short-term residential rental unit renters shall abide by Article V of Chapter 13 of the Municipal Code, as may be amended from time to time, which includes but is not limited to Section 13-44.1 which prohibits parking and/or leaving standing for more than twelve (12) hours any boat, bus, camper, motor home, fifth wheel travel trailer, house car, travel trailer, construction equipment trailers, or any other recreational vehicle on any street, alley, or highway or any other public place.~~

12-68.3.070 Conditions of Operation.

The following are minimal requirements for short-term residential rental units. These are in addition to any other applicable requirements of this Chapter, other applicable provisions of the Municipal Code, or other law.

(a) *Prohibited Uses of Property.* A short-term residential rental unit may not be used for any transient occupancy other than the purposes described in the definition of short-term residential rental unit set forth in section 12-68.3.030(i), and in conformity with the requirements of this Chapter. A short-term residential rental unit shall not be used for any commercial activity, which includes but is not limited to weddings, wedding receptions, corporate retreats, business meetings or conferences, filming photography shoots, a fraternity party, or any other similar gathering, unless regulated under an approved City-issued permit.

(b) *Record Keeping.* The property owner or property manager shall maintain records sufficient to prove compliance with this Chapter and other applicable laws. These records shall be maintained so that they can be readily provided to the City and provided in such a manner that establishes that the property owner or property manager is routinely maintaining such records. Any records or documents required to be maintained pursuant to this Chapter shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City, its auditor, or a designated representative thereof.

(c) *Registration.* The short-term residential rental unit owner, as defined in section 12-68.3.030(g), shall administer registration prior to allowing occupancy of the rental unit. The registration shall include review of the short-term residential rental unit regulations with at least one adult renter of the rental unit. At the time of such registration, the renter shall be provided a complete written or digital copy of the rental unit rules and regulations, as well as disclosure of the penalties associated with violations. The registration material shall advise the renter of the occupancy and vehicle/parking limitations, responsibility to avoid nuisance behavior, and that the use of the rental unit for commercial activity, which includes, but is not limited to weddings, wedding receptions, corporate retreats, business meetings or conferences, fraternity parties, or any other similar gatherings shall be prohibited unless authorized by a City-issued permit. The registration material shall contain a space for an acknowledgement to be signed by the renter as having read, understood and agreed to all provisions. Registration materials shall be preserved for the term of the short-term residential rental unit permit, and shall be provided to the City, when

requested, to confirm compliance with short-term residential rental unit permit conditions of operation and regulations set forth in this Chapter. If the owner fails to provide adequate directions to the unit or fails to confirm acknowledgement and understanding of the rental unit rules and regulations, the conditions of operation of the short-term residential rental unit permit may be amended by the City to require in-person registration.

(d) *Advertising.*

(1) Advertising that promotes a short-term residential rental unit for a use that is not permitted or could not be permitted by this code or other law, is prohibited.

(2) All advertising, including real-estate magazines, fliers, newspapers, television or radio commercials, internet pages, or coupons, that promote the use of a short-term residential rental unit prior to approval of a short-term residential rental unit permit pursuant to section 12-68.3.040(a), shall be prohibited. All advertisements featuring a permitted short-term residential rental unit shall specify the maximum permitted number of occupants and vehicles for the rental unit.

(e) *Posted Notices within Unit.* The City-issued short-term residential rental unit permit shall be posted inside the unit on or adjacent to the front door, along with an exit/emergency evacuation map. In addition, each short-term residential rental unit shall have a clearly visible and legible notice posted in a prominent location within the unit, containing the following information:

(1) The address of the short-term residential rental unit.

(2) The name of the managing agency, agent, property manager, or owner of the unit, and a telephone number at which that party may be immediately reached on a 24-hour basis.

(3) The maximum number of occupants permitted to stay overnight in the unit.

(4) The maximum number of vehicles allowed to be parked on the property.

(5) Notification of the arrangements that the owner has made to allow the renter to properly store and dispose of trash or refuse in accordance with the requirements of this Chapter.

(6) Notification that failure to comply with the requirements of this Chapter, including parking and occupancy standards, as well as public and private nuisance standards, is a violation of the Municipal Code, and that such violation may result in enforcement actions to address the violation. These may include actions to abate the nonconformity, the institution of criminal, civil, or administrative actions, or, under certain circumstances, the calling of law enforcement for the removal of guests and their vehicles from the property to the extent authorized by law. The notification shall state in a prominent format that users of the unit are prohibited from disturbing the peace of the surrounding neighborhood and that doing so is a violation of this Chapter and the rental agreement.

(7) Location of utility service connections, including how to access service connections and instructions necessary to disconnect the short-term residential rental unit from utility services in the event of an emergency.

(8) Phone numbers of local emergency medical and law enforcement services.

(9) Property boundary map for the purpose of deterring trespassing on other privately owned properties and identification of the approved parking area(s).

(f) *Call Response.*

(1) The short-term residential rental unit owner or agent shall be personally available by telephone on a 24-hour basis and maintain the ability to be physically present at the property within **sixty (60) minutes** in order to respond and remedy calls or complaints regarding the condition or operation of the unit or the behavior of persons on the property in violation of this Chapter or other law.

(2) On a 24-hour basis, within one hour of receiving a call or a complaint, the short-term residential rental unit owner must confirm whether or not the complaint is valid. If the complaint is valid the short-term residential rental unit owner shall immediately take corrective action within the lawful authority of the owner to abate the violation, or to cause the nuisance behavior that disturbs the peace of the neighboring properties to stop, for the entire duration of the occupancy of the person causing or allowing such violation or nuisance behavior. Such corrective action may necessarily include, under certain circumstances, the contacting of law enforcement, City officials, or other appropriate officials for the removal of guests and their vehicles from the property to the extent authorized by law.

(3) Calls or complaints about physical conditions or circumstances that constitute an immediate threat to the public health and safety shall obligate the owner to immediately contact the appropriate law enforcement, fire, or other authority.

(4) Each owner shall keep a written record of the times and type of complaints received, what response was undertaken by the owner, and when such complaints were resolved. This written record shall be made available to the City upon request and shall be retained by the owner for the term of the short-term residential rental unit permit.

(g) *Responsibilities of Owner to Prevent Nuisance Behavior and Maintain Neighborhood Peace and Quiet.* The owner shall take all lawful action necessary to ensure that renters and occupants abide by the terms of this Chapter and other applicable provisions of the Municipal Code and law. The owner must inform renters and occupants that they are not to violate any noise standards, parking standards, or otherwise create a public or private nuisance.

(h) *Loud and Disturbing Noise.*

(1) It is unlawful for any owner, renter, occupant, or guest located at a short-term residential rental unit to make, cause to be made, or allow to be made, either willfully or through failure to exercise control, any loud, excessive, impulsive, or intrusive noise that disturbs the peace or quiet or that causes discomfort or annoyance to any reasonable person of normal sensitivities in the area. Such types of noises or actions causing noises include, but are not limited to, yelling, shouting, hooting, whistling, singing, playing a musical instrument, emitting or transmitting any loud music or noise from any mechanical or electrical sound making or sound amplifying device, and the habitual barking, howling, or crowing of animals.

(2) The standard for enforcement of this subdivision is the "reasonable person" standard. The inquiry is whether the noise would disturb the peace or quiet or cause discomfort or annoyance to a reasonable person under the same or similar circumstances.

(3) Factors that may be considered in determining whether a violation of this Subdivision has been committed include, but are not limited to, the following:

- (A) The level of noise;
- (B) The level and intensity of the background (ambient) noise, if any;
- (C) The proximity of the noise to the residential unit in question;
- (D) The time of day or night the noise occurs;
- (E) The duration of the noise;
- (F) Whether the noise is constant, recurrent, or intermittent; and
- (G) Whether the noise is produced by a mechanical or electronic device.

(i) *Safety.*

- (1) Illegal fireworks are prohibited in the City.
- (2) The interior and exterior of the short-term residential rental unit shall be kept free of hazardous conditions at all times.
- (3) Spas/hot tubs shall be covered and locked when not in use.

(j) *Sanitation.*

- (1) Every short-term residential rental unit shall be cleaned after each occupancy change in order to make the unit sanitary.
- (2) If linens are provided for use by renters, said linens will be exchanged for clean linens after each occupancy.
- (3) The exterior of the short-term residential rental unit shall be maintained and kept free of debris.
- (4) Spas/hot tubs shall be maintained and cleaned as frequently as needed to preserve sanitary conditions.

(k) *Trash/Refuse.* Trash shall be deposited in approved trash collection containers on the short-term residential rental unit property. Trash containers shall be kept closed when not in use, never be permitted to overflow, and kept in a clean condition without excessive build-up of encrusted wastes in or on the container.

(1) Short-term residential rental unit owners shall procure trash collection service and trash collection containers from the City-approved refuse collection hauler when said service is available. A sufficient number of containers based on occupancy levels of the rental unit shall be procured.

(2) Trash shall be removed from the premises after each occupancy unless routine commercial trash collection is provided to the premises.

(l) *Animals.*

(1) *Control of Animals.* No person owning or having control of any animal shall permit such animal to stray or run at large upon any unenclosed area on or off the short-term residential rental unit property. No person may lawfully bring his or her dog off a short-term residential rental property unless the dog is restrained by a leash and the person is competent to

restrain the dog, or the dog is properly restrained and enclosed in a vehicle, cage, or similar enclosure.

(2) *Noise.* It shall be unlawful for any person owning or having control of any animal to be allowed to create excessive noise in violation of Subdivision (h) of this section.

12-68.3.080 Enforcement.

(a) *General.*

(1) Owners and renters of short-term residential rental units shall comply with the requirements of this Chapter and all other applicable sections of the Municipal Code and other law. A hosting platform shall comply with the requirements of section 12-68.3.100 and all other applicable sections of the Municipal Code and other law.

(2) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any requirement of this Chapter may result in remedial action by appropriate members of City staff or any enforcement officer as defined in Chapter 2A of the Municipal Code without notice if providing notice is not reasonable considering the need for immediate remedial action, and/or if prior notice to the property owner or the renters, either verbal or written, has not resulted in appropriate remedial action by the property owner. If the violation consists of a violation of any of the parking requirements of this Chapter, then the remedy may include the towing of the vehicle or vehicles causing the violation of the parking requirement. Remedial actions taken under this Section, other than any criminal citations, are subject to appeal pursuant to Chapter 2A of the Municipal Code or other applicable provision, but no request for appeal shall stay the remedial actions taken pursuant to this Section.

(3) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any requirement of this Chapter may be subject to the enforcement and remedy provisions of Chapter 2A of the Municipal Code and any other applicable enforcement and remedy provisions of the Municipal Code or provided under the law.

(b) *Uniform Transient Occupancy Tax—Failure to Pay.* Failure by the owner, or when applicable, a hosting platform to collect and remit to the Tax Collector the Uniform Transient Occupancy Tax may result in the Tax Collector pursuing any remedy against the owner or hosting platform, including imposing and collecting said tax from the owner or hosting platform, authorized under the City's transient Occupancy Tax if and when approved, as set forth in the Municipal Code as may be amended from time to time or other applicable law. Notwithstanding the duty imposed by section 12-68.3.110 (a), the use of a hosting platform to facilitate the rental of a short-term residential rental unit shall not relieve an owner of liability for violations of this Subdivision.

(c) *Administrative Subpoena.* The City may issue and serve an administrative subpoena as necessary to obtain specific information identified in section 12-68.3.110 regarding short-term residential rental unit listings located in the City. Any subpoena issued pursuant to this Subdivision shall not require the production of information sooner than 30 days from the date of service. A person that has been served with an administrative subpoena may seek judicial review during that 30-day period.

12-68.3.090 Suspension of Permit

(a) *Suspension of Permit.* A short-term residential rental unit permit may be suspended for the following reasons:

(1) *Substandard Building or Property or Unsafe Building or Structure.* Any violation of the requirements of the City's Building Code, as may be amended from time to time, that results in the issuance of a notice of defect or notice and order to repair. Notice of such suspension shall be provided pursuant to the requirements of the City's Building Code, as may be amended from time to time.

(2) *General Violations.* Any failure to comply with, or respond to, any notice of violation or other notice from the City requiring compliance with one or more requirements of this Chapter or other applicable provision of the Municipal Code or other law. Property owners shall be informed of such suspension in a written notice mailed using both certified mail with return receipt and first class service. In addition, although not required, the notice may also be posted on the property and/or mailed to any additional individuals or companies listed on the permit application.

(b) *Use of Property During Suspension and Stays.*

(1) When a short-term residential rental unit permit is suspended, the property or properties affected by the suspension shall not be used as a short-term residential rental until such time as the suspension is stayed or lifted.

(2) Permits suspended pursuant to section 12-68.3.090 (a)(1) will remain suspended until such time as the Building Official or his or her designee confirms that all violations have been corrected or the City's designee has ruled in favor of the appellant.

(3) Permits suspended for general violations, i.e., those under section 12-68.3.090(a)(2), will remain suspended until such time as the violations are abated, or the property owner can reasonably demonstrate substantive changes in the property management practices that would mitigate or correct these violations, or a City's designee has ruled in favor of the appellant. If an appeal hearing for a general violation cannot be scheduled within 14 calendar days after an appeal was filed or if the hearing is scheduled but, through no fault of the appellant, not held within 30 days after the appeal was filed, the suspension must be stayed through the date a ruling on the appeal is issued.

(c) *Appeals of Suspensions.* An appeal must be filed no later than ten days of the date the notice of suspension is issued. When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day.

(1) The suspension of a permit pursuant to section 12-68.3.090 (a)(1) may be appealed for a hearing before the City's hearing official. The format and process of the appeal shall be as set forth in Municipal Code section 2A et seq. The decision of the hearing official shall be final and no further appeal within the City shall be available.

(2) The suspension of a permit for a general violation may be appealed to a City-designated hearing officer. The decision by the hearing officer shall be final and no further appeal within the City shall be available. The hearing procedure shall include the following:

(A) At least ten days written notice of the hearing shall be given to the permit holder prior to the hearing date. The hearing date may be postponed or continued by stipulation of the parties. If the permit holder does not respond or appear, no further hearing procedure shall be required.

(B) Witnesses shall swear or affirm to tell the truth. The oath or affirmation shall be taken by the hearing officer. The City shall present its case first, with oral testimony and documentary evidence or other evidence. The City shall have the right of cross-examination. The permit holder shall have the right to be represented and shall have the right of cross-examination. The permit holder may present his or her response after the City has presented its case. Both parties may thereafter present argument.

(C) No determination or order shall be based solely on hearsay evidence. The hearing officer shall make his or her determination within five working days of the end of the hearing, unless a party requests a greater period of time. The determination shall be in writing, and shall state the findings upon which the determination is made. The decision by the hearing officer shall be final and no further appeal within the City shall be available.

(3) The failure to appeal a suspension in a timely manner shall render the action to suspend final and no further appeal within the City shall be available.

12-68.3.100 Revocation of Permit.

(a) *Revocation of Permit.* A short-term residential rental unit permit may be revoked for the following reasons:

(1) The severity of a violation of a requirement of the City's Building Code, as may be amended from time to time, necessitated the immediate vacation of the property.

(2) The conditions or actions that resulted in the suspension of the permit have not been abated or addressed by a demonstrable change in the business practices associated with the short-term residential rental unit, within 60 days of the suspension being upheld on appeal or otherwise deemed final.

(3) The condition or the business practice that resulted in the suspension of the permit re-occurs within 12 months of the date the suspension was upheld on appeal or otherwise deemed final.

(4) A permit is suspended two times in a consecutive 24-month period, where said suspensions are either upheld on appeal or otherwise deemed final.

(5) The permit was obtained through fraud or deceit.

(6) The permit was issued in error.

(b) *Appeals of Revocation of Permit.* The revocation of a permit pursuant to this Chapter may be appealed for a hearing before the City's hearing official. The format and process of the appeal shall be as required by Municipal Code section 2A et seq. A decision by the hearing official may be appealed to the Planning Commission. The decision of the Planning Commission shall be final and no further appeal within the City shall be available.

(c) *New Application After Revocation of Permit.* A property owner of a short-term residential rental unit permit who has been issued a revocation pursuant to 12-68.3.100 above, shall not be permitted to submit another application for a permit within 12 months after a revocation is made final.

(d) *Suspensions or Revocations of Permits for Multiple Properties.* If is determined that the conditions or the business or management practices cause violations of this Chapter to occur on multiple properties of the same owner, the short-term residential rental unit permits for all of those properties may be suspended and/or revoked at the same time. In such circumstance all affected parties must be provided notice and the opportunity to appeal the suspension and/or revocation of the permit for every affected property.

12-68.3.110 Hosting Platform Requirement.

(a) For purposes of this Chapter a hosting platform shall be responsible for collecting all applicable uniform transient occupancy tax required by the City's Taxation Code, as may be amended from time to time, and remitting the same to the City. The hosting platform shall be considered an agent of the short-term residential rental owner for purposes of transient occupancy tax collections and remittance, as set forth in the City's Taxation Code, as may be amended from time to time, if the hosting platform collects payment for the rental. If a hosting platform does not collect payment for rentals, the short-term residential rental unit owner is solely responsible for the collection of all applicable transient occupancy taxes.

(b) Subject to applicable laws and procedures provided in section 12-68.3.080(c), when requested by the City, a hosting platform shall disclose, in a commonly used electronic format, the address of each short-term residential rental unit within the unincorporated San Bernardino Municipal listed on the hosting platform, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay.

(c) A hosting platform operating exclusively on the internet, which operates in compliance with Subdivisions (a) and (b) above, shall be presumed to be in compliance with this Chapter, except that the hosting platform remains responsible for compliance with the administrative subpoena provisions of this Chapter.

(d) The provisions of this Section shall be interpreted in accordance with otherwise applicable state and federal laws and will not apply if determined by the City to be in violation of, or preempted by, any such laws.

EXHIBIT "A"
to Ordinance No. 649-AC

CHAPTER 12-68.3

SHORT-TERM RESIDENTIAL RENTALS

Section

- 12-68.3.010 Purpose.
- 12-68.3.020 Applicability.
- 12-68.3.030 Definitions.
- 12-68.3.040 Permit Required.
- 12-68.3.050 Application Process.
- 12-68.3.060 Occupancy Standards.
- 12-68.3.070 Conditions of Operation.
- 12-68.3.080 Enforcement.
- 12-68.3.090 Suspension of Permit.
- 12-68.3.100 Revocation of Permit.
- 12-68.3.110 Hosting Platform Requirements.

12-68.3.010 Purpose.

The purpose of this Chapter is to establish a permit procedure, and maintenance and operational standards, for the use of legal residential dwelling units located in the City as transient occupancies, to ensure the health and safety of occupants, guests, and the surrounding residential neighborhood, and to minimize negative secondary effects associated with such use.

12-68.3.020 Applicability.

The standards and permit procedures of this Chapter apply to all persons involved, and at all times, as more fully set forth herein, the short-term residential rental unit where allowed in the City in compliance with the City's Zoning Ordinance, as may be amended from time to time, or in connection with a legal nonconforming residential structure located in a non-residential land use zoning district. "Short-term" means 30 days or less.

12-68.3.030 Definitions.

The definitions in this section are intended to apply to this Chapter only. Any term which is not specifically defined herein shall have the definition as provided elsewhere within the Municipal Code.

(a) Booking Transaction shall mean any reservation or payment service provided by a person who facilitates a short-term rental unit transaction between a prospective short-term residential rental unit renter and a short-term residential rental unit owner.

(b) Hosting Platform shall mean a marketplace in whatever form or format, which facilitates rental of a short-term residential rental unit through advertising, match-making or any other means, using any medium or facilitation, and from which the operator of the hosting platform derives revenues from providing or maintaining the marketplace.

(c) Inspections—Initial shall mean any inspection incident to the review of an application for an initial short-term residential rental unit permit. The City shall inspect the subject property to determine maximum occupancy and parking capacity for the property, and to verify compliance with the standards of this Chapter and of other applicable Municipal Code provisions.

(d) Inspections—Renewal shall mean the reinspection, upon the application for renewal of a short-term residential rental unit permit, whereby the subject property shall be inspected to ensure continued compliance with the standards of this Chapter and of other applicable Municipal Code provisions. Notwithstanding anything to the contrary, an applicant seeking renewal of a short-term residential rental unit permit shall comply with all applicable standards of this Chapter at the time of renewal.

(e) Potentially Affected Property Owner shall mean the owner of property that is located within the applicable distance from the short-term residential rental unit as set forth in the City's Land Use laws, as may be amended from time to time.

(f) Responsible Department shall mean the department or subdivision thereof designated by the City Manager to implement this Chapter.

(g) Short-Term Residential Rental Unit Owner shall mean the owner of a property, as shown by the most current legally prepared document that has been recorded by the County Recorder's Office that transfers, grants or imports total or partial ownership of a parcel, with a single-family dwelling unit that is being used as a short-term residential rental unit; any individual or organization working on behalf of such property owner; or any individual or organization that has the legal right to rent out, or allow the occupancy of a single-family residential dwelling unit as a short-term residential rental unit.

(h) Short-Term Residential Rental Unit Renter shall mean an individual who enters into an agreement or is authorized by the short-term residential rental unit owner, regardless of remunerations, the use of property as a short-term residential rental unit. Such renter is not considered a tenant or a person who hires a dwelling unit under Civil Code § 1940.

(i) Short-Term Residential Rental Unit shall mean a residential dwelling unit or portion thereof rented or otherwise used for residential transient occupancy by a transient lodger as defined in section 20-8.2 of the Municipal Code. Transient occupancy means occupancy for 30 consecutive calendar days or less.

12-68.3.040 Permit Required.

(a) A permitted structure for purposes of short-term residential use includes but is not limited to a single-family dwelling unit, a condominium, apartment, and duplex. A short term residential unit owner may use a permitted structure as a short-term residential rental unit only if such owner has a current valid short-term residential unit permit and business license and complies with the requirements of this Chapter and other applicable provisions of the Municipal Code and other laws. A separate permit shall be required for each dwelling unit used as a short-term residential rental unit when there is more than one legal single-family dwelling unit or a duplex on the parcel. An accessory dwelling unit, primary dwelling unit, guesthouse, casita, or other residential accessory structure may be permitted as a short-term residential rental unit when at least one of the dwelling units (primary dwelling, accessory dwelling unit, or caretaker dwelling) is occupied by the property owner or legal agent. This owner-occupancy requirement shall not apply to a parcel two acres or greater. A maximum of two legal dwelling units per parcel of land may be approved for separate individual short-term residential rental unit permits. An individual unit, such as an apartment or condominium, located within a multi-family residential project, is not eligible for a short-term residential rental unit permit.

(b) Short-term residential unit renters are subject to the uniform transient occupancy tax, if and when approved, as set forth in the Municipal Code as may be amended from time to time.

(c) A short-term residential rental unit permit is transferrable to the new owner of the rental unit in question, provided that the new owner informs the City of its desire to assume the responsibilities of holding the short-term residential rental unit permit in question within 30 days of taking title to the property. Within 30 days of taking title to the property, the new owner is also responsible to provide the City with the information necessary to satisfy the requirements of section 12-68.3.050(a)(1) through (7) herein, so that the City may be assured that the new owner understands its duties and responsibilities as the owner of a short-term residential rental unit.

(d) The annual permit fee is \$400.00 and may be amended from time to time.

12-68.3.050 Application Process.

(a) *Application.* An application for a short-term residential rental unit permit shall be submitted to the City on a pre-approved form. The required content of the form may be revised from time to time, but at a minimum shall require the following:

- (1) Property owner name and contact information.
- (2) Applicant name and contact information, if different from the property owner.
- (3) Address and Assessor's parcel number for the property containing the single-family dwelling unit, accessory dwelling unit or other permitted structure to be used as a short-term residential rental unit.
- (4) Total square footage of the single-family dwelling unit, accessory dwelling unit or other permitted structure to be used as a short-term residential rental unit.
- (5) The name of the managing agency, agent, or property manager, if different from the property owner, and a telephone number at which that party may be immediately reached

on a 24-hour basis. The managing agency, agent, property manager and/or the property owner will be contacted about such issues as Code violations.

(6) Acknowledgment that the permittee understands and agrees to operate the short-term residential rental unit in compliance with the regulations and requirements set forth in this Chapter.

(7) Acknowledgment of restrictions in the vicinity of the short-term residential rental unit regarding such things as parking and access to the river and boat launches and alternate parking and/or routes that may be used by the renter.

(b) *Notification Requirements.*

(1) The City shall provide notice of the application to all potentially affected property owners in the following circumstances:

(A) The application is submitted as a result of the issuance of a notice of violation due to the advertising of a dwelling unit for short-term residential rental use or use of a property as a short-term residential rental unit without a short-term residential rental unit permit.

(B) During the processing of the application, the City is made aware of circumstances that would lead it to reasonably believe that the property has been used in violation of this Chapter, including but not limited to that the property was used as a short-term residential rental unit without a short-term residential rental unit permit.

(C) Notice of application will be provided to neighboring property owners of properties that are located within 300 feet of the applicant's property.

(2) If there are additional costs to the City in providing notice to all potentially affected property owners, the cost of the permit application shall be changed to allow the City to recover those costs. The notice shall provide that comments may be submitted to the City up to 20 calendar days after the date of said notice.

(3) The City shall notify the applicant if the application is approved or denied at the applicant's mailing address as shown on the most recent application or otherwise filed with the City. Within ten calendar days of the issuance or renewal of a short-term residential rental permit, the City shall send notice to all potentially affected property owners informing them that a permit was issued. This notice shall contain, at a minimum, the following information:

(A) The name of the managing agency, agent, property manager, or owner of the unit, and a telephone number at which that party may be immediately reached on a 24-hour basis;

(B) The phone number of the City's 24/7 short-term rental complaint line;

(C) The maximum number of occupants allowed in the unit;

(D) The maximum number of vehicles allowed to be parked on the property.

(c) *Operation During Application Process.* Notwithstanding section 12-68.3.040, while a new application for a short-term residential rental unit permit is pending, a dwelling may be used as a short-term residential rental unit for up to thirty (30) days provided that the unit has passed a physical inspection by the City and otherwise complies with the requirements of sections

12-68.3.060 and 12-68.3.070 any applicable requirements set forth in City's Building Code, as may be amended from time to time, and other law.

(d) *Application Denial.* An application for a short-term residential rental unit permit or renewal of a permit under this Chapter shall be denied by the City upon one or more of the following grounds:

(1) The application is incomplete, or the applicant has otherwise failed to comply with the requirements of this Chapter.

(2) The applicant or permittee provided material information that was knowingly incorrect or provided material information that the applicant should have reasonably known was incorrect, in the application for a permit under this Chapter.

(3) The short-term residential rental unit or property is not in compliance with the standards of this Chapter or other applicable Municipal Code provisions and has failed to pass the initial or renewal inspection.

(e) *Applicant Appeals.* An applicant may appeal the denial or conditional acceptance of an application for a short-term residential rental permit. Such appeal must be in writing and submitted to the City within ten days of the date of the notice provided pursuant to section 12-68.3.050(b)(3). When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day. The appeal shall follow the procedure set forth in section 12-68.3.090(c).

(f) *Affected Property Owners' Appeals.* Potentially affected property owners may appeal the granting of a new short-term residential rental unit permit. All such appeals must be submitted to the City within ten days of the date of the notice provided pursuant to section 12-68.3.050(b)(3). When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day. The ground for such appeal is limited to the claim that past use of the property as a short-term residential rental unit has not complied with one or more requirements of sections 12-68.3.060(b) through (d), or section 12-68.3.070, or that, based on competent evidence, any prospective use for such purpose will likely not comply with one or more of such requirements. Such appeal shall be heard in the same manner as specified in section 12-68.3.090(c). The applicant shall be provided notice of the hearing. If the potentially affected property owner prevails in the appeal, then the applicant's application shall be deemed to be denied and such decision shall be the final decision of the City. No further appeal shall be available at the administrative level.

(g) *Permit Renewal.* The short-term residential rental unit permit shall be renewed annually from application date of first submittal. Permit renewal shall be approved if the current conditions of operation and other standards in this Chapter have been met, the subject property passes the renewal inspection, and the applicable renewal fee is \$400.00 and may be amended from time to time. Renewal payments submitted after permit expiration are subject to a \$50 administrative fee and maybe amended from time to time. Continued use of a short-term residential rental unit is prohibited following permit expiration until renewal payment, including any administrative/delinquent fee, has been received by the City. Failure to submit renewal payment within 45 days of permit expiration, including any administrative/delinquent fee, shall result in immediate suspension of the short-term residential rental unit permit. The short-term residential rental unit owner shall be required to submit a new application, pay the applicable permit application fee, and be subject to the application process in Subdivision (a) above.

12-68.3.060 Occupancy Standards.

(a) *Compliance with Uniform Codes and Other Laws.* At the time of issuance of a short-term residential rental unit permit and thereafter, the short-term residential rental unit shall be in compliance with the California Fire Code, California Building Code, the National Fire Protection Association Standards or regulations, and any other applicable uniform codes, as adopted by the City, and other applicable laws and codes.

(b) *Occupancy Limits.* Occupancy limits per room for all short-term residential rental units shall be determined as follows:

(1) In order for a room to be considered habitable space for overnight sleeping purposes, it must be a minimum of 70 square feet. A 70 square foot room may sleep up to two (2) people. Each sleeping room occupied by more than one person shall contain not less than 50 square feet of floor area for each additional person.

(2) Kitchens, bathrooms, toilet rooms, halls, closets, storage or utility spaces, and similar areas are not considered habitable rooms for sleeping purposes, thus the square footage represented by these rooms shall not be used in the calculation for determining the maximum number of occupants.

(c) *Maximum Occupancy Limits.* Maximum occupancy limits per short term residential rental unit shall be determined as follows:

(1) Notwithstanding the allowances per subdivision (b) above, the maximum occupancy of a short-term residential rental unit shall not exceed six persons if the rental unit is smaller than 800 square feet.

(2) Notwithstanding the allowances per subdivision (b) above, the maximum occupancy of a short-term residential rental unit shall not exceed eight persons if the rental unit is smaller than 1,200 square feet.

(3) Notwithstanding the allowances per subdivision (b) above, on parcels smaller than one-quarter acre, the maximum occupancy of a short-term residential rental unit shall not exceed ten persons.

(4) Notwithstanding the allowances per subdivision (b) above, on parcels smaller than one-half acre, the maximum occupancy of a short-term residential rental unit shall not exceed 12 persons.

(5) Notwithstanding the allowances per subdivision (b) above, on parcels one-half acre to one acre, the maximum occupancy of a short-term residential rental unit shall not exceed 15 persons.

(6) Notwithstanding the allowances per subdivision (b) above, on parcels greater than one acre, the maximum occupancy of a short-term residential rental unit shall not exceed 20 persons.

(7) Notwithstanding the allowances per subdivisions (b) and (c)(1) through (6) above, the maximum occupancy of a short-term residential rental unit shall not exceed the occupancies supported by the on-site parking spaces as required by subdivision (d) below.

(d) *Parking.* All vehicles of short-term residential rental unit renters must be parked on the short-term residential rental unit property or adjacent thereto. No vehicle of renters shall be parked on neighboring properties or within the transportation right-of-way, or in any manner that would create an obstruction. ~~Parking shall be provided on-site at a ratio of not less than one parking space for every four renters. Short-term residential rental properties with occupancy limits of two renters shall be limited to two vehicles.~~ Parking spaces may include garage, carport, street parking, and driveway spaces, and may allow for tandem parking. On-site parking areas shall be kept free from any obstructions which would prevent use for vehicle parking. Only the approved parking areas/spaces pursuant to the short-term residential rental unit permit shall be used for vehicle parking. Pursuant to section 12-68.3.080(a)(2), violations of the parking requirements of this Chapter may result in vehicles being towed without notice. ~~Short-term residential rental unit renters shall abide by Article V of Chapter 13 of the Municipal Code, as may be amended from time to time, which includes but is not limited to Section 13-44.1 which prohibits parking and/or leaving standing for more than twelve (12) hours any boat, bus, camper, motor home, fifth wheel travel trailer, house car, travel trailer, construction equipment trailers, or any other recreational vehicle on any street, alley, or highway or any other public place.~~

12-68.3.070 Conditions of Operation.

The following are minimal requirements for short-term residential rental units. These are in addition to any other applicable requirements of this Chapter, other applicable provisions of the Municipal Code, or other law.

(a) *Prohibited Uses of Property.* A short-term residential rental unit may not be used for any transient occupancy other than the purposes described in the definition of short-term residential rental unit set forth in section 12-68.3.030(i), and in conformity with the requirements of this Chapter. A short-term residential rental unit shall not be used for any commercial activity, which includes but is not limited to weddings, wedding receptions, corporate retreats, business meetings or conferences, filming photography shoots, a fraternity party, or any other similar gathering, unless regulated under an approved City-issued permit.

(b) *Record Keeping.* The property owner or property manager shall maintain records sufficient to prove compliance with this Chapter and other applicable laws. These records shall be maintained so that they can be readily provided to the City and provided in such a manner that establishes that the property owner or property manager is routinely maintaining such records. Any records or documents required to be maintained pursuant to this Chapter shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City, its auditor, or a designated representative thereof.

(c) *Registration.* The short-term residential rental unit owner, as defined in section 12-68.3.030(g), shall administer registration prior to allowing occupancy of the rental unit. The registration shall include review of the short-term residential rental unit regulations with at least one adult renter of the rental unit. At the time of such registration, the renter shall be provided a complete written or digital copy of the rental unit rules and regulations, as well as disclosure of the penalties associated with violations. The registration material shall advise the renter of the occupancy and vehicle/parking limitations, responsibility to avoid nuisance behavior, and that the use of the rental unit for commercial activity, which includes, but is not limited to weddings, wedding receptions, corporate retreats, business meetings or conferences, fraternity parties, or any other similar gatherings shall be prohibited unless authorized by a City-issued permit. The registration material shall contain a space for an acknowledgement to be signed by the renter as having read, understood and agreed to all provisions. Registration materials shall be preserved for the term of the short-term residential rental unit permit, and shall be provided to the City, when

requested, to confirm compliance with short-term residential rental unit permit conditions of operation and regulations set forth in this Chapter. If the owner fails to provide adequate directions to the unit or fails to confirm acknowledgement and understanding of the rental unit rules and regulations, the conditions of operation of the short-term residential rental unit permit may be amended by the City to require in-person registration.

(d) *Advertising.*

(1) Advertising that promotes a short-term residential rental unit for a use that is not permitted or could not be permitted by this code or other law, is prohibited.

(2) All advertising, including real-estate magazines, fliers, newspapers, television or radio commercials, internet pages, or coupons, that promote the use of a short-term residential rental unit prior to approval of a short-term residential rental unit permit pursuant to section 12-68.3.040(a), shall be prohibited. All advertisements featuring a permitted short-term residential rental unit shall specify the maximum permitted number of occupants and vehicles for the rental unit.

(e) *Posted Notices within Unit.* The City-issued short-term residential rental unit permit shall be posted inside the unit on or adjacent to the front door, along with an exit/emergency evacuation map. In addition, each short-term residential rental unit shall have a clearly visible and legible notice posted in a prominent location within the unit, containing the following information:

(1) The address of the short-term residential rental unit.

(2) The name of the managing agency, agent, property manager, or owner of the unit, and a telephone number at which that party may be immediately reached on a 24-hour basis.

(3) The maximum number of occupants permitted to stay overnight in the unit.

(4) The maximum number of vehicles allowed to be parked on the property.

(5) Notification of the arrangements that the owner has made to allow the renter to properly store and dispose of trash or refuse in accordance with the requirements of this Chapter.

(6) Notification that failure to comply with the requirements of this Chapter, including parking and occupancy standards, as well as public and private nuisance standards, is a violation of the Municipal Code, and that such violation may result in enforcement actions to address the violation. These may include actions to abate the nonconformity, the institution of criminal, civil, or administrative actions, or, under certain circumstances, the calling of law enforcement for the removal of guests and their vehicles from the property to the extent authorized by law. The notification shall state in a prominent format that users of the unit are prohibited from disturbing the peace of the surrounding neighborhood and that doing so is a violation of this Chapter and the rental agreement.

(7) Location of utility service connections, including how to access service connections and instructions necessary to disconnect the short-term residential rental unit from utility services in the event of an emergency.

(8) Phone numbers of local emergency medical and law enforcement services.

(9) Property boundary map for the purpose of deterring trespassing on other privately owned properties and identification of the approved parking area(s).

(f) *Call Response.*

(1) The short-term residential rental unit owner or agent shall be personally available by telephone on a 24-hour basis and maintain the ability to be physically present at the property within **sixty (60) minutes** in order to respond and remedy calls or complaints regarding the condition or operation of the unit or the behavior of persons on the property in violation of this Chapter or other law.

(2) On a 24-hour basis, within one hour of receiving a call or a complaint, the short-term residential rental unit owner must confirm whether or not the complaint is valid. If the complaint is valid the short-term residential rental unit owner shall immediately take corrective action within the lawful authority of the owner to abate the violation, or to cause the nuisance behavior that disturbs the peace of the neighboring properties to stop, for the entire duration of the occupancy of the person causing or allowing such violation or nuisance behavior. Such corrective action may necessarily include, under certain circumstances, the contacting of law enforcement, City officials, or other appropriate officials for the removal of guests and their vehicles from the property to the extent authorized by law.

(3) Calls or complaints about physical conditions or circumstances that constitute an immediate threat to the public health and safety shall obligate the owner to immediately contact the appropriate law enforcement, fire, or other authority.

(4) Each owner shall keep a written record of the times and type of complaints received, what response was undertaken by the owner, and when such complaints were resolved. This written record shall be made available to the City upon request and shall be retained by the owner for the term of the short-term residential rental unit permit.

(g) *Responsibilities of Owner to Prevent Nuisance Behavior and Maintain Neighborhood Peace and Quiet.* The owner shall take all lawful action necessary to ensure that renters and occupants abide by the terms of this Chapter and other applicable provisions of the Municipal Code and law. The owner must inform renters and occupants that they are not to violate any noise standards, parking standards, or otherwise create a public or private nuisance.

(h) *Loud and Disturbing Noise.*

(1) It is unlawful for any owner, renter, occupant, or guest located at a short-term residential rental unit to make, cause to be made, or allow to be made, either willfully or through failure to exercise control, any loud, excessive, impulsive, or intrusive noise that disturbs the peace or quiet or that causes discomfort or annoyance to any reasonable person of normal sensitivities in the area. Such types of noises or actions causing noises include, but are not limited to, yelling, shouting, hooting, whistling, singing, playing a musical instrument, emitting or transmitting any loud music or noise from any mechanical or electrical sound making or sound amplifying device, and the habitual barking, howling, or crowing of animals.

(2) The standard for enforcement of this subdivision is the "reasonable person" standard. The inquiry is whether the noise would disturb the peace or quiet or cause discomfort or annoyance to a reasonable person under the same or similar circumstances.

(3) Factors that may be considered in determining whether a violation of this Subdivision has been committed include, but are not limited to, the following:

- (A) The level of noise;
- (B) The level and intensity of the background (ambient) noise, if any;
- (C) The proximity of the noise to the residential unit in question;
- (D) The time of day or night the noise occurs;
- (E) The duration of the noise;
- (F) Whether the noise is constant, recurrent, or intermittent; and
- (G) Whether the noise is produced by a mechanical or electronic device.

(i) *Safety.*

- (1) Illegal fireworks are prohibited in the City.
- (2) The interior and exterior of the short-term residential rental unit shall be kept free of hazardous conditions at all times.
- (3) Spas/hot tubs shall be covered and locked when not in use.

(j) *Sanitation.*

- (1) Every short-term residential rental unit shall be cleaned after each occupancy change in order to make the unit sanitary.
- (2) If linens are provided for use by renters, said linens will be exchanged for clean linens after each occupancy.
- (3) The exterior of the short-term residential rental unit shall be maintained and kept free of debris.
- (4) Spas/hot tubs shall be maintained and cleaned as frequently as needed to preserve sanitary conditions.

(k) *Trash/Refuse.* Trash shall be deposited in approved trash collection containers on the short-term residential rental unit property. Trash containers shall be kept closed when not in use, never be permitted to overflow, and kept in a clean condition without excessive build-up of encrusted wastes in or on the container.

(1) Short-term residential rental unit owners shall procure trash collection service and trash collection containers from the City-approved refuse collection hauler when said service is available. A sufficient number of containers based on occupancy levels of the rental unit shall be procured.

(2) Trash shall be removed from the premises after each occupancy unless routine commercial trash collection is provided to the premises.

(l) *Animals.*

(1) *Control of Animals.* No person owning or having control of any animal shall permit such animal to stray or run at large upon any unenclosed area on or off the short-term residential rental unit property. No person may lawfully bring his or her dog off a short-term residential rental property unless the dog is restrained by a leash and the person is competent to

restrain the dog, or the dog is properly restrained and enclosed in a vehicle, cage, or similar enclosure.

(2) *Noise.* It shall be unlawful for any person owning or having control of any animal to be allowed to create excessive noise in violation of Subdivision (h) of this section.

12-68.3.080 Enforcement.

(a) *General.*

(1) Owners and renters of short-term residential rental units shall comply with the requirements of this Chapter and all other applicable sections of the Municipal Code and other law. A hosting platform shall comply with the requirements of section 12-68.3.100 and all other applicable sections of the Municipal Code and other law.

(2) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any requirement of this Chapter may result in remedial action by appropriate members of City staff or any enforcement officer as defined in Chapter 2A of the Municipal Code without notice if providing notice is not reasonable considering the need for immediate remedial action, and/or if prior notice to the property owner or the renters, either verbal or written, has not resulted in appropriate remedial action by the property owner. If the violation consists of a violation of any of the parking requirements of this Chapter, then the remedy may include the towing of the vehicle or vehicles causing the violation of the parking requirement. Remedial actions taken under this Section, other than any criminal citations, are subject to appeal pursuant to Chapter 2A of the Municipal Code or other applicable provision, but no request for appeal shall stay the remedial actions taken pursuant to this Section.

(3) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any requirement of this Chapter may be subject to the enforcement and remedy provisions of Chapter 2A of the Municipal Code and any other applicable enforcement and remedy provisions of the Municipal Code or provided under the law.

(b) *Uniform Transient Occupancy Tax—Failure to Pay.* Failure by the owner, or when applicable, a hosting platform to collect and remit to the Tax Collector the Uniform Transient Occupancy Tax may result in the Tax Collector pursuing any remedy against the owner or hosting platform, including imposing and collecting said tax from the owner or hosting platform, authorized under the City's transient Occupancy Tax if and when approved, as set forth in the Municipal Code as may be amended from time to time or other applicable law. Notwithstanding the duty imposed by section 12-68.3.110 (a), the use of a hosting platform to facilitate the rental of a short-term residential rental unit shall not relieve an owner of liability for violations of this Subdivision.

(c) *Administrative Subpoena.* The City may issue and serve an administrative subpoena as necessary to obtain specific information identified in section 12-68.3.110 regarding short-term residential rental unit listings located in the City. Any subpoena issued pursuant to this Subdivision shall not require the production of information sooner than 30 days from the date of service. A person that has been served with an administrative subpoena may seek judicial review during that 30-day period.

12-68.3.090 Suspension of Permit

(a) *Suspension of Permit.* A short-term residential rental unit permit may be suspended for the following reasons:

(1) *Substandard Building or Property or Unsafe Building or Structure.* Any violation of the requirements of the City's Building Code, as may be amended from time to time, that results in the issuance of a notice of defect or notice and order to repair. Notice of such suspension shall be provided pursuant to the requirements of the City's Building Code, as may be amended from time to time.

(2) *General Violations.* Any failure to comply with, or respond to, any notice of violation or other notice from the City requiring compliance with one or more requirements of this Chapter or other applicable provision of the Municipal Code or other law. Property owners shall be informed of such suspension in a written notice mailed using both certified mail with return receipt and first class service. In addition, although not required, the notice may also be posted on the property and/or mailed to any additional individuals or companies listed on the permit application.

(b) *Use of Property During Suspension and Stays.*

(1) When a short-term residential rental unit permit is suspended, the property or properties affected by the suspension shall not be used as a short-term residential rental until such time as the suspension is stayed or lifted.

(2) Permits suspended pursuant to section 12-68.3.090 (a)(1) will remain suspended until such time as the Building Official or his or her designee confirms that all violations have been corrected or the City's designee has ruled in favor of the appellant.

(3) Permits suspended for general violations, i.e., those under section 12-68.3.090(a)(2), will remain suspended until such time as the violations are abated, or the property owner can reasonably demonstrate substantive changes in the property management practices that would mitigate or correct these violations, or a City's designee has ruled in favor of the appellant. If an appeal hearing for a general violation cannot be scheduled within 14 calendar days after an appeal was filed or if the hearing is scheduled but, through no fault of the appellant, not held within 30 days after the appeal was filed, the suspension must be stayed through the date a ruling on the appeal is issued.

(c) *Appeals of Suspensions.* An appeal must be filed no later than ten days of the date the notice of suspension is issued. When the tenth day is not a City business day, the time frame is extended to the second consecutive City business day following the tenth day.

(1) The suspension of a permit pursuant to section 12-68.3.090 (a)(1) may be appealed for a hearing before the City's hearing official. The format and process of the appeal shall be as set forth in Municipal Code section 2A et seq. The decision of the hearing official shall be final and no further appeal within the City shall be available.

(2) The suspension of a permit for a general violation may be appealed to a City-designated hearing officer. The decision by the hearing officer shall be final and no further appeal within the City shall be available. The hearing procedure shall include the following:

(A) At least ten days written notice of the hearing shall be given to the permit holder prior to the hearing date. The hearing date may be postponed or continued by stipulation of the parties. If the permit holder does not respond or appear, no further hearing procedure shall be required.

(B) Witnesses shall swear or affirm to tell the truth. The oath or affirmation shall be taken by the hearing officer. The City shall present its case first, with oral testimony and documentary evidence or other evidence. The City shall have the right of cross-examination. The permit holder shall have the right to be represented and shall have the right of cross-examination. The permit holder may present his or her response after the City has presented its case. Both parties may thereafter present argument.

(C) No determination or order shall be based solely on hearsay evidence. The hearing officer shall make his or her determination within five working days of the end of the hearing, unless a party requests a greater period of time. The determination shall be in writing, and shall state the findings upon which the determination is made. The decision by the hearing officer shall be final and no further appeal within the City shall be available.

(3) The failure to appeal a suspension in a timely manner shall render the action to suspend final and no further appeal within the City shall be available.

12-68.3.100 Revocation of Permit.

(a) *Revocation of Permit.* A short-term residential rental unit permit may be revoked for the following reasons:

(1) The severity of a violation of a requirement of the City's Building Code, as may be amended from time to time, necessitated the immediate vacation of the property.

(2) The conditions or actions that resulted in the suspension of the permit have not been abated or addressed by a demonstrable change in the business practices associated with the short-term residential rental unit, within 60 days of the suspension being upheld on appeal or otherwise deemed final.

(3) The condition or the business practice that resulted in the suspension of the permit re-occurs within 12 months of the date the suspension was upheld on appeal or otherwise deemed final.

(4) A permit is suspended two times in a consecutive 24-month period, where said suspensions are either upheld on appeal or otherwise deemed final.

(5) The permit was obtained through fraud or deceit.

(6) The permit was issued in error.

(b) *Appeals of Revocation of Permit.* The revocation of a permit pursuant to this Chapter may be appealed for a hearing before the City's hearing official. The format and process of the appeal shall be as required by Municipal Code section 2A et seq. A decision by the hearing official may be appealed to the Planning Commission. The decision of the Planning Commission shall be final and no further appeal within the City shall be available.

(c) *New Application After Revocation of Permit.* A property owner of a short-term residential rental unit permit who has been issued a revocation pursuant to 12-68.3.100 above, shall not be permitted to submit another application for a permit within 12 months after a revocation is made final.

(d) *Suspensions or Revocations of Permits for Multiple Properties.* If is determined that the conditions or the business or management practices cause violations of this Chapter to occur on multiple properties of the same owner, the short-term residential rental unit permits for all of those properties may be suspended and/or revoked at the same time. In such circumstance all affected parties must be provided notice and the opportunity to appeal the suspension and/or revocation of the permit for every affected property.

12-68.3.110 Hosting Platform Requirement.

(a) For purposes of this Chapter a hosting platform shall be responsible for collecting all applicable uniform transient occupancy tax required by the City's Taxation Code, as may be amended from time to time, and remitting the same to the City. The hosting platform shall be considered an agent of the short-term residential rental owner for purposes of transient occupancy tax collections and remittance, as set forth in the City's Taxation Code, as may be amended from time to time, if the hosting platform collects payment for the rental. If a hosting platform does not collect payment for rentals, the short-term residential rental unit owner is solely responsible for the collection of all applicable transient occupancy taxes.

(b) Subject to applicable laws and procedures provided in section 12-68.3.080(c), when requested by the City, a hosting platform shall disclose, in a commonly used electronic format, the address of each short-term residential rental unit within the unincorporated San Bernardino Municipal listed on the hosting platform, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay.

(c) A hosting platform operating exclusively on the internet, which operates in compliance with Subdivisions (a) and (b) above, shall be presumed to be in compliance with this Chapter, except that the hosting platform remains responsible for compliance with the administrative subpoena provisions of this Chapter.

(d) The provisions of this Section shall be interpreted in accordance with otherwise applicable state and federal laws and will not apply if determined by the City to be in violation of, or preempted by, any such laws.



City of Needles, California Request for City Council Action

X CITY COUNCIL ☐ NPUA

X Regular ☐ Special

Meeting Date: April 26, 2022

Title: Amending Municipal Code Sec. 15A-7 designated skateboarding areas

Background: On April 12, 2022, the Needles City Council considered all testimony and any documentary evidence presented to them in determining to amend the Municipal Code Sec. 15A-3 Closing hours of certain Recreation areas and Sec 15A-7 Designated Skateboarding areas. City Council tabled this item to the April 26 meeting based on public testimony and council discussion. After further review and consideration, it is recommended to leave Municipal Code Sec. 15A-3 Closing hours of certain Recreation areas as is and with consideration for the Municipal code for curfew, it is recommended to approve Ordinance No. 650-AC for an amendment to the Needles Municipal Code (NMC) as follows:

Amended 15A-7 to read: Designated Skateboarding Areas

The following regulations shall apply within designated skateboarding areas:

- (a) No person shall skate or skateboard at times other than those established as the hours of operation.
 - (1) The hours of operation shall be 10:00 P.M. of one day and 5:00 A.M. of the following day, or by special permit:
- (b) No person shall skate or skateboard when the designated skateboard park area is wet;
- (c) No person shall cause or initiate any acts of violence or hazing to another person inside or around the designated skateboard park area;
- (d) Only skateboards and in-line skates shall be allowed in the designated skateboard park area;
- (e) No person shall use the designated skateboard park area unless they wear proper safety equipment including a helmet, elbow pads, and knee pads;
- (f) No person shall consume food or drink in the designated skateboard park area;
- (g) No person shall use alcohol or drugs in the designated skateboard park area;
- (h) All persons using the designated skateboard park area must place trash in cans provided by the City or such persons shall be removed from the designated skateboard park area;
- (i) No person shall cause graffiti or tagging in or around the designated skateboard park area; and
- (j) No person shall skate on the curbs, planters, benches, steps, railing, and driveways of city-owned areas.

Fiscal Impact: None

Environmental Impact: Reduce vandalism and/or loitering in skatepark after curfew

Recommended Action: Approve for introduction Ordinance 650-AC amending Chapter 15A-7 designated skateboarding areas hour of operation

City Management Review: _____ **Date:** _____

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 18

ORDINANCE NO. 650-AC

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, AMENDING CHAPTER 15A-7 DESIGNATED SKATEBOARDING AREAS HOURS OF OPERATION

WHEREAS, the City of Needles parks provide amenities for various activities including playground equipment, skateboard and boat launch facilities, and beach areas for water recreation; and

WHEREAS, on April 12, 2022 the Needles City Council considered all testimony and any documentary evidence presented to them in order to make the following determination; and

WHEREAS, the City Council tabled this item to the April 26 meeting based on public testimony and council discussion revising the proposed ordinance.

NOW, THEREFORE, BE IT ORDAINED that the City Council of the City of Needles, California, approves an amendment to the City Code.

SECTION 1. The City Council HEREBY FINDS AND DETERMINES that this activity is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Section § 15060 (c)(2), the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment.

SECTION 2. The City Council HEREBY FINDS AND DETERMINES that facts do exist to approve an amendment to the Needles Municipal Code (NMC).

SECTION 3. The City Council HEREBY APPROVES Ordinance No. 650-AC for an amendment to the Needles Municipal Code (NMC) as follows:

Amended 15A-7 to read: Designated Skateboarding Areas

The following regulations shall apply within designated skateboarding areas:

- (a) No person shall skate or skateboard at times other than those established as the hours of operation.
 - (1) The hours of operation shall be 10:00 P.M. of one day and 5:00 A.M. of the following day, or by special permit:
- (b) No person shall skate or skateboard when the designated skateboard park area is wet;
- (c) No person shall cause or initiate any acts of violence or hazing to another person inside or around the designated skateboard park area;
- (d) Only skateboards and in-line skates shall be allowed in the designated skateboard park area;
- (e) No person shall use the designated skateboard park area unless they wear proper safety equipment including a helmet, elbow pads, and knee pads;
- (f) No person shall consume food or drink in the designated skateboard park area;
- (g) No person shall use alcohol or drugs in the designated skateboard park area;
- (h) All persons using the designated skateboard park area must place trash in cans provided by the City or such persons shall be removed from the designated skateboard park area;
- (i) No person shall cause graffiti or tagging in or around the designated skateboard park area; and
- (j) No person shall skate on the curbs, planters, benches, steps, railing, and driveways of city-owned areas.

SECTION 4. This action shall become final and effective 30 days after this decision by the City Council as provided by the Needles City Code.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 26th day of April 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeff Williams, Mayor

Attest:

Dale Jones, City Clerk

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 10th day of May 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeff Williams, Mayor

(Seal)

Attest:

Dale Jones, City Clerk

Approved as to form:

John O. Pinkney, City Attorney



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

Meeting Date: April 26, 2022

Title: Review and possible endorsement of legislation proposed by Senator Shannon Grove

Background: Senator Shannon Grove has introduced the following legislation and seeks the City of Needles' endorsement. A summary of each Senate Bill is below, and a sample letter is attached.

- SB 1484 Homeless and Foster Youth Employer Tax Credit would provide a tax credit for employers who hire homeless youth, foster youth, and former foster youth.
- SB 1356 Fuel Haulers would increase the gross vehicle weight from 80,000 pounds to 88,000 pounds to allow a fuel truck to carry more fuel to gas stations.
- SB 1319 California Jobs and Responsible Production would prohibit the import of crude oil into California from a nation with human rights abuses or with environmental standards below those in California. This bill is aimed at preserving oil production jobs in California.
- SB 1195 California Veteran's Homes Reporting for Satellite Medical Clinics would allow the Veteran's Health Administration to locate medical clinics next to 8 (eight) Veteran's Homes
- SB 1156 Stopping the Gas Tax Escalator would repeal the annual inflation adjustment in the motor vehicle and diesel fuel excise taxes in light of rapidly escalating fuel prices.
- SB 1073 Disabled Veterans Property Tax Exemption would authorize the County Assessor to offer a property tax deduction to disabled veterans.
- SB 1042 Human Trafficking – Serious and Violent Felony would include human trafficking to the list of serious and violent crimes. Human Trafficking is not currently a serious and violent crime.

Fiscal Impact: No direct increase in City costs. The elimination of the gas tax escalator will likely reduce future road fund allocations to the City.

Environmental: N/A

Recommendation: Review and authorize the Mayor to sign a letter of support for any legislation that the City Council supports.

Submitted By: City Manager Daniels

City Management Review: Rick

Date: 4/19/22

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 19



SENATOR SHANNON GROVE

SENATE DISTRICT 16

SB 1484

Homeless and Foster Youth Employer Tax Credit

SUMMARY

SB 1484 would allow private sector employers to obtain a tax credit, modeled after the federal Work Opportunity Tax Credit (WOTC), for hiring an individual who is a homeless youth, foster youth or former foster youth.

EXISTING LAW

California law allows employers to obtain various credits against the taxes imposed, including a credit for hiring qualified full-time employees within a designated census tract or economic development area.

These credits include the current Work Opportunity Tax Credit (WOTC) which was established to promote the hiring of qualified individuals including:

- Veterans
- Disabled persons
- Long-Term Unemployment Recipients
- Qualified Summer Youth

PROBLEM

Every year, California youth make up a significant portion of the State's total homeless population. They are severely impacted by the increasing costs for basic housing and food.

One way to end the homelessness cycle is by having a stable job. Employment leads to greater self-sufficiency and discipline, reduces the time youth spend on the streets, teaches key job and social skills, and provides the income stability necessary to find and maintain housing. Together, these factors reduce the likelihood that a youth will become stuck in a cycle of poverty, homelessness, and dependency on public benefits and services.

THE SOLUTION

SB 1484 takes a preventative approach that invests in youth before they become chronically homeless, giving them a better chance at a solid start to life. It also provides businesses and the state with a well-trained workforce. SB 1484 not only provides an opportunity for homeless youth, but provides a tax credit for employers.

The credit would be applied against a business's taxable liability in the amount of 40% of a qualified worker's wages for the first year of employment up to \$2,400. This pathway to employment for homeless and foster youth is a step in the right direction.

CONTACT:

David Monroy
(916) 651-4016
David.Monroy@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

[I / WE] write in support of your legislation, SB 1484. This important bill would allow private sector employers to obtain a tax credit for hiring an individual who is a homeless youth, foster youth, or former foster youth. The measure would thereby create a pathway to employment for youth who may not have the same opportunities as some of their peers.

Every year, California youth make up a significant portion of the State's total homeless population and are often severely impacted by the increasing costs for basic housing and food. It is widely understood that one way to end the homelessness cycle is by having a stable job. Employment leads to greater self-sufficiency and discipline, reduces the time youth spend on the streets, teaches key job and social skills, and provides the income stability necessary to find and maintain housing. Together, these factors reduce the likelihood that a youth will become stuck in a cycle of poverty, homelessness, and dependency on public benefits and services.

SB 1484 is a common sense solution to help young people gain the skills they need to be successful in life. It is also a win for businesses who are suffering under the weight of rising prices, labor shortages, and burdensome taxes and regulations.

For all of the reasons stated above, [I / WE] support SB 1484.

Sincerely,



SENATOR SHANNON GROVE

SENATE DISTRICT 16

SB 1356

Fuel Haulers

SUMMARY

SB 1356 would increase the maximum gross weight for a vehicle or combination of vehicles transporting a load composed solely of a petroleum-based fuel from 80,000 to 88,000 pounds.

EXISTING LAW

Existing state and federal law sets limits on the total gross weight imposed on the highway by a vehicle or vehicle combination with any group of two or more consecutive axles, not to exceed 80,000 pounds. However, it also authorizes vehicles or vehicle combinations in certain circumstances to carry a gross vehicle weight in excess of 80,000 pounds, such as vehicles transporting logs.

PROBLEM

California's ports have experienced increased year-over-year levels of cargo volume. Despite the efforts by all sectors of the supply chain, the COVID pandemic has dramatically impacted the goods movement system in California and nationally.

For example, the Ports of Los Angeles and Long Beach have been handling an unprecedented number of ships arriving at the same time. Disruptions in transportation and warehouse availability has slowed the offloading of containers and contributed to a backlog.

Governor Newsom announced on November 17, 2021 that Caltrans would begin issuing temporary permits allowing trucks to carry heavier loads of up to 88,000 pounds on State Highway and Interstate routes between the Ports of Los Angeles, Long Beach, and other statewide ports, and distribution centers throughout the state. The application process to go

beyond the current 80,000-pound limit started on November 19, 2021.

THE SOLUTION

SB 1356 would take the Governor's temporary exemption and apply it permanently to all fuel trucks throughout the state. The pandemic has shown that it would be helpful for fuel haulers to be able to carry more fuel. Also, as California's wildfire season has become all year long, being able to transport more loads of fuel helps with this crisis. In certain circumstances, the state allows haulers to exceed the 80,000 pound limit, for example vehicles transporting logs, cotton module movers or truck tractors pulling a semitrailer that is a cotton module mover. Fuel haulers should be allowed to safely use the same exemptions. SB 1356 recognizes what the Governor's exemption acknowledges, that fuel haulers can safely increase the gross weight they are allowed to haul. The bill will also help the state improve its supply of fuel in times of need like during COVID and the fire season.

SPONSOR

Jeremy Mairs
President/CEO
Cox Petroleum Transport

CONTACT:

Elizabeth Watson
(916) 651-4016
Elizabeth.Watson@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1356. This important bill will help fuel haulers safely transport vital resources throughout the state by allowing an additional 8,000 pounds of petroleum-based fuel per truck.

California's ports have experienced increased year-over-year levels of cargo volume. Despite the efforts by all sectors of the supply chain, the COVID pandemic has dramatically impacted the goods movement system in California and nationally. The pandemic has shown that it would be helpful for fuel haulers to be able to carry more fuel.

In certain circumstances, the state already allows haulers to exceed the 80,000 pound limit, for example vehicles transporting logs, cotton module movers or truck tractors pulling a semitrailer that is a cotton module mover. Fuel haulers should be allowed to safely use the same exemptions.

SB 1356 would take the Governor's temporary exemption and apply it permanently to all fuel trucks throughout the state by increasing the maximum gross weight for a vehicle or combination of vehicles transporting a load composed solely of a petroleum-based fuel from 80,000 to 88,000 pounds. By allowing this change the bill will also help the state improve its supply of fuel in times of need like during COVID and the fire season.

For all of the reasons stated above, [I / WE] support SB 1356.

Sincerely,



SENATOR SHANNON GROVE

SENATE DISTRICT 16

SB 1319

California Jobs and Responsible Production

SUMMARY

SB 1319 would express the intent of the Legislature to prohibit the import of crude oil into California if the source of the oil is a foreign nation with demonstrated human rights abuses, or a foreign nation with environmental standards that are lower than those in California. The measure would also require the Geologic Energy Management Division to report on its website the amount of particulate matter released into the air from tanker ship emissions from oil imported into the state.

EXISTING LAW

In 2020, California was the seventh largest oil producing state in the nation, with an average production of 391,000 barrels each day. All of the oil and gas produced in the state is consumed by Californians. However, the state consumes a total of 1.8 million barrels of oil per day. Californians have to pay \$25 billion each year to import this oil from other countries to meet the state's demand.

Petroleum is used for more than just the gasoline supplied to the 30 million cars driven by Californians. More than 6,000 everyday products are made from petroleum such as shoes, phones, toothbrushes, eyeglasses, heart valves, disposable diapers. California's industry directly supports 55,000 jobs which average \$123,000 in annual pay.

PROBLEM

As the CA Independent Petroleum Association (CIPA) has noted, any decreased production in California must be offset by imports from foreign countries. In just two decades, our state's dependence on foreign oil has quintupled. Currently, the largest sources of foreign crude to California are Ecuador, Saudi Arabia, and Iraq. This puts our energy security in the hands of countries that do not follow the same rigorous environmental protections we have in California, nor do they share our values when it comes to human and labor rights. Additionally, almost 600 tanker ships a year must

transport foreign oil to our state, which has significant air quality impacts at our ports.

Currently, the number one source of foreign crude oil is Ecuador. This oil from Ecuador, according to a recent investigation by NBC News, comes from the Amazon rainforest. Ecuador's state-run oil company has been strongly criticized by environmental and indigenous groups for its practice of clear cutting the Amazon to produce more oil. Half of all crude oil produced in Ecuador, 55 million barrels a year, is exported to California. The amount could easily be replaced by California's in-state producers if they were allowed to expand production.

THE SOLUTION

SB 1319 would bring back to California the thousands of jobs that have been lost to foreign countries that do not share our democratic values or respect for the environment. The bill would establish a process to prohibit the import of crude oil into California if the source of the oil is a foreign nation with demonstrated human rights abuses, as documented by the United States Department of State or by human rights organizations. Additionally, the bill would require the state to stop importing oil from a foreign nation with environmental standards that are lower than those in California. Our consumers annually send billions overseas to enrich the corrupt leaders of countries that deny basic rights to women and indigenous peoples, and have disdain for the environment.

California can produce much of the oil we import, and keep the jobs and revenues inside our Golden State while protecting our environment. SB 1319 is a win-win for consumers and workers, while also sending a message to the dictators and corrupt leaders of foreign countries.

CONTACT:

Mark Reeder: mark.reeder@sen.ca.gov
(916) 651-4016

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1319. This important bill will express the intent of the Legislature to prohibit the import of crude oil into California if the source of the oil is a foreign nation with demonstrated human rights abuses, or a foreign nation with environmental standards that are lower than those in California. The measure would also require the Geologic Energy Management Division (CalGem) to report on its website the amount of particulate matter released into the air from tanker ship emissions from oil imported into the state.

California's Governor wants an end to oil consumption while ignoring the reality that tens of millions of families need gasoline for their cars, and that thousands of everyday products are derived from petroleum. California's demand for oil has not, and will not be, reduced anytime soon. As a result, the supply has to come from somewhere and the Governor has decided to ignore domestic production and import millions of barrels of oil a year from foreign producers. The state imports this oil from countries with records of significant human rights abuses or that lack meaningful environmental protections.

It makes no sense to send \$25 billion a year to these countries when California can look to domestic drilling to meet our needs, keep those high paying jobs here in the state, and do it with environmentally friendly production. SB 1319 simply says that California will not import oil from countries that do not share our values. The current foreign policy crisis, and the volatility it has caused to oil prices, illustrates the need for this bill and the need for greater energy security.

For all of the reasons stated above, I support SB 1319.

Sincerely,



SENATOR SHANNON GROVE

SENATE DISTRICT 16

SB 1195

California Veterans' Homes Reporting for Satellite Clinics

SUMMARY

SB 1195 requires the California Department of Veterans Affairs (CalVet), in its five year review of the system's Veterans Homes, to include an assessment of the viability of allowing the federal Veterans Health Administration to place satellite medical clinics at or near the states' eight veteran home campuses to serve both residents of the veterans homes and nonresident veterans in the communities where state veteran homes are located.

EXISTING LAW

CalVet Veterans Homes has supported aged and disabled veterans for 138 years. Since its founding in 1884 with the Yountville Veterans Home, the network of homes has grown to eight and has expanded its services to include residential and skilled nursing.

Current law requires the Department to review the use of each home every five years and include in that assessment the current needs of the regional veterans population.

PROBLEM

Residents of California Veterans Homes typically require services provided by the federal Veterans Health Administration which in some cases may be located 2-3 hours away often leading an individual to delay or put off necessary and lifesaving treatment.

CalVet Veterans Homes services in many ways has not kept pace with the changing needs of California's veterans population. In the "Veterans Homes of California Master Plan 2020" report published by CalVet,

the Department stated that their "distribution of levels of care is not entirely consistent with community need." As the composition of the veterans population changes, so do the needs of our veterans, including expanded outpatient and mental health services.

THE SOLUTION

SB 1195 aims to provide more services to more veterans by requiring CalVet to assess the viability of allowing the federal Veterans Health Administration to place satellite medical clinics at or near California's eight veterans homes.

There are no limits to the gratitude we share in thanking our service members for their commitment to our country in the armed forces. There also should be no limits to their access to critical health and mental health services.

SPONSOR

Author Sponsored

CONTACT:

David Monroy

(916) 651-4016

David.Monroy@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1195. This important bill will require the California Department of Veterans Affairs (CalVet) to assess the viability of allowing the federal Veteran Health Administration to place a satellite medical clinic on or near California's eight veteran home campuses. This has the potential to lead to increased access to care for those who have faithfully served our country.

Unfortunately, analysis has shown that residents of California Veterans Homes must often travel 2-3 hours in order to access services provided by the federal Veterans Health Administration. This has resulted in many residents delaying or putting off necessary and sometimes lifesaving treatment. In addition, the services available onsite at CalVet Veterans Homes have in many cases not kept pace with the changing needs of California's veterans population. Mental health services is one area where we have seen this play out with dire consequences.

SB 1195 will equip California to better meet the needs of its veterans population. This bill aims to provide more services to more veterans in locations where some of our most vulnerable need them most. There are no limits to the gratitude we share in thanking our service members for their commitment to our country in the armed forces. There also should be no limits to their access to critical health and mental health services.

For all of the reasons stated above, [I / WE] support SB 1195.

Sincerely,



SENATOR SHANNON GROVE
SENATE DISTRICT 16

SB 1156
Stopping the Gas Tax Escalator

SUMMARY

SB 1156 will repeal the annual inflation adjustment in California's per gallon motor vehicle fuel excise tax, and the diesel fuel excise tax, as passed by SB 1 (Chapter 5, 2017).

EXISTING LAW

In 2017, Governor Brown signed SB 1 (Beall), which increased taxes and fees on gasoline and diesel by \$52 billion dollars over ten years. The law requires that the tax rates and fees specified in the bill, other than the diesel sales tax, be adjusted annually by the California Department of Tax and Fee Administration based on the California Consumer Price Index (CPI).

Governor Newsom proposed in his 2022-23 State Budget to suspend the annual inflation adjustment scheduled for July 1, 2022. For fiscal year 2021-22, fuel is taxed at a rate of 51.1 cents per gallon. Under the Governor's proposal, the tax rate will continue to be 51.1 cents per gallon in 2022-23. The excise tax on diesel is 38.9 cents per gallon for 2021-22 and the Governor proposes to pause the inflation adjustment scheduled for July 1, 2022. Under the Governor's proposal, the tax rate will continue to be 38.9 cents per gallon in 2022-23.

PROBLEM

Without action to address this problem, Governor Newsom's budget estimates that inflation will add 5.6% to the gas tax next year. However with inflation at a 40 year high, the increase could be even higher in future years.

California's gasoline and diesel prices are the highest in the nation, and inflation threatens to make them even more expensive once the Governor's temporary suspension is lifted.

THE SOLUTION

Governor Newsom is correct that inflation is hitting Californian families hard, and the gas tax should not be increased. SB 1156 goes a step further than the Governor's temporary suspension by permanently ending the annual inflation adjustments in both the gas tax and the diesel fuel excise tax. The automatic adjustments for inflation have meant that the price of gasoline is constantly escalating. Californians have had enough and need relief at the pump. SB 1156 is a much needed step to protect families from the growing price of gasoline.

SPONSOR

Author Sponsored

CONTACT:

Elizabeth Watson
(916) 651-4016

Elizabeth.Watson@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1156. This important bill will repeal the annual inflation adjustment in California's per gallon motor vehicle fuel and diesel fuel excise tax.

The average price of gasoline in California has jumped to record high levels as a result of rising inflation, and growing international conflicts. While it is nothing new for Californians to pay the highest gas prices in the nation, coming on the heels of the pandemic, working families simply cannot continue to support the level of taxation imposed by the California government. Hard-working Californians should not have to choose between filling up their tank to get to work or buying groceries to feed their families.

It makes no sense to continue to allow the gas tax to rise unchecked. Without action to address this problem it is estimated that inflation will add a minimum of 5.6% to the gas tax next year. However with inflation at a 40 year high, the increase could be even higher in future years. Californians have had enough and need relief at the pump now. This and the above stated issues illustrate the need for this bill.

For all of the reasons stated above, [I / WE] support SB 1156.

Sincerely,



SENATOR SHANNON GROVE SENATE DISTRICT 16

SB 1073

Disabled Veterans Property Tax Exemption

SUMMARY

SB 1073 authorizes county assessors to offer a property tax deduction to disabled veterans proportional to the veterans' percentage disability rating from the U.S. Department of Veterans Affairs (VA).

EXISTING LAW

Currently, disabled veterans may request a reduction on their home's assessed value for the purposes of determining property taxes if they are 100% disabled. The "Disabled Veterans' Exemption" must be on the veteran's primary place of residence and can deduct up to \$149,993 from the assessed value of the property. If the veteran's yearly household income is less than \$67,355, the deduction increases to \$224,991.

In order to qualify for this exemption, a veteran must meet one or more of the following criteria as a result of military service:

- Blind in both eyes
- Lost 2 or more limbs
- 100% disabled
- Deceased (spouse receives benefits)

Other states offer property tax credits of varying degrees and many allow veterans to qualify with disability ratings less than 100 percent, including Florida, Illinois and Texas.

PROBLEM

Only a small percentage of veterans are listed with a 100% disability rating by the VA. As it stands, even if a veteran were to have a 90% disability rating, they would be ineligible for a property tax exemption under current law. Many veterans who

are severely disabled as a result of their service to the United States are turned away when seeking this exemption.

"In 2012, the U.S. Veterans Administration and U.S. Department of Housing and Urban Development (HUD) estimated that approximately 25% of the nation's homeless veterans were located in California: the highest percentage of any other state." The burden of California's current tax structure and barriers for property tax credit puts veterans at risk and negatively impacts their health and well-being.

THE SOLUTION

SB 1073 ensures that California veterans are treated with the proper gratitude and respect they deserve for their service to the United States by expanding access to a helpful tool for veteran home owners and their families in California.

SPONSOR

Bob Dutton - San Bernardino County
Assessor-Recorder-County Clerk

CONTACT:

David Monroy
(916) 651-4016
David.Monroy@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1073. This important measure provides authorization to county assessors to offer a property tax deduction for disabled veterans proportional to their disability rating as set by the U.S. Department of Veterans Affairs or military service from which the veteran was discharged.

Currently, in California, disabled veterans may request a reduction on their home's assessed value for the purposes of determining property taxes if they are 100% disabled, blind in both eyes or have lost two or more limbs. However, without this bill, a veteran with a life changing 50% disabled rating would continue to be ineligible for this property tax deduction on their disabled rating alone. According to the National Center for Veterans Analysis 2020 assessment, California is home to more than 375,000 veterans with a disability rating of less than 100%. Any of those veterans that own property would be ineligible under current law.

[I am / We are] proud to support your efforts, in supporting veterans and working to provide relief for them through Senate Bill 1073. Thank you for your consideration.

Sincerely,



SENATOR SHANNON GROVE
SENATE DISTRICT 16

SB 1042

Human Trafficking – Serious and Violent Felony

SUMMARY

SB 1042 will include human trafficking in the lists of crimes that are defined as serious and violent under California law, making the crime a strike under the Three Strikes law. SB 1042 will help strengthen protections for the millions of victims of sex and labor trafficking.

PROBLEM

Currently human trafficking is defined as a non-serious and non-violent crime. So, the act of human trafficking cannot be considered a strike under California's Three Strikes law.

California consistently ranks number one in the nation in the number of human trafficking cases reported to the National Human Trafficking Hotline. The California Attorney General notes that California is one of the largest sites for human trafficking in the United States, recognizes the serious nature of this crime, and has defined it as "modern day slavery." "Human trafficking is among the world's fastest growing criminal enterprises and is estimated to be a \$150 billion-a-year global industry. It is a form of modern day slavery that profits from the exploitation of our most vulnerable populations."

(<https://oag.ca.gov/human-trafficking>).

Children as young as 11 to 12 years old are exploited by traffickers who force them to sell their bodies for the trafficker's financial gain. Trafficking victims are frequently forced to have sex with upwards of 15 strangers a day or face beatings at the hands of their traffickers. Trafficking victims must meet daily sex or labor quotas before they are permitted to sleep, eat, rest, or receive other basic life necessities. Traffickers use a combination of physical violence and psychological manipulation to gain compliance over their victims. These tactics include death threats to the victim, threats to harm the victim's family, food deprivation, physical beatings, rape, and burning the victim, among other acts of violence. Trafficking victims are treated as

property by their traffickers and are subject to their physically exhausting and exploitive demands. In many instances, traffickers will also brand their victims with facial or body tattoos to signify their ownership over the victim and the victim's status as mere property.

Human trafficking victims often suffer long-term physical and psychological trauma. The American Academy of Pediatrics recognized the severe trauma human trafficking victims suffer and stated the following, "violence and psychological manipulation are common, and victims are at increased risk of injury, sexual assault, infectious diseases, substance misuse, untreated chronic medical conditions, malnutrition, post-traumatic stress disorder (PTSD), major depression and other mental health disorders, homicide, and suicide." The US Department of Health and Human Services Administration on Children, Youth, and Families further noted, "young people who are sexually trafficked typically experience physical violence, both at the hands of their traffickers and those who purchase sex, and often acquire sexually transmitted infections (STIs) through their exploitation."

EXISTING LAW

The Penal Code defines the crimes that are considered serious and violent under California law. Penal Code section 1192.7(c) lists the 42 crimes that are defined as serious crimes under California law. Penal Code section 667.5(c) lists the 23 crimes that are defined as violent under California law. Both serious and violent crimes are considered strikes under California law. Existing California law defines human trafficking as a non-serious and non-violent crime.

SOLUTION

SB 1042 amends the Penal Code to add human trafficking to the list of both serious and violent crimes under California law. SB 1042 also classifies human

SB 1042
Human Trafficking – Serious and Violent Felony

trafficking as a strike offense and makes those convicted of this crime subject to the same penalties that apply to all serious and violent crimes. It is about time that California starts to prosecute these horrendous acts as serious and violent crimes.

SPONSOR

Kern County District Attorney's Office
DA Cindy Zimmer

CONTACT:

Elizabeth Watson
(916) 651-4016
Elizabeth.watson@sen.ca.gov

DATE

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

I (for individual) or We (organization) write in support of your legislation, SB 1042. This important bill will include human trafficking in the lists of crimes that are defined as serious and violent under California law, making the crime a strike under the Three Strikes law. It will also help strengthen protections for the millions of victims of sex and labor trafficking.

California consistently ranks number one in the nation in the number of human trafficking cases reported to the National Human Trafficking Hotline. The California Attorney General notes that California is one of the largest sites for human trafficking in the United States, recognizes the serious nature of this crime, and has defined it as "modern day slavery." Human trafficking is among the world's fastest growing criminal enterprises and is estimated to be a \$150 billion-a-year global industry. It is a form of modern day slavery that profits from the exploitation of our most vulnerable populations.

SB 1042 will give a voice to the millions of victims that have suffered from this horrific abuse. This bill will fight to protect victims, strengthen prevention and increase the prosecution of those who buy and sell human beings. It is about time that California starts to prosecute these horrendous acts as serious and violent crimes.

For all of the reasons stated above, I support SB 1042.

Sincerely,

