OROVILLE CITY COUNCIL
Council Chambers
1735 Montgomery Street
Oroville, CA. 95965

September 15, 2026
REGULAR MEETING
CLOSED SESSION 3:30 PM
OPEN SESSION 4:30 PM
AGENDA

PUBLIC ACCESS AND PARTICIPATION

Please review the options below for ways to participate or observe the Council Meetings.

To Observe the Meeting:

1. Live Feed: https://www.youtube.com/channel/UCAoRW34swYl85UBfYqT7IbQ/
2. Zoom Link: https://zoom.us/j/96870319529?pwd=dW9kMGRZSFo5MFFNQk5wVDUzRkRrZz09
3. Zoom Application: Meeting ID: 968 7031 9529 Passcode: 67684553
4. By Phone: Telephone: 1-669-900-6833 Meeting ID: 968 7031 9529 Passcode: 67684553

To Provide Comment to the Council:

1. Attend the meeting in person
2. Send an Email by 2:00 PM the day before the meeting to publiccomment@cityoforoville.org. All comments emailed will be provided to the Council Members for their consideration.

If you would like to address the Council at this meeting, you are requested to complete the blue speaker request form (located on the wall by the agendas) and hand it to the City Clerk, who is seated on the right of the Council Chamber. The form assists the Clerk with minute taking and assists the Mayor or presiding chair in conducting an orderly meeting. Providing personal information on the form is voluntary. For scheduled agenda items, *please submit the form prior to the conclusion of the staff presentation for that item.* Council has established time limitations of three (3) minutes per speaker on all items and an overall time limit of thirty minutes for non-agenda items. If more than 10 speaker cards are submitted for an item, the time limitation would be reduced to one and a half (1.5) minutes per speaker for that item. If more than 15 speaker cards are submitted for non-agenda items, the first 15 speakers will be randomly selected to speak at the beginning of the meeting, with the remaining speakers given an opportunity at the end. **(California Government Code §54954.3(b))**. Pursuant to Government Code Section 54954.2, the Council is prohibited from taking action except for a brief response from the Council or staff to statements or questions relating to a non-agenda item.

CALL TO ORDER / ROLL CALL

Council Members: Chuck Reynolds, Scott Thomson, Tracy Johnstone, Janet Goodson, Shawn Webber, Vice Mayor Eric Smith, Mayor David Pittman

CLOSED SESSION

The Council will hold a Closed Session on the following:

1. The City Council will meet for a Conference with Legal Counsel – Anticipated Litigation, pursuant to Gov. Code § 54956.9(d): (one (1) case).

2. The City Council will meet to confer regarding Real Property Negotiations under Government Code § 54956.8:
    a. Property: 012-061-001; 012-061-009; 012-061-010; 012-061-018 Negotiator(s): Brian Ring, City Administrator, David Ritchie, Asst. City Attorney. Negotiating Parties: Pioneer Collision Center. Under Negotiation: price.

3. The City Council will meet with the City Administrator and City Attorney for Conference with Legal Counsel – Existing Litigation pursuant to Gov Code § 54956.9) (Two cases):
    a. BAM Properties LLC v. City of Oroville, Butte County Sup. Ct. Case No. 26CV00248
    b. BAM Properties LLC v. City of Oroville et. al., U.S. District Court, California Eastern District Case No. 2:26-cv-00041-DMC

OPEN SESSION

1. Announcement from Closed Session
2. Pledge of Allegiance
3. Corrections/Changes to the Agenda
4. Recusals
5. Adoption of Agenda

RULES OF DECORUM

The Oroville City Council welcomes the public to its meetings and encourages and appreciates public engagement. The City Council expects members of the public to act in a courteous, civil, and respectful manner, and not make personal, slanderous, or profane remarks to any member of the Council, staff, or the general public. The City Council will not tolerate loud, threatening, personal, or abusive language, or disorderly conduct, which disrupts, disturbs, or otherwise impedes the orderly conduct of City Council meetings. Violation of these rules of decorum will result in the meeting being recessed.

PRESENTATIONS AND PROCLAMATIONS

None this meeting.

PUBLIC COMMUNICATION – HEARING OF NON-AGENDA ITEMS

This is the time to address the Council about any item not listed on the agenda. If you wish to address the Council on an item listed on the agenda, please follow the directions listed above.

REPORTS / DISCUSSIONS

1. Council Announcements and Reports

2. Administration Reports

CONSENT CALENDAR

Consent calendar **items 1 – 4** are adopted in one action by the Council. Items that are removed will be discussed and voted on immediately after adoption of consent calendar items.

1. CONTRACT AMENDMENT WITH AVENU MUNISERVICES, LLC EXTENDING TERM BY THREE YEARS

The City Council shall consider approving a contract extension amendment with Avenu MuniServices, LLC for continuing Sales and Use Tax Audit Services, Sales and Use Tax Analysis & Reporting Services (STARS), Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services.

ACTION REQUESTED -

APPROVE CONTRACT AMENDMENT NO. 4 WITH AVENU MUNISERVICES, LLC, EXTENDING THE CONTRACT THROUGH OCTOBER 13, 2029 AND AUTHORIZE THE MAYOR TO SIGN.

2. LETTER REGARDING OROVILLE HOSPITAL – COMMUNITY INTEREST AND PARTICIPATION IN BANKRUPTCY PROCEEDINGS

The City Council shall consider approving the letter expressing community interest and request for appropriate public advisory participation during the bankruptcy proceedings.

ACTION REQUESTED -

APPROVE THE LETTER AND AUTHORIZE THE MAYOR TO SIGN.

3. AMENDMENT TO LEASE / OPERATING AGREEMENT FOR THE OROVILLE CONVENTION CENTER BETWEEN THE CITY OF OROVILLE AND FEATHER RIVER RECREATION AND PARK DISTRICT

The City Council shall consider an amendment to lease / operating agreement #3516 with Feather River Recreation and Park District for the lease and operation of the Oroville Convention Center, extending the term of the lease by one year and increasing the monthly base rent by 3% from $2,575/month to $2,652.25/month.

ACTION REQUESTED -

ADOPT RESOLUTION NO. 9484 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE EXCLUSIVE OPERATING / LEASE AGREEMENT WITH FEATHER RIVER RECREATION AND PARK DISTRICT FOR THE OPERATING AND LEASE OF THE OROVILLE CONVENTION CENTER LOCATED AT 1200 MYERS STREET – AGREEMENT NO. 3516, AND AUTHORIZE THE MAYOR TO SIGN.

4. APPROVAL OF THE SEPTEMBER 1, 2026 CITY COUNCIL REGULAR MEETING MINUTES

The City Council shall consider approving the regular meeting minutes from the September 1, 2026 City Council meeting.

ACTION REQUESTED -

APPROVE MINUTES AND AUTHORIZE THE MAYOR TO SIGN.

REGULAR BUSINESS

5. FEE WAIVER REQUEST BY THE OROVILLE HMONG NEW YEAR FESTIVAL COMMITTEE

the City Council shall consider a fee waiver request from the Oroville Hmong New Year Festival Committee, in the amount of $3,660, for Police Services relating to the 2026 Oroville Hmong New Year Festival, to be held October 10th and 11th at the Nelson Avenue Sports Complex. This represents a 50% reduction in actual Law Enforcement costs.

ACTION REQUESTED -

WAIVE 50% OF THE FEES, IN THE AMOUNT OF $3,660, AND HAVE THE APPLICANT PAY THE REMAINDER OF THE FEES, IN THE AMOUNT OF $3,660.00, FOR THE 2026 OROVILLE HMONG NEW YEAR FESTIVAL, OR

DETERMINE A DIFFERENT RATE OF REDUCTION

6. APPOINTMENT TO DISTRICT A VACANCY

The City Council shall consider making an appointment to fill the existing vacancy in District A now that Councilmember Johnstone moved out of the district and resigned from her position effective Friday, August 21, 2026.

ACTION REQUESTED -

MAKE TEMPORARY APPOINTMENT TO FILL THE REMAINDER OF FORMER COUNCIL MEMBER JOHNSTONE'S TERM IN OFFICE AS DISTRICT A COUNCIL MEMBER; OR

ALLOW MORE TIME FOR CANDIDATES TO FILE LETTERS OF INTEREST.

7. RESPONSE TO 2025/26 FINAL BUTTE COUNTY GRAND JURY REPORT

The City Council shall consider approving the response to the Final 2025/26 Butte County Grand Jury Report on behalf of the City of Oroville.

ACTION REQUESTED -

APPROVE OR PROVIDE OTHER DIRECTION WITH REGARD TO THE CITY OF OROVILLE'S RESPONSE TO THE 2025/26 FINAL BUTTE COUNTY GRAND JURY REPORT AND AUTHORIZE THE MAYOR TO SIGN RESPONSE.

8. FIRE CONTRACT COSTS

The City Council shall receive information on the cost of Fire Services for the City of Oroville.

ACTION REQUESTED -

RECEIVE INFORMATION REGARDING FIRE COSTS.

9. APPOINTMENT TO VACANT COUNCIL COMMITTEE ASSIGNMENTS

Due to the resignation of former Council Member Johnstone, vacancies now exist on six Council Committees. The Mayor shall appoint Council Members to her former appointments. Once the Mayor has made these appointments, the Council will vote to confirm the assignments.

ACTION REQUESTED -

MAYOR ASSIGN COUNCIL MEMBERS TO VARIOUS VACANT ASSIGNMENTS DUE TO VACANCY OF COUNCIL MEMBER JOHNSTONE, DISCUSS ASSIGNMENTS AND VOTE TO CONFIRM OR DENY ASSIGNMENTS.

10. NAACP BUTTE COUNTY 6TH ANNUAL INVITATION AND REQUEST TO PURCHASE TABLE

The City Council shall consider purchasing a table to attend the 6th Annual NAACP Dinner for $750.00.

ACTION REQUESTED –

APPROVE PURCHASE OF TABLE FOR $750.00.

PUBLIC HEARINGS

None this meeting.

PUBLIC COMMUNICATION – HEARING OF NON-AGENDA ITEMS

This is the time to address the Council about any item not listed on the agenda. If you wish to address the Council on an item listed on the agenda, please follow the directions listed above.

FUTURE AGENDA ITEMS / CORRESPONDENCE

1. Future Agenda Items
2. Correspondence
   - i. **Fire Department Monthly Report - August 2026**
   - ii. **Code Enforcement Department Monthly Report - August 2026**
   - iii. **City Clerk Department Monthly Report - August 2026**
   - iv. **Housing and Community Services Department Monthly Report - August 2026**
   - v. **Community Development Department Monthly Report - August 2026**

ADJOURN THE MEETING

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on October 6, 2026 at 4:00 p.m.

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

Recordings - All meetings are recorded and broadcast live on cityoforoville.org and YouTube.

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN AND COUNCIL MEMBERS**

FROM: **JOSH DODSON - ACCOUNTING MANAGER**

RE: **CONTRACT AMENDMENT WITH AVENU MUNISERVICES, LLC EXTENDING TERM BY THREE YEARS**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider approving a contract extension amendment with Avenu MuniServices, LLC for continuing Sales and Use Tax Audit Services, Sales and Use Tax Analysis & Reporting Services (STARS), Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services.

DISCUSSION

The City has worked with Avenu MuniServices since before 1995. They provide the City with valuable assistance in the areas of Sales Tax analysis, reporting and auditing services.

The existing agreement is at the end of its current contract period and staff is requesting Council approval to continue our work with them and to extend our contract for another 3-year period ending October 13, 2029.

FISCAL IMPACT

$25,000 has been budgeted for this ongoing item in the Finance Department, Outside Services. 100.1090.6360.

ACTION REQUESTED -

APPROVE CONTRACT AMENDMENT NO. 4 WITH AVENU MUNISERVICES, LLC, EXTENDING THE CONTRACT THROUGH OCTOBER 13, 2029 AND AUTHORIZE THE MAYOR TO SIGN.

ATTACHMENTS

Amendment No. 4
Amendment No. 3
Amendment No. 2
Amendment No. 1
Original Agreement

Docusign Envelope ID: CCA1F277-ACFD-8E48-83A5-8DA43A5FCDFD

CONTRACT AMENDMENT #4 TO CONTRACT BETWEEN CITY OF OROVILLE AND MUNISERVICES, LLC

THIS FOURTH AMENDMENT ("Amendment No. 4") is entered into between City of Oroville, a government entity in the State of California ("City") and MuniServices, LLC, a Delaware limited liability company ("Consultant"), (collectively the "Parties").

The City and Consultant agree as follows:

WHEREAS, on or about October 13, 2014, City and Consultant entered into an agreement to provide Sales and Use Tax Audit Services, Sales/Use Tax Analysis & Reporting Services (STARS), Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services (the "Agreement");

WHEREAS, under Section 5, Term of this Agreement, the initial term of the Agreement was for a three-year period and renews for successive three-year terms if the Parties mutually agree to extend the Agreement in writing;

WHEREAS, Amendment No. 1 formally extending the term of the agreement for an additional three years was executed on April 9, 2018;

WHEREAS, Amendment No. 2 further extended the term of the agreement for an additional three years effective January 20, 2020;

WHEREAS, Amendment No. 3 further extended the term of the agreement for an additional three years effective October 6, 2023;

WHEREAS, the Parties seek to renew the Term of the Agreement for an additional three (3) years through October 13, 2029.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree to amend the Agreement as follows:

1. This Amendment No. 4 is effective as of October 14, 2026 ("Effective Date of Amendment No. 3").

2. The Term of the Agreement is renewed for an additional three (3) years through October 13, 2029.

3. All other terms and conditions of the Agreement, except as modified by this Amendment No. 4, shall remain in full force and effect.

Docusign Envelope ID: CCA1F277-ACFD-8E48-83A5-8DA43A5FCDFD

IN WITNESS WHEREOF, the undersigned authorized representatives of Consultant and City have executed this Amendment No. 4.

MuniServices, LLC

Signed by:
By: Matthew Coury
42BF4D71860443A...
Name: Matt Coury
Title: Chief Executive Officer
Date:

City of Oroville

By: _____
Name: David Pittman
Title: Mayor
Date: September 15, 2026

AMENDMENT 3 TO CONTRACT BETWEEN
City of Oroville AND Avenu MuniServices, LLC

THIS CONTRACT THIRD AMENDMENT ("Amendment No. 3") is entered into between City of Oroville, a government entity in the State of California ("City") and MuniServices, LLC, a Delaware limited liability company ("Consultant" or "AVENU"), (collectively the "Parties").

The City and Consultant agree as follows:

WHEREAS, on or about October 13, 2014, City and Consultant entered into an agreement to provide Sales and Use Tax Audit Services, Sales/Use Tax Analysis & Reporting Services (STARS), Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services (the "Agreement").;

WHEREAS, under Section 5, Term of this Agreement, the initial term of the Agreement was for a three-year period and renews for successive three-year terms if the Parties mutually agree to extend the Agreement in writing.;

WHEREAS, Amendment No. 1 formally extending the term of the agreement for an additional three years was executed on April 9, 2018;

WHEREAS, Amendment No. 2 further extended the term of the agreement for an additional three years effective January 20, 2020;

WHEREAS, the Parties seek to renew the Term of the Agreement for an additional three (3) years through October 13, 2026.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree to amend the Agreement as follows:

1. This Amendment No. 3 is effective as of October 14, 2023 ("Effective Date of Amendment No. 3").

2. The Term of the Agreement is renewed for an additional three (3) years through October 13, 2026.

3. All other terms and conditions of the Agreement, except as modified by this Amendment No. 3, shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the undersigned authorized representatives of Consultant and City have executed this Amendment No. 3.

MuniServices, LLC	**City of Oroville**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Amendment No. 2 to
Consultant Services Agreement

This Amendment No. 2 is made as of January 20, 2020, by and between the City of Oroville, a municipal corporation ("City"), and MuniServices, LLC a Delaware limited liability company ("Consultant") collectively the Parties.

RECITALS

A. On or about October 13, 2014, City and Consultant entered into an agreement to provide Sales and Use Tax Audit Services, Sales/Use Tax Analysis & Reporting Services, Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services (TOT) (the "Agreement").

B. The initial term of the Agreement was for a three-year period. The Agreement renews for successive three-year terms if the Parties mutually agree to extend the Agreement in writing.

C. Since October 14, 2020 the Parties have been operating as if the contract was in full force and affect.

D. The Parties hereby desire to formally extend the term of the Agreement for an additional three-year term.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained here, the Parties agree as follows:

AGREEMENT

1. **Amend Section 5 Term.** Add to the section the following:

   City and Consultant hereby extend the term of this Agreement for an additional three-year period through October 13, 2023.

2. **Add Section 7 Confidentiality Requirements.** Add the following section:

7. <u>Confidentiality Requirements</u> Section 7056 of the State of California Revenue and Taxation code specifically limits the disclosure of confidential taxpayer information contained in the records of the California Department of Tax and Fee Administration. This section specifies the conditions under which a COUNTY may authorize persons other than COUNTY officers and employees to examine State Sales, Use and Transactions Tax records.

The following conditions specified in Section 7056 (b), (1) of the State of California Revenue and Taxation Code are hereby made part of this agreement.

1. CONTRACTOR is authorized by this Agreement to examine sales, use or transactions and use tax records of the Department of Tax and Fee Administration provided to COUNTY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law.
2. CONTRACTOR is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the COUNTY who is authorized by resolution to examine the information.

3. CONTRACTOR is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.
4. CONTRACTOR is prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired. Information obtained by examination of Department of Tax and Fee Administration records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the COUNTY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the CONTRACTOR as a person, authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

3. **Other terms.**
All other terms and conditions of the Agreement remained unchanged.

IN WITNESS WHEREOF, the parties are signing this Amendment on the date stated in the introductory paragraph.

Consultant
MuniServices, LLC

Mike Melka
Mike Melka
Chief Financial Officer

City of Oroville,
a Municipal Corporation

(signature)

Ruth Wright, Assist City Admin
(print name/title)

Amendment No. 1 to
Consultant Services Agreement

This Amendment No. 1 is made as of April 9, 2018, by and between the City of Oroville, a municipal corporation ("City"), and MuniServices, LLC a Delaware limited liability company ("Consultant") collectively the Parties.

RECITALS

A. On or about October 13, 2014, City and Consultant entered into an agreement to provide Sales and Use Tax Audit Services, Sales/Use Tax Analysis & Reporting Services, Utility Users Tax Compliance and Revenue Protection Program, and Solid Waste Hauler Franchise Fee Compliance Program Services (TOT) (the "Agreement").

B. The initial term of the Agreement was for a three-year period. The Agreement renews for successive three-year terms if the Parties mutually agree to extend the Agreement in writing.

C. Since October 14, 2017 the Parties have been operating as if the contract was in full force and affect.

D. The Parties hereby desire to formally extend the term of the Agreement for an additional three-year term.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained here, the Parties agree as follows:

AGREEMENT

1. **Amend Section 5 Term.** Add to the section the following:

   City and Consultant hereby extend the term of this Agreement for an additional three-year period through October 13, 2020.

2. **Other terms.**
   All other terms and conditions of the Agreement remained unchanged.

IN WITNESS WHEREOF, the parties are signing this Amendment on the date stated in the introductory paragraph.

Consultant
MuniServices, LLC

Doug Jensen
Senior Vice President

City of Oroville,
a Municipal Corporation

(signature)

Ruth Wright, Finance Director
(print name/title)

MuniServices, LLC
Consultant Services Agreement

1. Us.
We are MuniServices, LLC, a Delaware limited liability company, and a wholly owned subsidiary of Portfolio Recovery Associates, Inc.; with an office at 7625 N. Palm Avenue, Suite 108, Fresno, California 93711. In this Agreement we are referred to as "MuniServices" or "we", "our", "us. We use our sister company, RDS, to assist us with work. Sometimes we will refer to you and us as the "Parties."

If you need to contact us a short list of helpful contacts is attached as Attachment 3.

If you are sending us a notice required by this Agreement, send it to:

MuniServices, LLC
Attn: Legal Department
7625 N. Palm Avenue, Suite 108
Fresno, CA 93711
Facsimile: 559.312.2852
Email: legal@muniservices.com

When providing notice to us, you must also provide a copy of the notice to: PRA General Counsel, 120 Corporate Blvd., Suite 100, Norfolk, VA 23502. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery. We do not accept notices by email or facsimile. Notice of rate changes or distribution changes must be sent by certified mail.

2. You.
You are the City of Oroville. You are a municipal corporation of the State of California. In this Agreement we will refer to you as "you", "your", "yours". If we are sending you a notice required by this Agreement, we will send it to:

City of Oroville
Attn: Randy Murphy, City Manager
1735 Montgomery St.
Oroville, CA 95965
Facsimile: 530.538.2468
Email: murphyr@cityoforoville.org

3. Our Services and your payment.
We will provide you with the services listed in Attachment 1 (the "Services"). You will pay us the fees listed in that same Attachment. If we are providing more than one Service, each service will have a separate attachment and will be labeled Attachment 1-1, 1-2, etc.

4. What our Services do not include.
We do not provide to you or any third-parties any legal advice or services. We also do not provide tax advice to you or third parties. Also we cannot and therefore do not establish: the tax rates due from taxpayers; and the penalties and fees that are assessed against taxpayers (though we will calculate these amounts for you as part of the Services once you have established the rates). We also do not determine either the amount of refunds or the proper government account(s) that taxpayer receipts shall be deposited into.

5. Term of this Agreement.
The initial term of this Agreement begins on October 14, 2014 (the "Effective Date") and continues for a period of three years from the Effective Date. This Agreement will be renewed for successive three year terms (each a "Renewal Term") if and only if the Parties mutually agree to extend the Agreement in writing. There are some other ways this Agreement can end and those are found in Article I of the General Provisions, Attachment 2.

6. General Provisions.

The parties are also bound by the General Provisions as set forth in Attachment 2 of this Agreement, which are by this reference incorporated into this Agreement. If something in this Agreement contradicts the General Provisions, set forth in Attachment 2 or any other provision contained in the Attachments then what is said in this Agreement governs rather than the General Provisions.

The Parties are signing this Agreement on the Effective Date indicated in Section 5 above.

MuniServices, LLC

By: _____
Doug Jensen, SVP Client Services

City of Oroville,
a Municipal Corporation

By: _____

Name: Linda L. Dahlmeier

Title: Mayor

ATTACHMENT 1
Sales and Use Tax Audit Services (SUTA) Services

Article 1-Objectives and Methods

MuniServices' Sales or Transactions and Use Tax Audit Service is designed to maximize the City's income—and minimize the cost of lost revenue—by detecting and documenting misallocations of Local District Tax (also known as Transactions & Use Tax), Bradley-Burns sales tax and local use tax activity within the statute of limitations on recoverability.

Article 2-Scope of Work

In performing the sales and use tax audit program MuniServices shall:

1. Identify and correct the sales/use tax reporting errors of businesses that, based on the nexus of their activities, are not properly registered with the City.
2. Identify and correct the reporting of businesses that are improperly reporting tax to state and county pools (i.e. classifying sales tax as use tax) and thereby depriving the City of sales tax revenue.
3. Detect, document and correct sales/use tax reporting errors/omissions and thereby generate new, previously unrealized revenue for the City.
4. Ensure through comprehensive audit measures that the revenue information used for ongoing economic analysis includes all sales/use tax generators.
5. Assist the City with strategies to preserve and even enhance sales and use tax revenue generated by existing businesses within the City.

MuniServices' proposed sales/use tax allocation audit services for the City includes five distinct types of audits:

- Taxable Nexus Field audits
- Permitization audits
- Deficiency assessment audits
- Accounts payable audits
- Quarterly Distribution Report audits

Taxable Nexus Field Audits
MuniServices' initial and periodic taxable nexus field audits include a physical canvassing and evaluation of sales/use tax generating businesses located in the City. In the absence of this undertaking, significant misallocations will remain undetected. MuniServices' field audits focus on those businesses located in the City from which the City has not been receiving sales/use tax revenue.

Permitization Audits
Wholesalers, contractors, processors, manufacturers and other non-retail businesses will frequently not have a sales tax permit properly registered to the City in which they are located because their business operations do not include a point-of-sale qualifying activity. However, these companies will often generate local sales/use tax from the State Board of Equalization (SBE) audit deficiency assessments, occasional sales (i.e., mergers and acquisitions), and self-accrual of use tax on purchases. MuniServices' field audits facilitate the identification and correction of improperly registered permits for companies having point-of-sale operations in the City.

Deficiency Assessment Audits

When the California SBE audits taxpayers for sales/use tax compliance, it is not uncommon for the taxpayer to receive a substantial deficiency assessment due to underpayments and/or under-collections. In many cases, the local allocation portion of the deficiency assessment is distributed in error to the State pool, county pools, or other jurisdictions. Accordingly, MuniServices has developed proprietary criteria and techniques to detect and correct SBE deficiency assessment misallocations and thus expand the benefits produced by MuniServices' allocation audit service.

Accounts Payable Audits

When California taxpayers purchase tangible personal property for which title passes out-of-state, the transactions are subject to use tax (rather than sales tax) which is collected by the vendor who in turn remits it to the SBE, with the local allocation typically distributed statewide or countywide through the pools.

Under certain conditions, the seller may allocate the local tax by situs or the City may elect to self-accrue the use tax and remit it directly to the SBE, in which case the local portion will come back to the City in the same manner as sales tax.

MuniServices' accounts payable audit will include a review of the City's purchases to identify opportunities for the City to capture the 1% local allocation on purchases subject to use tax and the local district tax where applicable. In this regard, MuniServices will prepare the documentation to facilitate the election, including assistance in preparing and filing the tax returns.

Quarterly Distribution Report Audits

Every three months, the City and MuniServices receive a Quarterly Distribution Report (QDR) from the SBE with the local allocation amount reflected by permit number.

MuniServices' QDR audits detect and correct taxpayer-reporting errors and thereby generate new, previously unrealized sales/use tax revenue for the City. MuniServices' QDR audits focus on those accounts where MuniServices observes a substantial decline in the sales/use tax revenue allocation for a particular business entity in a given quarter. In most cases, accounts showing zero balances have either relocated or simply reported late, in which case the payments will not be reflected until the next quarter's QDR. Therefore, six months must lapse before the QDRs indicate whether a zero balance account can be attributed to a late payment or a misallocation.

Cities and counties may only recover misallocated Bradley-Burns sales tax revenue for three quarters prior to the SBE being notified of the reporting error and misallocated District tax revenues for between three quarters and three years. Therefore QDR audits must be conducted in a timely manner in order to preserve the opportunity for the City to recover misallocated revenue. MuniServices shall conduct the QDR audit each and every quarter to minimize the potential of lost revenue to the City.

Confidentiality Provisions

MuniServices is authorized by this Agreement to examine transaction tax, sales tax, and use tax records of the SBE provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law and California Revenue & Taxation Code applicable to transactions and use taxes., including but not limited to the transaction and use tax that became effective or about [insert date tax became effective]. If the City adopts a new transaction tax or taxes after the effective date of this agreement the parties intend for the work under this agreement to include that tax or taxes.

MuniServices is required to disclose information contained in, or derived from, those sales, transaction, and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.

MuniServices is prohibited from performing consulting services for a retailer during the term of th Agreement.

MuniServices is prohibited from retaining the information contained in, or derived from, those sales, transaction, and use tax records, after this Agreement has expired.

This Agreement, and MuniServices' and City's obligations with respect to confidentiality of taxpayer data pursuant to the Bradley Burns Revenue and Taxation Code, shall continue until final payment for all services rendered hereunder.

Article 3-Deliverables

SUTA Detection and Documentation

MuniServices shall represent the City for purposes of examining SBE records pertaining to sales and use tax to identify errors and omissions. MuniServices' procedures for detecting and documenting misallocations are as follows:

1. Review applicable provisions of the City's municipal code and ordinance adopted by the City to determine applicability.
2. Procure a computer tape of sales/use tax permit records from the SBE.
3. Analyze sales tax distribution reports provided by the SBE for five or more of the most recent consecutive quarters.
4. Clean-up, standardize and computerize data from City's quarterly sales tax distribution reports provided by SBE for previous quarters, current quarter and each future quarter service is provided.
5. Prepare an aggregated list of business entities on electronic media; this list is derived from multiple private and public sources (hard copy and electronic), including specialized business listings and directories, the City's sales and use tax payment files, and an electronic copy of the City's Business License Tax registry, updated no less than twice per year.
6. Clean, standardize and integrate, in address-order, each entity's business name, address and payment file information, to eliminate redundancies, using MuniServices' proprietary software.
7. Physically canvas commercial/industrial area within the City's borders.
8. Develop a target list of potential point of sale/use reporting errors/omissions based on:
    a. An electronic comparison of MuniServices' comprehensive inventory against the SBE's quarterly distributions for the City, and
    b. An analysis of each potentially misallocated account based on proprietary guidelines established by MuniServices.
9. Meet with designated City official(s) to review service objectives and scope, MuniServices workplan schedule, public relations and logistical matters.
10. Contact personnel in sales, operations and/or tax accounting at each target business to determine whether a point-of-sale/use reporting error exists. (Note: this is accomplished with the highest regard to discretion and professional conduct. MuniServices' allocation audits are predicated on a non-controversial, constructive public relations approach which emphasizes the importance of each business to the City and the mutual benefits of correcting reporting errors.)
11. Provide to the City and SBE reports addressing each taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contacted, date(s) of contact, nature of business, reason(s) for error, recommended corrective procedure and, if available, estimated sales/use tax revenue which should be forthcoming to the City.
12. MuniServices may also provide suggested language for letters to be sent to the taxpayers and/or SBE from the City (or from MuniServices on behalf of the City) urging cooperation in promptly correcting the distribution error.

13. Respond to negative findings by SBE with timely reconfirmation documentation in order to preserve the City's original dates of knowledge.
14. Receive and process registration control record information monthly.
15. Receive and process sales tax distribution reports quarterly.
16. Coordinate with the taxpayer and SBE to make the necessary corrections and collect eligible back quarter's amounts.
17. Monitor and analyze the quarterly distribution reports with an audit focus on the following:
    a. Accounts with previously reported point-of-sale/use distribution errors to ensure that the corrections are made for current quarters and all eligible back quarters.
    b. Major accounts comprising 90% or more of the City's total sales tax revenue to identify any irregularities or unusual deviations from the normal pattern (e.g. negative fund transfers, significant decreases, unusual increases, etc.) and ensure that the City is not receiving less revenue than it is entitled to.
    c. Those accounts receiving deficiency assessments to ensure that the City receives its local allocation
18. Identify opportunities for the City to recover local allocation on purchase transactions subject to use tax. Prepare the necessary documentation to facilitate recovery, including assistance in preparing and filing the returns.

SUTA Detection Timing Considerations

For each misallocated account detected, MuniServices will coordinate with the business and SBE to make the necessary corrections plus retroactive adjustments for eligible amounts of sales/use tax improperly distributed in prior quarters. MuniServices coordinates and communicates between typically four parties; sales/operations personnel at the taxpayer's local operation, tax personnel at the company's corporate headquarters, and SBE personnel and the in-state/out-of-state district offices. Correction of the account is considered to have been made once the payments on identified taxpayer accounts are being properly allocated by the taxpayer to the City in the period in which the payment was made.

As needed, MuniServices will represent the City before state officials, boards, commissions and committees for the purpose of correcting sales tax distribution errors that have deprived the City of revenue to which it is entitled.

Article 4-Compensation

What the City will pay MuniServices

MuniServices' compensation for the Sales or Transactions and Use Tax Audit Service is a 25% contingency fee. This fee applies to revenue received for six quarters beginning with the quarter in which the Date of Correction falls and all eligible prior quarters back to and including the three quarters prior to the Date of Knowledge quarter for Bradley-Burns sales tax revenues and all eligible prior quarters back to and including all corrected quarters prior to the Date of Knowledge quarter for district tax revenues. As used herein, the Date of Knowledge is the quarter during which MuniServices notifies the SBE of the existence of a misallocation. As used herein, the Date of Correction refers to the quarter in which the taxpayer has correctly reported the local tax and the SBE distributes the local tax properly to City based on the taxpayer's reporting. For QDR Misallocations detected and corrected, MuniServices' compensation shall only include the quarters for which the misallocation actually occurred.

For clarification and to encourage communication and collaboration between MuniServices and the City, MuniServices shall be entitled to full payment of all compensation as provided herein even if any one or more of City, its personnel, agents, or representatives, or any third party or parties provide(s) information to MuniServices that assists or is used by MuniServices in the identification, detection, and correction of point-of-sale distribution errors or the reporting and/or misallocation of revenue.

In the event that the City identifies, documents, and notifies the SBE of a point-of-sale distribution error, reporting error or misallocation as those terms are used herein, the City agrees to notify MuniServices of the City's discovery no later than ten (10) days after the Date of Knowledge as defined in Title 18 of the California Code of Regulations, Regulation 1807 ("Date of Knowledge"). The City also agrees to notify MuniServices promptly if it is working on a local tax misallocation issue independently of MuniServices and to maintain and promptly make available to MuniServices on request contemporaneous documentation of such work and its timing so that the duplication of work can be avoided. If the City fails to so notify MuniServices as provided above and MuniServices later detects, documents, and reports the misallocation or reporting error to the State Board of Equalization, or if MuniServices has established a Date of Knowledge with the SBE prior to notification to the Board by the City, then MuniServices is entitled to full compensation for the affected account as provided herein.

Additional Consulting

City may request that MuniServices provide additional consulting services at any time during the term of the Agreement. If MuniServices and City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting on a Time and Materials basis. Any additional consulting services must be specifically authorized by the City Council prior to the commencement of the additional consulting services by MuniServices. Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates range from $75 per hour to $300 per hour.

The following are sample hourly rates based on the job classification:

- Principal: $300 per hour
- Client Services: $250 per hour
- Information Technology (IT) support: $200 per hour
- Operational Support:
    - Director: $175 per hour
    - Manager: $150 per hour
    - Senior Analyst: $125 per hour
    - Analyst: $100 per hour
    - Administrative: $75 per hour

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred. All reimbursable expenses shall receive prior approval from the City and shall be reimbursed at cost to MuniServices.

Article 5 – Completion of Services

Notwithstanding any other provision of this Agreement, because Consultant's services performed hereunder result in corrections of misallocations and other revenue after cessation of services by Consultant for City, City agrees that with regards to misallocations identified to the SBE whose Date of Knowledge occurred during Consultant's performance of services for City or for other revenue resulting from Consultant's actions taken during the term of this Agreement, that City's obligation to pay Consultant in accordance with the compensation language of this Agreement shall survive expiration or termination of this Agreement for any reason. Additionally, notwithstanding any other provision of this Agreement, if this Agreement is terminated or expires, Consultant shall continue to pursue corrections of accounts identified during the term of this Agreement that have not been corrected by the SBE as of the effective date of termination or expiration. The period after termination during which Consultant is pursuing correction of accounts identified before termination is referred to as the "completion period." City shall compensate Consultant in accordance with the compensation language of this Agreement for corrected misallocations that result from Consultant's efforts during the completion period. City will also take all necessary steps to allow Consultant to continue to receive the required information from the SBE during this completion period.

ATTACHMENT 1-1
Sales/Use Tax Analysis & Reporting Service (STARS)

Article 1-Objectives and Methods

MuniServices' STARS Digest is designed to provide a general analysis regarding statewide trends that may affect the City's sales tax plus a specific analysis of the City's sales tax composition, changes and performance. The STARS Digest also includes the Quarterly Management Summary and specialized reports that analyze the City's sales tax economic base and performance for the latest complete quarter and benchmark year.

Article 2-Scope of Work

Quarterly STARS Digest

MuniServices will provide the City with quarterly updated bound STARS Digests including accounts from which the City receives sales tax revenue. The primary reports included in the STARS Digest are:

1. **Allocation Summary** - Reconciles SBE advances, cleanup payments and pool allocations with budget projections to assist the City with revenue forecasting and receipt monitoring.
2. **Cash Analysis** - Quarterly aberrations due to SBE audits, fund transfers, and other causes are also identified and analyzed for budget planning and revenue forecasting purposes.
3. **Top 100 Five-Year** - Historical performance of the top 100 accounts comparing current benchmark year ranking and sales tax produced with that of prior years.
4. **Top 100 Detail –** Sales tax performance of the City's top 100 sales tax accounts is shown in order of sales tax produced with the results for the most recent five quarters prominently displayed. The proportion of City sales tax produced is also shown by each account.
5. **Economic Category Performance –** An analysis of the changes that occurred by economic category and segment with the specific businesses responsible for the significant changes delineated.
6. **Significant Change Analysis –** A report reflecting magnitude of change, indicating which key businesses grew or declined, measured in absolute dollars and percentages.
7. **Business Code Classification** - This report shows the various business codes assigned by the SBE and the accounts assigned those codes in order of sales tax produced. Five quarters of sales tax data are shown for each significant account.
8. **Historical Economic Composition** - Data are summarized by economic category and segment by quarters and benchmark years. Percentage of total sales tax generated by category and segment is also shown to indicate trends in sales tax composition and performance.
9. **Geo-Area Reports** - Tracks sales tax performance within designated areas of the City (e.g., key shopping centers, business parks, and downtown/business districts,). Charts and printed reports are included for each geo-area.
10. **Cross-Reference Reports** - Allow the user to look up any account shown in the STARS Digest by name, address or account number.

STARS Query System

MuniServices will install the STARS Query System (a software program) on a City designated, IBM-compatible PC. Each quarter, MuniServices shall provide the City with updated information from SBE on CD-ROM. The data shall be provided in an encrypted format allowing the City to export sales tax information from the Query System in an Access-compatible format.

The Query System enables City staff to analyze the contribution of sales/use tax revenue from each taxpayer in the City on an individual, grouped or sorted-order basis by business name, business type, permit number, size ranking, street address, development, shopping center or other geographic area. Reports may be generated by any year (i.e., calendar, fiscal, benchmark) or for any particular quarter for all periods stored in the historical database.

The initial STARS Digest and Sales Tax Query System shall be delivered and installed within 45 working days following receipt of a fully executed contract, confidentiality resolution and the SBE sales tax registration and payment data. Subsequent quarterly Query System updates and STARS reports will be delivered to the City within 30 days following receipt of the quarterly distribution reports from the SBE.

License Agreement
The STARS Query System is licensed software provided by MuniServices. The terms and conditions of the STARS Query System License Agreement are provided here in Article 5. By installing and using the STARS Query System, the City agrees to be bound by the terms of the License Agreement.

Article 3-Deliverables

Timing & Reports
MuniServices shall:

1. Provide the City with quarterly updated STARS Digests.
2. Install the STARS Query System on a City designated PC
    a. Update quarterly the City's sales tax registration and allocation data from the State Board of Equalization (SBE) from MuniServices' proprietary STARS Query System on IBM compatible PCs with Microsoft Access export capacity. (note: STARS is encrypted)
3. Train authorized City staff in the use of the STARS Query System.

Article 4-Compensation

What the City will pay MuniServices
The STARS Digest and Query System are available for an annual fixed fee of $3,000 per year, paid $750 quarterly. The Annual Fee shall be adjusted at the beginning of each calendar year by the percentage change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. The initial Consumer Price Index used for the first CPI adjustment will be the CPI-WU for the month in which the agreement is fully signed with the first adjustment to occur at the beginning of the Calendar year following the first full calendar year of service.

For instance, if the agreement is signed in April, year 1, the adjustment would not occur until January of year 3. The adjustments thereafter will be based on the CPI-WU from December of the prior calendar year. Each Annual Fee adjustment shall not be less than two percent (2%) or greater than ten percent (10%).

Additional Consulting
City may request that MuniServices provide additional consulting services at any time during the term of the Agreement. If MuniServices and City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting on a Time and Materials basis. Any additional consulting services must be specifically authorized by the City Council prior to the commencement of the additional consulting services by MuniServices. Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates range from $75 per hour to $300 per hour.

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred. All reimbursable expenses shall receive prior approval from the City and shall be reimbursed at cost to MuniServices.

Article 5 – End-User Notice and License Agreement

Notice to end-user: Installation or use of the STARS Query System software and associated Data (together "Software") on a computer system constitutes user's ("Your" et. al) acceptance of these terms. If You do not agree to the terms of this license, discontinue this installation and promptly delete the Software from the computer system, destroy any copies you made of the Software or any installation diskettes of the Software, and dispose of all written materials in Your possession regarding the Software. This License is effective until terminated. You may terminate it at any time by destroying the Software and all copies of it. It will also terminate if You fail to comply with any term or condition of this License. You agree upon termination to destroy the Software together with all copies of the Software.

License Grant: MuniServices, LLC grants to You a license to install and use one copy of the Software on a single computer. Your license to use the Software is conditioned upon Your compliance with the terms of this Agreement. A License is required for each installation of the Software. You may make one (1) copy of the Software for archival purposes only.

Copyright: The Software is protected by copyright laws and international treaty provisions. You acknowledge that no title to the intellectual property in the Software is transferred to You. You further acknowledge that title and full ownership rights to the Software will remain the exclusive property of MuniServices, LLC and You do not acquire any rights to the Software except as expressly set forth in this license. The Software in source code form remains a confidential trade secret of MuniServices, LLC and decompiling, disassembling, or otherwise reverse engineering the Software in any way is prohibited as a violation of those copyrights.

Prohibited Uses: You may not (a) use, copy, modify, alter, or transfer the Software or documentation except as expressly provided in this License; (b) translate, disassemble, decompile, reverse program or otherwise reverse engineer the Software; (c) sublicense or lease the Software or its documentation; or (d) use a single installation of the Software in a multi-user or multiple computer environment or in a rental, time sharing or computer service business. Without prejudice to any other rights, MuniServices, LLC may terminate this License if You fail to comply with its terms and conditions. In such event, You must destroy all copies of the Software.

Limited Warranty: MuniServices, LLC warrants that the Software will perform substantially in accordance with the accompanying written materials upon installation for a period of thirty (30) days from the date of purchase.

End-User Remedies: If the Software does not conform to the "Limited Warranty" section above, MuniServices, LLC's entire liability and Your sole and exclusive remedy shall be, at MuniServices, LLC's option, either to (a) correct the error, or (b) help You work around the error. The Limited Warranty is void if failure of the Software has resulted from accident, abuse, or misapplication. Any replacement software will be warranted for the remainder of the original Limited Warranty period.

No other warranties: MuniServices, LLC does not warrant that the software is error free, except for the express limited warranty in the "limited warranty" section. MUNISERVICES, LLC DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE SOFTWARE, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. Some jurisdictions do not allow the exclusion of implied warranties or limitations of how long an implied warranty may last, or the exclusion of limitation

of incidental damages, so the above limitations or exclusions may not apply to You. This warranty give You specific legal rights and you may also have other rights which vary from jurisdiction to jurisdiction.

No Liability for Consequential Damages: In no event shall MuniServices, LLC or its licensors, suppliers, or licensees be liable to You for any consequential, special, incidental, or indirect damages of any kind arising out of the performance or use of the software, even if MuniServices, LLC has been advised of the possibility of such damages.

Governing Law: This Agreement is governed by the laws of the State of California, U.S.A. without regard to its conflict of laws principals.

U.S. Government Restricted Rights: Use, duplication or disclosure of the Software by any agency, department or other entity of the U.S. Government is restricted in accordance with FAR 12.212 for civilian agencies and DFARS 227.7202 for military agencies. The Software is a commercial product. Use of the Software by the U.S. Government is further restricted by the terms of this License.

Acknowledgement: Your installation or use of this product for any period of time constitutes your acceptance of this agreement and License and binds You to its terms, contents and conditions.

ATTACHMENT 1-2
Utility Users Tax Compliance and Revenue Protection Program

MuniServices, LLC ("MuniServices") agrees to provide the City with certain professional services in furtherance of a comprehensive utility users tax/franchise compliance and revenue protection program ("Program"), with broad participation by California public agencies, that is designed to preserve, protect, and enhance its utility users tax ("UUT") and utility franchise revenues.

Article 1-Objectives and Methods

MuniServices Utility Users Tax Standard Program, described in Article 2 Section A, will provide compliance reviewing, geocoding, information, and associated services and skills, in conjunction with the legal and "protective" services of the City's outside counsel, Donald H. Maynor, A Professional Law Corporation ("Law Firm"), to establish and implement a Program that will allow the City and other participating California public agencies to preserve, protect and enhance their UUT and utility franchise revenues focusing on three areas:

- Compliance Review Services;
- Revenue Protection and Enforcement; and
- Client Support Services.

An optional UUT Premium Program described in Article 2 Section B, MuniServices offers City-Specific Auditing and Provider Specific Geo-Coding Services. These services include compliance and associated activities designed to establish and implement a Compliance Program that will allow participating California public agencies to preserve, protect and enhance their UUT revenues through a combination of auditing, geocoding, tax application compliance, business detection, ordinance modernization with election approval update, legislative monitoring, technology update, and other essential compliance and protective services. An effective Compliance Program will assist the City, and other participating public agencies, in identifying and correcting errors/omissions causing revenue deficiencies, and thereby produce new or previously unrealized revenue for such participants. The Program's tax preservation services will help protect the City's existing UUT revenues from erosion due to new legislation, new technologies, outdated ordinance language and inaccurate information. By offering these essential services through a comprehensive Program, with widespread participation, there are the additional benefits of: i) achieving lower individual costs for such joint activities; and, ii) developing consensus-based decisions regarding ordinance interpretations and tax implementation that utility industries require of California public agencies, including coordinated responses to proposed state and federal legislation.

Article 2-Scope of Work

A. UUT Standard Program

1. Compliance Review Services

At any time during the term of this Agreement, with the prior consent of the City where specifically indicated, MuniServices will perform the following compliance activities in any of the following areas:

a. UUT Tax Application Review: Compliance reviews of major utility providers, with a focus on common client issues, to assure that the UUT is being properly applied to taxable services and charges.

b. Geocode Information and Review: Develop and maintain a proprietary address range database to assure accurate and complete address range information regarding the City's boundaries. This

service also includes monitoring City boundary changes due to annexations or other municip reorganizations and providing those changes to any utility services provider that serves customers within the City.

c. UUT Business Detection: Utilize other detection tools to verify whether such companies are doing business within the City, and then assist City's staff in pursuing enforcement actions, as needed, including developing compliance correspondence and enforcement procedures.

d. UUT Payment Analysis, Calculations and Deviations: Identification of possible gaps in payments, calculation mistakes, and other payment errors, provided that the City provides MuniServices with regular UUT payment history. MuniServices will follow up with the appropriate compliance correspondence and enforcement procedures on behalf of the City.

e. UUT Payment History: MuniServices will provide the City, on a monthly or otherwise mutually agreed upon basis, with a spreadsheet reflecting the City's UUT payments by provider and utility category (based on remittance data provided by the City to MuniServices).

f. Non-Core Suppliers Review: MuniServices will assist the City in obtaining the SB278 lists and review non-core suppliers operating with the City to ensure that these utility resellers are included in the calculation of UUT revenues and are in compliance with the provisions of the City's UUT ordinance.

g. Commercial Exemption Review: MuniServices will obtain the list of commercial exempt accounts and analyze the status pursuant to the exemption provisions of the City's UUT ordinance or federal law. Any accounts found to be exempt in error will be brought into compliance as appropriate.

2. Revenue Protection Services

MuniServices will work cooperatively with Law Firm in providing the following revenue protection services designed to protect the City's existing and future UUT revenues as follows:

a. Ordinance Update: Law Firm will provide a comprehensive review and update of the City's existing UUT ordinance. Thereafter, provide periodic reviews and recommended updates to the UUT ordinance, administrative rulings to address new issues that may arise because of deregulation, litigation, changes in laws or regulations, the unbundling of traditional utility services, or the introduction of new technologies to provide utility services. Such recommendations will clarify or add procedural protections to the existing ordinance, and should not require a Proposition 218 election approval. If a major modernization of the ordinance is deemed necessary, with voter approval, we will assist the City with ordinance language, staff reports, draft ballot language, and other technical assistance.

b. Legislative Review Services: Monitor proposed state and federal legislation to identify issues affecting the City's UUT or utility franchise revenues, and, if justified, make recommendations to the City and lobbyists of California public agencies.

c. Regulatory Agency Review: Monitor proceedings at the various regulatory proceedings (e.g., California Public Utilities Commission, California Energy Commission, Federal Commerce Commission, and Federal Energy Regulatory Commission) that potentially impact the City's UUT, and make appropriate recommendations to the City.

d. Information Services: Provide the City with periodic newsletters, special communications, and legislative bulletins, workshops and seminars on such subjects as industry deregulation, new technologies, complying with new utility-related legislation, and other timely subjects.

e. Statutory Compliance Services: Law Firm will assist the City as appropriate in complying with Public Utilities Code §495.6.

f. Technology Reviews: Continually research utility information to identify taxable services delivered by new technologies and bundling packages and how it applies to the City's UUT Ordinance.

Note: ***MuniServices, LLC Does Not Provide Legal Services:*** *It is agreed and understood MuniServices will provide no legal services that may be required under any of the activated Programs described in this Agreement.*

3. Client Support Services

a. UUT Website: Prepare and maintain an accurate copy of the City's UUT ordinance and its administrative rules and interpretations on the uutinfo.org website. Additionally, a link to the City's web page (if desired), FAQ's, and model forms for exemptions, registration, remittances and other tax compliance documents will be maintained on the www.uutinfo.org website.

b. Client Only Webpage: Provide the City's staff, as appropriate, access to the client-only features of the www.uutlaw.com webpage which provides legal memos, practice hints, special utility features, legislative tracking and new technology reviews.

c. Revenue Management Report(s): Provide an annual report that outlines the year's activities in review, revenue forecasts, YTD Comparison charts and revenue generated from compliance activities. This report contains an analysis of UUT revenues and a five-year revenue forecast on each of the utility business segments (electric, gas, CATV, wired telecom, wireless telecom, etc).

d. Tax Application Inquiries: Provide legal and technical assistance to existing City staff and the City attorney's office, and provide timely analysis and draft responses to tax application inquiries from utility companies, and will assist in responding to citizens regarding their utility bills and the computation of the UUT.

e. Enforcement Assistance: Law Firm may provide the City's staff and the City Attorney's office with: i) legal assistance on specific issues that arise in the enforcement of the tax ordinance (e.g., nexus issues and questions from taxpayers or tax collectors); and ii) compliance correspondence and legal notices as required by ordinance and due process.

f. Audit Assistance: Assist the City's audit staff and the City Attorney's office in, i) gaining access to audit-related information under existing legal authorities, including the preparation of an administrative subpoena; ii) addressing legal issues that arise in the course of an audit;

g. Program Review: Review the City's existing or proposed tax compliance programs, including tax amnesty programs.

h. Tax Initiative Help: Assist City in developing effective strategies to address aggressive "anti-tax" efforts.

B. UUT Premium Program (Optional)

1. City-Specific Audits

At any time during the term of this Agreement, with the prior mutual consent of the City and MuniServices, MuniServices may perform an audit of a specific utility provider related to UUT payments and/or utility franchise fees if applicable. The audit's intention is to focus on the compliance of the particular selected utility provider(s) with the City's UUT ordinance and/or franchise fee agreement. This service includes an actual request for, and review of the utility provider's books and records. Typically, the audit process, in general, will consist of the following:

a. Submit an Audit Notification along with the Letter of Authorization and a Request for Information (RFI) outlining the information needed to complete the audit to the Provider(s).
b. Attempt to obtain a waiver on the Statute of Limitations, as applicable, for the audit.
c. Review the work papers and supporting documentation used in the computation of the UUT and/or franchise fee payments.
d. Review and analyze the provider's general ledger and financial statements. Compare and analyze the data for reasonableness, completeness, and accuracy as related to the UUT and/or franchise fee.
e. Review and analyze all the provider's revenue accounts in detail to:
    1) Determine revenues that are to be included or excluded from the UUT and/or franchise fee computations;
    2) Review the revenues excluded from the computations, if any, and;
    3) Determine if exclusions are permitted by the City's ordinance and/or franchise agreement.
f. Determine if a utility provider or any of its subsidiaries receives any revenues from customers or third-parties for the use of utility provider's facilities located on City's right-of-way authorized by the franchise agreement that are not included in the franchise fee calculation used to determine the payment to the City.
g. Analyze the number of customers reported in the City by rate classification and obtain and review the utility provider's procedures to code new customers to the proper jurisdictions and the procedures used to address annexations.
h. Obtain and review the list of any exempted customers, if any, from the UUT and/or franchise fee computation. For Cable TV Provider's PEG fees, if there are any, request the supporting documentation on provider's payments to the City. The schedules should include a composition of the number of subscribers such as basic, non-standard and free subscribers, by month, for each of the calendar years included in the review period.
i. Sample test the geo-coding system by selecting certain customer accounts within the City boundaries and in the immediate vicinity to review if those accounts are properly coded as assessed. MuniServices will concentrate the sampling in problematic geographical areas, such as those that might overlap with a neighboring city or where multiple zip codes exist. MuniServices will also sample test heavily in the area of annexations to ensure that proper procedures are in place to identify and properly code these areas within the Franchisee's system. MuniServices will request that the utility provide the customer account information in an electronic format for all customers located in the City and surrounding areas.
j. Compare the provider's payments, exclusions, and other computations as related to the UUT and/or franchise agreement. Compare the actual payments made to the City for timeliness and accuracy.
k. Conduct an Exit Interview with the utility provider to review findings and obtain the provider's position on the issues identified. Seek to obtain agreement and/or payment of any amounts due to the City (to be sent directly to the City) within 30 days.
l. Prepare a written report with findings that describe and explain the results of MuniServices review, potential additional monies due to the City, the Provider's position on the issues and

any applicable penalties and interest. MuniServices will schedule a final presentation of these findings with the City.

m. Provide any and all necessary schedules and supporting documents to assist the City in collecting underpaid UUT and/or franchise fees.

2. Utility Customer's Jurisdictional Coding Verification Service (Optional)

As an optional service under the UUT Premium Services, MuniServices will perform a 100% test of a providers' customer base, verifying that all customers are correctly coded to the proper jurisdiction, and provide the providers with any accounts that are identified as being incorrectly coded. This service requires the providers to provide non-confidential customer account information in an electronic format for all customers located in the City and surrounding areas.

Article 3-Deliverables

MuniServices shall deliver to the City the studies, plans, specifications, or other documents as are identified in the Scope of Services; and shall, upon completion of all work, submit to the City all information developed in the course of providing the services. MuniServices shall, in such time and in such form as the City may require, furnish reports concerning the status of services required under this Agreement. MuniServices shall, upon request by the City and upon completion or termination of this Agreement, deliver to the City all material furnished to MuniServices by the City.

Article 4-Compensation

A. Annual Fixed Fee

1. Total Annual Fixed Fee: The City's total annual fixed fee for participating in the Program shall be the greater of i) one-half of one percent (0.5%) of the total UUT revenues received by the City (excluding UUT revenues derived from sewer, water, trash or CATV) based on the prior fiscal year, or ii) ten thousand dollars ($10,000) ("Minimum Fee").

2. Allocation of Annual Fee. The total annual fee payment shall be allocated and paid separately to Law Firm and MuniServices as follows: To MuniServices: City will pay MuniServices its allocated fee of one-half of one percent (0.5%) of the total annual UUT fee less the amount allocated and paid separately to Law Firm. To Law Firm: City will pay Law Firm its allocated fee of one-thousand two-hundred and fifty dollars ($1,250) per quarter. At any time, Law Firm and MuniServices may, by mutual agreement, adjust their proportional share of said total annual fee, provided that such parties shall receive prior approval of such adjustment from the City.

3. Quarterly Payments of Fixed Fee: Said annual fixed fee shall be paid in four equal quarterly payments with due dates of: March 31, June 30, September 30, and December 31. Invoices for services rendered shall be in arrears (invoiced for the immediately preceding quarter). If the effective date of this Agreement is other than on an invoice date, the City shall be invoiced for the first quarterly payment on the immediately following invoice date as set forth herein. City shall be invoiced and responsible for a prorated portion of the preceding quarter based on the effective date of this Agreement. Payment will be made to MuniServices within thirty (30) days of receipt of MuniServices invoice therefore. Any amounts which remain unpaid after thirty (30) days shall accrue interest at a rate of one and one-half percent (1.5%) per month, or the maximum amount permitted by law. These quarterly payments are nonrefundable.

B. Compensation for City-Specific Compliance Review Services

1. With the exception noted in subsection (2) below, with respect to a City-specific compliance review referred to in Article 2, Section B(1) above, MuniServices shall be entitled to contingent fee compensation where MuniServices' compliance review activities result in the City receiving additional revenues from such City-specific compliance review activity. Accordingly, the City shall pay MuniServices twenty-five percent (25%) of the additional revenues, including interest and penalties, that has resulted from its City-specific compliance review activities. MuniServices will seek to recover, or assist the City in recovering all revenue due the City from prior periods, if any, and MuniServices will receive 25% of any retroactive recovery. Said 25% also applies to the additional revenue received by the City for the first three years following the correction of the error/omission**.** As used in this subsection, the term "additional revenues" includes the value of any other services, credits, property of every kind or nature, or other consideration received by the City in lieu of monetary payment.

2. Specifically for Solid Waste compliance reviews, MuniServices shall be entitled to additional fixed fee compensation. The amount of the fixed fee compensation and the detailed of scope of work shall be determined prior to the start of the work and shall be mutually agreed to in writing between both parties.

3. Notwithstanding subsections (1 and 2) above, nothing herein shall prohibit the parties from entering into a written agreement on compensation for City-specific compliance review services on a fixed fee or any other separately negotiated basis.

4. MuniServices compensation is due and payable within thirty (30) days of the City's receipt of MuniServices invoice. Any amounts which remain unpaid after thirty (30) days shall accrue interest at a rate of one and one-half percent (1.5%) per month, or the maximum amount permitted by law.

C. Utility Customer's Jurisdictional Coding Verification Service (Optional)
Should MuniServices provide the Optional Jurisdictional Coding Verification Service to the City, the City shall pay MuniServices a fixed fee of twenty-thousand dollars ($20,000) per each Provider coded. The fixed fee will be billed to the City 50% upon election of the service and the remaining 50% upon completion.

D. MuniServices Expenses: MuniServices shall absorb all expenses incurred by MuniServices in providing its services as described herein. These expenses include items such as employee salaries and benefits, insurance, airfare, auto rentals, meals, lodging, express mail, mail, telephone, copying, directories, on-line resources, and other overhead and miscellaneous expenses.

Additional Consulting
The City may request that MuniServices provide additional consulting services at any time during the term of the Agreement. If MuniServices and the City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting on a Time and Materials basis. Any additional consulting services must be specifically authorized by the City Council prior to the commencement of the additional consulting services by MuniServices. Depending on the personnel assigned to perform the work, MuniServices standard hourly rates range from $75 per hour to $300 per hour.

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred. All reimbursable expenses shall receive prior approval from the City and shall be reimbursed at cost to MuniServices.

A. Welcome Packet

The City agrees to provide MuniServices with a Program Welcome Packet, including, but not limited to:

1. A copy of the City's UUT Ordinance and any amendments thereto.
2. Two letters requesting the exemption lists from the utility companies to be placed on City letterhead and returned to MuniServices.
3. A Letter of Authorization for MuniServices to act on City's behalf. Place on City letterhead and returned to MuniServices.
4. A sample remittance form to be provided to the utility companies if the City doesn't currently have a form for this purpose.
5. Two SB278 letters requesting from utility companies to provide a transportation list. These letters should be placed on City letterhead and returned to MuniServices.

B. Necessary Information

The City will provide MuniServices, on a timely basis, with information necessary to conduct its compliance review activities including but not limited to: monthly UUT payment histories, exemption lists, and SB 278 gas and electric lists (including names of customers refusing to pay surcharges), and of any subsequent amendments to the UUT ordinance.

C. Regarding the City-Specific Audits

City agrees to:

1. Provide administrative subpoenas as needed for access to the books and records of the utility.
2. Provide a specific Letter of Authorization for MuniServices addressed to the specific utility for the specific audit.
3. Invoice the responsible party for tax deficiencies (plus interest and penalties if applicable) identified and confirmed by MuniServices within thirty (30) days following receipt of MuniServices detection report or correspondence.
4. Provide MuniServices with a copy of any settlement agreement with a taxpayer/tax collector within ten (10) days of entering into such agreement; and,

D. Notification

Notify MuniServices within ten (10) days following receipt by the City of payments that are a direct result of MuniServices compliance and/or audit services (cash, installment, or other compensation directly benefitting the City) of such tax deficiencies, whether invoiced or not. Upon receipt of such notice, MuniServices will promptly invoice the City (if applicable).

E. Legal Interpretations of Ordinance

Upon request, the City will provide MuniServices with appropriate legal and administrative interpretations of its UUT ordinance. It is agreed and understood that the City will retain the exclusive authority and responsibility to administer, interpret, and enforce its UUT ordinance, recognizing that the role of MuniServices is limited to employing their unique expertise and proprietary tools for: i) detecting and identifying errors/omissions by utility service providers or utility users in the application, calculation, collection, and remittal of UUT; and ii) providing the City with technical assistance, without assuming or being delegated the authority or responsibility of the City to administer, interpret, and enforce its UUT ordinance and standard utility franchise agreements.

F. City's Determination Final

Whenever the City Council or a City Officer is empowered under State or local ordinance to make a determination as to whether or not a tax assessed against a taxpayer is due, for purposes of this Agreement that determination shall be final and binding on the parties hereto. However, a City Officer's

determination to waive a tax assessment shall not relieve the City of its obligation to pay MuniServices therefore.

G. Confidentiality

MuniServices agrees that it shall keep all information it receives concerning City taxpayers confidential and shall use it solely for tax compliance purposes. Services performed by MuniServices prior to termination may result in the City's receipt of revenue after termination. This receipt of revenue entitles MuniServices to payment from the City even after expiration of contract or termination. The City agrees to provide to MuniServices after expiration or termination of this Agreement such confidential payment information as is necessary to enable MuniServices to calculate the compensation due to MuniServices as a result of said receipt of revenue and MuniServices shall maintain the confidentiality of this information. Therefore, MuniServices shall be deemed a contractor under Revenue and Taxation Code Section 7284.6 - .7 after expiration of contract or receipt of notice of termination from the City for the sole and limited purpose of enabling MuniServices to have access to said information to calculate compensation.

H. City agrees to view MuniServices as a revenue enhancement partner and allow MuniServices to assist the City in increasing compliance and increasing revenues.

Article 6 – Completion of Services

A. Either the City or MuniServices may terminate this Agreement, by thirty (30) days prior written notice as provided in this Section.

B. If the City terminates this Agreement at any time within twelve (12) months following the effective date of this Agreement, and Law Firm has prepared an ordinance update for the City (whether or not the City adopts the recommended update), the City shall nevertheless pay MuniServices four (4) quarterly payments from the commencement of the Agreement to compensate MuniServices for services rendered. MuniServices shall also be entitled to additional compensation as described in Section C below.

C. Upon termination by either party of the Agreement as provided herein, MuniServices shall be entitled to retain any fees it may have received from the City pursuant to Article 4 Section A and Article 6 Section B of this Agreement. In addition, MuniServices shall be entitled to payment according to the terms of Article 4 Section B for all additional revenues, including interest and penalties, resulting from MuniServices compliance review activities. Within thirty (30) days following termination, MuniServices shall provide the City with a list of detections of non-compliance resulting from the compliance review activities of MuniServices. The City shall, in good faith, diligently seek to: i) correct such detections of non-compliance made by MuniServices prior to the date of termination; and, ii) collect the additional revenues that are due the City and MuniServices for past periods and for the twelve quarters going forward following the correction, even though the date of actual correction may occur after the termination date. MuniServices shall assist the City in this correction/collection effort, if so requested by the City. MuniServices right to compensation for City-Specific compliance review activities under Article 4 Section B shall survive termination of this Agreement for any reason.

ATTACHMENT 1-3
Solid Waste Hauler Franchise Fee Compliance Program

Article 1-Objectives and Methods

MuniServices' Solid Waste Hauler Franchise Fee Compliance Program ("Solid Waste Compliance") is an agreed-upon-procedures review of the franchise fee payments made to the City from its waste haulers. This service is designed to verify the accuracy of those payments in compliance with the City's franchise agreement. MuniServices will partner with Michael Balliet, a waste hauler management consulting expert, to perform the Solid Waste Compliance for the City.

This service will be activated upon written notice from the City.

Article 2-Scope of Work

MuniServices will perform the Solid Waste Hauler Franchise Fee Compliance Program as follows:

Phase I - Reasonableness Test Compliance Review
MuniServices provides an innovative approach to auditing that utilizes hauler tonnage and billing information to establish a "reasonableness test," resulting in more successful resolution to franchise fee payment issues than traditional audit methods. More than 80 percent of the haulers audited with this method pay findings without dispute. More than 95% of the audits result in fee recovery for the client. MuniServices believes that this innovative approach will be more cost effective to the City and more successful in resolving the payment issues with the franchise haulers.

Under this approach, the scope of services proposed for this Solid Waste Compliance will include:

- Review the current franchise agreements and the City's solid waste ordinances.
- Review all reports submitted by the City's franchised hauler(s) to be included in the review for the past 12 months. The findings will be applied to the review period (generally the previous three years) to ascertain gross receipts, tons hauled, tons disposed, and tons diverted.
- Review of the waste haulers' franchise fee payment calculations for the review period.
- Review of all tonnage and fee reports issued to the City by the waste haulers for the review period.
- Review waste haulers' invoices for all service types performed under the franchise and review waste haulers' records to assess quantities of each service performed.
- Review the waste haulers' tonnage data used to compute the AB939 compliance fees, if applicable.
- Utilizing proprietary "revenue-to-ton ratio process", conduct a reasonableness test of waste haulers' franchise fee payments.
- Prepare a report that establishes the waste haulers accuracy with regards to reporting franchise fees, and potential areas for improvement in both fee remittance and program services.
    - This report will identify areas in the City's municipal code that require attention and suggest how and why these areas should be changed.
    - The report will provide a review of the franchised hauler's compliance with the City's agreement and identify any potential breaches and areas where the City could benefit from additional or improved services.
- Upon input from City staff we will finalize our suggestions on system improvements into City-ordinance format, suitable for presentation and adoption
- Establish findings based upon the review of waste haulers' revenue and tonnage information.

- This step is done prior to a full financial audit and often results in City obtaining under-pa franchisee fees without the time and expense of a full audit.
- It is also advisable to perform this step since the hauler is often responsible for audit costs if a finding is made.
- This step allows us to "pre-qualify" where the findings are likely to be and expend hours where they will be most useful to City
- Under this task we will prepare audit finding notices and establish payment deadlines for each hauler reviewed.

Phase II - Agreed-Upon Procedures Franchise Fee Audit (On-site Audit)
If the waste hauler(s) declines to pay the amount prescribed by the above "reasonableness test" performed in the Solid Waste Compliance, then MuniServices will perform an agreed-upon-procedures franchise fee audit to finalize our findings. If the franchise agreement allows, the City can generally assess the audit costs to the hauler if findings are made. That way most, if not all, of MuniServices' costs would be paid by the hauler.

The agreed-upon-procedure for the franchise fee audit process will include a review of all recurring billings, all temporary services (including those paid by credit card or cash), and may include the following additional steps:

- If required, prepare and execute a Nondisclosure Agreement between MuniServices and waste haulers.
- Review of all gross revenues on waste haulers' general ledger; discuss revenue categories with waste hauler management; discuss revenue categories with City management; make a determination as to which gross revenues, if any, have been under reported to the City.
- Compare general ledger dollar amounts to other waste haulers' prepared documents, such as audited or unaudited financial statements and tax returns, to verify the validity of the general ledger numbers.
- Perform analytical reviews on the overall financial data of waste haulers; perform tests of reasonableness on gross revenue allocations to the City.
- Prepare a report; submit the report draft to City and waste haulers' management for review and comments; then prepare final report for issuance.

Optional Jurisdictional Verification Service
MuniServices also provides an innovative approach to analyzing waste haulers' customer bases to determine that all customers located within the City are included in the customer base used to determine the City's franchise fee payments. If the waste haulers provide MuniServices with their customer bases electronically, MuniServices can perform a 100% verification of their customer base and provide the waste haulers with the specific corrections that need to be made. Most audit firms, at best, only perform a random sample review of the customer base, which identifies that errors exist, but does not provide the details for the waste hauler to correct those errors.

Timing
MuniServices will commence the Solid Waste Compliance within 10 working days of receipt of a fully executed agreement including the following: a) the required letter of authorization; b) applicable franchise agreements and ordinances; and c) franchise fee payment remittances from the City.

MuniServices' objective is to complete the reviews within 3 to 4 months, but this will vary depending on access to and the condition of the waste haulers' records, as well as the level of cooperation provided by the waste haulers. This review may include jurisdictional coding verification of the waste haulers' subscriber base from electronic media if waste haulers provide MuniServices with the required electronic data (see the above optional jurisdictional verification service).

Article 3-Deliverables

Phase I Audit – Reasonableness Test Compliance Review
Within one-week (1) of receiving the fully executed Agreement, MuniServices will issue a records request to the hauler(s) through the City. We will draft this notice for the City's review and approval. If the waste hauler does not respond, or fails to comply with the information request contained within two-weeks (2) of mailing of the letter, MuniServices will request that the City send a final notice to the hauler(s). These steps will insure that the hauler(s) have every opportunity to comply and that the City is kept apprised. In addition, we are available to advise and assist the hauler(s) in preparing their response to our request to insure timely and accurate data submission.

Phase II – Agreed-Upon Procedures Franchise Fee Audit (On-site Audit)
We will prepare a report; submit the draft of the report to the City and the waste hauler(s) management for review and comments. We will then prepare the final report for issuance.

Article 4-Compensation

Provided that the Effective Date is on or before June 30, 2013, in exchange for MuniServices performing the work indicated above, the Client will pay MuniServices as follows:

Phase I Audit - Reasonableness Test Compliance Review
The City shall pay MuniServices a fixed fee of $17,500 for a review of three (3) to four (4) years of fee payments and compliance (City's choice). This compensation includes an audit on up to 5 haulers; $1,500 will be charged for each additional hauler. The fixed fee is due and payable immediately after the completion of Phase I. The City will be reimbursed the $17,500 fee on the first $17,5000 in findings.

- On Audit findings above the first $17,500 and up to $300,000, the City shall pay MuniServices a 25% contingency fee.
- On audit findings above $300,000 the contingency fee shall be 15%.

The contingent fee is applied to the final finding amount agreed to by the City and the hauler, or arrived at through mediation and/or a legal proceeding. Contingent fee applies to all financial benefit obtained by the City resulting from audit findings. Phase I flat fee costs will be deducted from findings before contingency fee is applied.

Phase II - Agreed-Upon Procedures Franchise Fee Audit (On-site Audit)
This is the onsite portion of our review where we audit all associated records to determine payment accuracy and compliance with agreement terms. During Phase II we are also available to meet with the City to discuss Phase I recommendations and to update you on our onsite efforts. Phase II compensation is specifically the contingent fee structure outlined above. Additionally, MuniServices will be entitled to reimbursement of reasonable travel and other out-of-pocket expenses associated with the performance of the audit. Such reimbursement will be for actual costs of travel, meals, and lodging (receipts provided) and shall not exceed $1,000 without the written approval of the City. The out-of-pocket expenses will be invoiced upon issuance of the final report of the Phase II finding to the City.

Optional Jurisdictional Verification Service
Should MuniServices provide the Optional Jurisdictional Verification Service to the City, the City shall pay MuniServices a fixed fee of $2,000 per solid waste hauler. This fee shall be invoiced upon the completion of the report.

Additional Consulting

The City may request that MuniServices provide additional consulting services at any time during the term of the Agreement. If MuniServices and City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting on a Time and Materials basis and will bill the city monthly**.** Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates range from $75 per hour to $300 per hour. Economies of scale are provided on pricing if the additional work is related to the solid waste system under review.

Article 5 – City Obligations

MuniServices will need from the City a letter of authorization, copies of applicable ordinances, the current franchise agreement, amendments, and any subsequent agreements relating to franchise fee collection, any prior reports prepared by the internal or external auditors which concern the computation or methodologies for computing franchise fee, and a three-year history of franchise payments made by each waste hauler to the City.

ATTACHMENT 2
GENERAL PROVISIONS

Article I

Within 5 business days after signing this agreement.	You will designate, in writing, one individual to whom we may address communications concerning this Agreement. This person or such person's designee will be the principal point of contact for us in obtaining decisions, information, approvals, and acceptances.
10 business days after you receive our invoice.	You have until this date to dispute in the invoice, or a portion of it, in writing. Your written dispute must be post-marked by this date and must be sent to the addresses in paragraph 1 of the Agreement. (Paragraph 1 is located on the front page of the agreement and is titled "Us".)
10 business days after we receive your written notice that you dispute an invoice or part of an invoice.	We will either correct the error or explain to you why we think the invoice is correct. During this time, we will not try to collect the amount being disputed.
30 days after receiving our invoice.	You must pay our invoice(s) by this date. If you do not pay by that time, we have the right to charge you interest at the rate of one and one-half percent (1.5%) per month, or the maximum amount permitted by law, on any amounts you do not pay within thirty days. If we refer your account to an attorney for collection of past due amounts, we may charge you for our reasonable attorney fees, including costs for attorneys who are employed by us, and court costs incurred by us to the extent permitted by law. Any settlement of your account balance for less than what is owed requires our written consent.
40 days after receiving our invoice	If you have not paid, and have not disputed an invoice as provided above, then we may terminate this Agreement with no further notice and we have no further obligation to you.
When you provide us with information for use in the Services.	By providing us information, you represent that: • you have the right to provide us the information without violating the rights of third-parties; • your release of the information to us does not violate any applicable laws and regulations; and • to the best of your knowledge the information is accurate and not defamatory. You will notify us immediately if there is a change in the information you have provided to us.
If we send you a report or other deliverable.	You will review all reports we provide to you in a timely fashion and you will notify us immediately if you find a discrepancy in any of the information we have provided to you. Upon payment therefore, we will grant you all right, title, and interest in and to the reports, charts, graphs, and other deliverables we are required to produce under this Agreement.
While the Agreement is effective.	We will keep in full force and effect insurance coverage during the term of this Agreement including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. You may at any time request copies of our certificates.

90-days after prior written notice.	This Agreement terminates for convenience but only if the terminating party sends the notice to the person designated to receive notices under this Agreement (see paragraph 1 or 2, as applicable, of this Agreement).
After giving written notice of a breach other than a failure to pay.	The non-breaching party may immediately terminate this Agreement if: • the written notice of the breach was sent to the person designated to receive notices for the breaching party under this Agreement (see paragraph 1 or 2, as applicable, of this Agreement); and the breach is not your failure to pay (that situation is addressed separately below.); and • the breach has not been cured in a reasonable time after the breaching party received notice. Ordinarily, 30 days will be a reasonable time to cure the breach but if the party receiving notice of the breach can demonstrate that the breach will take more than 30 days to cure, the non-breaching party and breaching party will agree on an extended period to cure the breach.
After the occurrence of a "financial default"	A party may terminate this Agreement immediately if the other party experiences a "financial default." A "financial default" means: • a material adverse change in a party's financial condition that adversely affects its ability to perform hereunder; or • a party becomes or is declared insolvent or bankrupt; or • a party is the subject of any proceedings relating to liquidation or insolvency or for the appointment of a receiver; or • a party makes an assignment for the benefit of all or substantially all of its creditors; or • a party enters into an agreement for the composition, extension, or readjustment of all or substantially all of its obligations. If you experience a "financial default" then we may, at our option, declare the entire outstanding amounts and costs owing to us hereunder immediately due and payable.
This Agreement is terminated or expires.	You remain obligated to: (1) pay us for Services performed through the effective date of the termination or expiration; (2) if applicable, provide us with all the information necessary for us to calculate what you owe us on revenue you receive after the termination or expiration; and (3) if applicable pay invoices we send you after the expiration or termination of this Agreement for Services performed before termination or expiration or for continuing payments required by the Scope of Work or for both.

Article II. The parties also agree to the following miscellaneous terms.

1. Independent Contractor. We are an independent contractor. Nothing in this Agreement is to be interpreted as: creating the relationship of employer and employee between you and us or between you and any of our employees or agents; or creating a partnership or joint venture between you and us. We are responsible for any subcontractors we use in performing Services for you and we are solely responsible to pay those subcontractors. We may perform similar services for others during this Agreement and you agree that our representation of other government sector clients is not a conflict of interest.

2. Compliance with Laws. The parties agree to comply with all applicable local, state and federal laws and regulations during the term of this Agreement.

3. Intellectual Property. We retain all right, title, and interest in and to the processes, procedures, models, inventions, software, ideas, know-how, and any and all other patentable or copyrightable material used, developed, or reduced to practice in the performance of this Agreement.

4. Waiver. Either party's failure to insist upon strict performance of any provision of this Agreement are not to be construed as a waiver of that or any other of a party's rights under this Agreement at any later date or time.

5. Force Majeure. Neither party is liable for failing to perform its obligations hereunder (other than payment obligations) where performance is delayed or hindered by war, riots, embargoes, strikes or acts of its vendors or suppliers, accidents, acts of God, or any other event beyond its reasonable control.

6. Counterparts. This Agreement may be signed in separate counterparts including facsimile or electronically transmitted copies. Each counterpart (including facsimile or electronically transmitted copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.

7. Assignment. MuniServices may assign this Agreement, in whole or in part, without your consent to any corporation or entity into which or with which MuniServices has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of MuniServices; or any corporation or entity which acquires all or substantially all of the assets of MuniServices. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.

8. Public Release and Statements. Neither you nor we nor each of our representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party, except as specifically provided by law. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.

9. Entire Agreement. This Agreement is the entire Agreement between us and you for the Service(s). This Agreement supersedes and replaces any prior Agreements, of whatever kind or nature, for the Service(s) Any prior Agreements, discussions, or representations not expressly set forth in this Agreement are of no force or effect. No additional terms, Purchase Order Terms and Conditions, or oral or written representations of any kind are of any force and effect unless in writing and signed with the same formality as this Agreement.

10. No Oral Modification. No modification of this Agreement is effective unless set forth in writing and signed with the same formality as this Agreement.

11. Invalidity. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential provisions of this Agreement for each party remain valid, binding, and enforceable.

12. Construction. This Agreement is to be construed in accordance with the laws of the State of California without regard to its conflict of laws principals.

13. Headings. The section headings herein are for convenience and reference purposes only and are not to serve as a basis for construction or interpretation.

Attachment 3
MuniServices Helpful Contacts

Contact	Project Role	Phone	Email
Bret Harmon	Client Services Manager	559.271.6876	bret.harmon@muniservices.com
Doug Jensen	SVP Client Services	559.288.8943	doug.jensen@muniservices.com
Janis Varney	VP Misallocation - SUTA	559.271.3011	janis.varney@muniservices.com
Irene Reynolds	Client Relations Supervisor	559.271.6867	irene.reynolds.@muniservices.com
Gary Grace	UUT Production Manager	818. 661.5520	gjgrace@revds.com
Tim Hunter	Franchise Fee Manager	205.423.4170	tjhunter@revds.com
Mike Balliet	Waste Hauler Auditor	949.378.2205	MBalliet@cox.net
	Billing Department	757.321.2517	acctpay@portfoliorecovery.com
Francesco Mancia	VP Government Relations	559.288.7296	fran.mancia@muniservices.com
Brenda Narayan	Dir. Government Relations	916.261.5147	brenda.narayan@muniservices.com
Patricia A. Dunn	Contracts Manager	559.271.6852	patricia.dunn@muniservices.com

CITY OF OROVILLE
STAFF REPORT

TO: **VICE MAYOR AND COUNCIL MEMBERS**

FROM: **MAYOR PITTMAN**

RE: **LETTER REGARDING OROVILLE HOSPITAL – COMMUNITY INTEREST AND PARTICIPATION IN BANKRUPTCY PROCEEDINGS**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider approving the letter expressing community interest and request for appropriate public advisory participation during the bankruptcy proceedings.

DISCUSSION

The proposed correspondence is intended to communicate the City's general community interest in the continued availability and stability of hospital services in Oroville.

The letter does not advocate for or against any particular bidder, purchaser, creditor, restructuring proposal, or other party involved in the bankruptcy proceeding. Rather, it expresses the City's desire to ensure that the interests of the local community have an appropriate opportunity to be considered as the hospital's future is determined.

FISCAL IMPACT

None.

ACTION REQUESTED -

APPROVE THE LETTER AND AUTHORIZE THE MAYOR TO SIGN.

ATTACHMENTS

Letter

City of Oroville

OFFICE OF THE MAYOR

David W Pittman
Mayor

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2535 FAX (530) 538-2468
www.cityoforoville.org

September 15, 2026

The Honorable Christopher D. Jaime
Chief United States Bankruptcy Judge
United States Bankruptcy Court
Eastern District of California
Sacramento Division
501 I Street
Sacramento, California 95814

RE: Oroville Hospital, Case No. 25-26876, Chapter 11
City of Oroville — Expression of Community Interest and Request for Appropriate Public Advisory Participation

Dear Chief Judge Jaime:

On behalf of the City of Oroville and the community we serve, we respectfully submit this letter to express the City's substantial public interest in the future operation of Oroville Hospital and our desire to participate, through whatever lawful and appropriate process may be available, in discussions concerning the hospital's long-term future.

Oroville Hospital is more than a business enterprise located within our city. It is a vital community health care institution, providing emergency, inpatient, outpatient, diagnostic, surgical, and other essential medical services to residents of Oroville and the surrounding region. Its continued operation, stability, accessibility, and quality of care are matters of significant public importance.

The City recognizes and respects that the Hospital's Chapter 11 proceeding is governed by federal bankruptcy law and that decisions regarding the debtor, its assets, creditors, restructuring, and any potential transfer or reorganization must occur through the processes established by the United States Bankruptcy Court.

The City does not seek through this letter to advocate for or against any bidder, purchaser, creditor, restructuring proposal, or other party appearing before the Court. Rather, the City wishes to ensure that the interests and concerns of the community served by Oroville Hospital have an appropriate opportunity to be heard as decisions affecting the hospital's future are considered.

Accordingly, the City of Oroville respectfully expresses its interest in participating in, or contributing to, any appropriate public advisory, community engagement, stakeholder, or informational process associated with the future operation of Oroville Hospital.

The City's principal interests include:

- Maintaining continuous access to emergency and essential hospital services in Oroville.
- Preserving high-quality health care for residents of Oroville, Butte County, and surrounding rural communities.
- Supporting the continued availability of physicians, nurses, medical professionals, and hospital employees.
- Preserving local employment and the hospital's substantial contribution to the Oroville economy.
- Encouraging long-term financial and operational stability of the hospital.
- Maintaining appropriate transparency and communication with the community regarding significant changes in hospital ownership or operations.
- Protecting access to health care for seniors, families, children, low-income residents, and medically vulnerable populations; and
- Establishing constructive communication between future hospital leadership and the community it serves.

The City believes that local government can provide valuable community perspective without interfering with the Court's authority or the rights of the parties in the bankruptcy proceeding. We therefore respectfully request information regarding any appropriate procedure through which the City may communicate its community interests or participate in future public or stakeholder discussions concerning the hospital.

Should there ultimately be a change in ownership, governance, management, or organizational structure, the City would welcome an opportunity to establish a constructive working relationship with the hospital's future leadership. We believe cooperation among hospital leadership, physicians and employees, local government, community organizations, and residents will be important to the institution's long-term success.

The City of Oroville strongly supports the continuation of a stable, financially sustainable, full-service community hospital in Oroville. The health and well-being of our residents, the availability of emergency medical care, local employment, and the economic vitality of our community are closely connected to the hospital's future.

We respectfully request that the City's interest be recognized and that the City be advised of any appropriate public process through which it may participate or provide community input.

Thank you for your consideration and for the Court's attention to this matter of significant importance to the Oroville community.

Respectfully submitted,

David Pittman, Mayor
City of Oroville

On behalf of the City Council
City of Oroville, California

cc:
Oroville City Council
Oroville City Administrator
Oroville City Attorney
Counsel for Oroville Hospital
Office of the United States Trustee
Official Committee of Unsecured Creditors, if appropriate

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN & COUNCIL MEMBERS**

FROM: **BRIAN RING, CITY ADMINISTRATOR**

RE: **AMENDMENT TO LEASE / OPERATING AGREEMENT FOR THE OROVILLE CONVENTION CENTER BETWEEN THE CITY OF OROVILLE AND FEATHER RIVER RECREATION AND PARK DISTRICT**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider an amendment to lease / operating agreement #3516 with Feather River Recreation and Park District for the lease and operation of the Oroville Convention Center, extending the term of the lease by one year and increasing the monthly base rent by 3% from $2,575/month to $2,652.25/month.

DISCUSSION

The City entered into an agreement with Feather River Recreation and Park District (FRRPD), to lease the Oroville Convention Center and operate / manage the facility (including facility rentals) effective September 1, 2024. This arrangement has worked out well for the City and for FRRPD, and FRRPD is requesting an extension of one year to the lease, consistent with the language in the agreement.

The proposed agreement amendment would extend the term of the agreement by one year (October 1, 2026 through September 30, 2027) and modify the Base Rent section of the agreement, increasing the rent by 3% from $2,575/month to $2,652.25/month. All other terms in the agreement shall remain the same.

FISCAL IMPACT

The City will realize general fund revenue of $31,827 following the twelve months of the agreements, continue to see savings in facility insurance (approximately $35,000 annually) and no longer pay utility costs associated with facility.

ACTION REQUESTED -

ADOPT RESOLUTION NO. 9484 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE EXCLUSIVE OPERATING / LEASE AGREEMENT WITH FEATHER RIVER RECREATION AND PARK DISTRICT FOR THE OPERATING AND LEASE OF THE OROVILLE CONVENTION CENTER LOCATED AT 1200 MYERS STREET – AGREEMENT NO. 3516, AND AUTHORIZE THE MAYOR TO SIGN.

ATTACHMENTS

Amendment No. 2

Resolution No. 9484

Agreement No. 3516

AMENDMENT TO EXCLUSIVE OPERATING / LEASE AGREEMENT 3516 WITH FEATHER RIVER RECREATION AND PARK DISTRICT FOR THE LEASE AND OPERATION OF THE CONVENTION CENTER LOCATED AT 1200 MYERS STREET, OROVILLE

(Agreement No. 3516-2)

This second amendment, dated September 15, 2026, is to Agreement No. 3516 between the City of Oroville ("Lessor") and Feather River Recreation and Parks District ("Lessee").

In consideration of the terms and conditions herein, Lessor and Lessee agree that Agreement No.3516 be amended as follows:

1. Renew a one-year term effective October 1, 2026 through September 30, 2027, with an option for three additional one year renewals; and
2. Base Rent section of agreement shall be amended to be $2,652.25/month, effective October 1, 2026.

All other provisions within the Agreement not modified by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed on the date first written above.

CITY OF OROVILLE

David Pittman, Mayor

Brian Wilson
Feather River Recreation and Parks District

APPROVED AS TO FORM:

Dave Ritchie, Asst. City Attorney

CITY OF OROVILLE
RESOLUTION NO. 9484

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A SECOND AMENDMENT TO THE EXCLUSIVE OPERATING / LEASE AGREEMENT WITH FEATHER RIVER RECREATION AND PARK DISTRICT FOR THE OPERATION AND LEASE OF THE CONVENTION CENTER LOCATED AT 1200 MYERS STREET

(Agreement No. 3516)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an amendment to the exclusive operating / lease agreement with Feather River Recreation and Park District for the operation of the Convention Cener located at 1200 Myers Street.

2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special meeting on September 15, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
David Pittman, Mayor

APPROVED AS TO FORM:

_____
Dave Ritchie, Asst. City Attorney

ATTEST:

_____
Kayla Reaster, Assistant City Clerk

CITY OF OROVILLE
RESOLUTION NO. 9296

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXCUTE AN EXCLUSIVE OPERATING / LEASE AGREEMENT WITH FEATHER RIVER RECREATION AND PARK DISTRICT FOR THE OPERATION OF THE CONVENTION CENTER LOCATED AT 1200 MYERST STREET, OROVILLE

(Agreement No. 3516)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an exclusive operating / lease agreement with Feather River Recreation and Park District for the operation of the Convention Cener located at 1200 Myers Street, Oroville.

2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special meeting on August 6, 2024, by the following vote:

AYES: Council Member Goodson, Johnstone, Vice Mayor Smith, Mayor Pittman

NOES:

ABSTAIN:

ABSENT: Council Member(s) Thomson, Riggs, Webber

David Pittman, Mayor

APPROVED AS TO FORM:

Scott E. Huber, City Attorney

ATTEST:

Kayla Reaster, Assistant City Clerk

CITY OF OROVILLE PUBLIC FACILITY
EXCLUSIVE OPERATING AND LEASE AGREEMENT

Agreement #3516

THIS EXCLUSIVE OPERATING AND LEASE AGREEMENT is made this 6th day of August, 2024, between the City of Oroville ("Landlord"), and The Feather River Recreation and Parks District ("Tenant"), effective September 1, 2024.

BUSINESS TERMS

Landlord:	CITY OF OROVILLE
Tenant:	FEATHER RIVER RECREATION AND PARKS DISCTRICT (FRRPD)
Premises:	1200 Myers Street
Permitted Use:	Mixed Use Commercial
Current Zoning:	CI - Limited Commercial
Term:	One year plus an option to renew for four consecutive one-year terms, effective September 1, 2024.
Renewal Option:	The renewal option may be subject to a rate adjustment to be determined before the end of the first one-year period. The first year of this amended agreement is a joint effort of the Landlord and the Tenant to determine the viability of this endeavor.
Base Rent:	Beginning in year one of the agreement the rent will be $2,500 / month. Future rent to be reconsidered on an annual basis through a collaboration between Landlord and Tenant staff. Rent will be determined by mutual agreement and based upon net revenue generated as a result of the use of this facility and market conditions. Initial rent review will be conducted in August 2025. Tenant is to assume cost of all utilities and have accounts put in tenant's name / separate from Lessee, pay for all taxes and insurances required for program activities and general liability for the building and property.

Security Deposit:	Security Deposit of $2,500 is held to mitigate damage that may result to the Premise from business operations. Deposit is returned in full with no interest when Premise has been vacated and inspected by the City of Oroville to assess its condition.
Rent Commencement:	Rent, as subject to Paragraph 4, shall commence on the first date of occupancy, prorated if that date should not be on the first day of the month when first occupied. Payments to be made on the first day of each month through the term of this lease and any extensions.
Condition of Premises:	The Landlord is to provide Tenant the Premises in its "as is" condition. Tenant is willing to take the Premises in "as is" condition subject to conducting a thorough assessment of the condition of the Premises by Tenant.
	Any improvements by Tenant shall be at Tenant's sole cost and expense. A Tenant Improvement Plan shall be submitted to the City and approved prior to work being performed.
Maintenance	Tenant assumes responsibility for all regular maintenance (such as cleaning, recurring maintenance of mechanical systems, replacement of lightbulbs, clearing drains, minor plumbing repairs, etc.), and Landlord will have the responsibility of replacement of major components that are found to be non-operational or excessively problematic (mechanical systems, roof repairs or replacement, major plumbing issues requiring replacement of system elements, etc.).
Building Signage:	Signage shall be in conformance with the Zoning Code, sign regulations, and approved by Landlord prior to installation or placement per section 12 of this agreement. All signage shall be at the Tenant's expense.

1. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other Terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Lease Term, subject to the Terms, covenants and conditions of this Lease.

2. **Acceptance of Premises.** Tenant shall accept the Premises in its condition as of the Commencement Date, subject to all applicable laws, ordinances, regulations, covenants, and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. In no event shall Landlord have any obligation for any defects in the Premises or any limitation on its use. The taking of possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken except for items that are Landlord's responsibility, including items relating to unrepaired fire damage.

3. **Use.** The Premises shall be used only for the purpose of providing activities consistent with current activities provided by Tenant, and Tenant shall work with YMCA to lease portions of the facility to the YMCA as agreed upon by each party. Such agreement to remain separate from this agreement between Landlord and Tenant. The facility will primarily be used for, but not limited to, physical exercise activities for all ages. The facility will be utilized for all activities that will enhance the quality of life for all the citizens of the City of Oroville. Tenant will use the Premises in a careful, safe, and proper manner and will not commit waste, overload the floor or structure of the Premises, or subject the Premises to use that would damage the Premises. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance or would disturb, unreasonably interfere with, or endanger Landlord or any tenants of the Premises. Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, including, without limitation, the Americans with Disabilities Act, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "Legal Requirements") unless such Legal Requirements are met due to their "grandfathered" nature. Tenant shall, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements related to Tenant's use or occupation of the Premises unless such Legal Requirements are met due to their "grandfathered" nature. Tenant must receive Landlord's written authorization and approval for all alteration or modifications to the Premises. Tenant is responsible for compliance with all Americans with Disabilities requirement related to tenants programing and uses. Landlord is responsible for American with Disabilities requirements related to structural changes as required by law and not met due to a "Grandfathered" exception.

Additionally, the premises will continue to be used for the purposes of private events held by interested parties. Tenant shall act as manager and event

coordinator of all such events and accommodate the public for use of premises to the degree that such events are not in conflict with regularly scheduled programs and activities hosted by Tenant. Tenant shall set costs for facility rentals that will both encourage use of the facility and appropriate insurance, while covering all associated costs of Tenant to provide such services. Tenant shall be responsible for collecting deposits and returning such deposits once satisfactory clean-up or repairs have been confirmed. That relationship between Tenant and event promoter shall be between such parties and Landlord shall not be attached to such agreement in any form, nor shall Landlord bear any responsibility for actions of such events.

4. **Base Rent.** All payments required to be made by Tenant to Landlord hereunder (or to such other party as Landlord may from time to time specify in writing) shall be made by check of immediately available funds before 4:00 p.m., Pacific Time, at City of Oroville, Finance Department, 1735 Montgomery Street, Oroville, California, 95965, or as Landlord may from time to time designate to Tenant in writing. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except as maybe expressly provide in this lease. If Tenant is delinquent in any monthly installment of Base Rent for more than 15 business days, Tenant shall pay to Landlord on demand a late charge equal to 5 percent of such delinquent sum. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty.

5. **Security Deposit.** Tenant shall deposit with Landlord the sum of $2,500. The security deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions to be performed by Tenant. The security deposit shall not be assigned, transferred, or encumbered by Tenant, and any attempt to do so shall not be binding upon Landlord. If, at any time during the Term of this Lease, any rent or portion of any rent payable by Tenant to Landlord shall not be timely paid, then, Landlord may, at its option (but shall not be required to), appropriate and apply any portion of the security deposit to the payment of such overdue rent. Under no circumstances shall Tenant apply the security deposit as Rent for the final months of the Lease. In the event of the failure of Tenant to keep and perform any of the Terms, covenants and conditions of this Lease to be kept and performed by Tenant, then, at the option of Landlord, Landlord may (but shall not be required to) appropriate and apply the security deposit, or so much so as may be necessary, to compensate Landlord for all loss or damage sustained or suffered by Landlord due to such default on the part of Tenant. Should the entire security deposit, or any portion thereof, be appropriated and applied by Landlord for the purposes set forth herein, or for any other lawful purpose, then Tenant shall, within IO days after written demand by Landlord, deliver to Landlord a sufficient sum in cash to restore the security deposit to the original sum of the security deposit. Landlord shall not be obligated to keep the security deposit in a separate fund but may commingle the security deposit with its own funds. The failure of the Tenant to maintain the security deposit in the initial amount as stated above shall constitute a failure to pay rent and shall carry with it the consequences

set forth in this Lease for failure to pay rent. Upon expiration of the Lease, the security deposit, if not applied toward the payment of Rent in arrears or toward the payment of damages suffered by Landlord by reason of Tenant's breach of this Lease, is to be returned to Tenant without interest, but in no event shall the security deposit be returned until Tenant has vacated the Leased Premises, delivered possession thereof to Landlord, and fully satisfied Tenant's obligations under this Lease.

6. **Utilities.** Tenant has obligation to pay for all utilities at the Convention Center, including but not limited to: electricity, gas, water, sanitation, security, phone, cable, and internet services required for the operations of parks and recreation programs and activities. Tenant shall put all utilities in tenant's name.

7. **Taxes.** If any such tax or excise is levied or assessed directly against Tenant, including but not limited to possessory tax, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Landlord or Tenant.

8. **Insurance.** Landlord shall maintain all risk insurance covering risk property insurance and the full replacement cost of the building and may (insurance premium cost to be reimbursed by Tenant), but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, commercial liability insurance and rent loss insurance. The Premise or Building may be included in a blanket policy (in which case the cost of such insurance allocable to the Premise or Building will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary because of Tenant's use of the Premises. Should there be a property claim through the Landlord's property insurance, the Landlord shall pay applicable deductibles, with the exception of matters where the matter was triggered by negligence of the Tenant or matters which arise from private party facility rentals. For those matters, the applicable deductible shall be a responsibility of the Tenant.

Tenant, at its expense, shall maintain during the Lease Term: all risk property insurance covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial liability insurance, with a minimum limit of $1,000,000 per occurrence and a minimum umbrella limit of $1,000,000, for a total minimum combined general liability and umbrella limit of $2,000,000 (together with such additional umbrella coverage as Landlord may reasonably require) for property damage, personal injuries, or deaths of persons occurring in or about the Premises. Landlord may from time to time require reasonable increases in any such limits. The commercial liability policies shall name Landlord as an additional insured, insure on an occurrence and not a claims-made basis, be issued by insurance companies which are reasonably acceptable to Landlord, not be cancelable unless 30 days' prior

written notice shall have been given to Landlord, contain a hostile fire endorsement and a contractual liability endorsement and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). SUCH POLICIES OR CERTIFICATES THEREOF SHALL BE DELIVERED TO LANDLORD BY TENANT UPON COMMENCEMENT OF THE LEASE TERM AND UPON EACH RENEWAL OF SAID INSURANCE.

The all-risk property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, their officers, directors, employees, managers, agents, invitees, and contractors, in connection with any loss or damage thereby insured against. Neither party nor its officers, directors, employees, managers, agents, invitees, or contractors shall be liable to the other for loss or damage caused by any risk coverable by all risk property insurance, and each party waives any claims against the other party, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its agents, employees and contractors shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises from any cause whatsoever, including without limitation, damage caused in whole or in part, directly or indirectly, by the negligence of Landlord or its agents, employees or contractors.

9. **Construction Allowance.** None.

10. **Landlord's Repairs.** Landlord shall maintain, at its expense, the structural soundness of the roof, foundation, and exterior walls of the building in good repair. Reasonable wear and tear and uninsured losses and damages caused by Tenant, its agents and contractors excluded. The term "walls" as used in this Paragraph shall not include windows, glass or plate glass, doors or overhead doors, special store fronts, or office entries. Tenant shall promptly give Landlord written notice of any repair required by Landlord, after which Landlord shall have a reasonable opportunity to repair.

11. **Tenant-Made Alterations and Trade Fixtures.** Any alterations, additions, or improvements made by or on behalf of the Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent and at the expense of the tenant.

12. **Signs.** Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any signs, windows or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises, without Landlord's prior written consent. Upon surrender or vacation of the Premises, Tenant shall have removed all signs and repair, paint, and/or replace the building facia surface to which its signs are attached. Tenant shall

obtain all applicable governmental permits and approvals for sign and exterior treatments. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises shall be subject to Landlord's approval and conform in all respects to Landlord's requirements.

13. **Parking.** Off-street parking is provided by Landlord. Public parking is available to Tenant in City owned parking lots located near Premises.

14. **Restoration.** If at any time during the Lease Term the Premises are damaged by a fire or other casualty, Landlord shall notify Tenant within 60 days after such damage as to the amount of time Landlord reasonably estimates it will take to restore the Premises. If the restoration time is estimated to exceed 6 months, either Landlord or Tenant may elect to terminate this Lease upon notice to the other party given no later than 30 days after Landlord's notice. If neither party elects to terminate this Lease or if Landlord estimates that restoration will take 6 months or less, then, subject to receipt of sufficient insurance proceeds, Landlord shall promptly restore the Premises excluding the improvements installed by Tenant or by Landlord and paid by Tenant, subject to delays arising from the collection of insurance proceeds or from Force Majeure events. Tenant at Tenant's expense shall promptly perform, subject to delays arising from the collection of insurance proceeds, or from Force Majeure events, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either party may terminate this Lease if the Premises are damaged during the last year of the Lease Term and Landlord reasonably estimates that it will take more than one month to repair such damage. Base Rent and Operating Expenses shall be abated for the period of repair and restoration in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Such abatement shall be the sole remedy of Tenant, and except as provided herein, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

15. **Condemnation.** If any part of the Premises should be taken for any public or quasi- public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would prevent or materially interfere with Tenant's use of the Premises or in Landlord's judgment would materially interfere with or impair its ownership or operation of the Premise, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Lease Term shall be reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

16. **Assignment and Subletting.** Without Landlord's prior written consent, which Landlord shall not unreasonably withhold, Tenant shall not assign this lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate *its* leasehold interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. For purposes of this paragraph, a transfer of the ownership interests resulting in a change of control of Tenant shall be deemed an assignment of this Lease. Tenant shall reimburse Landlord for all of Landlord's reasonable out-of-pocket expenses in connection with any assignment or sublease. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof (other than to a Tenant Affiliate), Landlord may, by giving written notice to Tenant within 15 days after receipt of Tenant's notice, terminate this Lease with respect to the space described in Tenant's notice, as of the date specified in Tenant's notice for the commencement of the proposed assignment or sublease. If Landlord so terminates the Lease, Landlord may enter into a lease directly with the proposed sublessee or assignee. Tenant may withdraw its notice to sublease or assign by notifying Landlord within 10 days after Landlord has given Tenant notice of such termination, in which case the Lease shall not terminate but shall continue.

It shall be reasonable for the Landlord to withhold its consent to any assignment or sublease in any of the following instances: (i) an Event of Default has occurred and is continuing that would not be cured upon the proposed sublease or assignment; (ii) the assignee or sublessee does not have a net worth which is consistent with net worth of other tenant's which Landlord is entering into leases with in the Premise; (iii) the intended use of the Premises by the assignee or sublessee is not consistent with the use provision herein; (iv) occupancy of the Premises by the assignee or sublessee would, in Landlord's opinion, violate an agreement binding upon Landlord with regard to the identity of tenants, usage in the Premise, or similar matters; (v) the identity or business reputation of the assignee or sublessee will, in the good faith judgment of Landlord, tend to damage the goodwill or reputation of the Premise; (vi) the assignment or sublet is to another tenant in the Premises and is at rates which are below those charged by Landlord for comparable space in the Premises and Landlord has space available in the Premises to accommodate the tenant's needs; (vii) in the case of a sublease, the subtenant has not acknowledged that the Lease controls over any inconsistent provision in the sublease; (viii) the proposed assignee or sublessee is a governmental agency; or (ix) there is vacant space in the Premises suitable for lease to the proposed sublessee or assignee. Tenant and Landlord acknowledge that each of the foregoing criteria are reasonable as of the date of execution of this Lease. The foregoing criteria shall not exclude any other reasonable basis for Landlord to refuse its consent to such assignment or sublease. Any approved assignment or sublease shall be expressly subject to the terms and conditions of this Lease. Tenant shall provide to Landlord all information concerning the assignee or sublessee as Landlord may request.

Notwithstanding any assignment or subletting, Tenant shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or subletting's). In the event

that the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord as additional rent hereunder fifty percent (50%) of such excess rental and other excess consideration ("Profit") within 10 days following receipt of each month's Profit thereof by Tenant. Profit shall be further defined to take into consideration all of Tenant's costs in any assignment of subletting including but not limited to real estate commissions, legal fees, marketing costs, any improvement allowance or other economic concession (planning allowance, moving expenses, etc.), paid by Tenant to sublessee or assignee.

If this Lease be assigned or if the Premises be subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding paragraph, apply the amount collected to the next rent payable hereunder; and all such rentals collected by Tenant shall be held in trust for Landlord and immediately forwarded to Landlord. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder.

17. **Indemnification.** Except for the negligence of Landlord, its agents, employees or contractors, and to the extent permitted by law, Tenant agrees to indemnify, defend and hold harmless Landlord, and Landlord's agents, employees and contractors, from and against any and all losses, liabilities, damages, costs and expenses (including attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Premise and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. The furnishing of insurance required hereunder shall not be deemed to limit Tenant's obligations.

18. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises with prior notice at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours for the purpose of showing the Premises to prospective purchasers and, during the last 4 months of the Lease Term, to prospective tenants. Landlord may erect or post a suitable sign on the Premises stating the Premises are available to let. Landlord may grant easements, make public dedications, designate common areas and create

restrictions on or about the premises, provided that no such easement, dedication, designation or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions.

19. **Quiet Enjoyment.** If Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Lease Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

20. **Surrender.** Upon termination of the Lease Term or earlier Termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, broom clean, ordinary wear and tear and casualty loss and condemnation. Any Trade Fixtures, Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Lease Term shall survive the termination of the Lease Term, including without limitation, indemnity obligations, payment obligations with respect to Operating Expenses and obligations concerning the condition and repair of the Premises.

21. **Holding Over.** If Tenant retains possession of the Premises after the termination of the Lease Term, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other Terms and provisions of this Lease (excluding any expansion or renewal option or other similar right or option) shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Base Rent for the holdover period, an amount equal to 150 percent the Base Rent in effect on the Termination date, computed on a monthly basis for each month or part thereof during such holding over. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided shall not be construed as consent for Tenant to retain possession of the Premises. "Possession of the Premises" shall continue until, among other things, Tenant has delivered all keys to the Premises to Landlord, Landlord has completed and total dominion and control over the Premises, and Tenant has completely fulfilled all obligations required of it upon termination of the Lease as set forth in this Lease, including, without limitation, those concerning the condition and repair of the Premises.

22. **Events of Default.** Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of 30 business days from the date such payment was due.

Tenant or any guarantor or surety of Tenant's obligations hereunder shall (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (C) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

Any insurance required to be maintained by the Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

Tenant shall not occupy or shall vacate the Premises or shall fail to continuously operate its business at the Premises for the permitted use set forth herein, whether or not Tenant is in monetary or other default under this Lease. Tenant's vacating of the Premises shall not constitute an Event of Default if, prior to vacating the Premises, Tenant has made arrangements reasonably acceptable to Landlord to (a) insure that Tenant's insurance for the Premises will not be voided or cancelled with respect to the Premises as a result of such vacancy, (b) insure that the Premises are secured and not subject to vandalism, and (c) insure that the Premises will be properly maintained after such vacation. Tenant shall inspect the Premises at least once each month and report monthly in writing to Landlord on the condition of the Premises.

There shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

Tenant shall fail to discharge any lien placed upon the Premises in violation of this Lease within 30 days after Tenant's receipt of notice of any such lien or encumbrance is filed against the Premises.

Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Paragraph 24, and except as otherwise expressly provided herein, such default shall continue for more than 30 days after Landlord shall have given Tenant written notice of such default.

23. **Landlord's Remedies.** Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, Landlord may at any time thereafter at its election: terminate this Lease or Tenant's right of possession, (but Tenant shall remain liable as hereinafter provided) and/or pursue any other remedies at law or in equity not to exceed 90 days after tenant has vacated premises. Upon the Termination of this Lease or termination of Tenant's right of possession, it shall be lawful for Landlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Tenant and all persons and property therefrom. If Landlord re-enters the Premises, Landlord shall have the right to keep in place and use, or remove and store, all of the furniture, fixtures and equipment at the Premises.

Except as otherwise provided in the next paragraph, if Tenant breaches this Lease and abandons the Premises prior to the end of the term hereof, or if Tenant's right to possession is terminated by Landlord because of an Event of Default by Tenant under this Lease, this Lease shall terminate. Upon such termination, Landlord may recover from Tenant the following, as provided in Section 1951.2 of the Civil Code of California: (i) the worth at the time of award of the unpaid Base Rent and other charges under this Lease that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the reasonable value of the unpaid Base Rent and other charges under this Lease which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award by which the reasonable value of the unpaid Base Rent and other charges under this Lease for the balance of the term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom. As used herein, the following terms are defined: (a) the "worth at the time of award" of the amounts referred to in Sections (i) and (ii) is computed by allowing interest at the lesser of IO percent per annum or the maximum lawful rate. The "worth at the time of award" of the amount referred to in Section (iii) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent; (b) the "time of award" as used in clauses (i), (ii), and (iii) above is the date on which judgment is entered by a court of competent jurisdiction; (c) The "reasonable value" of the amount referred to in clause (ii) above is computed by determining the mathematical product of (1) the "reasonable annual rental value" (as defined herein) and (2) the number of years, including fractional parts thereof, between the date of termination and the time of award. The "reasonable value" of the amount referred to in clause (iii) is computed by determining the mathematical product of (1) the annual Base Rent and other charges under this Lease and (2) the number of years including fractional parts thereof remaining in the balance of the term of this Lease after the time of award.

Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover rent as it becomes due. This remedy is intended to be the remedy described in California Civil Code Section 1951.4 and the following provision from such Civil Code Section is hereby repeated: "The Lessor has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations)." Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due from time to time. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach.

Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, whether by agreement or by operation of law, it being understood that such surrender and/or termination can be affected only by the written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific Terms, provisions, and covenants of this Lease or as having modified the same. Tenant and Landlord further agree that forbearance or waiver by Landlord to enforce its rights pursuant to this Lease or at law or in equity, shall not be a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. To the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter as provided for in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. The terms "enter," "re-enter," "entry" or "re-entry," as used in this Lease, are not restricted to their technical legal meanings. Any reletting of the Premises shall be on such terms and conditions as Landlord in its sole discretion may determine (including without limitation a term different than the remaining Lease Term, rental concessions, alterations and repair of the Premises, lease of less than the entire Premises to any tenant and leasing any or all other portions of the Premise before reletting the Premises). Landlord shall not be liable, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting.

24. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 15 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 15 days, then after such period of time as is reasonably necessary). All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The Term "Landlord" in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease shall be limited solely to its interest in the Premise, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

25. **Waiver of Jury Trial** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

26. **Subordination.** This Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any mortgage, now existing or hereafter created on or against the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confining such subordination and such instruments of atonement as shall be requested by any such holder. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

27. **Mechanic's Liens.** Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of Landlord in the Premises or under this Lease. Tenant shall give Landlord immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 30 days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such 30-day period. Landlord may require tenant to provide to Landlord all documents to establish payment by Tenant for all work performed by third parties.

28. **Estoppel Certificates.** Tenant agrees, from time to time, within 10 days after request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the Termination date of this Lease and such other matters pertaining to this Lease as may be requested by Landlord. Tenant's obligation to furnish each estoppel certificate in a timely fashion is a material inducement for Landlord's execution of this Lease. No cure or grace period provided in this Lease shall apply to Tenant's obligations to timely deliver an estoppel certificate.

29. **Environmental Requirements.** Except for Hazardous Material contained in products used by Tenant in de minimis quantities for ordinary cleaning and office purposes, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Premises by Tenant, its agents, employees, contractors, subtenants or invitees. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The Term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive

Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant, its agents, employees, contractors or invitees, and the wastes, byproducts, or residues generated, resulting, or produced therefrom.

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including, without limitation, diminution in value of the Premises and loss of rental income from the Premise), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the property or disturbed in breach of the requirements, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which Tenant is obligated to remediate as provided above or any other breach of the requirements by Tenant, its agents, employees, contractors, subtenants, assignees or invitees, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant shall survive any termination of this Lease.

Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

30. **Rules and Regulations.** Tenant shall, at all times during the Lease Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises. The current rules and regulations are attached hereto. In the event of any conflict between said rules and regulations and other provisions of this Lease, the other terms and provisions of this Lease shall control. Landlord shall not have any

liability or obligation for the breach of any rules or regulations by other tenants in the Premise.

31. **Security Service.** Tenant acknowledges and agrees that, while Landlord may patrol the Premise, Landlord is not providing any security services with respect to the Premises and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.

32. **Force Majeure.** Landlord shall not be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Landlord ("Force Majeure").

33. **Entire Agreement.** This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements, promises, negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

34. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

35. **Brokers.** Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

36. **Miscellaneous.**

(a) Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

(b) If and when included within the term "Tenant," as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

(c) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by certified mail, return receipt requested, or by hand-delivery addressed to the parties at their addresses below, and with a copy sent to Landlord at City of Oroville, Attn: City Administrator, 1735 Montgomery Street, Oroville, California, 95965. Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery. Any issues regarding the safe use and operation of the facility as a result of a defect or damage to the facility shall be reported immediately to the Landlord or Landlord's representative either in person or by telephone.

(d) Except as otherwise expressly provided in this Lease or as otherwise required by law, Landlord retains the absolute right to withhold any consent or approval.

(e) The nominal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

(f) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(h) Any amount not paid by Tenant within 15 days after its due date in accordance with the terms of this Lease shall bear interest from such due date until paid in full at the lesser of the highest rate permitted by applicable law or IO percent per year. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease.

If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comp]y with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(i) Construction and interpretation of this Lease shall be governed by the laws of the state in which the Premises is located, excluding any principles of conflicts of laws.

G) Time is of the essence as to the performance of Tenant's obligations under this Lease.

(k) All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such exhibits or addenda and the Terms of this Lease, such exhibits or addenda shall control.

(l) In the event either party hereto initiates litigation to enforce the terms and provisions of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

(n) In the event the total square footage and/or the footprint of the Leased Premises is modified by Landlord for purposes of practicality in compliance with any state or federal law, including but not limited to the Americans with Disabilities Act, Tenant agrees to accept such modifications without compensation. In the event Tenant reasonably believes such modifications prevent Tenant's Use of the Premises Tenant's sole remedy is to meet and confer with Landlord to seek voluntary modification of the Lease.

(o) Lessee shall have ability to use facility with advance notice to Tenant. Known annual events include Salmon Festival, Arbor Day and during election times. Additional events may include but are not limited: holiday events and/or department events (which would need to be coordinated in advance with Tenant).

37. **Landlord's Lien/Security Interest.**

If a lessee of real property breaches the lease and abandons the property before the end of the term or if his right to possession is terminated by the lessor because of a breach of the lease, the lease terminates. Upon such termination, the lessor may recover from the lessee:

(1) The worth at the time of award of the unpaid rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the lessee proves could have been reasonably avoided;

(3) Subject to subdivision (c), the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds

the amount of such rental loss that the lessee proves could be reasonably avoided; and

(4) Any other amount necessary to compensate the lessor for all the detriment proximately caused by the lessee's failure to perform his obligations under the lease or which in the ordinary course of things would be likely to result therefrom.

(b) The "worth at the time of award" of the amounts referred to in paragraphs (1) and (2) of subdivision (a) is computed by allowing interest at such lawful rate as may be specified in the lease or, if no such rate is specified in the lease, at the legal rate. The worth at the time of award of the amount referred to in paragraph (3) of subdivision (a) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1 percent.

(c) The lessor may recover damages under paragraph (3) of subdivision (a) only if:

(1) The lease provides that the damages he may recover include the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award, or for any shorter period of time specified in the lease, exceeds the amount of such rental loss for the same period that the lessee proves could be reasonably avoided; or

(2) The lessor relet the property prior to the time of award and proves that in reletting the property he acted reasonably and in a good-faith effort to mitigate the damages, but the recovery of damages under this paragraph is subject to any limitations specified in the lease.

(d) Efforts by the lessor to mitigate the damages caused by the lessee's breach of the lease do not waive the lessor's right to recover damages under this section.

(e) Nothing in this section affects the right of the lessor under a lease of real property to indemnification for liability arising prior to the termination of the lease for personal injuries or property damage where the lease provides for such indemnification.

IN WITNESS WHEREOF, Landlord and Tenant have executed this 6th day of August, 2024.

CITY OF OROVILLE

By: _____
David Pittman, Mayor

FEATHER RIVER RECREATION AND PARK DISTRICT

By: _____
Scott Kent Fowler, Chair

By: _____
Robert Brian Wilson, General Manager

APPROVED AS TO FORM:

By: _____
Scott E. Huber, City Attorney

APPROVED AS TO FORM:

By: _____

ATTEST:

By: _____
Brian Ring, City Clerk

OROVILLE CITY COUNC
Council Chambers
1735 Montgomery Street
Oroville, CA. 95965

September 01, 2026
REGULAR MEETING
MINUTES

CALL TO ORDER / ROLL CALL

Council Members: Chuck Reynolds, Scott Thomson, Janet Goodson, Shawn Webber, Vice Mayor Eric Smith, Mayor David Pittman

CLOSED SESSION

The City Council held a Closed Session on the following:

1. The City Council met for a Conference with Legal Counsel – Anticipated Litigation, pursuant to Gov. Code § 54956.9(d): (one (1) case).
2. Pursuant to Government Code Section 54956.8, the Council met with staff regarding Conference with Real Property Negotiations for 1200 Myers Street, Oroville, CA 95965 APN: 012-032-033-000

OPEN SESSION

1. Announcement from Closed Session – No reportable action taken; direction given to staff.
2. Pledge of Allegiance – Led by Council Member Thomson.
3. Corrections/Changes to the Agenda - None.
4. Recusals – Item #5 – Vice Mayor Smith
5. Adoption of Agenda

Motioned by: Council Member Goodson Seconded by: Council Member Thomson

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Vice Mayor Smith, Mayor Pittman

NOES: None.

ABSTAINED: None.

ABSENT: None.

PRESENTATIONS AND PROCLAMATIONS

1. PRESENTATION TO THE CITY COUNCIL ON MISSION ESPERANZA

The City Council received a presentation as information from Allan Dikes, Executive Director of the Oroville Resource Center and Rescue Mission, regarding Mission Esperanza.

PUBLIC COMMUNICATION – HEARING OF NON-AGENDA ITEMS

The following member(s) of the public submitted public comment on this item: Rhonda Magnusson and Marsha Henderson.

REPORTS / DISCUSSIONS

1. Council Announcements and Reports

   Vice Mayor Smith: Spoke on the Salmon Festival Friday Night Dinner that is being sponsored by the Enterprise Tribe. The event will take place on September 25 from 5:30PM-8PM.

   Mayor Pittman: Spoke on a Butte County Association of Governments (BCAG) meeting he attended. There was a discussion on strollers, bicycles, and children's safety sears on the buses. He notified the public that the B-Line survey was out and asked them to fill out the survey and participate in helping BCAG to update the B-Line services in the Oroville area.

2. Administration Reports

   Brian Ring, City Administrator: Riverbend apartments that have experienced flooding will be working on a storm drain being repaired beginning on September 2nd or 3rd. The street will close between Mono Avenue and Nelson Avenue. There will be a detour directing traffic around the construction zone. Mr. Ring also spoke on a "Meet Your First Responders" event that is occurring Saturday, October 3 from 10AM-2PM at the Forebay.

   Patrick Piatt, Director of Community Development: Introduced Juan Gomez, the new Assistant Planner who has taken the place of Kiley Cope.

   Ron Belser, Director of Code Enforcement: Provided department statistic reports for the month of August 2026. See attached report.

CONSENT CALENDAR

Consent calendar **items 1 - 4** were adopted in one action by the Council.

Motioned by: Council Member Goodson Seconded by: Vice Mayor Smith

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Vice Mayor Smith, Mayor Pittman

NOES: None.

ABSTAINED: None.

ABSENT: None.

1. RESOLUTION RECOGNIZING DELTA UPSILON SORORITY AND THE 25TH ANNUAL BREAST CANCER AWARENESS WALK AND DECLARATION OF OCTOBER 2026 AS BREAST CANCER AWARENESS MONTH

The City Council adopted Resolution No. 9484 - A Resolution of the City Council of the City of Oroville recognizing Delta Upsilon Sorority and the 25th Annual Breast Cancer Awareness Walk and recognizing October 2026 as Breast Cancer Awareness Month in the City of Oroville.

Council Member Goodson read and presented the resolution.

2. CIVICPLUS NEXTREQUEST PUBLIC RECORDS REQUEST MANAGEMENT SYSTEM – ANNUAL RENEWAL

The City Council authorized the Mayor to execute the renewal Statement of Work with CivicPlus, LLC for continued use of the NextRequest Standard public records request management system for the City of Oroville, in the amount of $14,272.52 for the 12-month term, beginning October 5, 2026.

3. NON-FORECLOSURE OF CITY'S INTEREST IN 3309 ASHLEY AVENUE

The City Council authorized the non-foreclosure related to the City of Oroville's interest in the Deed of Trust against the property located at 3309 Ashley Avenue (APN 033-470-010), which staff has determined is not financially feasible to cure the underlying first mortgage default which is ahead of the city's loan.

4. APPROVAL OF THE AUGUST 18, 2026, CITY COUNCIL REGULAR MEETING MINUTES

The City Council approved the regular meeting minutes from the August 18, 2026, City Council meeting.

REGULAR BUSINESS

5. ADMISSION FEE WAIVER REQUEST FOR ANNUAL MUSEUM EVENTS

Patrick Piatt, Director of Community Development presented this item to Council.

The City Council approved the waiver of admission fees for the following upcoming special events hosted by the City of Oroville museums:

- **Salmon Festival** – September 26, 2026
- **Museum Mile Trick-or-Treat** – October 31, 2026
- **Pioneer Christmas** – December 2026
- **Mistletoe Party** – December 2026
- **Chinese New Year Celebration** – February 13, 2027
- **Museum Weekend** – February/March 2027
- **MISTLETOE PARTY – DECEMBER 2026**
- **CHINESE NEW YEAR CELEBRATION – FEBRUARY 13, 2027**
- **MUSEUM WEEKEND – FEBRUARY/MARCH 2027**

This was done by the following vote:

Motioned by: Council Member Goodson Seconded by: Council Member Thomson

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Mayor Pittman

NOES: None.

RECUSED: Vice Mayor Smith.

ABSENT: None.

6. REQUEST TO WAIVE SPECIAL EVENT FEES FOR DWR FLOATING CLASSROOMS

Emily Martin, Staff Assistant presented this item to the Council.

The City Council approved the waiver of special event fees of approximately $113.42 for the Feather River Floating Classroom Program and authorized use of Bedrock Park as the program's take-out location, with temporary placement of no parking signs. This was done by the following vote:

Motioned by: Council Member Goodson Seconded by: Council Member Webber

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Vice Mayor Smith, Mayor Pittman

NOES: None.

ABSTAINED: None.

ABSENT: None.

7. AWARD OF CONSTRUCTION CONTRACT WITH R&R HORN CONTRACTORS FOR TH NORTON STREET IMPROVEMENT PROJECT

Brian Ring, City Administrator, presented this item to the Council.

The City Council shall consider approved the construction contract (A-3595) for the Norton Street Improvement Project to R&R Horn Contractors, Inc., in an amount not-to-exceed $908,000. R&R Horn Contractors was the lowest responsive and responsible bidder and authorized the Mayor to sign the contract on behalf of the City. This was done by the following vote:

Motioned by: Council Member Goodson Seconded by: Vice Mayor Smith

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Vice Mayor Smith, Mayor Pittman

NOES: None.

ABSTAINED: None.

ABSENT: None.

8. ELECTED OFFICIALS' TRANSPARENCY AND ACCOUNTABILITY ORDINANCE AND ASSOCIATED DRAFT POLICIES

Brian Ring, City Administrator, presented this item to the Council.

The following member(s) of the public submitted public comment on this item: Marsha Henderson.

The City Council provided staff direction regarding the latest version of the transparency and accountability ordinance for elected officials, which includes changes staff were directed to make at the April 7, 2026, City Council meeting. In addition, the Council shall consider two draft policies associated with this draft ordinance. Council directed staff to include verbiage regarding 5/7 vote (supermajority) in Section 6 and changing the policy document from 7 to 14 days. Council also directed City Administrator Brian Ring to work with Marsha Henderson, a member of the public that has made suggestions regarding ordnance changes as well.

9. ALTERNATIVES FOR FILLING DISTRICT A VACANCY

Brian Ring, City Administrator and David Ritchie, Asst. City Attorney presented this item to the Council.

The City Council directed staff to begin the appointment process to fill potential vacancy in District A now that Councilmember Johnstone moved out of the district and resigned from her position effective Friday August 21, 2026. They would like to see this item on the next agenda for consideration of appointment.

10. APPOINTMENT TO VACANT COUNCIL COMMITTEE ASSIGNMENTS

Mayor Pittman presented this item to the Council.

Due to the resignation of former Council Member Johnstone, vacancies now exist on six Council Committees. The Mayor requested Council look at the vacancies and express interest in those that they'd like to fill. This item will come back at the September 15, 2026, City Council meeting for official appointment. Council Member Reynolds expressed interest in serving on the Housing Loan Advisory Committee, as well as the SBF. Council Member Thomson expressed interest in serving on the Butte County Continuum of Care.

11. CITY COUNCIL REGULAR MEETING AGENDA POSTING TIMELINES

Brian Ring, City Administrator, presented this item to the Council.

The City Council directed staff to change the timing associated with the publishing of regular City Council agendas to have the agenda and packet published as close to noon, on the Thursday before the Council meeting.

PUBLIC HEARINGS

12. 5:00PM - FIRST READING OF ORDINANCE NO. 1900 REQUIRING SHORT-TERM RENTAL PLATFORMS LISTING ADDRESSES PURSUANT TO SB 346

Patrick Piatt, Director of Community Development, presented this item to the Council.

The proposed ordinance would have established a comprehensive short-term rental (STR) program and implements SB 346. The City Council rejected the ordinance and halted the ordinance from moving forward by the following vote:

Motioned by: Council Member Reynolds Seconded by: Council Member Thomson

AYES: Council Member(s) Reynolds, Thomson, Goodson, Webber, Vice Mayor Smith, Mayor Pittman

NOES: None.

ABSTAINED: None.

ABSENT: None.

PUBLIC COMMUNICATION – HEARING OF NON-AGENDA ITEMS

No additional public comment received.

FUTURE AGENDA ITEMS / CORRESPONDENCE

1. Future Agenda Items

   - Mayor Pittman requested the Asst. City Attorney David Ritchie to look into the claims made by Mike Trolinder in his correspondence submitted to the Council. Asst. City Attorney David Ritchie stated he would look into it and draft a formal memo to the Council regarding this. Mayor Pittman also directed Ruth Duncan, Director of Finance to do a cost analysis on the Cal Fire Contract and bring it back to the Council for consideration.

2. Correspondence

   i. Mike Trolinder Correspondence

   ii. Ayla Thao Correspondence

ADJOURN THE MEETING

The meeting was adjourned at 7:27PM.

Kayla Reaster, Assistant City Clerk

David Pittman, Mayor

CODE ENFORCEMENT DIVISION
JULY 2026 MONTHLY REPORT

CODE ENFORCEMENT ACTIVITIES	
Violations Resolved	*260*
Proactive Cases Opened	*65*
Reactive Cases Opened	*38*
Total Cases Closed	*176*
Voluntarily Closed	*131*
Forced Closed	*45*
Inspections Performed	*392*

Code Enforcement Highlighted Activity Summary – August 2026

Summary:
This reporting period included abatement of illegal encampments, removal of abandoned vehicles and shopping carts, multiple outreach and presentation engagements, inter-agency inspections, and major cleanup projects across the city. Housing Navigation successfully placed an unhoused individual into permanent housing.

Operations & Abatements

1. **Illegal Camping Abatement**
   - Multiple illegal encampments were abated along the river, downtown area, and additional high-impact locations throughout the city.

2. **Abandoned Vehicles**
   - Several abandoned and inoperable vehicles were identified and towed in accordance with municipal code.

3. **Abandoned Shopping Carts**
    - 21 abandoned shopping carts were collected and removed from public rights-of-way.

4. **Southside Alleys Cleanup Project**
    - A coordinated two-day abatement project removed junk, trash, and debris from the Southside Alleys.

5. **City Works Weed Abatement**
    - High weeds were abated on (5) five City-owned properties to reduce fire hazard and improve public safety.

6. **Private Property Clean & Liens**
    - (3) three private parcels identified as high fire risk were cleaned of hazardous waste, weeds, junk, and debris.
    - Clean and lien procedures were initiated where applicable.

7. **SB1383 Waste Carts**

(73) Seventy-three cases were opened by Code Enforcement for businesses and schools not source separating garbage. The compliance for these cases with be followed by Arbuckle and Associates.

8. Dumped Tires

Tire Waste Management picked up over 486 tires. These tires were collected by City Works either as a phone in pickup or left dumped in our city limits. The costs of the disposal of these tires in covered by the Cal Recycle Tire Amnesty Grant.

8. **Code Enforcement Training**

My Code Enforcement Team completed a 3 hours training on de-escalation techniques and

Community Outreach & Interagency Work

1. **Department of Justice Tobacco Compliance Inspections**
   - (12) Twelve DOJ tobacco inspections were conducted to ensure retailer compliance with state regulations. These were conducted on weekends when retailers are more likely to violate tobacco laws. Four businesses were issued citations.

2. **National Night Out**

   Code Enforcement had a booth at the National Nigh Out**.** My team provided information on code enforcement reporting. My team provided frozen face packs, pens and other swag.

3. **Presentations & Community Engagement**

   - Delivered a presentation on the Code Enforcement Department to the *Noon Rotary Organization*.

   - Provided a presentation on drug recognition to the *North Valley Property Owners Association*.

4. **Housing Navigation Success**

   On the morning of August 28, a Public Works employee located the client and notified the Navigation Team. Contact was made with the client that same morning, during which she reported that she had been staying with a friend in Oroville but was asked to leave on the night of August 27. The client stated she remained outside the local Maverick store overnight, as it is open 24 hours.

   Housing options were reviewed with the client, and she expressed interest in shelter placement, stating she has no friends or family available to assist her. Mission Esperanza was contacted; however, staff reported they were unable to accommodate the client due to her having a cat.

Further contact was made with the Torres Shelter in Chico, which indicated a potential opening. The need for a bottom bunk was communicated to shelter staff. This information was explained to the client, who agreed to travel to the Torres Shelter and wait for a bed if necessary.

Transportation was provided, and the client was checked into the Torres Shelter later that afternoon, where she was assigned a bed.

Success Story 2:

Initial contact with the client occurred on August 19, 2026, outside of the Bank of America in Oroville. The client reported having recently returned to Butte County from Los Angeles County. He stated he has been unhoused for approximately ten years and periodically returns to Oroville because he is originally from the area.

Housing options were discussed, and the client expressed interest in entering Mission Esperanza. Transportation to the shelter was provided the same day, and the client was successfully enrolled upon arrival.

The client's information was forwarded to the HDAP worker for assistance with SSA-related needs.

Code Enforcement Training:

Dealing with an Angry Public: Practical Tips for De-Escalation

Topic Included:

Dealing with the public can be challenging and although the majority of people we deal with are wonderful, the small percentage that display anger and aggression can really cause us to lose our cool. This is an interactive session that lets participants explore difficult customer engagement and develop skills to better handle it. Learn when to act, when to react, and when to ask for help!

Comcate Activity Reports August 2026.


Summary_2026-09-01T17_25_48.pdf


Summary_2026-09-01T17_24_39.pdf


Summary_2026-09-01T17_23_45.pdf



CAMP ABATEMENT BEHIND FOOD MAXX



CAMP ABATMENT BEHIND APPLEBEES



COUCH ABATED FROM MINERS ALLEY



CAMP ABATED ALONG THE RIVER



CART BEHIND MOTEL 6



TRASH DUMPED INFRONT OF MOVIE THEATER



TRASH ABATED ALONG SOUTH 7TH



TRASH ABATED FROM BEDROCK PARK



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ALLEY CLEANUP NEAR CAL WATER HEADQUATERS



CAMP ABATEMENT SOUTHSIDE ONTARIO STREET

SEE YOU ALLTONIGHT.

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN AND COUNCIL MEMBERS**

FROM: **JASON WINES, CHIEF OF POLICE**

RE: **FEE WAIVER REQUEST BY THE OROVILLE HMONG NEW YEAR FESTIVAL COMMITTEE**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider a fee waiver request from the Oroville Hmong New Year Festival Committee, in the amount of $3,660, for Police Services relating to the 2026 Oroville Hmong New Year Festival, to be held October 10th and 11th at the Nelson Avenue Sports Complex. This represents a 50% reduction in actual Law Enforcement costs.

DISCUSSION

On October 10th and 11th of this year, the Oroville Hmong New Year Festival will be held at the Nelson Avenue Sports Complex. This event will run from 8:00 AM to 5:00 PM each day. An average daily attendance of 5,000 people is expected. This event has occurred for the past twenty-five years with few major incidents that required Law Enforcement intervention. The Hmong community has always been supportive and responsive to the needs of Law Enforcement to make this event safe and successful.

In 2024 and 2025, the Hmong community paid approximately $3,276.00 for Police Services for the New Year celebration (approximately 35% of total cost). This fee was based upon the Police Department supplying Officers over the two-day celebration for a total of 80 hours. The hourly rate was $117.00 per hour. The City Council authorized a 65% waiver. With increases in operational costs, the hourly overtime rate in 2026 has increased to $122.00.

Because the shift coverage can only be filled by officers on overtime, and due to the City's and Police Department's reduced budget's, we are unable to provide the level of coverage we would normally provide. Therefore, for 2026 we are proposing to reduce shift coverage from 80 hours to 60 hours (5 officers to 3 officers), with on- duty patrol able to assist as available. We are also proposing to reduce the discount from 65% to 50%.

This is a worthy event that is well attended by both local community members and out of town visitors. It is the recommendation of the Police Department that the fees for this event be reduced to help support the Hmong Community and to show our support of this event. (*See Chart below for details of fees.)*.

The overall cost to the festival is slightly more, however the cost responsibility for the police department has been cut significantly. We feel this is a needed adjustment to offer coverage to

the festival, while maintaining fiscal responsibility under our current conditions.

PROPOSED FEE FOR 2026

Hours	Rate	Total	Discount	Total Proposed Fee
60	$122.00	$7,320.00	50% = -$3,660.00	$3,660.00
Comparison from 2025				
80	$117.00	$9,360	65%= 6,084	$3,276

FISCAL IMPACT

Partial wavier of Police Services fees will result in a negative impact of $3,660.00 on the overtime budget of the Oroville Police Department

ACTION REQUESTED -

WAIVE 50% OF THE FEES, IN THE AMOUNT OF $3,660, AND HAVE THE APPLICANT PAY THE REMAINDER OF THE FEES, IN THE AMOUNT OF $3,660.00, FOR THE 2026 OROVILLE HMONG NEW YEAR FESTIVAL, OR

DETERMINE A DIFFERENT RATE OF REDUCTION

ATTACHMENTS

Request for fee waiver

Kay Cha, *President*
Lao Veterans of America, Inc.
5 Wildflower Terrace
Oroville, CA 95965
(530) 720-6513

Yeng Vang, *President*
Hmong United Community
of Oroville, Inc.
P.O. Box 1409
Oroville, CA 95965
(530) 403-8262

Oroville Hmong New Year Festival 2026-2027

August 18, 2026

To: Mayor David Pittman and Members of the City Council in the City of Oroville

Re: Oroville Hmong New Year Festival 2026-2027

On behalf of the Oroville Hmong New Year Committee, we are writing to respectfully request your support for the annual Oroville Hmong New Year Festival and to ask the City of Oroville to waive the Oroville Police Department's fees for providing security and related services for the festival, scheduled for October 10 and 11, 2026, at the Nelson Sports Complex in Oroville.

The Oroville Hmong New Year Festival is one of the largest annual cultural events held in Oroville, drawing thousands of attendees from surrounding communities as well as visitors from out of state. The festival is a nonprofit community event organized and operated entirely by volunteers. Committee members and individuals who dedicate their time and services to the event do so without compensation. Despite the long-standing history of this event, securing sufficient funding to cover the costs of hosting the festival continues to be a challenge. Each year, the committee relies primarily on booth rental fees, potential sponsorships, and a small admission fee to cover the expenses necessary to organize and operate the event. As we approach the event dates, these revenues allow us to put together a minimal operating budget that we hope will be sufficient to cover all required expenses. After all event expenses have been paid, any remaining proceeds will be donated in their entirety toward the future development of a Hmong community center. The community center would serve the local Hmong community and be supported and operated by local Hmong nonprofit organizations and community leaders.

The Oroville Hmong community fully understands the financial responsibilities the City faces and recognizes the costs associated with supporting an event of this size. However, we simply cannot continue to host this important cultural event without the City's assistance. We sincerely hope the City of Oroville will continue to partner with the Hmong community in making this event possible. This partnership represents a meaningful collaboration between the City and its Hmong residents and helps preserve and celebrate the cultural diversity of our community.

If you have any questions or would like additional information, please feel free to contact Yeng Vang at (530) 403-8262. You may also reach us by email at orovillehmongnewyear@outlook.com. Thank you for your time, consideration, and continued support of the Oroville Hmong community. We look forward to hearing from you.

Sincerely yours,

Kay Cha
President of Lao Veterans of America, Inc., Oroville

Yeng Vang,
President of Hmong United Community of Oroville

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN & COUNCIL MEMBERS**

FROM: **BRIAN RING, CITY ADMINISTRATOR**

RE: **APPOINTMENT TO DISTRICT A VACANCY**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider making an appointment to fill the existing vacancy in District A now that Councilmember Johnstone moved out of the district and resigned from her position effective Friday, August 21, 2026.

DISCUSSION

Councilmember Johnstone informed staff and the City Council that she has recently sold her home within District A and resigned from her position effective Friday August 21, 2026.

Should a City Council seat become vacant, pursuant to Government Code section 36512(b), the Council shall have 60 days (October 20, 2026) from the commencement of the vacancy to fill the vacancy by appointment or call for a special election. If filled by appointment, the person appointed shall fill the vacancy and hold office for the unexpired term of the former incumbent.

At the September 1, 2026 regular City Council meeting, the Council gave staff direction to put out a vacancy notice for District A and to bring back eligible candidates to the September 15, 2026 Council meeting for consideration. The Council also stated they would not consider appointing current candidates who are running for the District A seat, which will commence on January 5, 2027.

FISCAL IMPACT

Minimal (newspaper publication and staff time).

ACTION REQUESTED -

MAKE TEMPORARY APPOINTMENT TO FILL THE REMAINDER OF FORMER COUNCIL MEMBER JOHNSTONE'S TERM IN OFFICE AS DISTRICT A COUNCIL MEMBER; OR

ALLOW MORE TIME FOR CANDIDATES TO FILE LETTERS OF INTEREST.

ATTACHMENTS

Letters of interest and supporting documents from:

Nicholas Cleaver

NICHOLAS M. CLEAVER

[redacted] | Oroville, CA 95965 | [redacted] | [redacted]@gmail.com

September 8, 2026

Kayla Reaster, Assistant City Clerk
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

Re: Letter of Interest - Oroville City Council, District A

Dear Ms. Reaster and Members of the Oroville City Council:

I am writing to request consideration for appointment to the vacant District A seat on the Oroville City Council. I have lived in Oroville, within District A, since July 2022 and am a registered voter in the district. I am raising my family here, and I would welcome the opportunity to take a more active role in the future of the community we call home.

Before moving to Oroville, I served aboard the USS Wyoming as a nuclear-trained mechanical operator, supervisor, and Engineering Department Training Assistant. In those roles, I worked in an environment where preparation, accountability, regulatory compliance, and sound judgment were daily requirements. As Training Assistant, I was solely responsible for developing long- and short-range training plans for a 100-person engineering department, analyzing performance and attendance data, and adjusting the program when the results showed a problem. As a supervisor and operator, I planned and directed work while meeting demanding nuclear, quality-assurance, and submarine-safety standards.

Since November 2023, I have been a stay-at-home parent. That role has given me both a personal stake in Oroville's long-term success and the availability to take the responsibilities of a Council appointment seriously. I regularly use the City's parks with my child and participate in local and community events.

I believe Oroville is steadily improving, and I appreciate seeing visible progress in different parts of the city. At the same time, I understand that continued improvement has to be balanced against financial realities. If appointed, I would approach decisions about City resources by studying the facts, asking questions, listening to residents and subject-matter experts, and considering both immediate benefits and long-term costs. My goal would be to help ensure that improvements are pursued efficiently, responsibly, and with respect for the taxpayers who fund them.

I am seeking this appointment because I am ready to accept meaningful responsibility in service of something larger than my own household. I have the time to prepare for meetings, study the issues before the Council, and give the position the attention it deserves. I do not expect to arrive with an answer to every municipal issue, but my prior experience taught me how to learn complex systems, work within demanding requirements, and make responsible decisions when the details matter.

I would be honored to serve the remainder of the District A term. I am also interested in continuing to serve District A beyond the appointment and would consider seeking the seat through election. Thank you for your time and consideration. I would welcome the opportunity to discuss my background and approach with the Council.

Respectfully,

Nicholas M. Cleaver

NICHOLAS M. CLEAVER

Applicant - Oroville City Council, District A

[redacted] | Oroville, CA 95965 | ([redacted])[redacted]@gmail.com

PROFESSIONAL PROFILE

Oroville District A resident, U.S. Navy nuclear-trained veteran, and business administration graduate with experience in leadership, training administration, data analysis, regulatory compliance, quality assurance, risk management, and high-responsibility decision-making. Stay-at-home parent with the availability and commitment to prepare thoroughly for public-service responsibilities.

RELEVANT LEADERSHIP & ADMINISTRATIVE EXPERIENCE

United States Navy - USS Wyoming | 2013-2019

Engineering Department Training Assistant | July 2018 - July 2019

- Developed and administered long- and short-range training plans for a 100-person engineering department.
- Analyzed exam results and training attendance to identify deficiencies and revise training priorities.
- Maintained detailed training and compliance records supporting required safety standards.

Nuclear-Trained Mechanical Supervisor | July 2017 - July 2018

- Directed workflow and planned maintenance using technical requirements, manuals, and operational priorities.

Nuclear-Trained Mechanical Operator | July 2015 - July 2017

- Monitored and evaluated system performance to identify efficiency concerns and potential failures.
- Performed maintenance under rigorous Quality Assurance and SUBSAFE requirements for submarine and nuclear-plant safety.
- Worked effectively in high-pressure situations requiring careful judgment, procedural compliance, and attention to detail.

LOCAL BUSINESS DEVELOPMENT PROJECT

Proposed Climbing Gym - Oroville Area | Independent Feasibility & Development Work

- Researched commercial-property options, startup and construction costs, financing, and local market demand for a proposed climbing facility.
- Investigated construction, safety, regulatory, and operating requirements and evaluated the practical viability of launching a recreation-focused local business.
- Project remained in the development stage and did not become an operating business.

COMMUNITY & CIVIC BACKGROUND

- Resident of Oroville and City Council District A continuously since July 2022.
- Stay-at-home parent since November 2023; regularly uses City parks and participates in local and community events.
- Interested in responsible City growth, efficient use of public resources, and long-term service to District A.

EDUCATION & TECHNICAL TRAINING

UMass Global - Bachelor of Business Administration | 2021-2022

Naval Nuclear Engineering Technology Training, NNPTC/NPTU | 2013-2015

Additional Navy training: Naval Machine Tool Operator; 3K GDP Electric Distilling Plant Combined Maintenance; Submarine Basic and Advanced Firefighting.

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN AND CITY COUNCIL MEMBERS**

FROM: **BRIAN RING, CITY ADMINISTRATOR**

RE: **RESPONSE TO 2025/26 FINAL BUTTE COUNTY GRAND JURY REPORT**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider approving the response to the Final 2025/26 Butte County Grand Jury Report on behalf of the City of Oroville.

DISCUSSION

On June 26, 2026, the Butte County Grand Jury released to the public a final report related to the investigation it conducted related to matters of the City of Oroville. The Grand Jury conducted an inquiry into these matters and has made several findings and recommendations.

As has occurred in previous years, the Grand Jury requests a response from the City Council. The Council assembled an ad hoc committee consisting of three Council members and the City Administrator to review the findings, recommendations and assemble a draft response. That response is being presented to the Council for final input.

Penal Code sections 933 and 933.05 provides that when the Grand Jury submits a final report on the operations of any agency, “the governing body of the public agency shall comment…on the findings and recommendations pertaining to matters under the control of the governing body…” within 90 days.

FISCAL IMPACT

Minimal. Some staff time will be involved.

ACTION REQUESTED -

APPROVE OR PROVIDE OTHER DIRECTION WITH REGARD TO THE CITY OF OROVILLE’S RESPONSE TO THE 2025/26 FINAL BUTTE COUNTY GRAND JURY REPORT AND AUTHORIZE THE MAYOR TO SIGN RESPONSE.

ATTACHMENTS

Draft response to the 2025/26 Final Butte County Grand Jury Report.

City of Oroville

OFFICE OF THE MAYOR

David Pittman
Office of Mayor

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2535 FAX (530) 538-2468
www.cityoforoville.org

September 15, 2026

Hon. Jesus A. Rodriguez, Judge of the Superior Court
C/O Administrative Services
Superior Court of California, County of Butte
One Court Street, Oroville , CA 95965

Re: City of Oroville's Response to 2025/26 Grand Jury Report

Dear Judge Rodriquez:

Pursuant to Penal Code section 933, the city Council has reviewed the 2025/26 Grand Jury Final Report regarding matters related to the City of Oroville. In preparing this response, information was obtained from a City Council subcommittee prior to bringing the response to the full City Council for comprehensive input.

In response to the Grand Jury Final Report released on June 26, 2026, the City Council approved the following response in public session of its duly noticed meeting held on September 15, 2026.

Findings

F1: As a result of the Gateway Project agreement being approved by City Council and signed without Exhibit 5 - Milestone Schedule, the City sold property for $1.00 with no documented performance guarantees or reverter clause. The loss of City land and the resulting legal fees to pursue a solution negatively impacts all people paying taxes and receiving services from City.

Response: Agree in part. Selling a property at a below market price ($1.00) for a public benefit, is not an uncommon practice. While there are no guarantees or reversion language in the development agreement, the City can take legal action should there be any breach in the agreement.

F2. The City's legal resources and approval processes were insufficient, allowing a contract to move forward for City Council vote and execution even though it did not contain all of the crucial content. This resulted in a significant loss of City assets without the intended gain of the Gateway development.

Response: Agree in part. No agreement should go before the Council without appropriate exhibits. There is a development agreement in place for the development of the Gateway.

F3. When members of the public are not able to consistently and reliably make contact with elected officials, it has a negative impact on the City's ability to engage with the public and best serve the needs of the people represented.

Response: Agree. Council members may be contacted via email or telephonically (posted on the City website). Lack of response could have a negative impact on public engagement.

F4. In the past, some City Council Members repeatedly exerted pressure on and gave direction to City employees, violating the Oroville Municipal Code. This negatively impacted the City's operations while resources were used to respond to, address and/or avoid the behavior.

Response: Agree. Any time Council Members exert pressure on staff, it negatively impacts operations.

F5. The City Council voted to adopt the "Elected Officials Guiding Principles Handbook" on December 17, 2024 to "promote ethical and responsible governance…". As of April 7, 2026 only three of seven council member have signed the document and the public has not been informed of missing signatures.

Response: Agree. All Council members have now signed this handbook.

F6. The Oroville City Council does not have a mechanism to share with the public the status of prior agenda items requiring action by the City Council members.

Response: Disagree. The Clerk creates meeting minutes, which are brought to the council for approval, and published on the City website.

F7. Violation of confidentiality required by City Council closed sessions resulted in concerns the City Council is unable to effectively discuss sensitive and confidential topics. This is a violation of section 2.08.100 in the Oroville Municipal Code and negatively impacts the City's efficiency and effectiveness when working to resolve complex legal issues.

Response: Agree.

Recommendations

R1. Effective immediately, Oroville City Council members should read all content provided to them in each meeting agenda packet. Votes should be delayed until each City Council member reviews and is ready to vote on complete contract content.

Response: Agree.

R2. The Oroville City Council should research and consider remedies available to the City under the contracted law firms professional malpractice insurance due to the omission of a document in the Gateway Agreement when the City Attorney signed the form under "APPROVED AS TO FORM AND CONTENT".

Response: Agree in part. Council will consider all legal options available as it works to implement the developers' agreement.

R3a. The Oroville City Council should instruct the City of Oroville IT Department to test voicemails and emails from outside the City systems, specifically using the contact information and links published on the City website for City Council members. Ensure voicemails and emails are readily accessible and received by the City Council members. Testing should be completed and changes, if needed, implemented by January 31, 2027.

Response: Agree.

R3b. The Oroville City Council should establish response timelines for public inquiries and include those timelines in the voicemail greetings and automatic email responses by January 31, 2027. When a member of the public contacts an elected official, that person should be informed when they will next hear from the City Council regarding their question/concern.

Response: Agree in part. Each individual elected official responds to inquiries differently, that suits their individual style.

R4. The Oroville City Council should direct the City to establish and monitor an anonymous ethics violation reporting mechanism. Implementation of the mechanism to be completed and communicated to all City employees, contractors and City Council members by February 28, 2027

Response: Agree. In process now.

R5. The Oroville City Council should enforce item 10 (Consequences for Non-Compliance) in the adopted Elected Officials Guiding Principles Handbook by November 1, 2026. City Council members who have not signed the documents shall be "ineligible for committee assignments."

Response: Agree.

R6. The Oroville City Council should create a recurring agenda item for public meetings that would report pending Council member action items (signatures, required trainings, etc.). Implement by November 1, 2026.

Response: Disagree.

R7. Effective immediately, Oroville City Council members should maintain the confidentiality of all closed session proceedings and related materials, as required by law.

Response: Agree

Respectfully submitted,

City Council of the City of Oroville, California

David Pittman
Mayor, City of Oroville

Cc: Oroville City Council

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN AND COUNCIL MEMBERS**

FROM: **RUTH DUNCAN, ASSISTANT CITY ADMINISTRATOR-ADMINISTRATIVE SERVICES**

RE: **FIRE CONTRACT COSTS**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall receive information on the cost of Fire Services for the City of Oroville.

DISCUSSION

Staff was requested to provide Council with an analysis of Fire Costs. To date we have four years of actuals so this analysis will focus on these four years – fiscal years 2022-23, 2023-24, 2024-25, 2025-26.

On April 29, 2022, the City entered into an agreement for contracted fire services starting July 1, 2022, through June 30, 2025. A few amendments were necessary to add a fire mechanic and another for the State mandated 66-hour work week. Another agreement was contracted for an additional three-year period, July 1, 2025, through June 30, 2028.

Four years of contracted services has cost the City $19,930,983 or an average of $4,982,746 per year. The contract agreements are signed at positions being budgeted at top step. Overall, the contract to actuals have been a collective four years of savings of $1,815,080 from the contracted amounts or an average of $453,770 per year.

On top of the contracted costs for personnel, the City maintains additional costs that are non-personnel related. The total for these ongoing costs for four years is $2,153,069 (less a one-time expense for medical buyouts) or an average of $538,267 per year.

Some of the ongoing City costs include Fuel, Vehicle Maintenance, Equipment, Supplies, Other Services, Building Maintenance, Utilities, and a part time Administrative Assistant.

Four-year average cost:

Fire contract costs	4,982,746
City ongoing expenses	538,267
Total average annual cost over 4 years	$5,521,013

Looking ahead - ongoing expenses will increase $518,078 annually by the final year of the current contract. Keep in mind these amounts are estimated at the top step of salary schedule and we won't know the actual savings until these years are completed.

Increases are as follows:

2026-27 (current year in progress)

Contract for Fire Services	$6,408,475
Contract for Mechanic	194,473
Total	$6,602,948

This is an increase of $253,960 from the prior year.

2027-28

Contract for Fire Services	$6,664,814
Contract for Mechanic	202,252
Total	$6,867,065

This is an increase of $264,118 from the prior year.

FISCAL IMPACT

No fiscal impact, information only

ACTION REQUESTED -

RECEIVE INFORMATION REGARDING FIRE COSTS.

ATTACHMENTS

Fire cost analysis

Fire cost analysis

	City In House Fire Dept		Cal Fire Contract				Four Year
Fiscal Year	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Cal Fire Contract-Fire			4,836,965	4,933,807	5,370,067	6,161,995	
Cal Fire Contract-Mechanic				64,361	191,875	186,993	
Cal Fire Actual amount paid	4,178,419	4,821,750	4,608,601	4,907,490	4,831,949	5,582,942	19,930,983
Contract Savings	N/A	N/A	228,364	90,678	729,993	766,046	1,815,080
City ongoing costs			657,237	616,751	663,672	416,253	2,353,913
Total City Fire Costs	4,178,419	4,821,750	5,265,838	5,524,241	5,495,621	5,999,195	
Contract Increase year to year				161,203	563,774	787,046	

One time expenses:

Accrued leave buyouts		750,000					
Medical liability buyouts					200,844		

City ongoing expenses include:

- Fuel
- Vehicle Maintenance
- Continued Pension costs
- Equipment
- Supplies
- Other services
- Building Maintenance
- Utilities
- Part Time Admin Assistant

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN AND COUNCIL MEMBERS**

FROM: **KAYLA REASTER, ASSISTANT CITY CLERK**

RE: **APPOINTMENT TO VACANT COUNCIL COMMITTEE ASSIGNMENTS**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

Due to the resignation of former Council Member Johnstone, vacancies now exist on six Council Committees. The Mayor shall appoint Council Members to her former appointments. Once the Mayor has made these appointments, the Council will vote to confirm the assignments.

DISCUSSION

Council Member Johnstone's unscheduled vacancy on the City Council has resulted in six vacancies on various committees, boards, commissions, and other bodies to which she was appointed by the City Council.

Pursuant to County Policy and Resolution #8813, the Mayor, with the approval of the City Council, shall make all appointments to boards, commissions and committees unless otherwise specifically provided by statute or City Charter. The role of the Council is to advise and consent (i.e. approve or reject), however, the Council may not substitute its desired appointments for that of the Mayor. This appointment authority shall not extend to citizen appointments to the Planning Commission, the Parks Commission, the Arts Commission or the Citizen's Oversight Committee related to Measure U, which shall be appointed by majority vote of the Council.

The Mayor shall announce his appointments at or before a properly noticed regular or special meeting of the City Council, which lists this matter as an item for action to be taken. A vote of the Council shall be taken. Appointments must be approved by a majority of the Council present at the meeting. Appointments shall expired each year unless otherwise announced by the Mayor prior to the appointment.

The following committee assignments were previously held by Council Member Johnstone and are now vacant:

Committee / Commission	Primary/Alternate
Airport Land Use Commission	Primary
Arts Commission	Primary
Butte County Continuum of Care	Primary
Executive Committee	Alternate
Housing Loan Advisory Committee	Primary
Supplemental Benefits Fund Committee	Primary

FISCAL IMPACT

None.

ACTION REQUESTED -

MAYOR ASSIGN COUNCIL MEMBERS TO VARIOUS VACANT ASSIGNMENTS DUE TO VACANCY OF COUNCIL MEMBER JOHNSTONE, DISCUSS ASSIGNMENTS AND VOTE TO CONFIRM OR DENY ASSIGNMENTS.

ATTACHMENTS

Current Council Assignment List
Resolution #8813

CITY OF OROVILLE COMMITTEE AND BOARD ASSIGNMENTS 2026

	David Pittman	Scott Thomson	Chuck Reynolds	Janet Goodson	Tracy Johnstone	Shawn Webber	Eric Smith		
ALUC - Airport Land Use					X			1, Alt	Airport Manager
ARTS COMMISSION				A	X			1, Alt	Community Development Director
BCAG - Butte County Assoication of Governments	X						A	1, Alt	City Administrator or City Engineer
BCAQCB - Butte County Air Quality Control Board	A						X	1, Alt	City Administrator or Director of Development
CHAMBER OF COMMERCE		A				X		1, Alt	City Administrator
Citizens Oversight Committee	X		A	A		X		2, 2 Alt	Finance Director
COCC - Butte County Continuum of Care					X		A	1, Alt	Director of Community Development
EXECUTIVE COMMITTEE/ INTERGOVERNMENTAL	X			X	A	A	X	3, 2 Alt	City Administrator
LEAGUE OF CALIFORNIA CITIES	X						A	1, Alt	City Administrator
LOAN ADVISORY HOUSING and ECONOMIC DEVEL		X			X	X	A	3, 2 Alt	Business Assistance and Housing Director
ODBA - Oroville Downtown Business Assoication		A				X		1,Alt	PIO
ORAC - Oroville Recreation Area Committee			A			X		1,	PIO
SBF - Supplemental Benefit Committee	X	X	A	A	X	A		3, 3 Alt	Program Specialist-Consultant
SC-OR - Sewerage Commission Oroville Region	X			A				1, Alt	City Engineer
Wyandotte Creek - Groundwater Management			A	X				1, Alt	City Engineer
Butte County Mosquito & Vector Control							X	1,Alt.	Director of Community Development
TOURISM						X		1	PIO
VETERAN MEMORIAL PARK			X					1	City Administrator
Oroville Dam Citizen Advisory Commission	X					A	X	2, Alt	City Administrator
Butte Choice Energy Authority (BCEA) (CCA)		A	X	A			X	2, 2 Alt	Community Development Director
LAFCO									Appointed by BC City Selection Committee

X - Voting Member A - Alternate Member

CITY OF OROVILLE COMMITTEE AND BOARD ASSIGNMENTS 2025

Committee or Board	Meeting Date	Meeting Time
ALUC - Airport Land Use	3rd Wednesday	9:00
ARTS COMMISSION	2nd Tuesday	4:00 PM
BCAG - Butte County Assoication of Governments	4th Thursday	9:00
BCAQCB - Butte County Air Quality Control Board	4th Thursday	10:00
CHAMBER OF COMMERCE	2nd Wednesday	3:00 PM
Citizens Oversight Committee	4th Tuesday/Wednesday	Quarterly
COCC - Butte County Continuum of Care	3rd Monday	1:00 PM
EXECUTIVE COMMITTEE/ INTERGOVERNMENTAL(w/County)	As Needed	
LEAGUE OF CALIFORNIA CITIES	Various	
LOAN ADVISORY HOUSING	2nd Thursday	10:00
ODBA - Oroville Downtown Business Assoication	3rd Thursday	8:30
ORAC - Oroville Recreation Area Committee	1st Friday	10:00
SBF - Supplemental Benefit Committee	3rd Wednesday	2:00 PM
SC-OR - Sewerage Commission Oroville Region	4th Wednesday	5:00 PM
Wyandotte Creek - Groundwater Management	4th Thursday	1:00 PM
Butte County Mosquito & Vector Control	2nd Wednesday	4:00 PM
TOURISM	2nd Tuesday	10:00
VETERAN MEMORIAL PARK	3rd Monday	6:45pm
Oroville Dam Citizen Advisory board	4th Friday - Quartely	10:00
Community Choice Aggregation (CCA)	1st Monday	5:30 PM
LAFCO	1st Thursday	9:00

CITY OF OROVILLE
RESOLUTION NO. 8813

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OROVILLE, CALIFORNIA ADOPTING A POLICY REGARDING COUNCIL COMMITTEE APPOINTMENTS

WHEREAS, it has long been held that unless a Charter of a city expressly provides for municipal control over a particular concern, general state law would prevail; and

WHEREAS, the Oroville City Charter does not provide for municipal control over boards, commissions, and committees appointments and the Council has not previously adopted a policy related thereto; and

WHEREAS, California Government Code Section 40605 provides that an elected mayor shall make all appointments to boards, commissions, and committees with the approval of the city council; and

WHEREAS, the California Attorney General has opined that Government Code Section 40605 establishes an advice and consent relationship; and

WHEREAS, even though the Council has previously followed the process as outlined in Government Code 40605, the Council believes that it is necessary to formalize the process for making boards, commissions, and committee appointments for the City of Oroville.

NOW, THEREFORE, BE IT RESOLVED by the Oroville City Council as follows:

1. The Mayor, with the approval of the City Council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute or City Charter. The role of the Council is to advise and consent (i.e. approve or reject), however, the Council

may not substitute its desired appointments for that of the Mayor. This appointment authority shall not extend to citizen appointments to the Planning Commission, the Parks Commission, the Arts Commission, or the Citizen's Oversight Committee related to Measure U, which shall be appointed by a majority vote of the Council.

A. Example of appointment process:

1. Example 1 - The Mayor names Person 1 to a committee. The Mayor makes a motion and a Councilmember makes a second to the motion. The vote is 4-3, with 4 Councilmembers voting in support of the motion. The motion passes and Person 1 is appointed to the committee.

2. Example 2 – The Mayor names Person 1 to a committee. The Mayor makes a motion and a Council Member makes a second to the motion. The vote is 3-4, with 4 Councilmembers voting in opposition of the motion. The motion fails and Person 1 is not appointed to the committee. The Mayor names Person 2 to the committee. The Mayor makes a motion and a Councilmember makes a second to the motion. The vote is 4-3, with 4 Councilmembers voting in support of the motion. The motion passes and Person 2 is appointed to the committee.

2. The Mayor shall announce his or her appointments at or before a properly noticed regular or special meeting of the City Council Agenda which lists this matter as an item for action to be taken. A vote of the council shall be taken. Appointments must be approved by a majority of the council present at the meeting. Appointments shall expire in February of each year, unless otherwise announced by the Mayor prior to the appointment.

PASSED AND ADOPTED by the City Council of the City of Oroville at a special meeting on September 5, 2019, by the following vote:

AYES:	Hatley, Pittman, Thomson, Goodson, Smith, Draper, Reynolds
NOES:	None
ABSTAIN:	None
ABSENT:	None

Chuck Reynolds, Mayor

APPROVED AS TO FORM:

Scott E. Huber, City Attorney

ATTEST: September 5, 2019

Jackie Glover, Assistant City Clerk

CITY OF OROVILLE
STAFF REPORT

TO: **MAYOR PITTMAN & COUNCIL MEMBERS**

FROM: **JANET GOODSON, COUNCIL MEMBER**

RE: **NAACP BUTTE COUNTY 6TH ANNUAL INVITATION AND REQUEST TO PURCHASE TABLE**

DATE: **SEPTEMBER 15, 2026**

SUMMARY

The City Council shall consider purchasing a table to attend the 6th Annual NAACP Dinner for $750.00.

DISCUSSION

None.

FISCAL IMPACT

To be paid for with Community Enhancement account. $21,000 was included in the budget and $550 has been spent fiscal year to date.

ACTION REQUESTED –

APPROVE PURCHASE OF TABLE FOR $750.00.

ATTACHMENTS

NAACP 6th Annual Dinner Flyer Invitation


NAACP PRESENTS
6th Annual
BLACK & WHITE
GALA & AWARDS
EVENT
SATURDAY, OCTOBER 10, 2026
An evening of elegance, celebration, and honoring excellence!
LAKESIDE PAVILION
2565 CALIFORNIA PARK DRIVE
CHICO, CA
DOORS OPEN @ 5:30 PM
PROGRAM @ 6 PM
BLACK TIE EVENT
$75 per person ~ $750 VIP Table
CONTACT: PASTOR DAVID GOODSON
PHONE: 530-828-9759

CITY OF OROVILLE



FIRE DEPARTMENT

Statistics Package

8/1/2026 to 8/31/2026

Countywide Cooperative Fire & Rescue Service

Definitions and Notes

Terms

Dispatched Agencies:
All agencies that are dispatched by the CAL FIRE / Butte County Fire Department Oroville Emergency Command Center
First Due Station:
The jurisdicational agency station's area where the incident happened based on the Computer Aided Dispatch Dynamic Routing First Due Station to another agency:

Agencies

- CABIG City of Biggs Fire Department
- CABTU CAL FIRE Butte Unit
- CABTC Butte County Fire Department
- CACDF CAL FIRE (Out Of Unit Activity)
- CACHI City of Chico Fire Department
- CAEMD El Medio Fire Protection District
- CAGRD City of Gridley Fire Department
- CALNF United States Forest Service Lassen National Forest
- CAMAY Marysville Fire Department
- CAMTR Mooretown Rancheria
- CAORO City of Oroville Fire Department
- CAPNF United States Forest Service Plumas National Forest
- CAPRA Town of Paradise Fire Department
- CASTC Sutter County Fire Department
- CATCR Tehama County Fire Department
- CAXPU Plumas County Unprotected Area

Incident Types

- MED - Medicals
- MEDFSS (Medical Flight)
- MEDA - Medical Code 2
- T/C - Traffic Collisions
- HAZ-CON - Hazardous Conditions
- P/A - Public Assists
- OTH - Other / Miscellanies
- ECC - Emergency Command Center Specific Incidents
- HAZ-MAT - Hazardous Materials
- RESCUE - Technical Rescues
- VEG - Vegetation Fires
- STR - Structure Fires
- VEH - Vehicle Fires
- OTH FIRES - Other Fire Types not categorized above
- F/A - False Alarms (Fires)

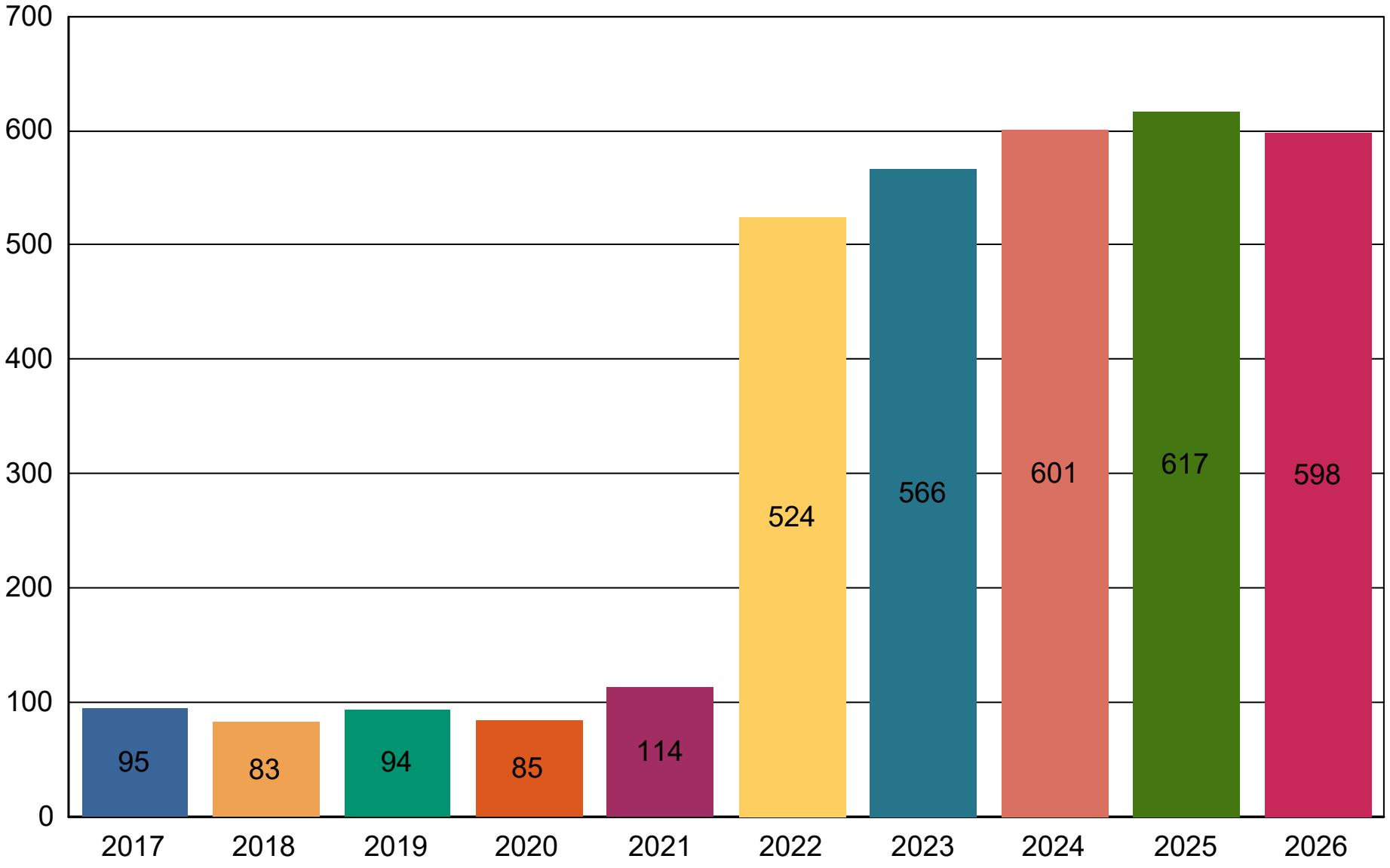
Stations

11 - CAL FIRE Butte Meadows	13 - CAL FIRE Stirling City	22 - CAL FIRE Cohasset
23 - CAL FIRE Forest Ranch	25 - Butte County Fire Butte College	33 - Butte County Fire Upper Ridge
35 - CAL FIRE Paradise	36 - CAL FIRE Jarbo Gap	41 - Butte County Fire Nord
44 - Butte County Fire South Chico	45 - Butte County Fire Durham	51 - CAL FIRE Feather Falls
54 - CAL FIRE Robinson Mill	55 - Butte County Fire Bangor	62 - CAL FIRE Harts Mill
63 - CAL FIRE Oroville	64 - Butte County Fire Kelly Ridge	71 - Butte County Fire Richvale
72 - Butte County Fire Palermo	73 - Butte County Fire Biggs	74 - Butte County Fire Gridley
81 - Paradise Birch Street	82 - Paradise South Libby Rd	91- CAL FIRE Oroville

ECC - CAL FIRE Oroville Emergency Command Center

10 Year Incident Comparison By Year All Incidents

8/1/26 To 8/31/26

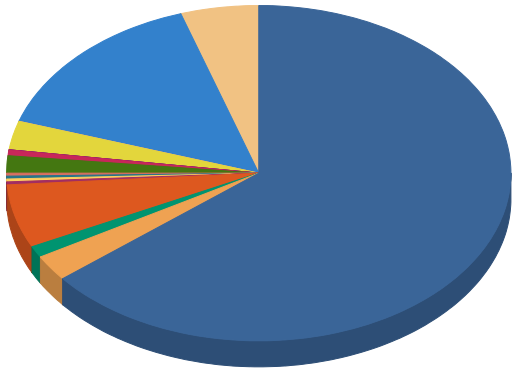


** DATA IS UNAVAILABLE PRIOR TO 02/11/2004*

Agency Activity 8/1/2026 to 8/31/2026

	MED	T/C	HAZ-CON	P/A	OTH	ECC	HAZ-MAT	RESCUE	VEG	STR	OTH FIRE	F/A	HFSFS	MEDC2	MVISTG	Total
CAORO	383	16	7	36	1	2	1	3	9	3	1	16	1	89	30	598
Total	383	16	7	36	1	2	1	3	9	3	1	16	1	89	30	598

Incident Type Percentages (All Agencies)



MEDICALS	383	64.0%
TRAFFIC COLLISIONS	16	2.7%
HAZARDOUS CONDITIONS	7	1.2%
PUBLIC ASSISTS	36	6.0%
OTHER INCIDENTS	1	0.2%
ECC INCIDENTS	2	0.3%
HAZARDOUS MATERIALS	1	0.2%
RESCUES	3	0.5%
VEGETATION FIRES	9	1.5%
STRUCTURE FIRES	3	0.5%
OTHER FIRES	1	0.2%
FALSE ALARMS	16	2.7%
HFSFS	1	0.2%
MEDC2	89	14.9%
MVISTG	30	5.0%
Total:	598	100.0%

Cooperator Assitance Provided to *CAL FIRE*/Butte County Fire
8/1/2026 to 8/31/2026

	MED	T/C	HAZ-CON	P/A	OTH	HAZ-MAT	RESCUE	VEG	STR	OTH FIRE	F/A	HFSFS	MEDC2	MVISTG
CAORO	356	28	7	27	1	1	10	12	6	2	16	1	87	32
Total	356	28	7	27	1	1	10	12	6	2	16	1	87	32

Resource Agency Response to Jurisdictional Agency
8/1/2026 to 8/31/2026
CAORO to CAORO

Total Number of Incidents: **465**

Total Number of Resources Responding: **539**

		MED	T/C	HAZ-CON	P/A	OTH	HAZMAT	RESCUE	VEG	STR	OTH FIRE	F/A	HFSFS	MEDC2	MVISTG
CAORO	**B9A**	0	1	0	0	0	1	1	3	0	0	2	0	0	0
	B9B	0	7	2	0	0	0	0	3	2	0	2	0	0	0
	BOAT91	0	0	0	0	0	0	2	0	0	0	0	0	0	0
	E391	6	0	0	0	0	0	0	5	0	0	0	1	0	0
	E91	241	11	3	7	1	0	2	7	3	1	8	1	65	21
	E93	11	1	1	6	0	0	0	0	0	0	1	0	4	0
	RS91	0	0	0	0	0	0	2	0	0	0	0	0	0	0
	T91	48	9	2	16	0	1	2	2	3	0	5	0	13	3
	Total	306	29	8	29	1	2	9	20	8	1	18	2	82	24

Resource Agency Response to Jurisdictional Agency
8/1/2026 to 8/31/2026
CABTC to CAORO

Total Number of Incidents: **139**

Total Number of Resources Responding: **183**

		MED	T/C	HAZ-CON	P/A	HAZMAT	RESCUE	VEG	STR	F/A	MEDC2	MVISTG	OAMADM	Total
CABTC	**CO64**	0	0	0	0	0	1	4	0	1	0	0	0	6
	E63	66	4	3	8	0	2	6	2	5	12	6	0	114
	E64	5	0	0	1	0	1	1	1	1	1	0	0	11
	E71	4	0	0	1	0	1	0	0	0	0	0	2	8
	E72	2	0	0	0	0	0	1	0	1	0	0	0	4
	WT64	0	0	0	0	0	0	2	0	0	0	0	0	2
	Others	5	0	0	0	1	4	11	4	1	0	0	12	38
	Total	82	4	3	10	1	9	25	7	9	13	6	14	183

Resource Agency Response to Jurisdictional Agency
8/1/2026 to 8/31/2026
CAORO to CABTC

Total Number of Incidents: **80**

Total Number of Resources Responding: **95**

		MED	T/C	HAZ-CON	P/A	RESCUE	VEG	STR	F/A	MEDC2	MVISTG	Total
CAORO	**B9A**	0	1	0	1	1	0	0	0	0	0	3
	B9B	0	2	0	0	1	0	0	1	0	0	4
	BOAT91	0	0	0	0	5	0	0	0	0	0	5
	E391	1	0	0	0	0	1	0	0	0	0	2
	E91	38	8	2	1	2	0	2	3	7	6	69
	E93	1	1	0	0	2	0	1	0	0	0	5
	RS91	0	0	0	0	5	0	0	0	0	0	5
	T91	0	0	0	1	0	0	0	0	0	0	1
	U91	0	1	0	0	0	0	0	0	0	0	1
	Total	40	13	2	3	16	1	3	4	7	6	95

Resource Agency Response to Jurisdictional Agency
08/01/2026 to 08/31/2026
CAL FIRE to CAORO

Total Number of Incidents: **74**

Total Number of Resources Responding: **201**

		MED	T/C	HAZ-CON	P/A	OTH	HAZMAT	RESCUE	VEG	STR	F/A	MEDC2	MVISTG	OAMADM	Total
CABTU	**AA210**	0	0	0	0	0	0	0	2	0	0	0	0	0	2
	B2102	0	2	0	0	0	0	1	0	1	0	0	0	0	4
	B2103	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	B2105	0	0	0	0	0	0	0	0	0	1	0	0	0	1
	B2115	0	0	0	0	1	0	1	0	0	0	0	0	0	2
	B2117	0	2	1	0	0	0	0	2	0	2	0	0	0	7
	B3	0	3	1	0	0	0	2	1	0	2	0	0	0	9
	CH2101	0	0	0	0	0	0	2	2	0	0	0	0	0	4
	D2104	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	D2105	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	D9	0	0	0	0	0	0	1	0	0	0	0	0	0	1
	E2154	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2160	0	0	0	0	0	0	0	0	0	0	1	0	1	2
	E2161	0	0	0	0	0	0	0	0	0	0	0	0	2	2
	E2162	0	0	0	0	1	0	0	0	0	0	0	0	1	2
	E2163	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2164	0	0	0	0	0	0	0	0	0	0	0	0	3	3
	E2165	0	0	0	0	1	0	0	0	0	0	0	0	1	2
	E2166	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2167	0	0	0	0	0	0	0	1	0	0	0	0	1	2

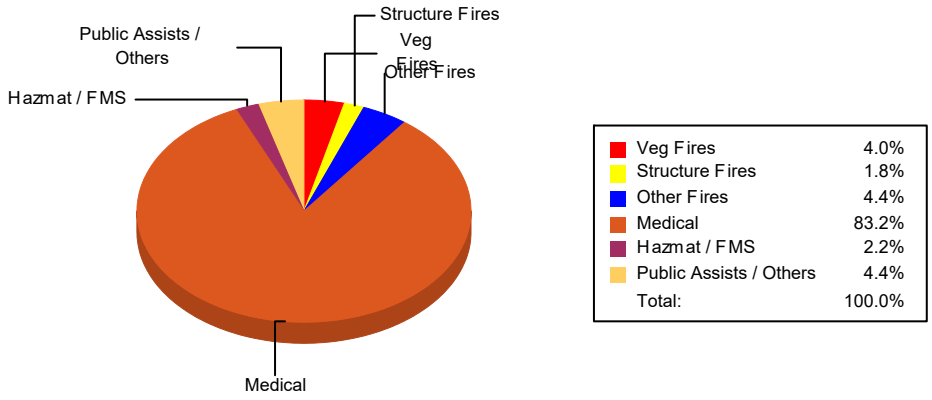
		MED	T/C	HAZ-CON	P/A	OTH	HAZMAT	RESCUE	VEG	STR	F/A	MEDC2	MVISTG	OAMADM	Total
CABTU	**E2168**	1	0	0	0	0	0	0	0	0	0	0	0	2	3
	E2169	17	5	1	2	0	0	0	5	2	4	2	0	1	39
	E2170	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2176	0	0	0	0	1	0	0	0	0	0	0	0	1	2
	E2180	6	2	1	3	0	0	0	4	1	1	1	2	0	21
	E2184	0	0	0	0	1	0	0	0	0	0	0	0	1	2
	E2185	0	0	0	0	1	0	2	0	0	0	0	0	2	5
	E2191	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2192	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	E2196	0	0	0	0	0	0	0	2	0	0	0	0	1	3
	MAG3	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	MAG4	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	P2121	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	P2122	0	0	0	0	0	0	0	2	0	1	0	0	0	3
	P2123	0	0	0	0	0	0	0	3	1	0	0	0	0	4
	P2124	0	0	0	0	0	0	0	4	0	0	0	0	0	4
	PIO2150	0	0	0	0	0	0	1	0	0	0	0	0	0	1
	PIOADVSE	0	0	0	0	0	1	3	8	3	1	0	0	0	16
	PRVADVSE	0	0	0	0	0	0	0	8	3	2	0	0	0	13
	S2103	0	1	1	0	0	0	0	2	2	0	0	0	0	6
	T2106	0	0	1	0	0	0	0	0	0	0	0	0	0	1
	T2107	0	0	0	0	0	0	2	3	0	0	0	0	0	5
	TAB1	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	TAB2	0	0	0	0	0	0	0	0	0	0	0	0	1	1

		MED	T/C	HAZ-CON	P/A	OTH	HAZMAT	RESCUE	VEG	STR	F/A	MEDC2	MVISTG	OAMADM	To
CABTU	**TAB3**	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	TAB-U2	0	0	0	0	0	0	1	0	0	0	0	0	0	1
	TD2140	0	0	0	0	0	0	0	4	0	0	0	0	2	6
	TD2141	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	TD2142	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	TD2149	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	U2154	0	2	0	0	0	0	0	1	0	1	1	0	0	5
	Total	24	17	6	5	6	1	16	58	13	15	5	2	33	201

Battalion 9 Total Responses
8/1/2026 to 8/31/2026

	Veg Fires	Structure Fires	Other Fires	Medical	Hazmat / FMS	Public Assists /	Total
B9A	5	0	3	4	1	0	13
B9B	3	3	4	10	2	0	22
E391	7	0	1	7	1	0	16
E91	7	5	13	401	6	9	441
T91	2	3	5	75	3	17	105
Total	24	11	26	497	13	26	597

Number of Incidents / Incident Type



CODE ENFORCEMENT DIVISION
JULY 2026 MONTHLY REPORT

CODE ENFORCEMENT ACTIVITIES	
Violations Resolved	*260*
Proactive Cases Opened	*65*
Reactive Cases Opened	*38*
Total Cases Closed	*176*
Voluntarily Closed	*131*
Forced Closed	*45*
Inspections Performed	*392*

Code Enforcement Highlighted Activity Summary – August 2026

Summary:
This reporting period included abatement of illegal encampments, removal of abandoned vehicles and shopping carts, multiple outreach and presentation engagements, inter-agency inspections, and major cleanup projects across the city. Housing Navigation successfully placed an unhoused individual into permanent housing.

Operations & Abatements

1. **Illegal Camping Abatement**
   - Multiple illegal encampments were abated along the river, downtown area, and additional high-impact locations throughout the city.

2. **Abandoned Vehicles**
   - Several abandoned and inoperable vehicles were identified and towed in accordance with municipal code.

3. **Abandoned Shopping Carts**
    - 21 abandoned shopping carts were collected and removed from public rights-of-way.

4. **Southside Alleys Cleanup Project**
    - A coordinated two-day abatement project removed junk, trash, and debris from the Southside Alleys.

5. **City Works Weed Abatement**
    - High weeds were abated on (5) five City-owned properties to reduce fire hazard and improve public safety.

6. **Private Property Clean & Liens**
    - (3) three private parcels identified as high fire risk were cleaned of hazardous waste, weeds, junk, and debris.
    - Clean and lien procedures were initiated where applicable.

7. **SB1383 Waste Carts**

(73) Seventy-three cases were opened by Code Enforcement for businesses and schools not source separating garbage. The compliance for these cases with be followed by Arbuckle and Associates.

8. Dumped Tires

Tire Waste Management picked up over 486 tires. These tires were collected by City Works either as a phone in pickup or left dumped in our city limits. The costs of the disposal of these tires in covered by the Cal Recycle Tire Amnesty Grant.

8. **Code Enforcement Training**

My Code Enforcement Team completed a 3 hours training on de-escalation techniques and

Community Outreach & Interagency Work

1. **Department of Justice Tobacco Compliance Inspections**
   - (12) Twelve DOJ tobacco inspections were conducted to ensure retailer compliance with state regulations. These were conducted on weekends when retailers are more likely to violate tobacco laws. Four businesses were issued citations.

2. **National Night Out**

   Code Enforcement had a booth at the National Nigh Out**.** My team provided information on code enforcement reporting. My team provided frozen face packs, pens and other swag.

3. **Presentations & Community Engagement**

   - Delivered a presentation on the Code Enforcement Department to the *Noon Rotary Organization*.

   - Provided a presentation on drug recognition to the *North Valley Property Owners Association*.

4. **Housing Navigation Success**

   On the morning of August 28, a Public Works employee located the client and notified the Navigation Team. Contact was made with the client that same morning, during which she reported that she had been staying with a friend in Oroville but was asked to leave on the night of August 27. The client stated she remained outside the local Maverick store overnight, as it is open 24 hours.

   Housing options were reviewed with the client, and she expressed interest in shelter placement, stating she has no friends or family available to assist her. Mission Esperanza was contacted; however, staff reported they were unable to accommodate the client due to her having a cat.

Further contact was made with the Torres Shelter in Chico, which indicated a potential opening. The need for a bottom bunk was communicated to shelter staff. This information was explained to the client, who agreed to travel to the Torres Shelter and wait for a bed if necessary.

Transportation was provided, and the client was checked into the Torres Shelter later that afternoon, where she was assigned a bed.

Success Story 2:

Initial contact with the client occurred on August 19, 2026, outside of the Bank of America in Oroville. The client reported having recently returned to Butte County from Los Angeles County. He stated he has been unhoused for approximately ten years and periodically returns to Oroville because he is originally from the area.

Housing options were discussed, and the client expressed interest in entering Mission Esperanza. Transportation to the shelter was provided the same day, and the client was successfully enrolled upon arrival.

The client's information was forwarded to the HDAP worker for assistance with SSA-related needs.

Code Enforcement Training:

Dealing with an Angry Public: Practical Tips for De-Escalation

Topic Included:

Dealing with the public can be challenging and although the majority of people we deal with are wonderful, the small percentage that display anger and aggression can really cause us to lose our cool. This is an interactive session that lets participants explore difficult customer engagement and develop skills to better handle it. Learn when to act, when to react, and when to ask for help!

Comcate Activity Reports August 2026.


Summary_2026-09-01T17_25_48.pdf


Summary_2026-09-01T17_24_39.pdf


Summary_2026-09-01T17_23_45.pdf



CAMP ABATEMENT BEHIND FOOD MAXX



CAMP ABATMENT BEHIND APPLEBEES



COUCH ABATED FROM MINERS ALLEY



CAMP ABATED ALONG THE RIVER



CART BEHIND MOTEL 6



TRASH DUMPED INFRONT OF MOVIE THEATER



TRASH ABATED ALONG SOUTH 7TH



TRASH ABATED FROM BEDROCK PARK



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ABATEMENT OF VEGITATION CITY OWNED PROPERTY NEAR CAL WATER HEADQUARTERS



ALLEY CLEANUP NEAR CAL WATER HEADQUATERS



CAMP ABATEMENT SOUTHSIDE ONTARIO STREET

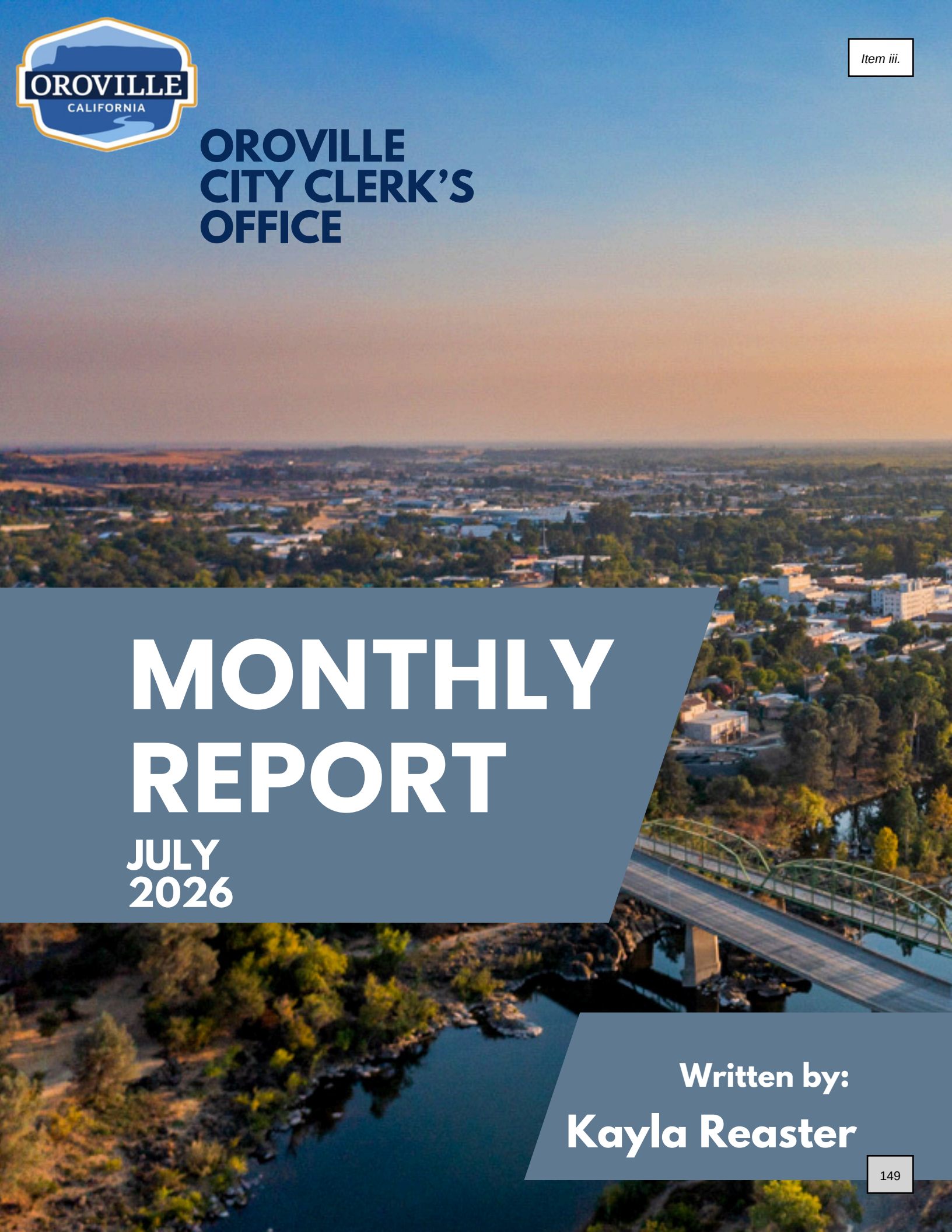
SEE YOU ALLTONIGHT.

OROVILLE
CALIFORNIA

OROVILLE CITY CLERK'S OFFICE

MONTHLY REPORT

JULY 2026



Written by:
Kayla Reaster

Table of Contents

01 **Meetings Attended**

This section provides a comprehensive list of all City Council, Board, Commission, and Committee meetings attended during the reporting period in support of legislative, advisory, and administrative functions of the City.

02 **Agenda Items Processed**

A summary of all agenda items processed during the month, including coordination, review, editing, and routing in support of City Council, Board, Commission, and Committee meetings.

03 **PRA Overview**

This section summarizes the volume and status of Public Records Act requests administered by the City Clerk's Office to ensure transparency and timely statutory compliance.

04 **FPPC Filings**

A summary of FPPC filings handled during the reporting period.

05 **Contact Information**

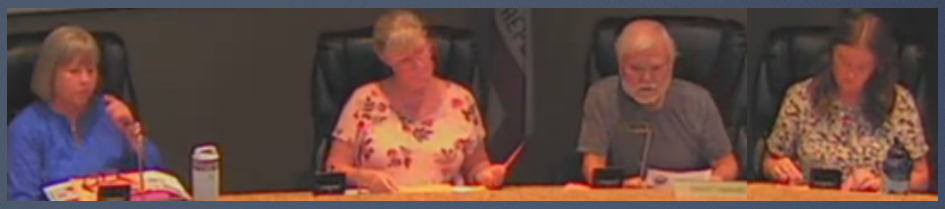
This section provides contact information for the City Clerk's Office.

Meetings Attended

City Council Meetings:

- August 4, 2026
- August 18, 2026





Arts Commission Meeting

- August 11, 2026

Parks Commission Meeting

- August 11, 2026



SBF Committee Meeting:

- August 19, 2026



Wyandotte Creek GSA Meetings:

- August 20, 2026
- August 27, 2026



Planning Commission Meeting:

- August 27, 2026



OROVILLE
CALIFORNIA

Agenda Items Processed

11 **Consent Calendar**
Items Processed

25 **Regular Business**
Items Processed

09 **Public Hearing**
Items Processed

05 **Correspondence**
Items Processed

530-538-2535
1735 Montgomery Street
Oroville, CA 95965

AUGUST 2026
PUBLIC RECORD REQUEST DATA

MONTHLY STATISTICS

New and Closed Requests

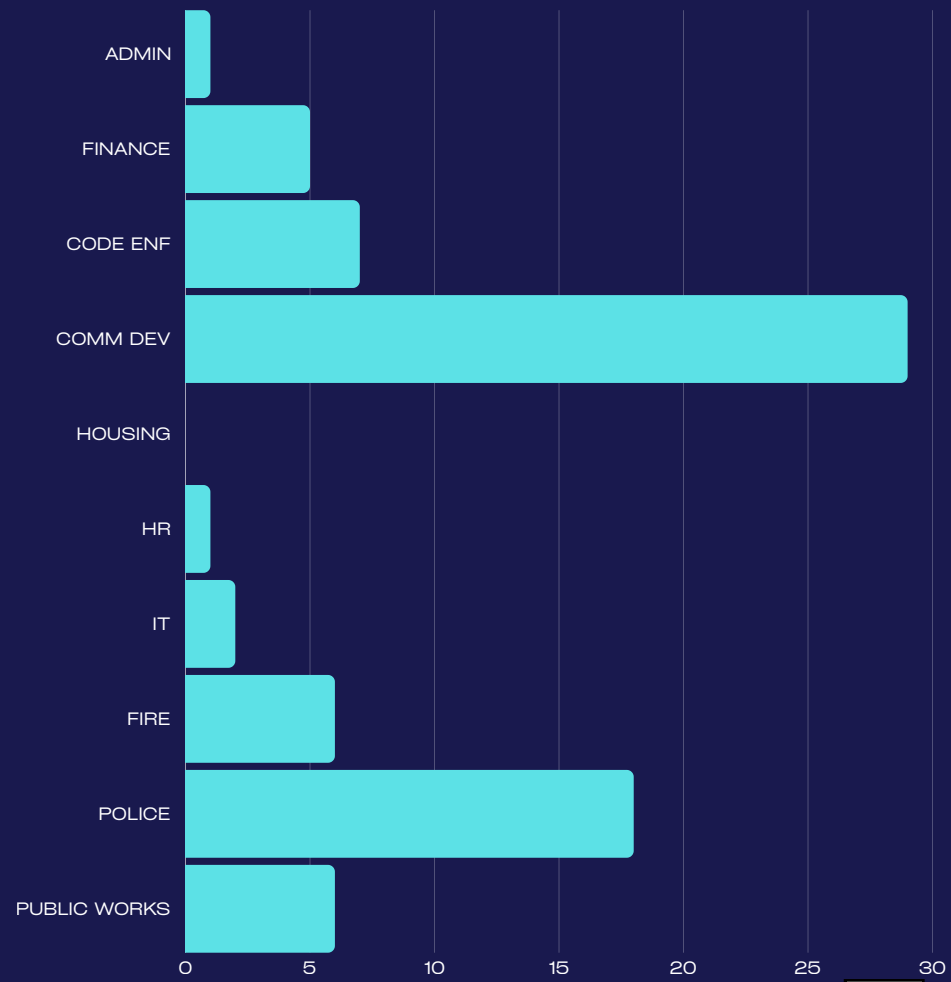
75 — New Requests

69 — Closed Requests

AVERAGE DAYS TO CLOSE

7.9 days

NEW REQUESTS BY DEPARTMENT



ELECTION INFORMATION

Signage is allowed to be placed as of August 5, 2026. Please keep in mind the City signage ordinance. If signage is placed that does not comply with the City's signage ordinance, a candidate/member of the public may be asked to take the signage down.

All violations can be reported to the Asst. City Clerk, or to the Code Enforcement Department for review.

For a copy of the signage ordinance, please contact the Asst. City Clerk by emailing kreaster@cityoforoville.org

City Clerk's Office

CONTACT US

OROVILLE
CALIFORNIA

530-538-2535

cityclerk@cityoforoville.org

1735 Montgomery Street
Oroville, CA 95965

www.orovilleca.gov

Housing and Community Services

AUGUST 2026

Loan Portfolio Balance: $50,448,665

Number of Loans	346	Loans in Default	7
Late Payment Notices	0	Late Insurance Notices	0
August Annual Inspections Complete		Annual Certs Received	243

Loans in Default-4

1. 22 Grand Ave.-Notice of default received 3/27/2026, received payoff from primary lender and council approved foreclosure on 7/7/2026.
2. 1777 7th Ave.-Notice of default recorded 4/27/2026. Owner is working to resolve the default. Recission should be recorded in October 2026.
3. 3309 Ahsley Ave.-Notice of Default received 5/22/2026. Letter sent to homeowner, requested payoff from primary lender. Sale date is scheduled for 9/16/2026 but also received a Payoff Demand. Council elected to let this property go 9/1/2026.
4. 960 High St.-Notice of Default received 8/4/2026. Letter was sent to the homeowner; she is trying to sell before the foreclosure is completed. Staff verified that the home was listed, and staff received a payoff demand on 9/2/2026.

Deceased Loan Holder-3

1. 2852 Gawthorne Ave-Death Notice in paper. Passed away 10/7/2025. Letter sent to Estate 12/01/2025. 2nd letter sent to widow. Application was mailed to beneficiary to assume loan. Pending probate hearing on 6/30/2026, sent email to follow-up. Probate hearing pushed to September 2026.
2. 1305 High St.-Father notified City that daughter passed away. A payoff statement was provided. Letter sent to estate to call the loan due. No response.
3. 2236 Del Oro Ave. Preparing letter to send to estate. Son requested interest forgiveness from LAC. They voted to forgive FTHB interest. (~$18,000) and gave him s6 months to try and sell the home or come back to LAC for further consideration.

City Homes for Sale

1. 9 Midway Dr.-Sale price is set at $249,000

1. 22 Grand Ave.-Notice of default received 3/27/2026, received payoff from primary lender and council approved foreclosure on 7/7/2026.

Loan Portfolio Analysis

Rehab Loans: 34($1,351,015)	FTHB Loans: 279($19,736,126)
Economic Development Loans: 1($155,232)	Landscape Loans: 2 ($10,812)
Housing Development: 15 ($28,396,729)	City Employee Mortgage: 8 $286,118)
Lease-to-Purchase: 4($341,245)	Payoff Requests Processed (2026): 40
Loans Repaid FY -25-26: $558,660	Payoff Received FY 26-27: $160,531

First Time Home Buyer Program-City Program

Applications Received: 2	Applications under Review:5
Loans Approved:3	Loans Closed FY 25-26: 14

Owner Occupied Rehabilitation

Applications Received: 3	Applications under Review: 0
Loans Approved: 0	Rehab in Process: 3
Loans Closed FY 26-27: 1	**Waitlist: 3**

Grants Submitted FY24-25 & FY25-26

1. 2023 HOME Investment Partnership: $500,000 for FTHB program-Awarded 4/1/2026.
2. 2024 CDBG Program Income Only: $1,500,000 for FTHB program-Awarded 10/29/24.
3. 2024 CDBG General Allocation: $3,100,000 for Fire Truck, Fire Engine and Fire Equipment- Both pieces of equipment have been ordered. Awarded 10/24/2025.
4. 2024 CDBG General Allocation: $100,000 for Catalyst Domestic Violence- Awarded 10/27/2025.
5. 2024 CDBG General Allocation: $164,486 for South Oroville Drainage Feasibility Study-Awarded 10/27/20525.
6. 20-PLHA-15545 Grant Application for year 2023 of 5-year allocation $83,338: Owner-occupied Rehabilitation-awarded. Total award is $796,654.
7. 2026 HOME Investment Partnership Program Income (PI): $2,022,636 (FTHB and OOR, 50/50)
8. 2025 CDBG General Allocation. Foothill Blvd Storm Drain Improvements $3,300,000. Not Awarded.
9. 2025 HOME Investment Partnership Program: $1,000,000 ($500,000 FTHB And $500,000 OOR)
10.

Current Project Highlights

1. Lincoln Street Senior Apartments-Submitted Financing package to the State with request for an extension. NTP has been issued and **under construction**
2. Veteran's Village-City released Tranche 1 on 09/25/2024 to VHDC. Plans and Specs, environmental are complete. The City solar array was built in the City easement to access the project, working with VHDC and City engineering to determine remedy. City engineer requesting PGE move some poles on site. PGE will move poles or allow an easement. VHDC will apply for 9% tax credits in late 2026 or early 2027.
3. Website update in progress

View this email in your browser



From the Desk of the Community Development Director

From the Desk of the Community Development Director

One Project, One Team

When someone decides to invest in Oroville, whether opening a new business, improving an existing property, or developing something entirely new, their project may involve several different City departments and outside agencies. To the applicant, however, it is still just one project.

That is why we believe our job is not simply to review plans. Our job is to help people navigate the process.

A development project may require input from Planning, Building, Engineering, Fire, Economic Development, Public Works, and sometimes outside agencies. Each has a different responsibility, but all share the same goal: helping good projects move forward while ensuring they are safe, well-planned, and consistent with the standards that protect our community.

The best outcomes happen when those conversations begin early.

Before purchasing a property, signing a lease, investing in architectural plans, or committing significant resources, we encourage applicants to talk with City staff. An early conversation can identify zoning requirements, building and fire codes, infrastructure needs, utility considerations, permitting costs, and other agency requirements before they become expensive surprises.

Sometimes we can also identify alternatives that accomplish the same goal more efficiently.

You Shouldn't Have to Navigate City Hall Alone

For people who don't work with local government regularly, the development process can sometimes seem complicated. Applicants shouldn't be expected to know which department handles every question, which requirements may apply, or which agency needs to be contacted next.

That's where we come in.

Our job is to help applicants understand the process, connect them with the right people, and provide clear guidance about what comes next. Once the process is understood, it often becomes much easier to navigate.

When a project crosses departmental lines, we want our staff communicating with one another and providing applicants with clear, consistent information. If an issue arises, the goal isn't simply to identify the problem. It's to understand the challenge, explain the options, and help determine whether there is a reasonable path forward.

necessary, applicants deserve to understand why and to know what options may be available.

Building Oroville Together

Every successful project represents someone's investment in Oroville. It might be a homeowner improving a property, a small business opening its doors, or a developer making a significant investment in our community.

We want those investments to succeed.

The earlier you involve us, the more we can help. Bring us your idea before everything is finalized. Ask questions. Let us help identify potential challenges and opportunities while there is still time to make adjustments.

One project. One team. One shared goal: helping thoughtful investment become a successful part of Oroville.

Oroville — Thoughtfully Planned. Purposefully Built. Open for Business.

Warm Regards,
Patrick Piatt
Community Development Director
City of Oroville

Everyone is talking about Oroville!
Read a great article highlighting everything our wonderful community has to offer. Click the image below



Join us on Museum Mile for history, culture, and fun activities in September!

-Chinese Pioneers Exhibit at the Oroville Chinese Temple on view August 22-October 11

-Chinese Tea Tasting at the Oroville Chinese Temple September 20th 1pm-3pm, tickets available for purchase

-Visit the Museums during the 2026 Salmon Festival on September 26 10am-3pm. Free Entry!

Further information available on our webpage:

City Museums

View



Want to Learn how to keep you and your community safe ?

Mark your calendar for the

2nd Annual Butte County Prepared Fair!

When: October 3rd 10am-2pm

Where: North Forebay Recreation Area

930 Garden Dr. Oroville



Upcoming Meetings & Events

CITY SCHEDULE

September 15th, 4-7 p.m.

Planning Commission

September 24th, 6 p.m.

City Hall will be closed Monday September 7th for the Labor Day Holiday.

By the Numbers

August Highlights from Oroville Community Development

Building Department

Permit Applications Received: 60

Permits Issued: 43

Permits Finalized: 43

Business Licenses: 5

Museums

Chinese Temple: 134 Visitors

Pioneer Museum: 26 Visitors

Nature Center: 30 Visitors

Lott Home: Closed until Ocober

Antique Tool Museum: Currently Closed

Fire & Life Safety in Action

businesses, and community spaces to ensure buildings meet safety standards. These proactive checks help prevent emergencies before they happen and protect our community.

Places Where People Live

Apartments (R2): 0

Apartment Re-Inspections: 3

Places Where People Work & Shop

Restaurants (A2/B): 0

Re-Inspections: 1

Business (B): 5

Business (B) Re-Inspections: 0

Food Trucks: 0

Re-inspections: 0

Churches (A3): 0

Re-inspections: 1

Schools: 1

Community Care Facilities

State Day Care (STD 850): 1

Re-Inspections: 0

Senior Care Facilities (A4): 0

Re-inspections: 0

Permits & Compliance

Certificate of Occupancy: 2

Re-Inspections: 0

Plan Reviews/Fire Finals: 4

Alarm & Sprinkler: 2

Special Events: 2

Home & Duct Fire Suppression: 14

Defensible Space: 10

On Site/Building Inspection: 8

Monthly Totals

Total Fire & Life Safety Inspections in August 54