



Town of Paradise Town Council Meeting Agenda 6:00 PM – May 11, 2021

Town of Paradise Council Chamber – 5555 Skyway, Paradise, CA

Mayor, Steve Crowder
Vice Mayor, Jody Jones
Council Member, Greg Bolin
Council Member, Steve “Woody” Culleton
Council Member, Rose Tryon

Town Manager, Kevin Phillips
Town Attorney, Mark A. Habib
Town Clerk, Dina Volenski
CDD, Planning & Onsite, Susan Hartman
CDD, Building & Code Enforcement, Tony Lindsey
Administrative Services Director/Town Treasurer – Ross Gilb
Public Works Director/Town Engineer, Marc Mattox
Division Chief, CAL FIRE/Paradise Fire, Garrett Sjolund
Chief of Police, Eric Reinbold
Disaster Recovery Director, Katie Simmons

Meeting Procedures

- I. The Mayor is the Presiding Chair and is responsible for maintaining an orderly meeting. The Mayor calls the meeting to order and introduces each item on the agenda.
- II. The Town staff then provides a report to Council and answers questions from the Council.
- III. Citizens are encouraged to participate in the meeting process and are provided several opportunities to address Council. Any speaker addressing the Council is limited to three minutes per speaker - fifteen minutes per agenda item

The meeting will be open to the public on a limited basis. This means there will be reduced seating capacity, social distancing will be practiced, and face masks are required. (Please note, our limited capacity is 20 people and when that is reached, the doors will be closed.) Attendees may need to rotate seating positions to allow participation from those in attendance. Public speakers will be asked to complete speaker cards and may need to wait outside until they are called to speak.

Observers choosing not to attend in person may view the meeting on YouTube via the Town’s website at <https://www.youtube.com/channel/UCpo2Gy0EGJwcFvDU2xnigbw>
Comments may be submitted via e-mail to dvolenski@townofparadise.com prior to 4:00 p.m. the day of the meeting. Comments will not be accepted via YouTube.

- A. If you wish to address the Council regarding a specific agenda item, please complete a “Request to Address Council” card and give it to the Town Clerk prior to the beginning of the meeting. This process is voluntary and allows for citizens to be called to the speaker podium in alphabetical order. Comments and questions from the public must be directed to the Presiding Chair and Town Council Members (please do not address staff.) Town staff is available to address citizen concerns Monday through Thursday at Town Hall between the hours of 8am and 5pm.

In compliance with the Americans with Disabilities Act (ADA) Compliance, persons who need special accommodations to participate in the Town Council meeting may contact the Town Clerk at least three businessdays prior to the date of the meeting to provide time for any such accommodation.

1. OPENING

- 1a. Call to Order
- 1b. Pledge of Allegiance to the Flag of the United States of America
- 1c. Invocation
- 1d. Roll Call
- 1e. Financial Advisor Update - Meeder Investments
- 1f. Cole Glenwright - CALOES Hazard Tree Removal Update
 - Katie Simmons, Disaster Recovery Director - Private Tree Removal Program, Advocacy, Recovery, Projects and Emergency Management
 - Marc Mattox, Public Works Director/Town Engineer - Infrastructure and Sewer Update
 - Colette Curtis, Assistant to the Town Manager - Business Update, Nonresidential Market Study, Design Standards
 - Kate Anderson, Housing Program Manager - Housing Update
 - Tony Lindsey, CDD-Building & Code Enforcement - Code Enforcement Update

2. CONSENT CALENDAR

One roll call vote is taken for all items. Consent items are considered to be routine business that does not call for discussion.

- 2a. p5 Approve minutes of the April 13, 2021 Regular and April 14, 2021 Special Town Council meetings.
- 2b. p12 Approve April 2021 Cash Disbursements in the amount of \$2,345,206.07
- 2c. p20 Adopt Resolution No. 21-19, A Resolution of the Town Council of the Town of Paradise Adopting a List of Projects for Fiscal Year 2021-22 Funded by SB 1: The Road Repair and Accountability Act of 2017.
- 2d. p25 Adopt an amendment to the existing Regulatory Agreement between the Town of Paradise and Paradise Community Village to allow preferences to Camp Fire survivors when leasing units; and, authorize the Town Manager, on behalf of the Town of Paradise, execute said amendment.
- 2e. p28 Waive second reading of the entire Town Ordinance No. 607 and approve reading by title only; and, Adopt Town Ordinance No. 607, "An Ordinance Amending Text Regulations within Title 17 of the Paradise Municipal Code Relative to Sign Regulations Applicable to the No Longer Existent Paradise Redevelopment Agency and Area".
- 2f. p31 1. Approve the request by Aaron Singer of Paradise Stronger to adopt a portion of the Yellowstone Kelly Heritage Trail between Elliott Road and Bille Road; and, 2. Approve the request by Love Paradise to adopt a portion of the Yellowstone Kelly Heritage Trail between Pearson Road and Elliott Road.

- [2g.](#) p32 Consider adopting Resolution No.21-20, A Resolution of the Town Council of the Town of Paradise Authorizing Transfer of the Per Capita Grant Fund Allocation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 to the Paradise Recreation and Park District.
- [2h.](#) p35 1. Approve the Pro Bono Contract with NHA Advisors; and, 2. Authorize the Town Manager to sign the agreement.
- [2i.](#) p51 Adopt Resolution No. 21-21, A Resolution of the Town Council of the Town of Paradise Approving an Agreement for Professional Legal Services between the Town of Paradise and the Law Firm of Cole Huber LLP, with partner Scott Huber assigned as Town Attorney for the Town of Paradise.

3. ITEMS REMOVED FROM CONSENT CALENDAR

4. PUBLIC COMMUNICATION

For matters that are not on the Council business agenda, speakers are allowed three (3) minutes to address the Council. The Town Council is prohibited from taking action on matters that are not listed on the public agenda. The Council may briefly respond for clarification and may refer the matter to the Town staff.

5. PUBLIC HEARING - None

6. COUNCIL CONSIDERATION

Action items are presented by staff and the vote of each Council Member must be announced. A roll call vote is taken for each item on the action calendar. Citizens are allowed three (3) minutes to comment on agenda items.

- [6a.](#) p64 Consider waiving the reading of entire Town of Paradise Urgency Ordinance No. ____, and adopting Town of Paradise Urgency Ordinance No. ____, an Urgency Ordinance of the Town Council of the Town of Paradise Amending Urgency Ordinance No. 600 and Adopting New Urgency Ordinance Relating to Interim Housing, Accessory Building(s) and Unoccupied Recreational Vehicle Inside the Camp Fire Area, which:
- a. Requires all new temporary use permits issued to fall in line with the existing Temporary Use Regulations found within Paradise Municipal Code Chapter 17.32 in the zoning ordinance which requires the issuance of a building permit for a new residence in order to secure a temporary use permit to reside in an RV on-site;
 - b. Removes the alternatives thresholds requirement and allows all Temporary Use Permits issued to expire with the remainder of the ordinance on December 31, 2021;
 - c. Removes the allowance of dry camping;
 - d. Directs Town staff to Notice Temporary Use Permit holders no later than 90 days from expiration of urgency ordinance regarding the necessary steps to maintain occupancy of temporary dwelling after the ordinance expiration on December 31, 2021.

- 6b. p95 Following the Town Council's review of the Fiscal Year 2019/20 financial statement audit report, staff recommends that the Council receive and file the Report, as submitted. (ROLL CALL VOTE)
- 6c. p249 Consider reviewing and approving Town of Paradise – 140 Investment Policy. (ROLL CALL VOTE)
- 6d. p265 Consider awarding the contract for Reseeding Design & Scoping Plan to River Partners and authorizing the Town Manager to sign the agreement upon approval of the Town Attorney. (ROLL CALL VOTE)
- 6e. p304 1. Upon conclusion of public discussion of this agenda item adopt the recommended action or an alternative action; and, 2. Consider waiving the first reading of Town Ordinance No. _____ and read by title only; and, 3. Introduce Town Ordinance No. _____. "An Ordinance Amending Paradise Municipal Code Section 8.58.060 relating to "defensible space requirements" (ROLL CALL VOTE) or provide an alternative directive to Town staff.
- 6f. p312 Consider approving Second Amendment to Agreement between the Town of Paradise and Tetra Tech. (ROLL CALL VOTE)

7. COUNCIL INITIATED ITEMS AND REPORTS

- 7a. Council initiated agenda items
- 7a1. Discuss and consider options regarding a Green Waste Facility. (TRYON)
- 7a2. Consider discussion regarding the implementation of additional committees or other ways to promote citizen involvement. (CULLETON)
- 7b. Council reports on committee representation
- 7c. Future Agenda Items

8. STAFF COMMUNICATION

- 8a. Town Manager Report

9. CLOSED SESSION - None

10. ADJOURNMENT

STATE OF CALIFORNIA) COUNTY OF BUTTE)	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date:	

TOWN/ASSISTANT TOWN CLERK SIGNATURE	

MINUTES
PARADISE TOWN COUNCIL
REGULAR MEETING – 6:00 PM – April 13, 2021

1. OPENING

The Regular meeting of the Paradise Town Council was called to order by Mayor Crowder at 6:00 p.m. in the Town Council Chamber located at 5555 Skyway, Paradise, California who led the Pledge of Allegiance to the Flag of the United States of America. An invocation was offered by Vice Mayor Jody Jones.

COUNCIL MEMBERS PRESENT: Greg Bolin, Steve “Woody” Culleton, Jody Jones, Rose Tryon and Steve Crowder, Mayor.

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Town Manager Kevin Phillips, Town Attorney Mark Habib, Town Clerk Dina Volenski, Assistant to the Town Manager Colette Curtis, Disaster Recovery Director Katie Simmons, Community Development Director Susan Hartman, Community Development Director Tony Lindsey, Public Works Director/Town Engineer Marc Mattox, Housing Program Manager Kate Anderson, Administrative Services Director Ross Gilb, Fire Chief Garrett Sjolund and Hazard Tree Removal Project Manager Brian Solecki.

- 1a. Mayor Steve Crowder read a proclamation acknowledging departing Measure C Citizen Oversight Committee Member Molly Knappen, who accepted the proclamation. Dean Fender and Jim Ratekin were also recognized by Council, but were not present. (180-40-027)
- 1b. Joseph Herlo and Maziar Movassaghi from the Department of Housing and Urban Development provided an update on the CDBG-OOR.
- 1c. Cole Glenwright from, CAL OES provided an update on the Hazard Tree Removal Program.

Disaster Recovery Director Katie Simmons provided an update on the Private Tree Removal Program, advocacy, recovery projects and emergency management.

Public Works Director/Town Engineer Marc Mattox provided an update on infrastructure and the sewer project.

Assistant to the Town Manager Colette Curtis provided a business update on the nonresidential market study, design standards and the Town seal.

Community Development Director Tony Lindsey provided an update on RV code enforcement.

2. CONSENT CALENDAR

MOTION by Bolin, seconded by Jones, approved consent calendar items 2a through 2f. Roll call vote was unanimous.

- 2a. Approved minutes of the March 9, 2021 Regular and March 9, 2021 and March 24, 2021 Special Town Council meetings.
- 2b. Approved March 2021 Cash Disbursements in the amount of \$2,367,567.24 (310-10-034)
- 2c. Adopted Resolution No. 21-15, A Resolution of the Town Council of the Town of Paradise Authorizing Destruction of Certain Town Records Maintained in the Human Resources Department Pursuant to Government Code Section 34090. The records listed in Exhibit B have been retained for three or more years and are eligible for destruction; and, 2. Adopted Resolution No. 21-16, A Resolution of The Town Council of the Town of Paradise Authorizing Disposal of Certain Town Records Maintained in the Town Clerk Department Pursuant to Government Code Section 34090. (160-20-016, 160-20-017)
- 2d. Concurred with staff recommendation to file a CEQA Notice of Exemption for the Systemic Intersection Safety Improvements Project. (950-40-048)
- 2e. Waived the second reading of the entire Town Ordinance No. 605 and approved reading by title only; and, Adopted Town Ordinance No. 605, "An Ordinance Rezoning Certain Real Property From "U" (Unclassified) to a "C-C" (Community-Commercial) Zone Pursuant to Paradise Municipal Code Sections 17.45,500 ET. SEQ. (SIMMONS: PL21-00011)". (540-16-174)
- 2f. Waived the second reading of the entire Town Ordinance No. 606 and approve reading by title only; and, Adopted Town Ordinance No. 606, "An Ordinance Amending Text Regulations Within Paradise Municipal Code Chapter 5.11 Relating to: Vending, Hawking, Peddling and Sales". (540-16-175)

3. ITEMS REMOVED FROM CONSENT CALENDAR - None

4. PUBLIC COMMUNICATION - None

5. PUBLIC HEARINGS

- 5a. Conducted the duly noticed and scheduled public hearing regarding amending sign regulations in Paradise Municipal Code Chapter 17.37. Community Development Director Susan Hartman provided an overview of the proposed changes to the ordinance.

Mayor Crowder opened the public hearing at 8:06 p.m.

Town Clerk Dina Volenski read a letter submitted, via email, by Greg Redeker of Stott Outdoor Advertising suggesting a minor modification to height restrictions proposed in the Ordinance.

Mayor Crowder closed the public hearing at 8:09 p.m.

MOTION by Jones, seconded by Bolin 1. Concurred with the project "CEQA determination" finding presented and considered by the Planning Commission on March 16, 2021, and embodied within Planning Commission Resolution No 21-02; and, 2. Waived the first reading of Town Ordinance No. 607 and read by title only; and, 3. Introduced Town Ordinance No. 607, "An Ordinance Amending Text Regulations within Sections 17.37.300 and 17.37.700 of the Paradise Municipal Code Relating to Sign Regulations Applicable to the defunct Paradise Redevelopment Agency and Area". Roll call vote was unanimous. (540-16-176)

- 5b. Conducted a public hearing to receive comment on the Consolidated Annual Performance and Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) Program.

Housing Program Manager Kate Anderson provided a brief overview of the program.

Mayor Crowder opened the public hearing at 8:11 p.m.

There was no public comment.

Mayor Crowder closed the public hearing at 8:11 p.m.

MOTION by Bolin, seconded by Culleton, authorized the Town Manager to submit the CAPER to the Department of Housing and Urban Development. Roll call vote was unanimous. (710-10-096)

6. COUNCIL CONSIDERATION

- 6a. Community Development Director Susan Hartman provided an overview of the proposed Urgency Ordinance No. 608 "An Urgency Ordinance of the Town Council of the Town of Paradise Establishing Requirements for the Removal of Fire Damaged Debris from Private Property Following the Camp Fire".

The Town Council discussed options for the proposed Urgency Ordinance.

MOTION by Tryon, seconded by Culleton, to adopt Urgency Ordinance No. 608 "An Urgency Ordinance of the Town Council of the Town of Paradise Establishing Requirements for the Removal of Fire Damaged Debris from Private Property Following the Camp Fire". AYES: Culleton, Tryon and Crowder; NOES: Bolin and Jones; ABSTAIN: None; ABSENT: None. **MOTION FAILED- The Urgency Ordinance requires a 4/5 vote.**

- 6b. Disaster Recovery Director Katie Simmons provided an update on how the rebuild/permit numbers compare to the number of temporary use permits issued and provided Council with three options and asked for direction on which option they preferred. Community Development Director Susan Hartman clarified some questions and received direction from Council for Staff to bring back an amendment to the Urgency Ordinance to stop the issuance of new temporary use permits, and to bring back a proposal to extend the urgency ordinance to 10/31/21 and to provide flyers/notices to the residents of the new deadline.
- 6c. Fire Chief Garrett Sjolund provided an overview of Ordinance No. 597 regarding defensible space/hazardous fuel management requirements. Council provided staff with direction to bring back an amendment to Ordinance No. 597 to amend Paradise Municipal Code Section 8.58.060 and default to the State's Civil Code 1102.19.
- 6d. Public Works Director/Town Engineer Marc Mattox provided an update on Contract No. 9380.CON Ponderosa Elementary Safe Routes to School project

MOTION by Culleton, seconded by Bolin, Adopted Resolution No.21-17, A Resolution of the Town Council of the Town of Paradise Awarding Contract No.9380.CON, Ponderosa Elementary Safe Routes to School Project to All-American Construction, Inc., Live Oak, CA in the amount of their base bid of \$995,306.70; and, 2. Authorized the Town Manager to execute an agreement with All-American Construction, Inc. relating to Contract No.9380.CON and to approve contingency expenditures not exceeding 10%. Roll call vote was unanimous. (510-20-299, 950-40-032)

- 6e. Public Works Director/Town Engineer Marc Mattox provided information on the proposed project and asked permission to come back to Council once the project is designed with more specifics.

MOTION by Jones, seconded by Culleton, Approved the Site Host Agreement between EV Charging Solutions, Inc. and the Town of Paradise to participate in the California Electric Vehicle Infrastructure Project (CALeVIP), and, adopted Resolution No. 21-18, A Resolution of the Town Council of the Town of Paradise designating authority to the Town Manager to execute the Site Host Agreement with EV Charging Solutions, Inc. to install and operate Level II and/or Direct Current Fast Charging Stations on Town owned property. Roll call vote was unanimous. (510-20-300, 950-40-058)

7. COUNCIL INITIATED ITEMS AND REPORTS

7a. Council initiated agenda items

- 7a. Council discussed writing a letter of support to reopen the DMV in Paradise. Town Clerk Volenski read a letter of support from John Stonebraker of the Upper Ridge Community Council in Magalia.

MOTION by Bolin, seconded by Tryon, approved writing a letter of support, with all Council signing, to encourage the California Department of Motor Vehicles (DMV) to reopen the DMV Office located in Paradise. Roll call vote was unanimous. (180-30-100)

7b. Council reports on committee representation

Council Member Tryon attended the Butte County Air Quality Management and Butte County Association of Government Budget Meeting.

Council Member Culleton attended a Consortium of Care committee meeting.

Vice Mayor Jones attended the Paradise Sewer Regionalization Advisory Committee meeting and was encouraged by the environmental team and the support by Chico's Mayor and staff.

Council Member Bolin attended a LAFCo Meeting.

Mayor Crowder attended the Paradise Sewer Regionalization Advisory Committee meeting, met with Chico Mayor Andrew Coolidge, attended a meeting with Town Manager Phillips, the Upper Ridge Council and Monica Nolan from the Paradise Ridge Chamber of Commerce to discuss supporting businesses on the Ridge.

7c. Future Agenda Items

Council Member Tryon asked to bring back the Green Waste Yard for discussion.

Council Member Culleton asked to discuss creating ad hoc committees or ways for more citizens to become involved.

8. STAFF COMMUNICATION

8a. Town Manager Phillips reported that the Town received twelve submittals for legal services.

9. CLOSED SESSION - None

10. ADJOURNMENT

Mayor Crowder adjourned the Council meeting at 10:14 p.m.

Date approved:

By:

Steve Crowder, Mayor

Attest:

Dina Volenski, CMC, Town Clerk

MINUTES
PARADISE TOWN COUNCIL
SPECIAL MEETING – 1:00 PM – April 14, 2021

1. OPENING

The Special meeting of the Paradise Town Council was called to order by Mayor Crowder at 1:00 p.m. in the Town Council Chamber located at 5555 Skyway, Paradise, California who led the Pledge of Allegiance to the Flag of the United States of America.

COUNCIL MEMBERS PRESENT: Greg Bolin, Steve “Woody” Culleton, Jody Jones, Rose Tryon and Steve Crowder, Mayor

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Town Manager Kevin Phillips, Town Clerk Dina Volenski, Administrative Services Director Ross Gilb, Deputy Town Clerk Melanie Norris, and Public Works Director/Town Engineer Marc Mattox (via Teams).

2. Council Consideration

- 2a. Town Manager Phillips presented the Community Facilities Grant Program to USDA for nine (9) police radios and requested a letter of support.

MOTION by Jones, seconded by Crowder, authorized submittal of the Community Facilities Grant Program to USDA for nine (9) police radios and authorized Town Council to send a Letter of Support for the USDA Grant application. Roll call vote was unanimous. (180-30-100, 480-20-012)

- 2b. Public Works Director/Town Engineer Marc Mattox presented the Roe Road Extension Project and clarified why the congressional letter only asked for support on Phase 1 of the project, as requested by Congressman LaMalfa’s office.

MOTION by Bolin, seconded by Jones, authorized Town Council to send congressional letters of support for the Roe Road Extension Project and Police Radio Project. Roll call vote was unanimous. (950-40-059, 180-30-100, 480-20-012)

- 2c. Town Manager Phillips introduced Andy BelKnap and Robert Leland of Management Partners, who presented Phase 1 of the Financial Sustainability Model. Town Manager Phillips then presented an updated organizational chart to be considered in June with the Annual Budget. He asked Council to consider priorities for budget allocations to fund Town of Paradise operations for the 2021-2022 Fiscal Year. Council Member Tryon asked staff to look at the vehicle list to cut costs if necessary and asked for staff recommendations on how the Town can make it easier for people to rebuild. Council Member Culleton asked to create a way for more public involvement and to possibility reinstate listening sessions.

3. ADJOURNMENT

Mayor Crowder adjourned the Town Council meeting at 3:16 p.m.

Date approved:

By:

Steve Crowder, Mayor

Attest:

Dina Volenski, CMC, Town Clerk

TOWN OF PARADISE

CASH DISBURSEMENTS REPORT

FOR THE PERIOD OF
APRIL 1, 2021 - APRIL 30, 2021



**CASH DISBURSEMENTS REPORT
APRIL 1, 2021 - APRIL 30, 2021**

Check Date	Pay Period End	Description	Amount	Total
4/2/2021	3/28/2021	Net Payroll - Direct Deposits and Checks	\$ 144,146.64	
4/16/2021	4/11/2021	Net Payroll - Direct Deposits and Checks	153,637.04	
4/30/2021	4/25/2021	Net Payroll - Direct Deposits and Checks	<u>154,122.88</u>	\$ 451,906.56
Accounts Payable				
		Payroll Vendors: Taxes, PERS, Dues, Insurance, Etc.	424,914.05	
		Operations Vendors: Supplies, Contracts, Utilities, Etc.	<u>\$ 1,468,385.46</u>	1,893,299.51
		TOTAL CASH DISBURSEMENTS ACCOUNTS PAYABLE		<u>1,893,299.51</u>
		GRAND TOTAL CASH DISBURSEMENTS		<u><u>\$ 2,345,206.07</u></u>

APPROVED BY: _____
Kevin Phillips, Town Manager

APPROVED BY: _____
Ross Gilb, Administrative Services Director / Town Treasurer

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
77898	04/01/2021	Open			Accounts Payable	ENTERPRISE FM TRUST	\$1,073.32		
77899	04/01/2021	Open			Accounts Payable	Peters, Habib, McKenna, Juhl-Rhodes & Cardoza, LLP	\$18,579.00		
77900	04/01/2021	Open			Accounts Payable	SBA Monarch Towers III LLC	\$160.10		
77901	04/01/2021	Open			Accounts Payable	TIAA COMMERCIAL FINANCE, INC	\$906.47		
77902	04/07/2021	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$750.00		
77903	04/07/2021	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
77904	04/07/2021	Open			Accounts Payable	Aflac	\$146.92		
77905	04/07/2021	Open			Accounts Payable	Met Life	\$8,242.20		
77906	04/07/2021	Open			Accounts Payable	OPERATING ENGINEERS	\$896.00		
77907	04/07/2021	Open			Accounts Payable	PARADISE POLICE OFFICERS ASSOCIATION	\$1,666.36		
77908	04/07/2021	Open			Accounts Payable	SUN LIFE INSURANCE	\$4,996.91		
77909	04/07/2021	Open			Accounts Payable	SUPERIOR VISION SVC NGLIC	\$664.91		
77910	04/07/2021	Open			Accounts Payable	TOP CONFIDENTIAL MID MGMT ASSOCIATION	\$90.00		
77911	04/08/2021	Open			Accounts Payable	ADVANCED DOCUMENT CONCEPTS	\$288.74		
77912	04/08/2021	Open			Accounts Payable	AIRGAS SAFETY, INC.	\$230.22		
77913	04/08/2021	Open			Accounts Payable	ALL METALS SUPPLY, INC.	\$443.81		
77914	04/08/2021	Open			Accounts Payable	ALLSTAR FIRE EQUIPMENT	\$1,637.80		
77915	04/08/2021	Open			Accounts Payable	American River Benefit Administrators	\$16.80		
77916	04/08/2021	Open			Accounts Payable	BASIC LABORATORY	\$556.00		
77917	04/08/2021	Open			Accounts Payable	Bear Electric Solutions	\$1,520.00		
77918	04/08/2021	Open			Accounts Payable	Big O Tires	\$120.00		
77919	04/08/2021	Open			Accounts Payable	Browns Towing	\$800.00		
77920	04/08/2021	Open			Accounts Payable	Bug Smart	\$83.00		
77921	04/08/2021	Open			Accounts Payable	BUTTE CO AIR QUALITY MANAGEMENT DISTRICT	\$276.95		
77922	04/08/2021	Open			Accounts Payable	BUTTE REGIONAL TRANSIT	\$93.00		
77923	04/08/2021	Open			Accounts Payable	CALIFORNIA BUILDING STANDARDS COMMISSION	\$1,647.00		
77924	04/08/2021	Open			Accounts Payable	CALIFORNIA STATE DEPARTMENT OF CONSERVATION	\$5,608.61		
77925	04/08/2021	Open			Accounts Payable	CALIFORNIA STATE DEPARTMENT OF JUSTICE	\$597.00		
77926	04/08/2021	Open			Accounts Payable	Chico State Enterprises	\$7,045.00		
77927	04/08/2021	Open			Accounts Payable	Creative Composition Inc	\$7,255.05		
77928	04/08/2021	Open			Accounts Payable	CW Electric	\$22,716.34		
77929	04/08/2021	Open			Accounts Payable	Decorative Designs by Kimberly	\$44.00		
77930	04/08/2021	Open			Accounts Payable	DURHAM PENTZ TRUCK CENTER	\$487.10		
77931	04/08/2021	Open			Accounts Payable	ENLOE MEDICAL CENTER, INC.	\$337.00		
77932	04/08/2021	Open			Accounts Payable	ENTENMANN-ROVIN COMPANY	\$291.24		
77933	04/08/2021	Open			Accounts Payable	Ernst & Young US LLP	\$47,213.00		
77934	04/08/2021	Open			Accounts Payable	EVERGREEN JANITORIAL SUPPLY, INC.	\$251.78		
77935	04/08/2021	Open			Accounts Payable	Explore Butte County	\$23,811.67		

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
77936	04/08/2021	Open			Accounts Payable	FOOTHILL MILL & LUMBER	\$39.91		
77937	04/08/2021	Open			Accounts Payable	FP/FRANCOTYP-POSTALIA MAILING SOLUTIONS	\$135.00		
77938	04/08/2021	Open			Accounts Payable	GENESIS SOCIETY	\$500.00		
77939	04/08/2021	Open			Accounts Payable	GOVERNOR'S OFFICE OF EMERGENCY SERVICES	\$170.00		
77940	04/08/2021	Open			Accounts Payable	Granicher Appraisals, Inc	\$375.00		
77941	04/08/2021	Open			Accounts Payable	GREAT AMERICA LEASING CORP.	\$145.47		
77942	04/08/2021	Open			Accounts Payable	Herc Rentals Inc.	\$4,494.85		
77943	04/08/2021	Open			Accounts Payable	HINDERLITER, DE LLAMAS & ASSOCIATES INC.	\$1,821.63		
77944	04/08/2021	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$6,750.22		
77945	04/08/2021	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$38.23		
77946	04/08/2021	Open			Accounts Payable	INTERSTATE OIL COMPANY	\$185.82		
77947	04/08/2021	Open			Accounts Payable	James or Lavenia Riotto	\$300.00		
77948	04/08/2021	Open			Accounts Payable	JOHNNY ON THE SPOT PORTABLES	\$197.90		
77949	04/08/2021	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$446.02		
77950	04/08/2021	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$437.53		
77951	04/08/2021	Open			Accounts Payable	LOCATE PLUS CORPORATION	\$28.50		
77952	04/08/2021	Open			Accounts Payable	Management Partners, Inc	\$33,160.00		
77953	04/08/2021	Open			Accounts Payable	Meyers Police K-9 Training, LLC	\$900.00		
77954	04/08/2021	Open			Accounts Payable	MOORE, DWIGHT, L.	\$2,800.00		
77955	04/08/2021	Open			Accounts Payable	Mt Shasta Spring Water Co., Inc	\$224.28		
77956	04/08/2021	Open			Accounts Payable	MUNICIPAL CODE CORP	\$398.01		
77957	04/08/2021	Open			Accounts Payable	NextRequest Co.	\$4,995.00		
77958	04/08/2021	Open			Accounts Payable	North State Tire Co. Inc.	\$669.93		
77959	04/08/2021	Open			Accounts Payable	NORTHERN RECYCLING & WASTE SERVICES, INC.	\$2,281.64		
77960	04/08/2021	Open			Accounts Payable	NORTHSTATE CARPET CLEANING	\$285.00		
77961	04/08/2021	Open			Accounts Payable	O'REILLY AUTO PARTS	\$123.81		
77962	04/08/2021	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$570.47		
77963	04/08/2021	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$916.63		
77964	04/08/2021	Open			Accounts Payable	PARADISE ALLIANCE CHURCH	\$160.00		
77965	04/08/2021	Open			Accounts Payable	PARADISE IRRIGATION DIST	\$1,698.92		
77966	04/08/2021	Open			Accounts Payable	PARADISE POST	\$95.63		
77967	04/08/2021	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$2,735.00		
77968	04/08/2021	Open			Accounts Payable	Pondosa Pack	\$1,573.00		
77969	04/08/2021	Open			Accounts Payable	RAY MORGAN COMPANY INC	\$63.12		
77970	04/08/2021	Open			Accounts Payable	RDO Equipment	\$104,506.86		
77971	04/08/2021	Open			Accounts Payable	Riebes Auto Parts-Motorpool	\$121.37		
77972	04/08/2021	Open			Accounts Payable	Spherion Staffing	\$12,827.80		
77973	04/08/2021	Open			Accounts Payable	Stratti	\$996.23		

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
77974	04/08/2021	Open			Accounts Payable	SUN RIDGE SYSTEMS, INC.	\$19,971.00		
77975	04/08/2021	Open			Accounts Payable	Tahoe Pure Water Co.	\$60.00		
77976	04/08/2021	Open			Accounts Payable	Terri Bongers	\$1,763.15		
77977	04/08/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$648.94		
77978	04/08/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$82.84		
77979	04/08/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - POLICE DEPT.	\$7.80		
77980	04/08/2021	Open			Accounts Payable	UNITED RENTALS, INC.	\$1,962.13		
77981	04/08/2021	Open			Accounts Payable	VERIZON WIRELESS	\$1,462.38		
77982	04/08/2021	Open			Accounts Payable	VistaNet Inc.	\$300.00		
77983	04/08/2021	Open			Accounts Payable	Wood Rodgers, Inc.	\$150,717.76		
77984	04/21/2021	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$750.00		
77985	04/21/2021	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
77986	04/22/2021	Open			Accounts Payable	A Stitch Above Embroidery & Shirt Printing	\$467.10		
77987	04/22/2021	Open			Accounts Payable	ACCESS INFORMATION PROTECTED	\$82.52		
77988	04/22/2021	Open			Accounts Payable	Airvac - Air Vacuum Corporation	\$153.00		
77989	04/22/2021	Open			Accounts Payable	ALLSTAR FIRE EQUIPMENT	\$954.50		
77990	04/22/2021	Open			Accounts Payable	Asbury Environmental Services	\$134.69		
77991	04/22/2021	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$1,051.52		
77992	04/22/2021	Open			Accounts Payable	AT&T MOBILITY	\$115.84		
77993	04/22/2021	Open			Accounts Payable	Bear Electric Solutions	\$1,520.00		
77994	04/22/2021	Open			Accounts Payable	Big O Tires	\$140.00		
77995	04/22/2021	Open			Accounts Payable	BUTTE CO RECORDER	\$223.00		
77996	04/22/2021	Open			Accounts Payable	BUTTE CO SHERIFF'S OFFICE	\$88,057.60		
77997	04/22/2021	Open			Accounts Payable	CHICO IMMEDIATE CARE	\$80.00		
77998	04/22/2021	Open			Accounts Payable	Chico State Enterprises	\$150.00		
77999	04/22/2021	Open			Accounts Payable	COMCAST CABLE	\$409.78		
78000	04/22/2021	Open			Accounts Payable	COMCAST CABLE	\$139.78		
78001	04/22/2021	Open			Accounts Payable	COMCAST CABLE	\$389.78		
78002	04/22/2021	Open			Accounts Payable	COMCAST CABLE	\$244.78		
78003	04/22/2021	Open			Accounts Payable	Creative Composition Inc	\$107.25		
78004	04/22/2021	Open			Accounts Payable	DATCO SERVICES CORPORATION	\$252.00		
78005	04/22/2021	Open			Accounts Payable	Dokken Engineering, Inc.	\$11,472.39		
78006	04/22/2021	Open			Accounts Payable	Dokken Engineering, Inc.	\$250,065.44		
78007	04/22/2021	Open			Accounts Payable	Dokken Engineering, Inc.	\$7,293.50		
78008	04/22/2021	Open			Accounts Payable	Dokken Engineering, Inc.	\$144,967.37		
78009	04/22/2021	Open			Accounts Payable	Dokken Engineering, Inc.	\$5,630.99		
78010	04/22/2021	Open			Accounts Payable	Don Ajamian Construction, Inc.	\$27,000.00		
78011	04/22/2021	Open			Accounts Payable	DURHAM PENTZ TRUCK CENTER	\$775.06		

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
78012	04/22/2021	Open			Accounts Payable	Fairbanks Paving Co	\$750.00		
78013	04/22/2021	Open			Accounts Payable	GHD, Inc.	\$101,686.69		
78014	04/22/2021	Open			Accounts Payable	GOVERNOR'S OFFICE OF EMERGENCY SERVICES	\$510.00		
78015	04/22/2021	Open			Accounts Payable	GREEN RIDGE LANDSCAPING	\$5,346.85		
78016	04/22/2021	Open			Accounts Payable	Herc Rentals Inc.	\$2,161.08		
78017	04/22/2021	Open			Accounts Payable	HireRight, Inc.	\$24.39		
78018	04/22/2021	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$4,446.52		
78019	04/22/2021	Open			Accounts Payable	INDUSTRIAL POWER PRODUCTS	\$468.66		
78020	04/22/2021	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$510.79		
78021	04/22/2021	Open			Accounts Payable	JOHNNY ON THE SPOT PORTABLES	\$1,025.15		
78022	04/22/2021	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$523.53		
78023	04/22/2021	Open			Accounts Payable	KOEFRAN INDUSTRIES	\$1,200.00		
78024	04/22/2021	Open			Accounts Payable	LEFTA Systems	\$5,200.00		
78025	04/22/2021	Open			Accounts Payable	LIFE ASSIST INC	\$808.73		
78026	04/22/2021	Open			Accounts Payable	McCann, Gail	\$54.91		
78027	04/22/2021	Open			Accounts Payable	Medrano General Contracting	\$22,000.00		
78028	04/22/2021	Open			Accounts Payable	Mt Shasta Spring Water Co., Inc	\$53.30		
78029	04/22/2021	Open			Accounts Payable	MUNIMETRIX SYSTEMS CORP	\$39.99		
78030	04/22/2021	Open			Accounts Payable	NCCSIF TREASURER	\$77,509.25		
78031	04/22/2021	Open			Accounts Payable	Northern California Glove & Safety	\$691.35		
78032	04/22/2021	Open			Accounts Payable	NORTHGATE PETROLEUM CO	\$6,259.55		
78033	04/22/2021	Open			Accounts Payable	O'REILLY AUTO PARTS	\$317.07		
78034	04/22/2021	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$143.03		
78035	04/22/2021	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$10,044.31		
78036	04/22/2021	Open			Accounts Payable	Paige, Lallana	\$36.00		
78037	04/22/2021	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$1,275.00		
78038	04/22/2021	Open			Accounts Payable	PETTY CASH, CHRISTINA SHOEMAKER	\$26.05		
78039	04/22/2021	Open			Accounts Payable	PLATT ELECTRIC SUPPLY	\$73.40		
78040	04/22/2021	Open			Accounts Payable	Redline Installations Inc	\$1,654.85		
78041	04/22/2021	Open			Accounts Payable	RENTAL GUYS - CHICO	\$95.45		
78042	04/22/2021	Open			Accounts Payable	Riebes Auto Parts-Motorpool	\$67.21		
78043	04/22/2021	Open			Accounts Payable	Riebes Auto Parts-Public Works	\$71.09		
78044	04/22/2021	Open			Accounts Payable	Rutan & Tucker, LLP	\$29,203.83		
78045	04/22/2021	Open			Accounts Payable	Shelby's Pest Control, Inc.	\$180.00		
78046	04/22/2021	Open			Accounts Payable	SILVERADO AVIONICS, INC	\$6,396.04		
78047	04/22/2021	Open			Accounts Payable	Spherion Staffing	\$13,146.07		
78048	04/22/2021	Open			Accounts Payable	SRM General Contracting	\$14,297.92		
78049	04/22/2021	Open			Accounts Payable	Stratti	\$11,669.65		

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
78050	04/22/2021	Open			Accounts Payable	Tahoe Pure Water Co.	\$37.50		
78051	04/22/2021	Open			Accounts Payable	Tetra Tech - EMI	\$48,013.60		
78052	04/22/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$427.79		
78053	04/22/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$10.51		
78054	04/22/2021	Open			Accounts Payable	THOMAS ACE HARDWARE - MOTORPOOL	\$13.76		
78055	04/22/2021	Open			Accounts Payable	Tri Flame Propane	\$213.36		
78056	04/22/2021	Open			Accounts Payable	TUCKER PEST CONTROL INC	\$86.00		
78057	04/22/2021	Open			Accounts Payable	TURNBOW, DAVID LYNN	\$390.00		
78058	04/22/2021	Open			Accounts Payable	TURNBOW, DEBBIE	\$460.00		
78059	04/22/2021	Open			Accounts Payable	UNITED RENTALS, INC.	\$2,049.73		
78060	04/22/2021	Open			Accounts Payable	VERIZON WIRELESS	\$3,397.03		
78061	04/22/2021	Open			Accounts Payable	Williams, Mike and Joanna	\$15.00		
78062	04/28/2021	Open			Accounts Payable	Aryus Homes	\$42,190.80		
Type Check Totals:					165 Transactions		\$1,486,978.28		
<u>EFT</u>									
1135	04/02/2021	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$7,818.81		
1136	04/02/2021	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$26,489.96		
1137	04/07/2021	Open			Accounts Payable	CALPERS - RETIREMENT	\$38,176.40		
1138	04/07/2021	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$6,812.08		
1139	04/07/2021	Open			Accounts Payable	CALPERS	\$104,611.40		
1140	04/15/2021	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$8,984.67		
1141	04/15/2021	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$30,382.95		
1142	04/21/2021	Open			Accounts Payable	CALPERS - RETIREMENT	\$37,269.94		
1143	04/21/2021	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$6,862.08		
1144	04/30/2021	Open			Accounts Payable	CALPERS - RETIREMENT	\$138,912.94		
Type EFT Totals:					10 Transactions		\$406,321.23		
AP - US Bank TOP AP Checking Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	165	\$1,486,978.28	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	165	\$1,486,978.28	\$0.00
EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	10	\$406,321.23	\$0.00
	Reconciled	0	\$0.00	\$0.00

TOWN OF PARADISE
Payment Register

From Payment Date: 4/1/2021 - To Payment Date: 4/30/2021

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
					Voided	0	\$0.00	\$0.00	
					Total	10	\$406,321.23	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	175	\$1,893,299.51	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	175	\$1,893,299.51	\$0.00	



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 2(c)

ORIGINATED BY: Marc Mattox, Public Works Director/Town Engineer
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: SB-1 Road Maintenance and Rehabilitation Account Project List
LONG TERM RECOVERY PLAN: No

COUNCIL ACTION REQUESTED:

1. Adopt Resolution No. 21-___, a Resolution of the Town Council of the Town of Paradise Adopting a List of Projects for Fiscal Year 2021-22 Funded by SB 1: The Road Repair and Accountability Act of 2017.

Background:

On April 28, 2017, Governor Brown signed Senate Bill 1, the Road Repair and Accountability Act of 2017, increasing per gallon fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees with inflationary adjustments to tax rates in the future for the purpose of addressing road maintenance, rehabilitation, and roadway safety needs. The State Controller will deposit portions of the new funding into the Road Maintenance & Rehabilitation Account (RMRA), which will be apportioned by formula to eligible cities and counties. Funds are anticipated to apportion to cities and counties beginning January 2018.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs and, therefore, requires cities and counties to provide basic RMRA project reporting to the California Transportation Commission (CTC). Per the program's requirements, jurisdictions are required to submit a project list to the CTC with locations, schedule, and estimated useful life of the project before they can receive RMRA funds.

Analysis:

The Town is required to submit a proposed project list for the 2021-2022 Fiscal Year to the CTC by July 1, 2020 in order to receive RMRA funds. The Town will continue to receive apportionments monthly. The League of California Cities estimates that the Town of Paradise will receive \$512,423 of RMRA funds in the 2021/2022 Fiscal Year.

Due to the Camp Fire, the fiscal year 2021-2022 revenues from SB 1 are proposed to be used for ongoing maintenance of public roadways with majority of funds to be held indefinitely due to the uncertain future of the Town's transportation network. The recommended strategy for the Town is to hold all transportation funding revenues until the Town's repair efforts can be properly planned.

The Town will report any use of SB 1 revenues within the 2021-2022 Fiscal Year, as well as update the project in the annual Expenditure Report, that is due to the Commission by December 1st, each year.

Financial Impact:

The Town of Paradise anticipates receiving \$512,423 of RMRA funds in the 2021/2022 fiscal year. The funds must be utilized to repair, rehabilitate, or maintain roadways within the Town.

Attachments:

- A. 2021/2022 Projected Revenues

**TOWN OF PARADISE
RESOLUTION NO. 21-_____**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
PARADISE ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR
2021-2022 FUNDED BY SB 1: THE ROAD REPAIR AND
ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the Town must adopt a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1 by resolution, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the Town will receive an estimated \$512,423 in RMRA funding in Fiscal Year 2021-2022 from SB 1; and

WHEREAS, this is the fourth year in which the Town is receiving SB 1 funding and will enable the Town to continue essential road maintenance and rehabilitation projects, safety improvements, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the Town has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

WHEREAS, the Town used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the Town maintain and rehabilitate 100 miles of our publicly owned roadways, which in light of the 2018 Camp Fire are in need of additional repairs and improvements; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets

infrastructure, and using cutting-edge technology, materials and practices will have significant positive co-benefits statewide.

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Paradise, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The following list of proposed projects will be funded in-part or solely with fiscal year 2021-22 Road Maintenance and Rehabilitation Account revenues:

Town Transportation Related Infrastructure Repair and Rehabilitation

Due to the Camp Fire, the fiscal year 2021-22 revenues from SB 1 are proposed to be used for ongoing maintenance of public roadways with majority of funds to be held indefinitely due to the uncertain future of the Town's transportation network. The recommended strategy for the Town is to hold all transportation funding revenues until the Town's repair efforts can be properly planned.

The Town will report any use of SB 1 revenues within the 2021-22 Fiscal Year, as well as update project in the annual Expenditure Report, that is due to the Commission by December 1st, each year.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 11th day of May 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Steve Crowder, Mayor

ATTEST:

Dina Volenski, CMC, Town Clerk

APPROVED AS TO FORM:

Mark A. Habib, Town Attorney

Local Streets and Roads - Projected Revenues

Estimated January 2021

	2020-21		
	Hwy Users Tax Account	Road Mntnc Rehab Acct	TOTAL
ALAMEDA COUNTY			
ALAMEDA	1,826,134	1,415,472	3,241,606
ALBANY	452,288	346,087	798,375
BERKELEY	2,835,121	2,200,909	5,036,030
DUBLIN	1,489,076	1,152,440	2,641,516
EMERYVILLE	279,592	212,099	491,691
FREMONT	5,332,448	4,149,761	9,482,209
HAYWARD	3,660,787	2,845,238	6,506,025
LIVERMORE	2,094,221	1,624,680	3,718,902
NEWARK	1,124,768	869,313	1,994,082
OAKLAND	9,914,486	7,725,471	17,639,957
PIEDMONT	268,958	203,801	472,759
PLEASANTON	1,853,028	1,436,459	3,289,486
SAN LEANDRO	2,066,459	1,603,015	3,669,474
UNION CITY	1,725,513	1,336,949	3,062,463
County of Alameda	26,600,492	18,115,167	44,715,659
Total Cities & County: Alameda	61,523,372	45,236,863	106,760,234
ALPINE COUNTY			
County of Alpine	605,731	346,845	952,576
AMADOR COUNTY			
AMADOR	10,237	3,355	13,592
IONE	195,410	142,607	338,017
JACKSON	118,386	85,125	203,511
PLYMOUTH	29,686	18,060	47,746
SUTTER CREEK	66,200	45,668	111,868
County of Amador	2,024,678	1,710,176	3,734,854
Total Cities & County: Amador	2,444,597	2,004,992	4,449,588
BUTTE COUNTY			
BIGGS	52,487	36,870	89,357
CHICO	2,548,281	2,000,731	4,549,011
GRIDLEY	170,048	128,919	298,967
OROVILLE	501,826	388,561	890,386
PARADISE	635,690	467,886	1,103,575
County of Butte	6,756,240	5,822,219	12,578,459
Total Cities & County: Butte	10,664,571	8,845,185	19,509,756

	2021-22		
	Hwy Users Tax Account	Road Mntnc Rehab Acct	TOTAL
ALAMEDA COUNTY			
ALAMEDA	2,009,883	1,550,207	3,560,089
ALBANY	497,215	379,030	876,245
BERKELEY	3,120,830	2,410,408	5,531,238
DUBLIN	1,638,679	1,262,137	2,900,817
EMERYVILLE	307,125	232,289	539,414
FREMONT	5,871,146	4,544,766	10,415,911
HAYWARD	4,030,139	3,116,069	7,146,207
LIVERMORE	2,305,128	1,779,329	4,084,457
NEWARK	1,237,617	952,061	2,189,678
OAKLAND	10,917,361	8,460,838	19,378,199
PIEDMONT	295,414	223,200	518,614
PLEASANTON	2,039,500	1,573,191	3,612,692
SAN LEANDRO	2,274,553	1,755,602	4,030,155
UNION CITY	1,899,068	1,464,210	3,363,278
County of Alameda	29,258,678	19,839,500	49,098,178
Total Cities & County: Alameda	67,702,337	49,542,837	117,245,173
ALPINE COUNTY			
County of Alpine	629,040	379,860	1,008,900
AMADOR COUNTY			
AMADOR	10,684	3,674	14,358
IONE	214,397	156,182	370,579
JACKSON	129,719	93,228	222,947
PLYMOUTH	32,091	19,779	51,870
SUTTER CREEK	72,280	50,015	122,295
County of Amador	2,227,293	1,872,963	4,100,256
Total Cities & County: Amador	2,686,464	2,195,841	4,882,306
BUTTE COUNTY			
BIGGS	57,228	40,379	97,608
CHICO	2,805,551	2,191,175	4,996,726
GRIDLEY	186,625	141,191	327,816
OROVILLE	551,790	425,547	977,336
PARADISE	695,854	512,423	1,208,277
County of Butte	7,446,896	6,376,420	13,823,316
Total Cities & County: Butte	11,743,945	9,687,134	21,431,079



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 2(d)

ORIGINATED BY: Kate Anderson, Housing Program Manager
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: Amend the existing Regulatory Agreement between the Town of Paradise and Paradise Community Village to allow preferences of Camp Fire survivors when leasing units

LONG TERM RECOVERY PLAN: Yes, RP20 Housing Affordability

COUNCIL ACTION REQUESTED:

1. Adopt an amendment to the existing Regulatory Agreement between the Town of Paradise and Paradise Community Village to allow preferences to Camp Fire survivors when leasing units; AND,
2. Authorize the Town Manager, on behalf of the Town of Paradise, execute said amendment.

Background:

In partnership with the Town, Community Housing Improvement Program (CHIP) opened Paradise Community Village, a 36-unit affordable multi-family housing complex, in 2013. Unfortunately, that development was destroyed in the Camp Fire. By the determination of CHIP, PCV is being rebuilt and units will be leased this fall.

The original Regulatory Agreement between the Town of Paradise and Paradise Community Village 1, L.P. in respect to Home Investment Partnership Program, dated February 28, 2012, did not contain preferences when leasing the units. Due to the Camp Fire, the Town and CHIP wish to add preferences for Camp Fire survivors. Those preferences are: 1) former residents of PCV at the time of the Camp Fire, 2) Camp Fire survivors currently living in temporary housing (temporary housing is defined as structures not meant for long-term habitation, e.g., tents, RVs, FEMA housing, etc.), and 3)

Analysis:

In general, preferences in affordable housing are discouraged because when one group receives priority placement then all other applicants must wait longer to receive assistance. However, among the most common preferences is "Involuntarily Displaced by Natural Disaster", defined as household forced to move from their home as a result of a federally-declared natural disaster such as a fire or flood.

Staff has communicated with its grantor, California Department of Housing and Community Development (HCD), and determined that it is a local decision to utilize this preference.

According to the State of California 2020-2024 Federal Consolidated Plan:

HOME: At this point, the State does not plan to require subgrantees to limit the beneficiaries of HOME assistance, or to give preferences to a particular segment of the low-income population for HOME assistance. However, subgrantees may establish a preference for individuals with special needs (for example, survivors of natural disasters, members of households impacted by COVID-19, or individuals at risk of homelessness or currently experiencing homelessness) in their programs, in accordance with 24 CFR 92.209, 24 CFR 92.253. In the future, the State may give preferences to a particular segment of the low-income population in response to an unforeseen and emergency need in HOME-eligible communities (for example, natural disasters or a re-emergence of the COVID pandemic).

Only the Regulatory Agreement need be amended for these preferences to apply during lease-up.

Financial Impact:

Authorizing the Town Manager to execute the amendment has no impact on the General Fund.

**FIRST AMENDMENT TO
REGULATORY AGREEMENT BETWEEN THE TOWN OF PARADISE
AND PARADISE COMMUNITY VILLAGE I, L.P.**

This First Amendment is made on May ____, 2021 to the Regulatory Agreement dated February 28, 2012 between the Town of Paradise ("Town") and the Paradise Community Village I, L.P. ("Borrower") relating to the Home Investment Partnership Program.

Town and Borrower agree as follows:

1. The Regulatory Agreement shall be amended as follows:

Notwithstanding any other provision of the Regulatory Agreement, the Borrower shall be permitted to give preference to 1) former residents of Paradise Community Village at the time of the 2018 Camp Fire, 2) Camp Fire survivors currently living in temporary housing (temporary housing is defined as structures not meant for long-term habitation, e.g., tents, RVs, FEMA housing, etc.), and 3) other Camp Fire survivors who lost their place of residence in the Camp Fire.

2. All other provisions of the Regulatory Agreement shall remain in full force and affect. Any conflict between this First Amendment and the Regulatory Agreement shall be controlled by this First Amendment.

TOWN OF PARADISE

PARADISE COMMUNITY VILLAGE I, L.P.

By: _____
Kevin Phillips, Town Manager

By: _____

APPROVED AS TO FORM

By: _____
Mark A. Habib, Town Attorney



Town of Paradise
Council Agenda Summary
Date: MM DD, YYYY

Agenda Item: 2(e)

ORIGINATED BY: Susan Hartman, Community Development Director –
Planning & Wastewater
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: Adoption of Town Ordinance No. 607
LONG TERM RECOVERY PLAN: Planning and Zoning – Tier 1

COUNCIL ACTION REQUESTED:

1. Waive second reading of the entire Town Ordinance No. 607 and approve reading by title only; and,
2. Adopt Town Ordinance No. 607, “An Ordinance Amending Text Regulations within Title 17 of the Paradise Municipal Code Relative to Sign Regulations Applicable to the No Longer Existent Paradise Redevelopment Agency and Area”.

Background:

On April 13, 2021, the Town Council introduced the above-noted Town ordinance for purposes of eventual adoption. If adopted, the intent of the proposed ordinance is to amend existing statutes within Paradise Municipal Code Chapter 17.34 that relate to the removal of existing text references to the now defunct Paradise Redevelopment Project Area [RDA] and deletes the more restrictive freestanding sign regulations pertaining to the RDA within PMC Table 17.37.700.

Analysis:

Town staff recommends that the Town Council waive the second reading of this entire ordinance; read it by title only; and formally adopt Town Ordinance No. 607 (copy attached). Once adopted, the provisions of this ordinance will be in legal effect thirty days thereafter.

Financial Impact:

A nominal cost will be borne by the Town of Paradise for publication of the ordinance within the local newspaper.

Attachment

**TOWN OF PARADISE
ORDINANCE NO. 607**

**AN ORDINANCE AMENDING TEXT REGULATIONS WITHIN
PARADISE MUNICIPAL CODE TITLE 17 [ZONING] RELATIVE TO FREESTANDING SIGN
REGULATIONS APPLICABLE TO THE NO LONGER EXISTENT PARADISE REDEVELOPMENT
AGENCY AND AREA**

SECTION 1. The text of subsection #2 listed under item “A” of Section 17.37.300 [Prohibited signs] shall be amended to read as follows:

2. Situated on “CC” [Community Commercial] zoned properties any time and temperature indicators included as part of a business sign and maintained in working order;

SECTION 2. Section 17.37.700 [Business signs-Regulations in all zoning districts] shall be amended to read as follows:

Type of Sign	Zones	Regulations
Freestanding Signs	C-C, I-S (excepting Scenic Highway Corridors)	Monument, post or pole, 100 square feet, maximum height 10 feet, (monument), and 16 feet (post, pole or pylon); 2 per site
	Scenic Highway Corridors	Monument or post, 100 square feet, maximum height 8 feet; 1 per site

SECTION 3. CEQA COMPLIANCE. The Town Council finds and determines that the enactment of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15061(b)(3) (General Rule Exemption).

SECTION 4. This ordinance shall take effect thirty (30) days after the date of its passage. Before the expiration of fifteen (15) days after its passage, this ordinance or a summary thereof shall be published in a newspaper of general circulation published and circulated within the Town of Paradise along with the names of the members of the Town Council of Paradise voting for and against same.

PASSED AND ADOPTED by the Town Council of the Town of Paradise, County of Butte, State of California, on this 11th day of May, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steve Crowder, Mayor

ATTEST:

Dina Volenski, CMC, Town Clerk

APPROVED AS TO FORM:

Mark A. Habib, Town Attorney



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 2(f)

ORIGINATED BY: Marc Mattox, Public Works Director/Town Engineer
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: Paradise Stronger Adopt-A-Trail Application

LONG TERM RECOVERY PLAN: Yes, Tier 3, Volunteers

COUNCIL ACTION REQUESTED:

- 1) Approve the request by Aaron Singer of Paradise Stronger to adopt a portion of the Yellowstone Kelly Heritage Trail between Elliott Road and Bille Road; and
- 2) Approve the request by Love Paradise to adopt a portion of the Yellowstone Kelly Heritage Trail between Pearson Road and Elliott Road.

Background:

Over the years, various individuals and civic groups have requested that they be allowed to “adopt” a section of a roadway or trailway, to help provide the necessary labor to keep a particular section clean and free of trash. By adopting a particular section of roadway or trailway, the sponsor agrees to provide for litter pickup and general light maintenance of the area. This provides a great public service, and it allows for the sponsor to maintain “their” section of roadway or trailway at a much higher level of service than is possible with our limited town maintenance staff.

Analysis:

The Town of Paradise has been approached by Aaron Singer of Paradise Stronger and Love Paradise, a coalition of community volunteers focused on various community service projects. These two entities, Paradise Stronger and Love Paradise have expressed an interest to “adopt” a portions of the Yellowstone Kelly Heritage Trail, listed below:

Paradise Stronger
Love Paradise

Elliott Road to Bille Road
Pearson Road to Elliott Road

The 2019 Fire Community Long Term Recovery Plan identifies the use of volunteers as a critical component of the Town’s recovery. Volunteerism helps foster community pride and delivery of enhanced community services. The Public Works Department supports the approval of both Paradise Stronger and Love Paradise adopting a portion of the Trail and their efforts to safely provide light maintenance work in this area. The required license agreement and insurance certificates will be reviewed and approved by the Town Attorney.

General conditions will be placed on the approved license agreement to ensure the volunteer work is performed in a safe and satisfactory manner while protecting the general public.

Financial Impact:

Minor financial impacts for the order and installation of “Adopt-a-Trail” signs recognizing Paradise Stronger and Love Paradise for their work.



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 2(g)

ORIGINATED BY: Marc Mattox, Public Works Director/Town Engineer
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: California Department of Parks and Recreation Per Capita Grant Program Allocation Transfer to Paradise Recreation and Park District
LONG TERM RECOVERY PLAN: Yes, Tier 2, Outdoor Destination

COUNCIL ACTION REQUESTED:

1. Consider adopting Resolution No.21-____, A resolution of the Town Council of the Town of Paradise Authorizing Transfer of the Per Capita Grant Fund Allocation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 to the Paradise Recreation and Park District.

Background:

Proposition 68, approved by voters on June 5, 2018 appropriates funds via the State Budget for local park rehabilitation, creation, and improvement projects on a per capita basis. The program funds are available between July 1, 2018 and June 30, 2024. Sixty percent of the General Per Capita funds are allocated to Cities and Eligible Districts based on population. The Per Capita Grant Program allocation for the Town of Paradise is \$177,952. Projects must be consistent with the park and recreation element of the Town's general or recreation plan.

In order to be eligible to receive or transfer Per Capita Grant funds, the program requires that the Town attend one mandatory grant administration workshop, which was attended on August 12, 2020, and also submit an approved resolution approving the filing of all applications. The Town Council of the Town of Paradise adopted Resolution 20-30, approve applications for Per Capita Grant funds at the September 8th, 2020 Town Council meeting.

Analysis:

The Public Works Department has not identified any eligible projects to date and doesn't anticipate identifying any projects before the project application submission deadline of December 31, 2021. Therefore, the Department is recommending transfer of the \$177,952 Per Capita Grant Fund Allocation to the Paradise Recreation and Park District (PRPD). PRPD provides recreation facilities and programs to the residents of the Town of Paradise, the Butte Creek Canyon area, and the unincorporated communities of Magalia/Paradise Pines and Concow/Yankee Hill. The transferred funds would be used on eligible park and recreation capital outlay projects within the Town limits.

Entities that receive an allocation under the Per Capita program may transfer all or part of that allocation to another eligible entity, provided that the following requirements are met:

1. All required documentation must be submitted no later than six months from the end of the encumbrance period.
2. The transferring agency must submit a resolution authorizing the transfer of the allocation. The resolution must name the recipient entity and the transferred amount.

3. The recipient must be eligible to receive Per Capita funds.
4. The recipient must have submitted the authorizing resolution.
5. The recipient must submit a resolution authorizing the receipt of funds; the resolution must state the donor and the transferred amount.

The Paradise Recreation and Park District is an eligible entity under the Per Capita program to receive the allocation transfer and has submitted the authorizing resolution to receive funds.

Financial Impact:

Decrease the Town of Paradise Per Capita Grant Fund allocation from \$177,952.00 to \$0.00 to reflect the pass through of \$177,952.00 to the Paradise Recreation and Park District.

Attachments:

**TOWN OF PARADISE
RESOLUTION NO. 21-_____**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
PARADISE AUTHORIZING TRANSFER OF THE PER CAPITA GRANT
FUND ALLOCATION FROM THE CALIFORNIA DROUGHT, WATER,
PARKS, CLIMATE, COASTAL PROTECTION, AND OUTDOOR
ACCESS FOR ALL ACT OF 2018 TO THE PARADISE RECREATION
AND PARK DISTRICT.**

WHEREAS, entities that receive an allocation under the Per Capita program may transfer all or part of that allocation to another eligible entity; and,

WHEREAS, the Paradise Recreation and Park District is an eligible entity under the Per Capita program to receive the allocation transfer.

NOW, THEREFORE, the Town Council of the Town of Paradise does resolve as follows:

Section 1. The Town Council approves the reduction of the Per Capita Grant Fund allocation from the State of California under the Per Capita Grant Program under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

Section 2. The Town Council authorizes the State of California to decrease the Town of Paradise Per Capita Grant Fund allocation from \$177,952.00 to \$0.00 to reflect the pass through of \$177,952.00 to the Paradise Recreation and Park District.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 11th day of May, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Steve Crowder, Mayor

ATTEST:

Dina Volenski, CMC, Town Clerk

APPROVED AS TO FORM:

Mark A. Habib, Town Attorney



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 2(h)

ORIGINATED BY: Katie Simmons, Disaster Recovery Director
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: Pro Bono Agreement with NHA Advisors
LONG TERM RECOVERY PLAN: Supports the Fiscal Recovery Model

COUNCIL ACTION REQUESTED:

1. Approve the Pro Bono Contract with NHA Advisors; and,
2. Authorize the Town Manager to sign the agreement.

Background:

NHA Advisors engaged the Town in early 2021, interested in leveraging their resources and key relationships to support recovery from the Camp Fire.

First, they worked closely with Town staff and the Rebuild Paradise Foundation to co-host a stakeholder meeting on the FAIR plan with the California Department of Insurance. The meeting included Commissioner Lara and took place on April 15, 2021. Attendees included realtors, brokers, contractors, and insurance professionals. The seminar educated local stakeholders involved in the rebuild on the realities of the current insurance market and the FAIR plan.

The firm also engaged the Town Manager and staff with the American Forest Foundation for the purpose of understanding risk-reward modeling for wildfire mitigation.

NHA Advisors is a “registered municipal advisor,” advising public agencies on both raising capital and issuing debt to fund projects. In that role, municipal advisors have a fiduciary responsibility to their clients that is mandated by the SEC.

They have proposed a pro bono agreement with the Town to formalize their support in the following ways:

- Review the financial plan being prepared by Management Partners for the Town with NHA’s focus on delivering reliable long-term funding for both infrastructure and wildfire risk mitigation;
- Facilitate connection between Town staff and other key stakeholders in both the state and nation that are addressing funding for wildfire risk mitigation;
- Facilitate connection between Town staff and other key stakeholders in the state that are addressing both sustainable and affordable casualty insurance for property owners in the WUI.

Analysis:

The potential benefits for the Town from this pro bono agreement with NHA Advisors are as follows:

- Confidence by major stakeholders in the recovery of Paradise that the Town's recovery plan is both viable and can be fully funded;
- Support for the long-term sustainability and affordability of casualty insurance for property owners in Paradise;
- Guidance on the best ways to leverage the Town's settlement from PG&E to maximize long term recovery.

NHA proposes to do the review of the Management Partners draft financing plan on a pro bono basis, as well as continue to facilitate connections between Town staff and key decision-makers in casualty insurance and wildfire risk mitigation on a pro bono basis.

Separately, as an option in the future, NHA Advisors recognizes the Town may wish to do a credit rating review process of the recovery plan with SP Global Ratings. If this is the case, NHA may propose compensation on an hourly basis to manage that process. The follow-on presentation of the findings from the SP Global Ratings confirmation to major stakeholders would also be on an hourly basis, subject to a cap, and would include mortgage lenders, casualty insurers, land developers and other public agencies. Additionally, SP Global Ratings would charge the Town for their services.

Financial Impact:

NHA Advisors provides the services as outlined in the pro bono contact at no cost to the Town of Paradise.

**MUNICIPAL ADVISOR AGREEMENT
BETWEEN
TOWN OF PARADISE
AND
NHA ADVISORS, LLC
FOR PHASE 1 CONSULTING SERVICES**

THIS AGREEMENT for consulting services is made by and between the Town of Paradise (the “Town”) and NHA Advisors, LLC (“Consultant”) (together referred to as the “Parties”) as of February 25, 2021 (the “Effective Date”).

SECTION 1 – SERVICES

As the Town’s registered municipal advisor, subject to the terms and conditions set forth in this Agreement, Consultant shall provide to the Town the services described in the Scope of Services attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

If acting in the capacity of an Independent Registered Municipal Advisor (“IRMA”) with regards to the “IRMA exemption” of the SEC Rule, Consultant will review all third-party recommendations submitted to the Town if requested in writing.

Recommendation. If Consultant makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Town and is within the scope of the engagement, Consultant will determine, based on the information obtained through reasonable diligence of Consultant whether a municipal securities transaction or municipal financial product is suitable for the Town. In addition, Consultant will inform the Town of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Consultant reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Town; and
- whether Consultant has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Town’s objectives.

If the Town elects a course of action that is independent of or contrary to the advice provided by Consultant, Consultant is not required on that basis to disengage from the Town.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall end on June 30, 2022 or upon completion of the Scope of Services described in Exhibit A, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Consultant to complete the services required by this Agreement shall not affect the Town’s right to terminate the Agreement, as referenced in Section 8.

- 1.2 Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event the Town, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from the Town of such desire of the Town, reassign such person or persons.
- 1.4 Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Consultant's obligations hereunder.

SECTION 2 - COMPENSATION

The services outlined in the Scope of Services (Exhibit A) will be performed by the Consultant free of charge.

- 2.1 Reimbursable Expenses.** Reimbursable expenses are specified below and shall not exceed \$1,000. Expenses will typically include third-party data collection or services not provided by the Town. At this time, it is not expected that the services outlined in the Scope of Services (Exhibit A) will incur any reimbursable expenses.
- 2.2 Authorization to Perform Services.** Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

SECTION 3 - FACILITIES AND EQUIPMENT

Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. The Town shall make available to Consultant only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

The Town shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with the Town employees and reviewing records and the information in possession of the Town. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of the Town. In no event shall the Town be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

SECTION 4 - INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Consultant, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by Consultant and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Consultant shall provide proof satisfactory to the Town of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all

respects, and that such insurance is in effect prior to beginning work to the Town. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence that such insurance is in effect to the Town. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Consultant shall maintain all required insurance listed herein for the duration of this Agreement.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than \$1,000,000 per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the Town and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General Requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$1,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum Scope of Coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 Additional Requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a) The Insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

- b) The Town, its officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by or on behalf of Consultant; or automobiles owned, leased, hired, or borrowed by Consultant.
- c) For any claims related to this Agreement or the work hereunder, Consultant's insurance covered shall be primary insurance as respects the Town, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Town, its officers, officials, employees, or volunteers shall be excess of Consultant's insurance and shall not contribute with it.
- d) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after 30 days' prior written notice has been provided to the Town.

4.3 Professional Liability Insurance.

4.3.1 General Requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than \$1,000,000 covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed \$250,000 per claim.

4.3.2 Claims-Made Limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a) The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b) Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
- c) If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five years after completion of work under this Agreement.
- d) A copy of the claim reporting requirements must be submitted to the Town for review prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of Insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 Verification of Coverage. Prior to beginning any work under this Agreement, Consultant shall furnish the Town with complete copies of all policies delivered to Consultant by the insurer, including complete copies of all endorsements attached to those policies. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf. If the Town does not receive the required insurance documents prior to Consultant beginning work, it shall not waive Consultant's obligation to provide them. The Town reserves the right to require complete copies of all required insurance policies at any time.

4.4.3 Deductibles and Self-Insured Retentions. Consultant shall disclose to and obtain the written approval of the Town for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. At the option of the Town, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Town, its officers, employees, and volunteers; or Consultant shall provide a financial guarantee satisfactory to the Town guaranteeing payment of losses and related investigations, claim administration and defense expenses.

4.4.4 Wasting Policies. No policy required by this Section 4 shall include a "wasting" policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. Consultant hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the contractor, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.5 Remedies. In addition to any other remedies the Town may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the Town may, at its sole option exercise any of the following remedies, which are alternatives to other remedies the Town may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

SECTION 5 – CONSULTANT’S RESPONSIBILITIES AND INDEMNIFICATION

Consultant is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board (“MSRB”). As such, Consultant has a fiduciary duty to the Town and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the Town with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the Town’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Town; and
- d) undertake a reasonable investigation to determine that Consultant is not forming any recommendation on materially inaccurate or incomplete information; Consultant must have a reasonable basis for:
 - i. any advice provided to or on behalf of the Town;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Town, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Town securities; and
 - iii. any information provided to the Town or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

Consultant must deal honestly and with the utmost good faith with the Town and act in the Town’s best interests without regard to the financial or other interests of Consultant. Consultant will eliminate or provide full and fair disclosure (included herein) to the Town about each material conflict of interest (as applicable). Consultant will not engage in municipal advisory activities with the Town as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Town’s best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those noted below, that Consultant is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Consultant becomes aware of any material potential conflict of interest that arises after this disclosure, Consultant will disclose the detailed information in writing to the Town in a timely manner.

The following are potential conflicts of interest to be considered.

- Consultant serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another Consultant client. For example, Consultant serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Town. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Consultant could potentially face a conflict of interest arising from these competing client interests. Consultant fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Town.
- Consultant does not have any affiliate that provides any advice, service, or product to or on behalf of the Town that is directly or indirectly related to the municipal advisory activities to be performed by Consultant.
- Consultant has not made any payments directly or indirectly to obtain or retain Consultant's municipal advisory business.
- Consultant has not received any payments from third parties to enlist Consultant's recommendation to the Town of its services, any municipal securities transaction, or any municipal finance product.
- Consultant has not engaged in any fee-splitting arrangements involving Consultant and any provider of investments or services to the Town.
- Consultant does not have any legal or disciplinary event that is material to the Town's evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- Consultant does not act as principal in any of the transaction(s) related to this Project.
- During the term of the municipal advisory relationship, this disclosure will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this disclosure and the revised writing will be promptly delivered to the Town.

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- Consultant is currently registered as a Municipal Advisor with the SEC and the MSRB.
- Within the MSRB website at www.msrb.org, Town may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Recommendations

If Consultant makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Town and is within the scope of the engagement, Consultant will determine, based on the information obtained through

reasonable diligence of Consultant whether a municipal securities transaction or municipal financial product is suitable for the Town. In addition, Consultant will inform the Town of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Consultant reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Town; and
- whether Consultant has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Town's objectives.

If the Town elects a course of action that is independent of or contrary to the advice provided by Consultant, Consultant is not required on that basis to disengage from the Town.

Record Retention

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, Consultant is required to maintain in writing, all communication and created documents between Consultant and the Town for five (5) years.

Indemnification

Consultant shall indemnify, defend with counsel acceptable to the Town, and hold harmless the Town and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with Consultant's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the sole negligence or willful misconduct of the Town.

Consultant's obligation to defend and indemnify shall not be excused because of Consultant's inability to evaluate Liability or because Consultant evaluates Liability and determines that Consultant is not liable to the claimant. Consultant must respond within 30 days, to the tender of any claim for defense and indemnity by the Town, unless this time has been extended by the Town. If Consultant fails to accept or reject a tender of defense and indemnity within 30 days, in addition to any other remedy authorized by law, so much of the money due Consultant under and by virtue of this Agreement as shall reasonably be considered necessary by the Town, may be retained by the Town until disposition has been made of the claim or suit for damages, or until Consultant accepts or rejects the tender of defense, whichever occurs first.

With respect to third party claims against Consultant, Consultant waives any and all rights of any type to express or implied indemnity against the Indemnitees.

Notwithstanding the forgoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code Section 2782, as may be amended from time to time, such duties of Consultant to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the Town,

Consultant shall indemnify, defend, and hold harmless the Town for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the Town.

SECTION 6 - STATUS OF CONSULTANT

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of the Town. The Town shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise the Town shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other Town, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by the Town, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of the Town and entitlement to any contribution to be paid by the Town for employer contributions and/or employee contributions for PERS benefits.
- 6.2 Consultant Not an Agent.** Except as the Town may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of the Town in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind the Town to any obligation whatsoever.

SECTION 7 - LEGAL REQUIREMENTS

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which the Town is bound by the terms of such fiscal assistance program.
- 7.4 Licenses and Permits.** Consultant represents and warrants to the Town that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to the Town that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from the Town.

- 7.5 Legal Events and Disciplinary History.** Consultant does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Town may electronically access Consultant's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

- 7.6 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

SECTION 8 - TERMINATION AND MODIFICATION

- 8.1 Termination.** The Town may cancel this Agreement at any time and without cause upon written notification to Consultant.

Consultant may cancel this Agreement upon 45 days' written notice to the Town and shall include in such notice the reasons for cancellation.

- 8.2 Extension.** The Town may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if the Town grants such an extension, the Town shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, the Town shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

- 8.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

- 8.4 Assignment and Subcontracting.** The Town and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to the Town for entering into

this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

8.5 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between the Town and Consultant shall survive the termination of this Agreement.

8.6 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, the Town's remedies shall include, but not be limited to, the following:

8.6.1 Immediately terminate the Agreement;

8.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.6.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or

8.6.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that the Town would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

SECTION 9 - MISCELLANEOUS PROVISIONS

9.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Butte.

9.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

9.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

- 9.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 9.6 **Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 9.7 **Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of the Town or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any the Town official in the work performed pursuant to this Agreement. No officer or employee of the Town shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous 12 months, an employee, agent, appointee, or official of the Town. If Consultant was an employee, agent, appointee, or official of the Town in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the Town for any sums paid to Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

As of the date of the Agreement, there are no actual or potential conflicts of interest that Consultant is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Consultant becomes aware of any potential conflict of interest that arise after this disclosure, Consultant will disclose the detailed information in writing to the Town in a timely manner.

The fee paid to Consultant increases the cost of investment to the Town. The increased cost occurs from compensating Consultant for municipal advisory services provided.

Consultant does not act as principal in any of the transaction(s) related to this Agreement.

During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to the Town.

- 9.8 **Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 9.9 **Contract Administration.** This Agreement shall be administered by the Town Disaster Recovery Director ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

9.10 Notices. Any written notice to Consultant shall be sent to:

Mark Northcross, Principal
NHA Advisors, LLC
4040 Civic Center Drive, Suite 200
San Rafael, CA 94903

Any written notice to the Town shall be sent to:

Katie Simmons, Disaster Recover Director
Town of Paradise
5555 Skyway
Paradise, CA 95969

10.11 Integration. This Agreement, including the Scope of Services attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between the Town and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

Exhibit A: Scope of Services

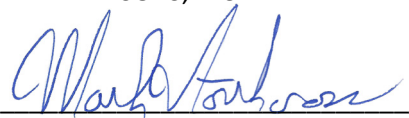
10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

TOWN OF PARADISE

Katie Simmons, Disaster Recovery Director

NHA ADVISORS, LLC



Mark Northcross, Principal

EXHIBIT A

SCOPE OF SERVICES

PHASE 1 FINANCIAL CONSULTING AND MUNICIPAL ADVISORY SERVICES

The scope of work will generally include, but will not be limited to, the following services:

♦ Phase 1 – Pro Bono Work for the Town

- Coordinate with the California Department of Insurance, the FAIR Plan and Paradise recovery stakeholders to deliver a reliable form of homeowner's insurance for lenders and course of construction insurance for contractors
- Support the work of Management Partners for the Town with respect to leveraging the PG&E settlement fund and debt financing techniques for recovery



**TOWN OF PARADISE
Council Agenda Summary
May 11, 2021**

AGENDA NO. 2(i)

ORIGINATED BY: Mark Habib, Town Attorney

REVIEWED BY: Kevin Phillips, Town Manager

SUBJECT: Town Attorney Professional Services Agreement

COUNCIL ACTION REQUESTED: Adopt Resolution No. 21-__, A Resolution of the Town Council of the Town of Paradise Approving an Agreement for Professional Legal Services between the Town of Paradise and the Law Firm of Cole Huber LLP, with partner Scott Huber assigned as Town Attorney for the Town of Paradise.

BACKGROUND: During March and April of 2021 the Town issued an RPF for Legal Services to commence July 1, 2021. In response, the Town received multiple proposals from firms wanting to supply Town Attorney services to the Town. On April 21, 2021, Town Staff and the Town Attorney interviewed seven firms as candidates for the Town Attorney position, to become effective July 1, 2021. After the interviews, Town Staff and the Town Attorney collaborated to reduce the number of firms to be interviewed by the full Town Council down to the four most suitable and qualified firms. On May 3, 2021, during closed session meetings, the Town Council interviewed the four most suitable and qualified firms as candidates for Town Attorney. The full Council then conferred and voted in support of hiring the law firm of Cole Huber LLP, for a one year term, effective July 1, 2021, with Scott Huber serving as Town Attorney, on the terms set forth in the proposal submitted by Cole Huber LLP, subject only to the Town and Cole Huber LLP reaching final agreement on the provisions for services. The Town Attorney was directed to negotiate a final agreement with Cole Huber LLP consistent with the terms set forth in the firm's submittal to the Town and representations by Cole Huber LLP during the interview process as to the services and charges applicable to the proposed agreement.

DISCUSSION: The purpose of the proposed Agreement for legal services is to ensure continuing Town Attorney legal services to the Town after June 30, 2021, at which time the current Town Attorney services contract expires.

RECOMMENDATION: Adopt a resolution approving the Agreement for legal services between the Town of Paradise and the law firm of Cole Huber LLP for a one year period, effective July 1, 2021.

FISCAL IMPACT:

The Proposed Agreement is not expected to materially increase or decrease the monthly fee for legal services incurred by the Town.

**TOWN OF PARADISE
RESOLUTION NO. 21-__**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE
APPROVING AN AGREEMENT FOR PROFESSIONAL LEGAL SERVICES
WITH LAW FIRM COLE HUBER LLP**

WHEREAS, on May 3, 2021, the Town Council met in closed session pursuant to Government Code section 54957(b)(1) to interview applicants for the position of Town Attorney; and,

WHEREAS, after interviewing applicants, the Town Council authorized the current Town Attorney to negotiate an agreement for new Town Attorney services with the Law Firm Cole Huber LLP, for a one-year term, beginning on July 1, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PARADISE AS FOLLOWS:

Section 1. The Town Council hereby approves the professional services agreement for Town Attorney services with Law Firm Cole Huber LLP.

Section 2. The Mayor is hereby authorized to execute the agreement attached hereto as Exhibit A for Town Attorney services with Law Firm Cole Huber LLP.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 11th day of May, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Steve Crowder, Mayor

ATTEST:

Dina Volenski, Town Clerk

APPROVED AS TO FORM:

Mark A. Habib, Town Attorney

LEGAL SERVICES AGREEMENT BETWEEN TOWN OF PARADISE AND COLE HUBER LLP

THIS AGREEMENT for legal services is entered into by and between the Town of Paradise (hereinafter referred to as "Town") and Cole Huber LLP (hereinafter referred to as "Law Firm") (collectively the "Parties") for a one-year period beginning July 1, 2021 (the "Effective Date"), and ending on June 30, 2022, unless extended by mutual agreement.

SECTION 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Law Firm shall provide to Town the services described in the Scope of Work attached hereto and incorporated herein as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall be one year as indicated in Section 1 above or as otherwise agreed on between the Parties in writing.

1.2 Standard of Performance. Law Firm shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Law Firm is engaged in the geographical area in which Law Firm practices its profession. Law Firm shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Law Firm's profession.

1.3 Assignment of Personnel. Law Firm shall assign only competent personnel to perform services pursuant to this Agreement. In the event that Town, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons for any reason other than a characteristic protected under state employment laws and the California Rules of Professional Conduct, Law Firm shall, immediately upon receiving notice from Town of such desire, reassign such person or persons.

1.4 Time. Law Firm shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Law Firm's obligations hereunder.

SECTION 2. COMPENSATION. Town agrees to pay Law Firm in accordance with the Compensation Schedule provided in Exhibit B for services to be performed and reimbursable costs incurred under this Agreement. In or around December 2021, and approximately every six months thereafter, Law Firm and Town Manager shall meet to determine whether an adjustment in the rates and charges is warranted and, if so, the proposed adjustment shall be presented to Council for consideration. Town shall pay Law Firm for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from Town to Law Firm for services rendered pursuant to this Agreement. Law Firm shall submit all invoices to Town in the manner specified herein. Except as specifically authorized by the Town, Law Firm shall not bill Town for duplicate services performed by more than one person.

Law Firm and Town acknowledge and agree that compensation paid by Town to Law Firm under this Agreement is based upon Law Firm's invoices only, and Town has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Law Firm shall submit invoices not more often than once a month on a calendar month basis during the term of this Agreement (unless requested otherwise by Town), based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates for each calendar month of services billed;
- A Task Summary containing the amount of any prior billings, the total due for the period being billed for, and any outstanding sums remaining unpaid; and
- The applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, itemized by matter number.

2.2 Monthly Payment. Town shall make monthly payments, based on invoices received, for services satisfactorily performed and for authorized reimbursable costs incurred. Town shall have thirty (30) days from receipt of an invoice to pay Law Firm.

2.3 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit B, and expenses not listed in Exhibit B are not chargeable to Town.

2.4 Payment of Taxes. Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.5 Payment upon Termination. In the event that Town or Law Firm terminates this Agreement pursuant to Section 7 of this Agreement, the Town shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.6 Authorization to Perform Services. Law Firm is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization (written or verbal) from Town.

SECTION 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Law Firm shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. Town shall make available to Law Firm only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

Town shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Law Firm's use while consulting with Town employees and reviewing records and the information in possession of the Town at Town's

Town Hall facility. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of Town. In no event shall the Town be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

SECTION 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Law Firm, at its own cost and expense, shall procure and maintain professional malpractice insurance in the amount of not less than \$2 million per occurrence throughout the term of this Agreement. Law Firm shall provide proof satisfactory to Town of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the Town, and that such insurance is in effect prior to commencing work under this Agreement. Law Firm shall maintain the insurance policy required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

4.1 Variation. Town may approve a variation in the insurance requirements upon a determination that the coverage, scope, limit, and form of such insurance is either not commercially available, or that the Town's interests are otherwise fully protected.

4.2 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Law Firm shall provide written notice to Town at Law Firm's earliest possible opportunity, and in no case later than five (5) days after Law Firm is notified of the change in coverage.

4.3 Remedies. In addition to any other remedies Town may have if Law Firm fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, Town may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies Town may have and are not the exclusive remedy for Law Firm's breach:

4.3.1. Order Law Firm to stop work under this Agreement or withhold any payment that becomes due to Law Firm hereunder, or both stop work and withhold any payment, until Law Firm demonstrates compliance with the requirements hereof; and/or

4.3.2 Terminate this Agreement.

SECTION 5. STATUS OF LAW FIRM.

5.1 Independent Contractor. At all times during the term of this Agreement, Law Firm shall be an independent contractor and shall not be an employee of the Town. Town shall have the right to control Law Firm only insofar as the results of Law Firm's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, Town shall otherwise not have the right to control the means by which Law Firm accomplishes services rendered pursuant to this Agreement. Notwithstanding any other city, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Law Firm and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Town, including but not limited to eligibility to enroll in the California Public Employees

Retirement System (PERS) as an employee of Town, and entitlement to any contribution to be paid by Town for employer contributions and/or employee contributions for PERS benefits.

5.2 Law Firm Not Agent. Except as Town may specify in writing or as provided by law, Law Firm shall have no authority, express or implied, to act on behalf of the Town in any capacity whatsoever as an agent. Law Firm shall have no authority, express or implied, pursuant to this Agreement to bind the Town to any obligation whatsoever.

SECTION 6. LEGAL REQUIREMENTS.

6.1 Governing Law. The laws of the State of California shall govern this Agreement.

6.2 Compliance with Applicable Laws. Law Firm and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

6.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Law Firm and any subcontractors shall comply with all applicable rules and regulations to which Town is bound by the terms of such fiscal assistance program.

6.4 Licenses and Permits. Law Firm represents and warrants to the Town that Law Firm and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature legally required to practice their respective professions. Law Firm represents and warrants to Town that Law Firm and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals legally required to practice their respective professions. In addition to the foregoing, Law Firm and any subcontractors shall obtain and maintain during the term of this Agreement any required business licenses from Town.

6.5 Nondiscrimination and Equal Opportunity. Law Firm shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Law Firm under this Agreement. Law Firm shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Law Firm shall include the provisions of this subsection in any subcontract approved by the Town.

SECTION 7. TERMINATION AND MODIFICATION.

7.1 Termination. Town may cancel this Agreement at any time and without cause upon written notification to Law Firm. Such written notification must provide an effective date of cancellation.

Law Firm may cancel this Agreement upon ninety (90) days' written notice to Town and shall include in such notice the reasons for cancellation.

In the event of termination, Law Firm shall be entitled to compensation for services performed to the effective date of termination; Town, however, may condition payment of such compensation upon Law Firm delivering to Town copies of any or all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder. Originals of attorney work product shall remain the property of Law Firm.

7.2 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

7.3 Assignment. Town and Law Firm recognize and agree that this Agreement contemplates personal performance by Law Firm and is based upon a determination of Law Firm's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to Town for entering into this Agreement was and is the professional reputation and competence of Law Firm. Law Firm may not assign this Agreement or any interest therein without the prior written approval of the Town Manager.

7.4 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Town and Law Firm shall survive the termination of this Agreement.

7.5 Options Upon Breach by Law Firm. If Law Firm materially breaches any of the terms of this Agreement, Town's remedies shall include but not be limited to the following:

7.5.1 Immediate termination of the Agreement;

7.5.2 Retention of the plans, reports, documents, and any other work product prepared by Law Firm pursuant to this Agreement; and/or

7.5.3 Retention of a different law firm to complete any work described in Exhibit A remaining unfinished by Law Firm.

SECTION 8. KEEPING AND STATUS OF RECORDS.

8.1 Records Created as Part of Law Firm's Performance. Law Firm hereby agrees to deliver copies of all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement to the Town upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the Town and are not necessarily suitable for any future or other use. Town and Law Firm agree that, until final approval by Town, all data, plans, specifications, reports and

other documents are confidential and will not be released to third parties without prior written consent of both parties.

8.2 Law Firm's Books and Records. Law Firm shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the Town under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Law Firm pursuant to this Agreement.

SECTION 9. MISCELLANEOUS PROVISIONS.

9.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees (including reasonable costs and disbursements) in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of Butte.

9.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

9.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

9.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

9.6 Conflict of Interest. Law Firm may serve other clients, but none whose activities within the corporate limits of Town or whose business, regardless of location, would place Law Firm in a "conflict of interest," as that term is defined in the rules of professional responsibility governing Law Firm's profession, unless such conflict may be waived by Town and Town chooses to waive such conflict in writing.

Law Firm shall not employ any Town official in the work performed pursuant to this Agreement. No officer or employee of Town shall have any financial interest in this Agreement that would violate California Government Code section 1090 *et seq.*

Law Firm hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the Town. If Law Firm were an employee, agent, appointee, or official of the Town in the previous 12 months, Law Firm warrants that it did not participate in any manner in the forming of this Agreement. Law Firm understands that, if this Agreement is made in violation of Government Code section 1090 *et seq.*, the entire Agreement is void and Law Firm will

not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Law Firm will be required to reimburse the Town for any sums paid to the Law Firm. Law Firm understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code section 1090 and, if applicable, will be disqualified from holding public office in the State of California.

9.8 Solicitation. Law Firm agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

9.9 Notices.

Any written notice to Law Firm shall be sent to:

Cole Huber LLP
Attn: Scott E. Huber
2281 Lava Ridge Court #300
Roseville, CA 95661

Any written notice to Town shall be sent to:

Town of Paradise
Attn: Kevin Phillips, Town Manager
5555 Skyway
Paradise, California 95969

9.10 Integration. This Agreement, including attachments, represents the entire and integrated agreement between Town and Law Firm and supersedes all prior negotiations, representations, or agreements, either written or oral, prior to the Effective Date of this Agreement.

9.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

9.12 Authorized Signature. Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

The parties have executed this Agreement as of the Effective Date.

TOWN

LAW FIRM

TOWN OF PARADISE

COLE HUBER LLP

By: _____
Kevin Phillips, Town Manager

By: _____
Scott Huber, Attorney at Law

ATTEST:

DINA VOLENSKI, TOWN CLERK

APPROVED AS TO LEGAL FORM:

MARK A. HABIB, TOWN ATTORNEY

DRAFT

EXHIBIT A – SCOPE OF WORK

The following services shall be provided under this Agreement:

GENERAL COUNSEL SERVICES

Law Firm shall provide general counsel services as requested by the Town, which advice and counsel services shall include:

- Draft and review Town contracts, review and/or draft and revise as necessary Town Ordinances and Regulations, Memorandums of Understanding, Council meeting documentation and other Town documents required in connection with the administration of all Town business;
- Advise regarding real property acquisitions, easements, and dedications;
- Advise regarding tort and contract claims and liability exposure;
- Provide guidance on personnel matters, including employee discipline and separations;
- Provide opinions regarding municipal and other legal matters as directed by Town;
- Monitor and advise regarding the adoption of new federal and state laws and regulations;
- Ensure timely compliance and assist as necessary with requests for public records;
- Communicate with the press when directed by the Town;
- All other matters not included under “Extraordinary Services” as defined below.

EXTRAORDINARY SERVICES

Upon authorization by the Town, Law Firm shall perform all extraordinary services including represent the Town in any judicial or administrative proceeding as follows:

- Eminent Domain
- Complex Personnel-Related Litigation;
- Defense of Complex Tort Litigation, including wrongful death claims;
- Elective litigation initiated at the Town Council’s request;
- Third Party Reimbursements;
- Litigation and formal administrative hearing matters;
- Labor relations and employment matters, including workplace investigations;
- Non-routine real estate matters (e.g. CC&Rs, deed or title work);
- Land acquisition and disposal matters (including pre-condemnation);
- Electric utility matters
- Fees and charges matters (e.g. Prop 218 & Mitigation Fee Act)
- Public construction disputes
- Non-routine negotiation matters (including model agreements presented by other contractors and/or franchise agreements);
- Matters that either in nature or scope are unusual, unexpected and/or complex involving the Town or its elected officials, officers, or employees;
- Non-routine land use and development matters (including general plan updates, Williamson Act issues, annexations and development agreements)
- Environmental matters (e.g. CEQA, NEPA, endangered species)
- Water law matters (e.g. water rights & quality)
- Tax and ERISA matters
- Toxic substances matters (e.g. CERCLA, RCRA)

- Telecommunications matters; and
- Any other matters mutually agreed upon by the Parties

DRAFT

EXHIBIT B

COMPENSATION SCHEDULE

1. General Counsel Legal Services

Town shall compensate Counsel for all general counsel legal services to be provided by Counsel under this Agreement according to a fixed monthly fee or retainer in the amount of \$15,000.00, based on an estimated average of 80 hours per month. The amount paid monthly for the retainer will remain the same, even though some months Counsel may provide more or less than 80 hours of legal services. In lieu of requesting reimbursement of costs and expenses, such as postage, overnight deliveries, travel costs, duplication costs, etc., the firm shall charge an administration fee of 2% (\$300.00) per month of the monthly retainer amount. There is no charge for Counsel travel time to or from the Town.

2. Extraordinary Legal Services

Town shall compensate Counsel for all extraordinary legal services to be provided by Counsel under this Agreement at the rate of \$240 per hour for attorneys and \$140 per hour for paralegals. Costs incurred in the course of providing extraordinary legal services would also be invoiced monthly. The following list of charges is included by way of example:

Vehicle travel (for non-standard trips originating from Firm's Roseville office)	Applicable IRS rate per mile x number of miles
Parking and toll fees	Actual Cost
Extraordinary postage or overnight delivery costs	Actual Cost
Court filing fees	Actual Cost
Attorney services (includes service of process fees, arbitrators, and mediators)	Actual Cost
Messenger services	Actual Cost
Witness fees	Actual Cost
Expert fees	Actual Cost
Westlaw research	Prorated so the Town would pay its proportionate share
Account or other database research fees	Actual Cost
Data conversion costs and forensic IT work	Actual Costs
Any other expense not listed above that becomes necessary for the successful resolution of a client matter	Actual Cost



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 6(a)

ORIGINATED BY: Susan Hartman, Community Development Director
Katie Simmons, Disaster Recovery Director

REVIEWED BY: Kevin Phillips, Town Manager

SUBJECT: Town Council Consideration of Deadlines set in Urgency Ordinance Relating to Interim Housing

LONG TERM RECOVERY PLAN: N/A

COUNCIL ACTION REQUESTED:

1. Consider waiving the reading of entire Town of Paradise Urgency Ordinance No. ____, and adopting Town of Paradise Urgency Ordinance No. ____, an Urgency Ordinance of the Town Council of the Town of Paradise Amending Urgency Ordinance No. 600 and Adopting New Urgency Ordinance Relating to Interim Housing, Accessory Building(s) and Unoccupied Recreational Vehicle Inside the Camp Fire Area, which:
 - a. Requires all new temporary use permits issued to fall in line with the existing Temporary Use Regulations found within Paradise Municipal Code Chapter 17.32 in the zoning ordinance which requires the issuance of a building permit for a new residence in order to secure a temporary use permit to reside in an RV on-site;
 - b. Removes the alternatives thresholds requirement and allows all Temporary Use Permits issued to expire with the remainder of the ordinance on December 31, 2021;
 - c. Removes the allowance of dry camping;
 - d. Directs Town staff to Notice Temporary Use Permit holders no later than 90 days from expiration of urgency ordinance regarding the necessary steps to maintain occupancy of temporary dwelling after the ordinance expiration on December 31, 2021.
- 2.

Background:

At the April 13, 2021 Town Council meeting the Interim Housing Ordinance was discussed and direction was given to bring back an amended ordinance that addresses financial and time barriers that impact the rebuilding process, allowing for those in temporary housing to secure government grants and loans if eligible, and continue to move the Town toward permanent housing as recovery from the Camp Fire continues.

Prior to the April Council meeting, the ordinance was discussed and amended as follows:

At the October 13, 2020 Town Council meeting the Interim Housing Urgency Ordinance was discussed and ultimately amended as follows:

1. Residents, who were displaced by the Camp Fire, can secure a Temp Use Permit to live in an RV until the end of June 2021 without evidence of a rebuild permit. Must still comply with health & safety requirements regarding connection to utilities and garbage service.
2. To stay in an RV beyond June 2021, or to secure a temp use permit after June 2021, evidence of a permit application, permit issuance, contract with a designer/contractor /manufactured home dealer or working with the Town/State regarding a housing program.
3. To stay in an RV beyond December 2021, or to secure a temp use permit after December 2021, will require issuance of a rebuild permit.

Prior to the October Council meeting, the ordinance was discussed and amended as follows:

At the July 14, 2020 Town Council meeting the Interim Housing Urgency Ordinance was discussed and ultimately amended to bring the issuance of temporary use permits, issued under the authority of the urgency ordinance, in line with the existing Temporary Use Regulations found within Paradise Municipal Code Chapter 17.32 in the zoning ordinance which requires the issuance of a building permit in order to secure a temporary use permit to reside in an RV on-site. With the Interim Housing Urgency Ordinance set to expire at the end of 2020, the intent of the amendment was to begin the transition of urgency ordinance standards to those of the regular zoning ordinance.

Analysis:

The Interim Housing Urgency Ordinance was adopted following the Camp Fire and has been revised by the Town Council to accommodate the pressures and barriers of rebuilding. The revisions have allowed property owners – or renters with permission from property owners – to reside on property in an RV with a temporary use permit while preparing to rebuild or find permanent housing.

The urgency ordinance has always been intended to provide a stopgap to those who were unable to secure stable housing immediately after the Camp Fire with a long-term goal of moving residents back into permanent housing. Town staff continues to track and report on the availability of government grants and loans for home reconstruction and rehabilitation, as well as information available on insurance and individual PG&E settlements.

Town staff recommends the following revisions to the Interim Housing Ordinance:

1. **All new temporary use permits issued to require the issuance of a building permit**

According to recent counts, there are 350+ temporary use permits issued that do not have an active building permit and/or have not met the alternative thresholds required mid-year. Regular follow-up on this number of applicants already exhausts the Town's resources. Potentially adding to this number through the continued issuance of urgency temporary use permits under authority of the urgency ordinance is not sustainable. With temporary use permits expiring this year if they do not have active building permits, it may prove overly difficult to abate occupied RVs that are not displaying health and safety concerns.

2. Remove the alternative thresholds of compliance

This recommendation calls for the urgency ordinance to end on December 31, 2021 without the additional conditions placed on existing temporary use permits as named above. On January 1, 2022 the issuance of a building permit will be required for those living in RVs to remain on property with a temporary use permit.

This recommendation allows for additional time to move through the permitting or housing program process (Town Housing programs or CDBG-DR OOR), for additional resolution on PG&E settlement payouts, for the completion of the Government Hazard Tree Removal Program, and for the gradual lessening of COVID-related impacts.

3. Remove the initial 180 day time period allowance of dry camping

This recommendation revises the urgency ordinance to remove the language regarding dry camping which expired 180 days from the initial date of the ordinance's enactment.

4. Notice Temporary Use Permit holders

Directs Town staff to notice Temporary Use Permit holders no later than 90 days from expiration of urgency ordinance regarding the necessary steps to maintain occupancy of temporary dwelling after the ordinance expiration on December 31, 2021.

Financial Impact:

The cost for publication of the ordinance summary within the local newspaper will be borne by the Town of Paradise.

TOWN OF PARADISE
URGENCY ORDINANCE NO. _____

AN URGENCY ORDINANCE OF THE TOWN COUNCIL OF THE
TOWN OF PARADISE AMENDING URGENCY ORDINANCE NO. 600
AND ADOPTING NEW URGENCY ORDINANCE RELATING TO INTERIM
HOUSING, ACCESSORY BUILDING(S) AND UNOCCUPIED RECREATIONAL
VEHICLE INSIDE THE CAMPFIRE AREA

The Town Council of the Town of Paradise does ordain as follows:

Section 1. Ordinance No. 600 is hereby amended.

The Town Council of the Town of Paradise does ordain as follows:

Section 2. Emergency Findings.

This Urgency Ordinance is adopted pursuant to California Government Code Section 36934 and shall take effect immediately upon its approval by at least a four-fifths vote of the Town Council. The Council, based on determinations of the Butte County Local Health Officer, finds that this Ordinance is necessary for the immediate preservation of the public peace, health and safety, based upon facts set forth in Section 3 of this Ordinance.

Section 3. Debris Removal.

A. Conditions of extreme peril to the safety of persons and property within the Town of Paradise were caused by the Camp Fire, commencing on the 8th day of November, 2018, at which time the Town Council was not in session.

B. California Government Code Section 8630 empowers the Town Director of Emergency Services (Director) to proclaim the existence of a local emergency when the Town is affected or

likely to be affected by a public calamity, subject to ratification by the Town Council at the earliest practicable time.

C. On November 8, 2018, the Director proclaimed the existence of a local emergency within the Town due to the Camp Fire.

D. On November 8, 2018, the Acting Governor of the State of California proclaimed a State of Emergency for Butte County pursuant to the California Emergency Services Act, commencing with Section 8550 of the Government Code, and on November 14, 2018, the Governor issued Executive Order B-57-18 concerning the Camp Fire.

E. On November 9, 2018, the Camp Fire was still burning through the Town and despite firefighters' best efforts, the wildfire was not contained. Evacuation orders were in place and numerous severe public health and safety hazards were present in the Camp Fire area, including many blocked roads from fallen power lines, burned trees and vehicles, numerous burned vehicles were left throughout the Camp Fire area due to survivors fleeing their vehicles in efforts to survive the wildfire, no available utilities, no available public services and the presence of human remains and animal carcasses. At the time, the Town estimated that 2,000 structures had burned in the Camp Fire.

F. On November 9, 2018, Dr. Andrew Miller, Butte County's Local Health Officer, issued a Declaration of Health Emergency pursuant to California Health and Safety Code section 101080.

1 Dr. Miller's declaration stated that the local health
2 emergency was a consequence of the debris resulting from the
3 Camp Fire that contains hazardous material in the ash of the
4 burned qualifying structures. The purpose of the Declaration
5 was to address the immediate threat to the public health and
6 the imminent and proximate threat of the introduction of
7 contagious, infectious or communicable disease, chemical
8 agents, non-communicable biologic agents, toxins and/or
9 radioactive agents present at the time in the Camp Fire area.
10 The threats included (1) the enormous amount of fire debris
11 present in the Camp Fire area, including ash and debris
12 containing hazardous materials and probable radioactive
13 materials present in ash and debris from qualifying
14 structures, (2) the threat of infectious or communicable
15 disease and/or non-communicable biologic agents due to animal
16 carcasses, radioactive waste and perishable foods, (3) the
17 potential contamination or destruction of the residential and
18 commercial water supply in the Camp Fire area and (4) the
19 potential pollution of the drinking water downstream from the
20 Camp Fire area if weather conditions caused the spread of the
21 hazardous materials in the ash and debris of burned qualifying
22 structures.

23 G. On November 12, 2018, the President of the United States
24 declared the existence of a major disaster in the State of
25 California, thereby providing assistance from many federal
26

1 agencies, including the Federal Emergency Management Agency
2 (FEMA) .

3 H. On November 13, 2018, the Butte County Board of Supervisors
4 ratified Dr. Miller's Declaration of Health Emergency.

5 I. On November 21, 2018, the status of the Camp Fire area was as
6 follows: firefighters had contained the Camp Fire; the
7 Sheriff had lifted evacuation orders; work crews had removed
8 fallen power lines, burned vehicles and trees blocking the
9 roads; utilities including electric power, gas and non-
10 potable water had become available; no local businesses were
11 open to serve the public; and no public services were
12 available. Further, preliminary actions had been taken to
13 mitigate the risk from animal carcasses, radioactive waste
14 and perishable foods in the Camp Fire area, however, concerns
15 regarding the threats remained. The public health hazards
16 present in the Camp Fire area included (1) the public health
17 hazards from the enormous amount of fire debris, (2) the
18 public health hazard from the hazardous materials and
19 probable radioactive materials present in the ash and debris
20 from destroyed qualifying structures, (3) the threat of
21 infectious or communicable disease and/or non-communicable
22 biologic agent due to the presence of animal carcasses,
23 perishable foods and radioactive waste and (4) the potential
24 pollution of the drinking water downstream from the Camp Fire
25 area if weather conditions caused the spread of the hazardous
26 materials in the ash and debris of burned qualifying

1 structures. At the time, the Camp Fire had destroyed thousands
2 of structures.

3 J. On November 21, 2018, Dr. Miller issued a Hazard Advisory
4 strongly suggesting residents should not reside on property
5 with qualifying structures damaged or destroyed by the Camp
6 Fire until the property had been cleared of hazardous waste,
7 ash and debris and certified clean by the County Department
8 of Public Health, Environmental Health Division. The County
9 Department of Public Health provided residents with re-entry
10 packets which included personal protective equipment and
11 information on the dangerous conditions and toxic materials
12 present in the Camp Fire area. The re-entry packets were
13 intended to improve the safety of the residents who chose to
14 visit their properties to collect valuables and not intended
15 to encourage long-term visitation or habitation. The purpose
16 of the Hazard Advisory was to address the public health
17 hazards present at the time in the Camp Fire area, including
18 (1) the enormous amount of fire debris present in the Camp
19 Fire area, (2) the hazardous materials and probable
20 radioactive materials present in ash and debris from
21 qualifying structures, (3) the lessened but still present
22 threat of infectious or communicable disease and/or non-
23 communicable biologic agents due to animal carcasses,
24 radioactive waste and perishable foods, (4) the potential
25 contamination or destruction of the residential and
26 commercial water supply in the Camp Fire area and (5) the

1 potential pollution of the drinking water downstream from the
2 Camp Fire area if weather conditions caused the spread of the
3 hazardous materials in the ash and debris of burned qualifying
4 structures.

5 K. The Camp Fire to date has consumed 153,336 acres and has led
6 to the destruction of 13,696 residences, damage to 462
7 residences, the destruction of 276 multiple family
8 residences, the destruction of 528 commercial buildings,
9 damage to 102 commercial buildings, the destruction of 4,293
10 other minor structures, and resulted in the evacuation of
11 over 50,000 people. As a result, the Camp Fire has created an
12 enormous amount of debris.

13 L. There exists the potential for widespread toxic exposures and
14 threats to public health and the environment in the aftermath
15 of a major wildfire disaster, and debris and ash from
16 residential and commercial structure fires contain hazardous
17 materials and the harmful health effects of hazardous
18 materials produced by a wildfire are well-documented.

19 M. The combustion of building materials such as siding, roofing
20 tiles, and insulation results in dangerous ash that may
21 contain asbestos, heavy metals and other hazardous materials.
22 Household hazardous waste such as paint, gasoline, cleaning
23 products, pesticides, compressed gas cylinders, and chemicals
24 may have been stored in homes, garages, or sheds that may
25 have burned in the fire, also producing hazardous materials.
26

1 N. Exposure to hazardous materials may lead to acute and chronic
2 health effects and may cause long-term public health and
3 environmental impacts. Uncontrolled hazardous materials and
4 debris pose significant threats to public health through
5 inhalation of dust particles and contamination of drinking
6 water supplies. Improper handling can expose residents and
7 workers to toxic materials, and improper transport and
8 disposal of fire debris can spread hazardous substances
9 throughout the community.

10 O. Standards and removal procedures are needed immediately to
11 protect the public health and environment, and to facilitate
12 coordinated and effective mitigation of the risks to the
13 public health and environment from the health hazards
14 generated by the Camp Fire disaster.

15 P. The Camp Fire has created hazardous waste conditions in the
16 Town of Paradise in the form of contaminated debris from
17 household hazardous waste/materials and structural debris
18 resulting from the destruction of thousands of structures.
19 This hazardous waste debris poses a substantial present or
20 potential hazard to human health and the environment until
21 the property is certified clean. The accumulated exposure to
22 hazardous waste debris over an extended period of time poses
23 a severe hazard to human health.

24 Q. The Town of Paradise previously approved Ordinance No. 572,
25 Ordinance No. 573, Ordinance No. 575, ~~and~~ Ordinance No. 598,
26 and Ordinance No. 600 as urgency measures relating to the

1 Camp Fire disaster recovery on December 12, 2018, The actions
2 addressed the need for the regulation of debris removal to
3 alleviate the public health, safety and welfare concerns
4 associated with the ash and debris of qualifying structures
5 and temporary emergency housing options.

6 R. As of February 4, 2019, the status of the Camp Fire disaster
7 recovery **was** as follows: (1) Phase I cleanup by the U.S.
8 Environmental Protection Agency and the California Department
9 of Toxic Substances Control is complete, which has reduced
10 the public health concerns relating to the most hazardous
11 materials present in the Camp Fire area, (2) Phase II of the
12 cleanup pursuant to the Government (CalOES) Program and the
13 Alternative Program has commenced, (3) utilities are
14 available (except for potable water), (4) numerous businesses
15 have opened to serve the public, (5) public services are
16 available, including a FEMA and CalOES jointly-operated
17 Disaster Recovery Center in Paradise, California. Current
18 threats include (1) the enormous amount of fire debris present
19 in the Camp Fire area, (2) hazardous materials and probable
20 radioactive materials present in ash and debris from
21 qualifying structures, (2) the potential pollution of the
22 drinking water downstream from the Camp Fire area if weather
23 conditions caused the spread of the hazardous materials in
24 the ash and debris of burned qualifying structures. The
25 purpose of this Ordinance is to allow residents to live on
26 properties in the Camp Fire area that do not contain fire ash

1 and debris from a qualifying structure destroyed or damaged
2 by the Camp Fire.

3 S. The Debris Removal Operations Plan for the Camp Fire prepared
4 by the CalOES/CalRecycle Incident Management Team provides
5 that the DTSC has issued reports regarding the assessment of
6 burn debris from wildfires in the past. The studies of burned
7 residential homes and structures from large scale wildland
8 fires indicated that the resulting ash and debris can contain
9 asbestos and toxic concentrated amounts of heavy metals such
10 as antimony, arsenic, cadmium, copper, lead, and zinc
11 (qualifying structures). Additionally, the ash and debris may
12 contain higher concentrations of lead if the home was built
13 prior 1978 when lead was banned from household paint in the
14 United States. The reports indicated that the residual ash of
15 burned residential homes and structures has high
16 concentrations of heavy metals that can be toxic and can have
17 significant impact to individual properties, local
18 communities, and watersheds if the ash and debris is not
19 removed safely and promptly. The plan also indicates that the
20 purpose of the structural debris removal program is to remove
21 debris that poses a risk to health and/or the environment.
22 Debris from structures smaller than 120 square feet are not
23 included in the program.

24 T. The Butte County Local Health Officer Dr. Miller has indicated
25 that the Phase II cleanup of the properties containing ash
26 and debris from a qualifying structure mitigates the public

1 health hazards of the Camp Fire. Further, failing to clean
2 properties containing ash and debris from a qualifying
3 structure can have severely negative long term consequences
4 to the public health and environment. Therefore, the focus
5 must be on accomplishment of the Phase II cleanup to address
6 the public health hazards. The standard for determining when
7 a property is clean from ash and debris from a qualifying
8 structure is when the Phase II cleanup work is complete and
9 the property is certified clean by the County Department of
10 Public Health, Environmental Health Division. Ash and debris
11 of qualifying structures is the focus of the Phase II cleanup
12 work. The significance of the public health risks is higher
13 on properties with ash and debris from a qualifying structure.
14 Given the progress the Camp Fire disaster recovery has made
15 with respect to the hazards identified in the findings above,
16 the remaining significant public health hazard is the ash and
17 debris from qualifying structures. Based on the foregoing
18 properties that contain ash and debris from qualifying
19 structures constitute a significant public health risk.
20 Therefore, those properties should be ineligible for
21 temporary emergency housing until Phase II cleanup work is
22 completed on the property and is certified clean by the
23 Department of Public Health, Environmental Health Division.
24 Properties that do not contain ash and debris from a
25 qualifying structure do not pose a significant public health
26 risk and should be eligible for temporary emergency housing.

1 U. Due to the magnitude of the destruction, there is a need to
2 provide for sufficient housing options both inside and
3 outside of the Camp Fire affected area. Thus, on February 4,
4 2019, the Town of Paradise adopted Ordinance No. 575 that
5 repealed Ordinance No. 573 and established an ordinance that
6 temporarily relaxes some building and zoning regulations to
7 allow for additional interim housing both inside and outside
8 of the Camp Fire affected area for displaced persons.

9 V. There exists an immediate need to provide accessory buildings
10 to accommodate storage of personal property of persons
11 displaced by the Camp Fire who own Eligible Property that has
12 been certified clean pursuant to Phase II requirements by the
13 County Department of Public Health, Environmental Health
14 Division. This Ordinance temporarily relaxes some Town zoning
15 regulations to allow for establishment of an accessory
16 building on property both inside and outside of the Camp Fire
17 affected area for the displaced persons for the storage of
18 essential equipment necessary to the recovery from the
19 damages caused by the Camp Fire. Due to the magnitude of the
20 destruction and its related and significant impacts on
21 properties, there is a need to provide displaced property
22 owners with the option of constructing accessory buildings
23 both inside and outside of the Camp Fire affected area without
24 first obtaining building permits for primary residences on
25 their properties.
26

W. It is essential that this Ordinance become immediately effective (1) to mitigate the harm that could be caused to the public health and safety and to the environment from the improper disturbance, removal and/or disposal of debris containing hazardous materials, and to facilitate the orderly response to the Camp Fire disaster; and (2) to allow the fastest possible transition of homeless and displaced residents to interim and long-term shelter; and (3) to allow displaced persons who own Eligible Property certified clean pursuant to Phase II requirements an option to establish an accessory building on their property to better facilitate and further expedite their property maintenance and storage of essential equipment required to allow for the property rebuild process.

Section 4. Purpose.

13,696 homes were destroyed by the Camp Fire in the Town of Paradise and surrounding unincorporated areas. This disaster has created a need for housing on a scale that cannot be accommodated through the existing available housing in the Town. To meet the immediate need for housing, the Town relaxed some building and zoning regulations in a prior Ordinance to allow for additional temporary housing. However, this additional temporary housing may not be sufficient to meet the large and immediate need. This Ordinance relaxes some building and zoning regulations to allow for additional temporary housing inside the Camp Fire affected area. Persons moving back to the area do so at their own risk and

1 should make themselves aware of the health hazards of doing so.
2 The Ordinance allows persons to place temporary housing as well as
3 temporary recreational vehicle storage on an Eligible Property.
4 This Ordinance also provides an option for affected property owners
5 to establish an accessory building on their Eligible Property
6 without first obtaining a building permit for a primary residence.
7 The purpose of this Ordinance is to develop reasonable standards
8 that allow persons to move back into the Camp Fire affected area
9 while a massive debris removal program is implemented and, at the
10 same time, provide interim shelter as well as an option of an
11 accessory building for property maintenance equipment and rebuild
12 materials storage for Town residents on private property during
13 this housing crisis.

14 **Section 5. Definitions.**

15 Except where the context clearly indicates otherwise, the
16 following definitions shall govern the construction of the words
17 and phrases used in this Ordinance:

18 **Accessory Building.** Any structure having a permanent foundation
19 and a roof supported by columns or walls designed, intended and/or
20 used for the protection and storage of personal property associated
21 with a permitted or conditionally permitted Principal Use on the
22 same site.

23 **Camp Fire.** A 153,336-acre wildfire that started near the community
24 of Pulga on November 8, 2018, destroying over 18,000 structures,
25 which forced the evacuation of the Town of Paradise, Berry Creek,
26 Butte Creek Canyon, Butte Valley, Centerville, Cherokee, Concow,

1 Durham, Forest Ranch, Magalia, Pulga, Stirling City, and Yankee
2 Hill, and other areas near the Cities of Chico and Oroville, and
3 proclaimed by the Town Council under Resolution 18-42, as a local
4 emergency, and also proclaimed by then Acting Governor Gavin Newsom
5 as a state of emergency. CAL FIRE maintains a map showing the final
6 boundaries of the Camp Fire and the Camp Fire affected area, as of
7 November 25, 2018 at 100 percent containment.

8 **Cargo Storage Container.** A single metal box made of steel or other
9 similar material, which is designed for securing and protecting
10 items for temporary storage, not exceeding three hundred twenty
11 (320) square feet in size, without utilities, and not used for
12 human habitation.

13 **Director.** The Town of Paradise Director of Emergency Services or
14 his or her authorized representative.

15 **Displaced Person(s).** A Town resident or residents whose
16 residential dwelling has been destroyed or damaged by the Camp
17 Fire, such that the resident(s) cannot occupy the dwelling.
18 Displaced person(s) may be required to provide verification to the
19 Town to substantiate their eligibility for uses, permits and/or
20 approvals described in this Ordinance. Evidence may consist of
21 verification by Federal Emergency Management Agency (FEMA)
22 registration or damage assessment, and/or a driver's license or
23 other government-issued identification card or utility bill, etc.
24 with a physical address showing the resident resided on a property
25 impacted by the Camp Fire, as determined by the Town. Such
26 determination may be made by the Director or other town personnel.

Effective Date. The date of the Town Council adoption of this Ordinance.

Eligible Property. A property that does not contain fire debris or hazardous materials from a qualifying structure that was damaged or destroyed by the Camp Fire. Eligible Property shall include (1) parcels with no resulting damage or fire debris from the Camp Fire (2) parcels with fire debris from a structure that was not a qualifying structure that was damaged or destroyed by the Camp Fire and (3) parcels with fire debris or hazardous materials from a qualifying structure that was damaged or destroyed by the Camp Fire, only upon the issuance of a certificate that the parcel has been cleaned pursuant to Phase II requirements by the County Department of Public Health, Environmental Health Division. Temporary housing and/or establishment of an accessory building pursuant to this Ordinance shall be permitted as reflected in the table below:

	Property not damaged by Camp Fire	Property with a non-qualifying structure damaged or destroyed by Camp Fire	Property with a qualifying structure damaged or destroyed by Camp Fire
Prior to completion of Phase II cleanup	Temporary housing allowed	Temporary housing allowed	Temporary housing prohibited

Following completion of Phase II cleanup (property certified clean by the Department of Public Health, Environmental Health Division)	Temporary housing allowed Accessory Building Allowed	Temporary housing allowed Accessory Building Allowed Temporary recreational vehicle storage allowed	Temporary housing allowed Accessory Building Allowed Temporary recreational vehicle storage allowed
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FEMA. The Federal Emergency Management Agency or successor agency.

Fire Debris and Hazardous Materials. Debris, ash, metals, and completely or partially incinerated substances from structures that are located on properties that qualify under the CalOES Debris Removal Program or the Butte County's Alternative Debris Removal Program.

Movable Tiny House. For the purposes of this Ordinance, a movable tiny house is a structure utilized as living quarters by one household that is licensed by and registered with the California Department of Motor Vehicles, meets the American National Standards Institute (ANSI) 119.5 or ANSI 119.2 (NFPA 1192) requirements and is certified by a qualified third party inspector for ANSI compliance, cannot move under its own power, is not longer than allowed by State law for movement on public highways, has a total floor area of not less than 150 square feet, and has no more than 430 square feet of habitable living space.

Phase I. The hazardous waste cleanup as defined and discussed in Paragraph R and S of Section 3, Debris Removal, above.

Phase II. The hazardous waste, fire debris and ash cleanup as defined and discussed in Paragraphs R and S of Section 3, Debris Removal, above.

Qualifying Structure. A qualifying structure as defined and discussed in Section 3, Debris Removal, above.

Recreational Vehicle. A motor home, travel trailer, truck camper or camping trailer that is: (1) self-contained with potable water and sewage tanks and designed for human habitation for recreational or emergency occupancy; (2) self-propelled, truck-mounted, or permanently towable on California roadways; and (3) a California Department of Motor Vehicles licensed vehicle, or a similar vehicle or structure as determined by the Director.

Recreational Vehicle Park. A commercial use providing space for the accommodation of more than two recreational vehicles for recreational or emergency housing, or for transient employee lodging purposes.

Temporary Dwelling. A temporary dwelling includes a recreational vehicle and a movable tiny house.

Temporary Recreational Vehicle Storage. The temporary storage of an unoccupied recreational vehicle.

~~**Section 6. Initial use of temporary dwellings.**~~

~~Residential use and occupancy by displaced persons of up to two (2) temporary dwellings on any Eligible Property that permits a residential use or any parcel where a prior existing residence was~~

~~lost due to the Camp Fire shall be allowed for an initial term of 180 days from the date of this Ordinance was enacted subject to the applicable requirements set forth under Section 8, Standards.~~

Section 76. Temporary dwellings with utility hook-ups.

Residential use and occupancy by displaced persons of one (1) temporary dwelling, ~~including any temporary dwellings allowed under Sections 6 and 8~~ on an Eligible Property shall be allowed until ~~June 30~~ December 31, 2021, subject to a temporary use permit issued prior to May 12, 2021 under the authority of this urgency ordinance, and subject to the applicable requirements set forth in Section 8. The Town shall send notices by regular mail or email to the property owners specifying the expiration of the urgency ordinance and the steps necessary to maintain occupancy of the temporary dwelling no later than ninety (90) days prior to the expiration of the urgency ordinance. On and after ~~July 1, 2021~~ January 1, 2022, the continued occupancy of a temporary dwelling, as authorized with a temporary use permit, ~~or a new residential use and occupancy by the property owner of a temporary dwelling~~ utilizing hook-ups for water, sewage disposal, and/or electricity on an Eligible Property shall be allowed ~~only until December 31, 2021 with a temporary use permit directly associated with one of the following:~~ 1) the issuance of a building permit for construction of the permanent dwelling on the Eligible Property, 2) the application of a building permit for construction of the permanent dwelling on the Eligible Property, 3) evidence of a fully signed contract with a licensed building contractor for

~~the construction of a permanent dwelling on Eligible Property, 4)
evidence of a signed contract with a manufactured home dealer, 5)
confirmation that a property owner is actively working with Town
housing specialists, or a State agency, on housing programs, or 6)
evidence of a signed contract with a plans designer for
construction of a permanent dwelling on Eligible Property and
subject to the applicable requirements set forth in Section 8,
Standards. The temporary use permit shall be in effect only for
the effective period of this Ordinance unless a building permit
for the construction of a permanent dwelling has been issued. If
a building permit has been issued, the temporary use permit shall
be in effect for the same length of time as the building permit
for the permanent dwelling.~~

Section 7(a). Temporary recreational vehicle storage.

The temporary storage of up to two (2) unoccupied recreational vehicles on an Eligible Property shall be allowed during the effective period of this Ordinance subject to the issuance of a temporary use permit and the applicable requirements set forth in Section 8, Standards. No fee shall be charged for this temporary use permit.

Section 8. Standards.

All residential use of temporary dwellings and storage use of cargo storage containers and/or recreational vehicle storage shall meet the following standards.

- A. At all times, only a property owner, who owned the property at the time of the Camp Fire, or his or her

1 authorized agent shall obtain all Town permits for all
2 temporary dwellings that are hooked-up to utilities.
3 Written consent of the property owner is required in all
4 cases.

5 B. At all times, residential use of temporary dwellings is
6 limited to recreational vehicles and movable tiny houses
7 not on a permanent foundation and used to house persons
8 displaced by the Camp Fire during the effective period
9 of this Ordinance.

10 C. Use of temporary dwellings is contingent on proof of a
11 damaged or destroyed residence as verified by the
12 Director based on prior final building permit or
13 Assessor's records, or other documentation satisfactory
14 to the Director.

15 D. At all times, temporary dwellings and cargo storage
16 containers or stored recreational vehicles shall be
17 located outside the boundaries of any recorded
18 easements, roads, driveways, designated flood hazard
19 locations, or areas prone to landslide or debris flow.

20 E. At all times, use of a cargo storage container shall be
21 only for storage of personal and household belongings
22 for each temporary dwelling.

23 F. For water hook-ups, the temporary dwelling shall be
24 connected to an approved source of water meeting one of
25 the following criteria:

26 1. Public water supply;

2. Existing well provided that it has been approved by the Department of Public Health, Environmental Health Division as safe for domestic consumption; or

3. Other water source approved by the Town.

G. For sewage disposal hook-ups, the temporary dwelling shall be connected to an approved sewage disposal system meeting one of the following criteria:

1. Public sewer system;

2. A new or existing on-site sewage disposal system that has been approved by the Town to be intact, adequately sized, and functioning correctly;

H. For electricity hook-ups, the temporary dwelling shall be connected to an approved source of electricity satisfying the following:

1. A permitted power pole and inspected electrical service hook-up.

I. At all times the temporary dwelling shall be served by solid waste collection services by the Town franchisee.

J. At all times the temporary dwelling shall be in compliance with all Paradise Municipal Code requirements and laws relating to maintenance of real property.

Section 9. Use of accessory residential structures for temporary habitation.

For the effective period of this Ordinance, accessory residential structures on an Eligible Property, which also meets Residential

1 Group R occupancies as established by the California Residential
2 Code adopted by the Town, may be used as interim housing for
3 persons displaced by the Camp Fire. During this period, said use
4 shall not be subject to the provisions of existing deed
5 restrictions required by Butte County, but shall remain subject to
6 all other existing regulations and limitations.

7 **Section 10. Use of Accommodations, Farmstays, Bed and Breakfast**
8 **Inns, Resorts, Retreats, Camps or other similar uses.**

9 Notwithstanding any contrary provision in the Paradise Municipal
10 Code or any use permit conditions, use of existing promotional or
11 marketing accommodations, farmstays, bed and breakfast inns,
12 resorts, retreats, camps or other similar visitor serving uses
13 shall be allowed on an Eligible Property as interim housing for
14 persons displaced by the Camp Fire.

15 **Section 11. Waiver of Town Use Permit Requirement for Relocation**
16 **of Damaged Child Care and Educational Facilities.**

17 Notwithstanding any contrary provision in the Paradise Municipal
18 Code, any existing small or large child day care facility or child
19 care center, elementary school, junior high school, high school or
20 institution of higher education that was housed in premises made
21 uninhabitable by the Camp Fire may be temporarily relocated to
22 existing buildings on an Eligible Property in the Eligible
23 Property, subject to a temporary use permit and any existing
24 applicable standards, and subject to a building permit if any
25 renovations are required. Nothing in this Ordinance waives or
26 affects any State law requirements applicable to such facilities.

Section 12. Accessory Building Standards.

Notwithstanding any other provision of Paradise Municipal Code Title 17, while this Ordinance is in effect, an accessory building may be established as a permitted land use prior to the issuance of a building permit for construction of a residence upon an Eligible Property located within all Agricultural Residential, Rural Residential, Town Residential, and Multi-Family zoning districts and shall meet the following standards:

A. The accessory building shall not exceed a building coverage area of 10% of the lot size of the affected property located in any of the Agricultural-Residential, Rural Residential, one-acre minimum [RR-1] and Rural Residential two-third acre minimum [RR-2/3] zoning districts.

B. The accessory building shall not exceed a building coverage area of 5% of the lot size of the affected property located in any of the Town Residential, Rural Residential, one-half acre minimum [RR-1/2], and Multiple-Family Residential [MF] zoning districts.

C. At all times, the accessory building shall be located outside the boundaries of any recorded easements, roads, driveways, designated flood hazard locations, areas prone to landslide or debris flow, and required front, rear and side yard setback areas.

D. The accessory building shall be designed and constructed to comply with Wildland Urban Interface [WUI] standards.

1 E. Whenever the accessory building is to exceed a floor area
2 of 120 square feet and/or to be connected to utilities
3 the property owner or the property owner's authorized
4 agent shall obtain all Town permits for subject accessory
5 building(s). Written consent of the property owner is
6 required in all cases.

7 F. Town permit applications for establishment of an
8 accessory building shall include submittal of a subject
9 property plot plan: 1) drawn to a common scale; 2)
10 designed in compliance with the Town's "minimum plan
11 standards" for residential rebuild; and 3) including
12 either a concurrent or future residential dwelling.

13 G. Before the expiration of this Ordinance, all owners of
14 accessory buildings constructed under this Ordinance
15 shall have applied for building permits to construct a
16 primary residence on the owners' property.

17 **Section 13. Infraction and Public Nuisance.**

18 It shall be an infraction and a public nuisance to violate this
19 Ordinance.

20 **Section 14. Public Nuisance Abatement Procedure.**

21 The Town may, in addition to other authorized procedures set
22 forth in this Ordinance, take action to abate such public
23 nuisance in accordance with the following procedures when any
24 person violates this Ordinance:
25
26

1 A. The Director, or his or her designee, shall notify, in
2 writing, the property owner of the public nuisance on his or her
3 property.

4 B. The notice shall be effective if it is posted at the
5 property and mailed by certified or registered mail to the owner
6 of record of the property on the last published assessment tax
7 roll of the Butte County Assessor's office. The notice shall
8 specify what constitutes the public nuisance together with an
9 order to abate the public nuisance within a specific time
10 period, advise the property owner of the right to an appeal
11 hearing where the property owner may present evidence in
12 defense, and advise the property owner that the Town may assess
13 the property for the cost of abatement.

14 C. The appeal hearing shall be requested in writing by the
15 property owner to the Town Clerk within ten (10) calendar days
16 after the date on which the notice is mailed. If the property
17 owner fails to request an appeal hearing within such ten (10)
18 calendar days, the abatement notice shall be final.

19 D. After receiving a timely appeal, the Town shall set a
20 noticed hearing on the appeal by an impartial hearing officer.
21 The decision of the hearing officer shall be made in writing
22 within fourteen (14) calendar days after the hearing. The
23 decision of the hearing officer shall be final. If the public
24 nuisance is determined to exist, the hearing officer shall
25 specify in his or her decision the time period for the property
26 owner to abate the public nuisance.

1 E. In any event, if the public nuisance is not abated within
2 the time specified in either the initial notice and order or the
3 hearing officer's decision, the Town may abate the public
4 nuisance in accordance with this Ordinance.

5 F. The Town's costs to abate the public nuisance shall be
6 subject to the procedures set forth in Paradise Municipal Code
7 sections 8.04.100, 8.04.110, 8.04.120 and 8.04.130.

8 **Section 15. CEQA Exemption.**

9 Adoption of this Ordinance is exempt from the provisions of the
10 California Environmental Quality Act (CEQA) pursuant to California
11 Public Resources Code Section 21080(b)(3) regarding projects to
12 maintain, repair, restore, or replace property or facilities
13 damaged or destroyed as a result of a declared disaster and Section
14 21080(b)(4) regarding actions to mitigate or prevent an emergency,
15 and CEQA Guidelines Section 15269(a) regarding maintaining,
16 repairing, restoring, demolishing, or replacing property or
17 facilities damaged or destroyed as a result of a disaster stricken
18 area in which a state of emergency has been proclaimed by the
19 Governor pursuant to the California Emergency Services Act,
20 commencing with Section 8550 of the California Government Code.

21 **Section 16. Severability.**

22 If any section, subsection, sentence, clause, or phrase of this
23 Ordinance is for any reason held to be unconstitutional or invalid,
24 such decision shall not affect the validity of the remaining
25 portion of this Ordinance. The Town Council hereby declares that
26 it would have passed this Ordinance and every section, subsection,

1 sentence, clause or phrase thereof irrespective of the fact that
2 any one or more sections, subsections, sentences, clauses or
3 phrases be declared unconstitutional or invalid.

4 **Section 17. Effective Date and Publication.**

5 This Ordinance shall be and the same is hereby declared to be in
6 full force and effect immediately upon its passage by a four-
7 fifths (4/5) or greater vote. The Town Clerk of the Town of
8 Paradise is authorized and directed to publish a summary of this
9 Ordinance before the expiration of fifteen (15) days after its
10 passage. This Ordinance shall be published once, with the names
11 of the members of the Town Council Members voting for and against
12 it, in the Paradise Post, a newspaper of general circulation
13 published in the Town of Paradise, State of California. A complete
14 copy of this Ordinance is on file with the Town Clerk of the Town
15 Council and is available for public inspection and copying during
16 regular business hours in the office of the Town Clerk.

17 **Section 18.** This Ordinance shall expire on December 31, 2021.
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PASSED AND ADOPTED by the Town Council of the Town of Paradise,
County of Butte, State of California, on this 11th day of May, 2021
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steve Crowder, Mayor

ATTEST:

APPROVED AS TO FORM:

Dina Volenski, CMC,
Town Clerk

Mark A. Habib
Town Attorney



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 6(b)

ORIGINATED BY: Ross Gilb, Administrative Services Director /
Town Treasurer

REVIEWED BY: Kevin Phillips, Town Manager

SUBJECT: Fiscal Year 2019/20 Financial Statement Audit

COUNCIL ACTION REQUESTED:

Following the Town Council's review of the Fiscal Year 2019/20 financial statement audit report, staff recommends that the Council receive and file the Report, as submitted. (ROLL CALL VOTE)

Background:

Mann, Urrutia, Nelson CPAs & Associates, LLP (MUN CPAs) have completed the annual audit for Fiscal Year 2019/20. MUN CPAs indicated that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise as of June 30, 2020.

This was the seventh independent audit conducted by MUN CPAs for the Town of Paradise. The team of auditors that Town staff worked with this year were professional and thorough in their review of transactions and presentation of financial statements. Their few recommendations were thoughtful and will ultimately be helpful to the understanding of the Town's financial position.

Town Management did a thorough analysis of the financial statements and that analysis is included in the financial statements as "Management's Discussion and Analysis" on pages 3 through 8. Council is encouraged to read the financial statements in their entirety, but staff has highlighted some key results and elements of the financial statements below.

Analysis:

Net Position

In the current year, Town's net position increased to \$225.5 million as compared to the prior year at \$3.6 million. The Town's unrestricted and restricted cash and investments decreased 1% to \$22.3 million. Prior to extraordinary items, accounts and interest receivables, prepaid items, and the advance to the Successor Agency increased to \$4.1 million, a 39% increase. The Town's rebuilding efforts and capital projects resulted in increased total capital assets to \$22.9 million a 4% increase.

The Town reports \$20.7 million of pension liability and pension related net deferred use of resources to its activities as compared to \$19.0 million the prior year. The Town contracts with CalPERS for Pension benefits for its employees. The Town is making the required contributions toward the long-term pension obligation just described. This obligation is being amortized over about a 25-year period.

Accounts payable decreased sharply to \$1.9 million from \$4.2 million as in the prior year it took time for the Town to reconcile and pay Camp Fire related response and recovery vendor finalized invoices, like CAL FIRE. Unearned revenues are \$10.5 million: unearned revenue sources include insurance claim advances; advance on grant funds awarded; and housing program insurance funds held for Camp Fire survivors. The Town's long-term liabilities due in more than one year increased slightly to \$42.4 million due to increase in net pension obligation.

GOVERNMENTAL NET POSITION AT JUNE 30, 2020

	Governmental Activities 2020	Governmental Activities 2019
<u>ASSETS</u>		
Current and other assets	254,008,852	34,783,534
Capital assets, net	<u>22,935,858</u>	<u>22,126,281</u>
TOTAL ASSETS	<u>276,944,710</u>	<u>56,909,815</u>
<u>LIABILITIES</u>		
Current and other liabilities	12,191,978	14,908,662
Long-term liabilities	<u>42,407,888</u>	<u>41,942,589</u>
TOTAL LIABILITIES	<u>54,599,866</u>	<u>56,851,251</u>
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	22,644,977	21,522,335
Restricted	10,702,598	7,263,687
Unrestricted	<u>192,168,224</u>	<u>(25,171,799)</u>
TOTAL NET POSITION	<u>\$ 225,515,799</u>	<u>\$ 3,614,223</u>

General Fund Highlights

The Camp Fire had immediate and long-lasting impacts to the finances of the general fund. As the effects were unprecedented, the Town Council approved budget revisions for material changes as they were identified. A mid-year budget review was completed which reflected revised revenues, personnel costs and other operating expenditures when needed.

Exclusive of the extraordinary items from PG&E settlement, the Town's general fund revenues reflect a 13% increase of \$1.6 million. Taxes and assessments provide most of the general fund's revenues. Lost property taxes and motor vehicle in-lieu were back filled by the State of California, but other taxes and revenues sources were not. The Town received lost tax revenues through insurance. The Town recognized \$1.9 million of the insurance proceeds this fiscal year and still maintains \$2.6 million for future years.

Expenses increased less than 1.5%. The Town experienced tremendous employee turnover after the Camp Fire as employees who lost their homes in the fire struggled to secure housing in the

resulting housing crisis. A town-wide salary survey was performed by an outside consulting firm this year, bringing the salaries in line with similar local jurisdictions of the same size. This allowed the Town to be more competitive in their recruitment efforts, filling positions lost the previous year and filling other positions held by outside services.

The ending general fund balance for June 30, 2020 is \$223.7 million. Most importantly unassigned reserves are \$222 million. The unassigned reserves reduce the amount of cash needed to be borrowed annually to fund operations. This is a significant improvement compared to five years ago when there were no unassigned reserves available.

Capital Assets

This year's major capital asset additions included \$267,483 in land purchased, additions of \$1.4 million to construction in process, approximately \$719,000 in buildings and improvements, and other machinery, equipment, and vehicles additions of approximately \$292,000. The table below shows the current year Capital Asset totals for the current year of \$22.9 million, net of depreciation, as compared to prior year.

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

	2020	2019
Land	\$ 1,642,767	\$ 1,375,284
Construction in Progress	2,211,349	1,115,868
Buildings and Improvements	1,233,114	574,894
Infrastructure	16,612,093	17,743,685
Machinery and Equipment	207,868	189,907
Vehicles	<u>1,028,667</u>	<u>1,126,643</u>
Total	<u>\$ 22,935,858</u>	<u>\$ 22,126,281</u>

Debt Outstanding

No additional debt was issued in 2019/2020. One loan and one capital lease were paid off. By capping benefits for all employee groups and by starting an irrevocable trust to begin funding the future obligation, the Town is containing its OPEB obligation, and it remains at \$10 million. The Town contributed towards the net pension liability as dictated by CalPERS, and the net pension liability increased 7.6%. The Town has taken measures to mitigate the benefits in the future and the obligation is being amortized over a period of about 25 years.

OUTSTANDING DEBT AT JUNE 30, 2020

	2020	2019
Bonds Payable: accrued interest	\$ 9,477,450	\$ 9,960,293
Capital Leases	290,881	603,946
OPEB	9,984,599	10,394,086
Net pension liability	23,502,428	21,834,378
CDF retiree health vesting	204,648	272,345
Compensated	<u>395,818</u>	<u>361,714</u>
Total Liabilities	<u>43,855,824</u>	<u>43,426,762</u>

Conclusion

The Camp Fire of November 8, 2018 was the most destructive wildfire in California State history. Rebuilding of the 10,000 structures destroyed has begun, but it will take over a decade before the Town of Paradise is restored. A community visioning process was completed with a consensus that a more resilient fire-resistant town be rebuilt. With the help of Federal, State, and local partners, the Town has started long-term recovery planning and projects.

The Town has reached a settlement with Pacific Gas and Electric Company (PG&E), on the Camp Fire for the sum of \$270 million. After attorney and other fees were processed, the Town received \$219 million. The Town will establish a formal process for planning the use of the funds. The majority is expected to be used to maintain appropriate service levels until the Town's tax base is restored. Funds will also be used to leverage grant monies for recovery projects.

The Town will restore the facilities and equipment lost during the fire through insurance claims. Insurance, to date, has given the Town \$8.3 million toward those losses and the loss of income. FEMA and California Governor's Office of Emergency Services will assist the Town with infrastructure restoration through public assistance and hazard mitigation grants. The Town has received \$6 million of public assistance grant funds.

Financial Impact:

The action to receive and file the Fiscal Year 2019/20 financial statement audit report does not result in a cost to the Town of Paradise. Recommendations contained in the management letter have no costs associated with implementation. The recommendations are procedural in nature and do not carry an implementation cost.

**TOWN OF PARADISE
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

**MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833**

TOWN OF PARADISE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Paradise
Paradise, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Paradise's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, pension related schedules, and other post-employment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Paradise's basic financial statements. The combining and individual governmental nonmajor fund financial statements and budgetary comparison schedules, and the combining fiduciary fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual governmental nonmajor fund financial statements, budgetary comparison schedules, and the combining fiduciary fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the combining fiduciary fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2021, on our consideration of the Town of Paradise's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Paradise's internal control over financial reporting and compliance.

Mann, Urrutia, Nelson CPAs

Sacramento, California
April 29, 2021

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

As management of the Town of Paradise (the Town), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town as of and for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying Independent Auditor's Report, the basic financial statements, and the accompanying notes to the financial statements.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements follow. For governmental activities, the statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts as a trustee or agent for the benefit of those outside the government.

REPORTING THE TOWN AS A WHOLE

In the current year, Town's net position increased to \$225.5 million as compared to the prior year at \$3.6 million. The Town's unrestricted and restricted cash and investments decreased 1% to \$22.3 million. Prior to extraordinary items, accounts and interest receivables, prepaid items, and the advance to the Successor Agency increased to \$4.1 million, a 39% increase. The Town's rebuilding efforts and capital projects resulted in increased total capital assets to \$22.9 million a 4% increase.

The Town reports \$20.7 million of pension liability and pension related net deferred use of resources to its activities as compared to \$19.0 million the prior year. The Town contracts with CalPERS for Pension benefits for its employees. The Town is making the required contributions toward the long-term pension obligation just described. This obligation is being amortized over about a 25-year period.

Accounts payable decreased sharply to \$1.9 million from \$4.2 million as in the prior year it took time for the Town to reconcile and pay Camp Fire related response and recovery vendor finalized invoices, like CAL FIRE. Unearned revenues are \$10.5 million: unearned revenue sources include insurance claim advances; advance on grant funds awarded; and housing program insurance funds held for Camp Fire survivors. The Town's long-term liabilities due in more than one year increased slightly to \$42.4 million due to increase in net pension obligation.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Table 1
GOVERNMENTAL NET POSITION AT JUNE 30, 2020

	Governmental Activities 2020	Governmental Activities 2019
<u>ASSETS</u>		
Current and other assets	254,008,852	34,783,534
Capital assets, net	<u>22,935,858</u>	<u>22,126,281</u>
TOTAL ASSETS	<u>276,944,710</u>	<u>56,909,815</u>
<u>LIABILITIES</u>		
Current and other liabilities	12,191,978	14,908,662
Long-term liabilities	<u>42,407,888</u>	<u>41,942,589</u>
TOTAL LIABILITIES	<u>54,599,866</u>	<u>56,851,251</u>
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	22,644,977	21,522,335
Restricted	10,702,598	7,263,687
Unrestricted	<u>192,168,224</u>	<u>(25,171,799)</u>
TOTAL NET POSITION	<u>\$ 225,515,799</u>	<u>\$ 3,614,223</u>

Table 2 on the next page shows another perspective of the net assets of the Town. The Town's total general revenues which includes property taxes, sales taxes, and motor vehicle in-lieu increased 13% to \$13.2 million. Charges for services increased \$5.9 million from Town's ongoing rebuilding activities. Operating grants and contributions increased 38% primarily from increased disaster relief and public grant assistance, but capital grants and contributions decreased 8%. The Town recognized a net gain \$219 million in extraordinary items that is the result of settlement proceeds received from PG&E.

Expenses increased 28% to \$25.7 million. General government, public safety, and parks and recreation expenses remained relatively stable with the prior year. Community development expenses increased \$4.8 million as the Town continued to support significant rebuilding and infrastructure projects.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Table 2
CHANGE IN GOVERNMENTAL NET POSITION

	Governmental Activities 2020	Governmental Activities 2019
<u>REVENUES</u>		
Program revenues		
Charges for services	8,053,749	2,116,616
Operating contributions & grants	6,461,894	4,683,362
Capital contributions & grants	<u>680,184</u>	<u>739,741</u>
Total program revenues	<u>15,195,827</u>	<u>7,539,719</u>
General revenues		
Property Taxes	5,365,193	5,283,203
Other Taxes	2,082,772	3,215,176
Motor Vehicle In-lieu	2,583,073	2,459,689
Other General Revenues	<u>3,232,302</u>	<u>725,368</u>
Total general revenues	<u>13,263,340</u>	<u>11,683,436</u>
TOTAL REVENUES	<u>28,459,167</u>	<u>19,223,155</u>
Program expenses		
General Government	5,648,628	5,568,692
Community Development	5,883,075	1,014,480
Public Safety	9,516,635	9,099,764
Public Works	2,271,250	1,517,873
Parks & Recreation	188,592	187,243
Streets	1,665,376	2,006,990
Interest on Long Term Debt	<u>571,298</u>	<u>634,483</u>
TOTAL EXPENSES	25,744,854	20,029,525
Excess (deficiency) before prior period adjustments & extraordinary items	2,714,313	(806,370)
Extraordinary items (Note 16)	<u>219,187,262</u>	<u>534,419</u>
INCREASE/(DECREASE) IN NET POSITION	<u>\$ 221,901,575</u>	<u>\$ (271,951)</u>

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds, (as presented in the balance sheet and the statement of revenues, expenditures and changes in fund balances), reported a combined fund balance of \$256 million. Over 85% of this fund balance is unassigned and is the result of the settlement proceeds paid to the Town from Pacific Gas & Electric Company for damages stemming from 2018's Camp Fire.

General Fund Highlights

The Camp Fire had immediate and long-lasting impacts to the finances of the general fund. As the effects were unprecedented, the Town Council approved budget revisions for material changes as they were identified. A mid-year budget review was completed which reflected revised revenues, personnel costs and other operating expenditures when needed.

Exclusive of the extraordinary items from PG&E settlement, the Town's general fund revenues reflect a 13.% increase of \$1.6 million. Taxes and assessments provide most of the general fund's revenues. Lost property taxes and motor vehicle in-lieu were back filled by the State of California, but other taxes and revenues sources were not. The Town received lost tax revenues through insurance. The Town recognized \$1.9 million of the insurance proceeds this fiscal year and still maintains \$2.6 million for future years.

Expenses increased less than 1.5%. The Town experienced tremendous employee turnover after the Camp Fire as employees who lost their homes in the fire struggled to secure housing in the resulting housing crisis. A town-wide salary survey was performed by an outside consulting firm this year, bringing the salaries in line with similar local jurisdictions of the same size. This allowed the Town to be more competitive in their recruitment efforts, filling positions lost the previous year and filling other positions held by outside services.

The ending general fund balance for June 30, 2020 is \$223.7 million. Most importantly unassigned reserves are \$222 million. The unassigned reserves reduce the amount of cash needed to be borrowed annually to fund operations. This is a significant improvement compared to five years ago when there were no unassigned reserves available.

Other Major Governmental Funds

The Building Safety and Waste Water Services fund is a Special Revenue funding source, charging for services for permitting, plan checks, and inspection services. This fund's revenues increased 380% from the significant rebuild efforts in the Town. These services physically moved to a separate building in the Town, referred to as the Building Resiliency Center (BRC) and provide residents and building contractors a one-stop shop in their rebuilding efforts. Building new homes before the fire averaged 25 homes per year, this year new homes with a certificate of occupancy totaled 225. Our first completed home since the fire was completed in July 2019.

The Home Grant fund is a Federal Grant funding source to allow the Town to provide income eligible community members grants and loans for housing purposes. The Town provides low interest and interest-forgivable loans to first time home buyers. Also, the Town can provide loans and grants for housing rehabilitation projects. Finally, the Town has provided funding for multi-family housing projects. The Town received a little less than \$1 million in insurance proceeds and loan payoffs from grantees from homes destroyed in the Camp Fire. Loan payoffs of \$1.3 million are held in trust and restricted until those families decide to rebuild. 3 new loans were funded totaling \$112,701, and \$8.4million in loans are outstanding.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS

This year's major capital asset additions included \$267,483 in land purchased, additions of \$1.4 million to construction in process, approximately \$719,000 in buildings and improvements, and other machinery, equipment, and vehicles additions of approximately \$292,000.

Table 3 below shows the \$22.9 million, net of depreciation.

Table 3
CAPITAL ASSETS AT YEAR-END
(Net of Depreciation)

	<u>2020</u>	<u>2019</u>
Land	\$ 1,642,767	\$ 1,375,284
Construction in Progress	2,211,349	1,115,868
Buildings and Improvements	1,233,114	574,894
Infrastructure	16,612,093	17,743,685
Machinery and Equipment	207,868	189,907
Vehicles	<u>1,028,667</u>	<u>1,126,643</u>
Total	<u>\$ 22,935,858</u>	<u>\$ 22,126,281</u>

DEBT

No additional debt was issued in 2019/2020. One loan and one capital lease were paid off. By capping benefits for all employee groups and by starting an irrevocable trust to begin funding the future obligation, the Town is containing its OPEB obligation and it remains at \$10 million. The Town contributed towards the net pension liability as dictated by CalPERS, and the net pension liability increased 7.6%. The Town has taken measures to mitigate the benefits in the future and the obligation is being amortized over a period of about 25 years.

Please refer to Notes 7, 8, and 9 for more detailed information about the obligations outstanding.

Table 4
OUTSTANDING DEBT AT JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
Bonds Payable: accrued interest	\$ 9,477,450	\$ 9,960,293
Capital Leases	290,881	603,946
OPEB	9,984,599	10,394,086
Net pension liability	23,502,428	21,834,378
CDF retiree health vesting	204,648	272,345
Compensated	<u>395,818</u>	<u>361,714</u>
Total Liabilities	<u>43,855,824</u>	<u>43,426,762</u>

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

THE TOWN AS TRUSTEE

The Town is the trustee, or fiduciary, for an employee bank fund and a police department fund money fund. As of January 2012, it elected to become the successor agency of the former Paradise Redevelopment Agency (Agency). The Town's current role is to manage the receipt and disbursement of monies related to debt service of enforceable obligations of the Agency. The Town also manages a general trust fund. All the related activity is being accounted for in the private-purpose trust funds. The Town is responsible for the assets in these funds and must only use these funds as indicated in the trust arrangements. The Town's fiduciary activities related to the Agency and the general trust fund are reported in the Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. The other fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities and Changes in Fiduciary Assets and Liabilities. The activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The private-purpose trust funds have a net position of negative \$6.25 million as of June 30, 2020.

NEXT YEAR'S BUDGET AND ASSUMPTIONS

The Camp Fire of November 8, 2018 was the most destructive wildfire in California State history. Rebuilding of the 10,000 structures destroyed has begun, but it will take over a decade before the Town of Paradise is restored. A community visioning process was completed with a consensus that a more resilient fire-resistant town be rebuilt. With the help of Federal, State, and local partners, the Town has started long-term recovery planning and projects.

The Town has reached a settlement with Pacific Gas and Electric Company (PG&E), on the Camp Fire for the sum of \$270 million. After attorney and other fees were processed, the Town received \$219 million. The Town will establish a formal process for planning the use of the funds. The majority is expected to be used to maintain appropriate service levels until the Town's tax base is restored. Funds will also be used to leverage grant monies for recovery projects.

The Town will restore the facilities and equipment lost during the fire through insurance claims. Insurance, to date, has given the Town \$8.3 million toward those losses and the loss of income. FEMA and California Governor's Office of Emergency Services will assist the Town with infrastructure restoration through public assistance and hazard mitigation grants. The Town has received \$6 million of public assistance grant funds.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Finance Department at 5555 Skyway, Paradise, California.

TOWN OF PARADISE
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<u>ASSETS</u>	
Cash and investments (Note 3)	\$ 18,088,694
Restricted cash and investments (Note 3)	4,219,875
Accounts receivable	221,989,874
Interest receivable	64,043
Prepaid items	1,555
Advance to the Successor Agency (Note 14)	1,275,519
Loans receivable (Note 4)	8,369,292
Capital assets (Note 5):	
Non-depreciable:	
Land and construction in progress	3,854,116
Depreciable:	
Infrastructure, buildings, vehicles, and equipment	36,004,849
Accumulated depreciation	<u>(16,923,107)</u>
Total capital assets	<u>22,935,858</u>
Total Assets	<u>276,944,710</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
2020 Pension contributions (Note 8)	1,940,581
Changes in the net pension liability (Note 8)	2,811,508
Changes in the net OPEB liability (Note 9)	<u>781,994</u>
Total Deferred Outflows of Resources	<u>5,534,083</u>
<u>LIABILITIES</u>	
Accounts payable	1,882,518
Accrued wages	142,386
Unearned revenue (Note 16)	8,719,138
Long-term liabilities (Note 7):	
Due within one year	1,447,936
Due in more than one year	8,920,861
Other post employment benefits (Note 9):	
Due in more than one year	9,984,599
Net pension liability (Note 8):	
Due in more than one year	<u>23,502,428</u>
Total Liabilities	<u>54,599,866</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Changes in the net pension liability (Note 8)	1,992,341
Changes in the net OPEB liability (Note 9)	<u>370,787</u>
Total Deferred Inflows of Resources	<u>2,363,128</u>
<u>NET POSITION</u>	
Net investment in capital assets	22,644,977
Restricted for:	
Public safety	369,655
Streets and roads	1,112,935
Community development	4,660,650
Wastewater and drainage	3,438,653
Capital projects	1,120,705
Unrestricted	<u>192,168,224</u>
Total Net Position	<u>\$ 225,515,799</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 5,648,628	\$ 1,155,601	\$ 54,103	\$ -	\$ (4,438,924)
Community development	5,883,075	6,374,470	2,410,561	-	2,901,956
Public safety	9,516,635	299,645	2,108,251	-	(7,108,739)
Public works	2,271,250	214,846	681,456	-	(1,374,948)
Parks and recreation	188,592	330	-	-	(188,262)
Streets	1,665,376	8,857	1,207,523	680,184	231,188
Interest on long term debt	571,298	-	-	-	(571,298)
Total Governmental Activities	<u>\$ 25,744,854</u>	<u>\$ 8,053,749</u>	<u>\$ 6,461,894</u>	<u>\$ 680,184</u>	<u>\$ (10,549,027)</u>
General Revenues:					
Taxes:					
Secured and unsecured property taxes					\$ 5,365,193
Sales and usage taxes					1,554,127
Transient lodging tax					36,267
Franchise taxes					253,379
Real property transfer taxes					65,021
Other taxes					173,978
Motor vehicle in-lieu, unrestricted					2,583,073
Homeowners property tax relief, unrestricted					60,073
Investment income					369,081
Other					<u>2,803,148</u>
Extraordinary items (Note 16):					
PG&E settlement					<u>219,187,262</u>
Total General Revenues					<u>232,450,602</u>
Change in Net Position					221,901,575
Net Position - July 1, 2019					<u>3,614,224</u>
Net Position - June 30, 2020					<u>\$ 225,515,799</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Camp Fire 2018 Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,967,076	\$ 2,743,332	\$ -
Restricted cash and investments	15,797	-	4,204,078
Accounts receivable (Note 16)	219,620,713	259	-
Interest receivable	21,672	8,494	-
Prepaid items	1,555	-	-
Due from other funds	2,177,738	-	447
Advance to the Successor Agency	1,275,519	-	-
Loans receivable	<u>-</u>	<u>7,240,464</u>	<u>-</u>
Total Assets	<u>\$ 227,080,070</u>	<u>\$ 9,992,549</u>	<u>\$ 4,204,525</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 625,875	\$ -	\$ 61,151
Accrued wages	91,310	-	3,807
Due to other funds	-	-	724,898
Unearned revenue	<u>2,618,675</u>	<u>870,365</u>	<u>4,692,037</u>
Total Liabilities	<u>3,335,860</u>	<u>870,365</u>	<u>5,481,893</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>-</u>	<u>7,240,463</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	1,277,074	-	-
Restricted	-	1,881,721	-
Assigned	673,723	-	-
Unassigned	<u>221,793,413</u>	<u>-</u>	<u>(1,277,368)</u>
Total Fund Balances (Deficits)	<u>223,744,210</u>	<u>1,881,721</u>	<u>(1,277,368)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 227,080,070</u>	<u>\$ 9,992,549</u>	<u>\$ 4,204,525</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Building Safety and Wastewater Services	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 3,650,630	\$ 7,727,656	\$ 18,088,694
Restricted cash and investments	-	-	4,219,875
Accounts receivable (Note 16)	2,990	2,365,912	221,989,874
Interest receivable	11,302	22,575	64,043
Prepaid items	-	-	1,555
Due from other funds	2,830	6,615	2,187,630
Advance to the Successor Agency	-	-	1,275,519
Loans receivable	<u>-</u>	<u>1,128,828</u>	<u>8,369,292</u>
Total Assets	<u>\$ 3,667,752</u>	<u>\$ 11,251,586</u>	<u>\$ 256,196,482</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 850,506	\$ 344,986	\$ 1,882,518
Accrued wages	12,344	34,925	142,386
Due to other funds	-	1,462,732	2,187,630
Unearned revenue	<u>126,801</u>	<u>411,260</u>	<u>8,719,138</u>
Total Liabilities	<u>989,651</u>	<u>2,253,903</u>	<u>12,931,672</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>-</u>	<u>1,810,284</u>	<u>9,050,747</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	-	-	1,277,074
Restricted	2,678,101	7,407,444	11,967,266
Assigned	-	-	673,723
Unassigned	<u>-</u>	<u>(220,045)</u>	<u>220,296,000</u>
Total Fund Balances (Deficits)	<u>2,678,101</u>	<u>7,187,399</u>	<u>234,214,063</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 3,667,752</u>	<u>\$ 11,251,586</u>	<u>\$ 256,196,482</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balances of governmental funds	\$ 234,214,063
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Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$16,923,107.	22,935,858
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Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.	9,050,747
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	(4,530,100)
Accreted interest payable	(4,947,350)
Capital leases payable	(290,881)
Net OPEB liability	(9,984,599)
CDF retiree health vesting	(204,648)
Net pension liability	(23,502,428)
Compensated absences	(395,818)

Deferred inflows of resources related to changes in the net pension liability are not applicable to the current period.	(1,992,341)
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Deferred inflows of resources related to changes in the net OPEB liability are not applicable to the current period.	(370,787)
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Deferred outflows of resources related to changes in the net pension liability are not reported in the governmental funds.	2,811,508
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Deferred outflows of resources related to 2020 pension contributions made subsequent to the measurement date.	1,940,581
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Deferred outflows of resources related to changes in the net OPEB liability are not reported in the governmental funds.	<u>781,994</u>
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Net position of governmental activities	<u><u>\$ 225,515,799</u></u>
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See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Camp Fire 2018 Fund</u>
<u>REVENUES</u>			
Taxes and assessments	\$ 9,917,133	\$ -	\$ -
Licenses, permits, and impact fees	6,321	-	-
Fines and forfeitures	34,668	-	-
Use of money and property	135,378	46,850	-
Intergovernmental revenues	50,444	-	-
Charges for services	952,942	-	-
Program income	-	573,163	-
Other revenues (Note 16)	<u>1,973,214</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>13,070,100</u>	<u>620,013</u>	<u>-</u>
<u>EXPENDITURES</u>			
Current:			
General government	3,016,803	-	1,965,677
Community development	160,793	72,777	96,203
Public safety	8,522,938	-	99,339
Public works	191,512	-	705,029
Parks and recreation	6,253	-	-
Streets	6	-	-
Capital Outlay	586,819	-	57,959
Debt service:			
Principal	862,307	-	-
Interest and fiscal charges	<u>546,770</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>13,894,201</u>	<u>72,777</u>	<u>2,924,207</u>
Excess of revenues over (under) expenditures	<u>(824,101)</u>	<u>547,236</u>	<u>(2,924,207)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	1,409,584	-	166,328
Transfers out	<u>(256,870)</u>	<u>(12,948)</u>	<u>(15,117)</u>
Total Other Financing Sources (Uses)	<u>1,152,714</u>	<u>(12,948)</u>	<u>151,211</u>
<u>EXTRAORDINARY GAINS</u>			
Grant revenue (Note 16)	-	-	1,644,447
PG&E Settlement (Note 16)	<u>219,187,262</u>	<u>-</u>	<u>-</u>
Total Extraordinary Gains	<u>219,187,262</u>	<u>-</u>	<u>1,644,447</u>
Net Change in Fund Balances	219,515,875	534,288	(1,128,549)
Fund Balances (Deficits) - July 1, 2019	<u>4,228,335</u>	<u>1,347,433</u>	<u>(148,819)</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 223,744,210</u>	<u>\$ 1,881,721</u>	<u>\$ (1,277,368)</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Building Safety and Wastewater Services	Other Governmental Funds	Totals
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ 173,978	\$ 10,091,111
Licenses, permits, and impact fees	4,913,323	24,015	4,943,659
Fines and forfeitures	10,800	9,914	55,382
Use of money and property	62,338	124,515	369,081
Intergovernmental revenues	-	3,835,331	3,885,775
Charges for services	358,487	549,578	1,861,007
Program income	-	419,738	992,901
Other revenues (Note 16)	16,177	816,784	2,806,175
	<u>5,361,125</u>	<u>5,953,853</u>	<u>25,005,091</u>
Total Revenues			
<u>EXPENDITURES</u>			
Current:			
General government	416	1,743	4,984,639
Community development	3,093,064	400,125	3,822,962
Public safety	1,357	344,728	8,968,362
Public works	486,842	697,806	2,081,189
Parks and recreation	5,034	-	11,287
Streets	-	510,501	510,507
Capital Outlay	8,426	1,163,447	1,816,651
Debt service:			
Principal	12,502	27,786	902,595
Interest and fiscal charges	-	-	546,770
	<u>3,607,641</u>	<u>3,146,136</u>	<u>23,644,962</u>
Total Expenditures			
Excess of revenues over (under) expenditures	<u>1,753,484</u>	<u>2,807,717</u>	<u>1,360,129</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	1,554,755	3,130,667
Transfers out	(207,174)	(2,638,558)	(3,130,667)
	<u>(207,174)</u>	<u>(1,083,803)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
<u>EXTRAORDINARY GAINS</u>			
Grant revenue (Note 16)	-	-	1,644,447
PG&E Settlement (Note 16)	-	-	219,187,262
	<u>-</u>	<u>-</u>	<u>220,831,709</u>
Total Extraordinary Gains			
Net Change in Fund Balances	1,546,310	1,723,914	222,191,838
Fund Balances (Deficits) - July 1, 2019	1,131,791	5,463,485	12,022,225
Fund Balances (Deficits) - June 30, 2020	<u>\$ 2,678,101</u>	<u>\$ 7,187,399</u>	<u>\$ 234,214,063</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 222,191,838
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases capitalized	2,621,405
Depreciation expense	(1,811,828)
Unearned revenues, not recognized as revenues in the governmental fund statements because the revenues were not available within 60 days of close of fiscal year. This is the net change.	681,456
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Capital lease obligation principal payments	313,065
Bond principal payments	507,371
Accreted interest, net change	(24,528)
CDF retiree health vesting	67,697
Receipts of payments and disbursements of funds related to notes and loans receivables are reported as revenues and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.	
Loan program receipts	(992,901)
Change in loan balance	(15,137)
Loans made during the year	112,701
The amounts below, included in the Statement of Activities, do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds (net change):	
Compensated absences	(34,104)
Pension expense related to deferred outflows and inflows of resources	(1,767,878)
Other post-employment benefits	<u>52,418</u>
Change in net position of governmental activities	<u>\$ 221,901,575</u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private- Purpose Trust Funds	Agency Funds
<u>ASSETS</u>		
Cash and investments (Note 3)	\$ 206,747	\$ 5,779
Restricted cash and investments with fiscal agents (Note 3)	420,842	-
Accounts receivable	3	5,145
Interest receivable	<u>-</u>	<u>2</u>
Total Assets	<u>627,592</u>	<u>10,926</u>
<u>LIABILITIES</u>		
Accrued payroll payable	138	-
Interest payable	22,211	-
Due to others	8,366	10,926
Long-term liabilities, due within one year (Note 14)	110,000	-
Long-term liabilities, due in more than one year (Note 14)	<u>6,745,519</u>	<u>-</u>
Total Liabilities	<u>6,886,234</u>	<u>\$ 10,926</u>
<u>NET POSITION</u>		
Unrestricted	<u>(6,258,642)</u>	
Total Net Deficit	<u>\$ (6,258,642)</u>	

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Private- Purpose Trust Funds</u>
<u>ADDITIONS</u>	
Taxes and assessments	\$ 443,264
Investment revenue	5,126
Intergovernmental revenue	<u>443,264</u>
Total Additions	<u>891,654</u>
<u>DEDUCTIONS</u>	
Administrative expenses	7,952
Interest expense	314,556
Intergovernmental expenses	<u>456,164</u>
Total Deductions	<u>778,672</u>
Changes in net position	<u>112,982</u>
Net deficit - July 1, 2019	(6,461,624)
Prior period adjustment (Note 15)	<u>90,000</u>
Net deficit - July 1, 2019, restated	<u>(6,371,624)</u>
Net deficit - June 30, 2020	<u><u>\$ (6,258,642)</u></u>

See accompanying notes to the basic financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The accompanying basic financial statements present the financial activity of the Town of Paradise (Town), which is the primary government.

B. Basis of Presentation

The Town's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall Town government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The Town's net position is reported in three parts - net investment in capital assets, restricted net position, and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The Town does not have any proprietary funds. An emphasis is placed on major funds within the governmental category with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

Fiduciary fund financial statements include a statement of net position and statement of changes in net position. The Town's fiduciary funds are used to account for assets held by the Town as trustee for the Redevelopment Agency Successor Agency, and as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting. The Town maintains three trust funds and two agency funds. Agency funds use the accrual method of accounting but have no measurement focus as only assets and liabilities are reported.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds

The Town reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Home Grant Fund - This fund accounts for Home Grant monies collected and spent by the Town.

Camp Fire 2018 Fund - This fund accounts for monies collected for the Camp Fire relief program and to assist community organizations serving evacuees and first responders.

Building Safety and WasteWater Services Fund - This fund is used to account for the revenues and expenditures from the Town's rebuilding and septic system planning and safety activities.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as the accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Town may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

E. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied, and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

<u>Valuation/Lien Date(s)</u>	<u>Secured</u>	<u>Unsecured</u>
<u>Levy Date(s)</u>	January 1	January 1
	July 1	July 1
<u>Due Date(s)</u>	November 1 (50%)	August 1
	February 1 (50%)	
<u>Delinquency Date(s)</u>	December 10 (Nov.)	August 31
	April 10 (Feb.)	

The Town adopted an alternative method of property tax distribution (the "Teeter Plan"). Under this method, the Town receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The Town receives payments as a series of advances made by the County throughout the fiscal year. The secured property tax levy is recognized as revenue upon receipt including the final payment, which generally is received within 60 days after the fiscal year end.

F. Cash and Investments

The Town pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the Town's cash and investment pool. As the Town places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The Town's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. Local Agency Investment Fund ("LAIF") determines the fair value of their portfolio quarterly and reports a factor to the Town; the Town applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivables balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are offset by deferred inflows of resources to indicate they do not represent current financial resources.

H. Prepaid Expenses

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

I. Capital Assets

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. The Town has assigned the useful lives listed below to capital assets:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 to 25
Infrastructure	20
Vehicles	5 to 10
Machinery and Equipment	5 to 10

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phase of debt financed capital assets is included as part of the capitalized value of the asset constructed.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Liabilities

In the government-wide financial statements, long-term liabilities and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The Town's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2020. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the Town. One group of employee is entitled to sick leave payout. If the employee was hired before November 19, 2012, has five years of service, and leaves in good standing, they can receive a payout for sick leave in excess of twenty days at half their normal rate of pay up to \$3,750.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

M. Pensions

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

N. Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Generally accepted accounting principles require that the reported results must pertain to liabilities and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

O. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

P. Equity Classifications

Government-wide Statements

Net position is the excess of all the Town's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted Net position* - Consists of net position with constraints place on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. *Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. *Restricted* - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. *Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. *Assigned* - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. *Unassigned* - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the Town's fund balance classification is described in Note 10.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

R. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2019, the Town implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The Town adopted this accounting guidance for its June 30, 2020 year-end.

S. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2020 or later. The Town has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2022.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2022.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Town has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the Town's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the Town's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Town's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the Town's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the Town's fiscal year ending June 30, 2022.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The following procedures are performed by the Town in establishing the budgetary data reflected in the financial statements:

- 1) The Finance Director submits a preliminary budget by mid-June of each year to Town Council. The final budget is officially adopted before June 30. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayers' comments.
- 3) The appropriated budget is prepared by fund, department, and division. The government department heads may make transfers of appropriation within a department. Transfers of appropriations between departments requires approval of the Town Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
- 4) The budget is legally adopted through the passage of a council resolution.
- 5) The Town Council may amend the budget by resolution during the fiscal year. The Town Manager may transfer appropriations from one program, activity, or object to another within the same fund. All appropriations lapse at the end of the fiscal year to the extent they have not been expended. Capital project funds are based on a project time frame, rather than a fiscal year "operating" time frame reappropriating unused appropriations from year to year until project completion.
- 6) A budget review is presented to the Town Council by the Town Manager mid-year and approved additions or changes are legally adopted through Council resolution.
- 7) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Project Funds.
- 8) Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with United States generally accepted accounting principles.

There were no budgets prepared for the following funds:

Fund
Speical Projects Fund
Improvement Agreements Fund
North Valley/Butte Strong
COVID-19 Fund
FEMA Reimbursement
Police Department Seizure
USDA Fund
Police Fund
FED CMAQ Mgmt Air Quality Fund
Disaster Recovery Projects Fund
General Misc. Donations Fund
SB-2 Building & Homes Job Act Fund

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures and Transfers Out over Appropriations

The funds below incurred expenditures and transfers in excess of budgets in the amounts below. Sufficient resources were available in the fund balance of the funds.

<u>Fund</u>	<u>Final Appropriation</u>	<u>Expenditures and Transfers Out</u>	<u>Excess</u>
Major Fund:			
General Fund	\$ 13,674,670	\$ 14,163,971	\$ 489,301
Camp Fire 2018 Fund	2,413,721	2,939,324	525,603
Building Safety and Wastewater Service Fund	3,793,663	3,814,815	21,152
Non-major Funds:			
Gas Tax Fund	1,350,789	1,386,211	35,422
Animal Control Shelter Fund	389,898	409,080	19,182
Business and Housing Services Fund	339,325	404,060	64,735
Local Transportation Fund	1,800	2,733	933
Fed CMAQ Congestion Air Quality Fund	-	23,729	23,729
Highway Safety Improvement Fund	534,000	665,474	131,474
Disability Access and Education Fund	10	33	23
Abandoned Vehicle Fund	11,264	17,167	5,903

C. Fund Deficits

At June 30, 2020, the following governmental funds had a fund deficit:

<u>Fund</u>	<u>Deficit</u>
Camp Fire 2018 Fund	\$ (1,277,368)
Animal Control Shelter	(101)
Capital Improvement	(1)
Traffic Safety	(1,170)
Business and Housing Services	(172,951)
Highway Safety Improvement	(1)
COVID-19	(31,483)
Police Seizures Department Fund	(1,302)
SB-2 Building Homes and Jobs Act	(13,036)

The fund balance deficits are primarily due to the Town incurring costs in advance of receipt of revenues and will be eliminated through future revenues and expenditure reductions.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 were classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 18,088,694
Restricted cash and investments:	
Fiscal agents	15,797
FEMA grant	<u>4,204,078</u>
Total restricted cash and investments	<u>4,219,875</u>
Total governmental activities	<u>22,308,569</u>
Fiduciary activities:	
Cash and investments	212,526
Restricted cash and investments with fiscal agents	<u>420,842</u>
Total fiduciary activities	<u>633,368</u>
Total cash and investments	<u>\$ 22,941,937</u>

Cash and investments were carried at fair value as of June 30, 2020 and consisted of the following:

Petty cash	\$ 1,350
Deposits with financial institutions	5,850,666
Investments	<u>17,089,921</u>
Total cash and investments	<u>\$ 22,941,937</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the Town's Investment Policy

The table below identifies the investment types that are authorized for the Town by the California Government Code (or the Town's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Town's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Town, rather than the general provisions of the California Government Code or the Town's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Asset Backed Securities	5 years	20%	None
Bankers Acceptances	180 days	40%	None
Commercial Paper (avg Maturity -31 days)	31 days	30%	None
Commercial Paper (avg Maturity -180 days)	180 days	15%	None
Local Agency Investment Fund (LAW)	N/A	Unlimited	\$50 million
Medium Term Notes	5 years	30%	None
Money Market Accounts	N/A	15%	None
Mutual Funds	5 years	20%	None
Negotiable Certificates of Deposit	3 years	30%	None
Repurchase Agreements	1 year	20%	None
Time Certificates of Deposit	3 years	Unlimited	None
Treasury Bills and Notes	5 years	Unlimited	None
U.S. Government and Agency Securities	5 years	Unlimited	None

Investments Authorized by Debt Agreements

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Town's investment policy. The table below identifies the investment types that are authorized for investments by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Money Market Accounts	N/A	None	None
Certificates of Deposit with Banks and Savings & Loans	None	None	None
Investment Contracts	None	None	None
Commercial Paper, Prime Quality	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances, Prime Quality	1 year	None	None
Local Agency Investment Fund (LAIF)	None	None	None

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town's money market funds held by bond trustees were measured using Level 2 inputs at June 30, 2020.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity as of June 30, 2020:

Investment Type	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
State Investment Pool (LAIF)	\$ 16,883,181	\$ -	\$ 16,883,181
Held by bond trustee:			
Money market funds	<u>206,740</u>	<u>-</u>	<u>206,740</u>
	<u>\$ 17,089,921</u>	<u>\$ -</u>	<u>\$ 17,089,921</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2020.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
State Investment Pool (LAIF)	\$ 16,883,181			Not rated
Held by bond trustee:				
Money market funds	<u>206,740</u>	AAAm	Aaa	
	<u>\$ 17,089,921</u>			

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Town complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The Town held no investments in any one issuer (other than external investment pools) that represented 5% or more of total Town investment as of June 30, 2020.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2020, the carrying amount of the Town's deposits was \$5,850,666 and bank balances were \$1,960,567 of which \$250,000 was insured by FDIC coverage limits.

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4: LOANS RECEIVABLE

Housing Rehabilitation and Affordable Housing Loans

The Town engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the Town's terms. The balance of the loans receivable arising from these programs at June 30, 2020 was \$8,369,292, which included loans to homeowners totaling \$2,550,315, and loans to the developer (Paradise Community Village) totaling \$5,818,977. As of June 30, 2020 loans receivable balances of \$7,240,464 and \$1,128,828 are recorded in the Town's Home Grant and nonmajor governmental funds, respectively. On a modified accrual basis, these amounts are not available to pay for current period expenditures and are offset by deferred inflows of resources for the full amount as of June 30, 2020.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Capital assets not being depreciated					
Land	\$ 1,375,284	\$ 267,483	\$ -	\$ -	\$ 1,642,767
Construction-in-progress	<u>1,115,868</u>	<u>1,338,410</u>	<u>-</u>	<u>(242,929)</u>	<u>2,211,349</u>
Total capital assets not being depreciated	<u>2,491,152</u>	<u>1,605,893</u>	<u>-</u>	<u>(242,929)</u>	<u>3,854,116</u>
Capital assets being depreciated					
Buildings and improvements	2,131,364	721,822	-	-	2,853,186
Infrastructure	27,248,975	-	-	242,929	27,491,904
Machinery and equipment	1,605,474	119,080	-	-	1,724,554
Vehicles	<u>3,896,561</u>	<u>174,610</u>	<u>(135,966)</u>	<u>-</u>	<u>3,935,205</u>
Total capital assets being depreciated	<u>34,882,374</u>	<u>1,015,512</u>	<u>(135,966)</u>	<u>242,929</u>	<u>36,004,849</u>
Less: accumulated depreciation for:					
Buildings and improvements	(1,556,470)	(63,602)	-	-	(1,620,072)
Infrastructure	(9,505,290)	(1,374,521)	-	-	(10,879,811)
Machinery and equipment	(1,415,567)	(101,119)	-	-	(1,516,686)
Vehicles	<u>(2,769,918)</u>	<u>(272,586)</u>	<u>135,966</u>	<u>-</u>	<u>(2,906,538)</u>
Total accumulated depreciation	<u>(15,247,245)</u>	<u>(1,811,828)</u>	<u>135,966</u>	<u>-</u>	<u>(16,923,107)</u>
Capital assets, net	<u>\$ 22,126,281</u>	<u>\$ 809,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,935,858</u>

Depreciation expense for the year ended June 30, 2020 was charged to functions based on their usage of the related assets as follows:

General government	\$ 110,780
Public safety	359,856
Parks and recreation	177,305
Streets	<u>1,163,887</u>
Total governmental activities depreciation expense	<u>\$ 1,811,828</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: INTERFUND TRANSACTIONS

Due to/from Other Funds

Current interfund balances arise from one fund advancing monies to another fund with the intent of being repaid in the next fiscal year. The composition of interfund balances at June 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Major Fund</u>	<u>Non-major Funds</u>		
General Fund	Police Department Seizures Fund	Deficit cash balance	\$ 1,305
General Fund	Animal Control Shelter	Deficit cash balance	9,349
General Fund	Fed CMAQ Congestion Mgmt Air Quality	Deficit cash balance	2,968
General Fund	COVID-19 Fund	Deficit cash balance	27,728
General Fund	Highway Safety Improvement	Deficit cash balance	660,554
General Fund	Traffic Safety	Deficit cash balance	1,306
General Fund	USDA	Deficit cash balance	361,378
General Fund	FEMA Reimbursement	Deficit cash balance	200,800
General Fund	Active Transportation Program	Deficit cash balance	10,201
General Fund	Business and Housing Services	Deficit cash balance	167,512
General Fund	SB-2 Building Homes and Jobs Act	Deficit cash balance	6,131
General Fund	Improvement Agreements	Home Loan	3,611
Camp Fire 2018 Fund	Improvement Agreements	Home Loan	447
Building Safety and Waste Water Services Fund	Improvement Agreements	Home Loan	2,830
<u>Major Fund</u>	<u>Major Fund</u>		
General Fund	Camp Fire 2018 Fund	Deficit cash balance	<u>724,895</u>
	Total Major Fund Receivables		<u>2,181,015</u>
<u>Non-major Fund</u>	<u>Major Funds</u>		
Various Non-major Governmental Funds	Improvement Agreements	Home Loan	6,615
	Total Nonmajor Fund Receivables		<u>6,615</u>
	Total Due to/From	\$	<u><u>2,187,630</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund Transfers to/from Other Funds

In general, the Town uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due.

Transfer between funds during the fiscal year ended June 30, 2020 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Animal Control Shelter Fund	Operation contribution to balance fund	\$ 252,953
General Fund	Housing Authority	Contribution for RDA dissolution	3,917
Home Grant Fund	Business and Housing Services	Qtrly transfers for program income	12,948
Camp Fire 2018 Fund	General Fund	Wage reimbursement for camp fire	15,117
Building Safety and Waster Water Service	General Fund	Monthly allocated costs/POB	<u>207,174</u>
Total Major Governmental Funds Transfers			<u>492,109</u>
<u>Non-Major Governmental Funds</u>			
Animal Control Shelter Fund	General Fund	Monthly allocated costs/POB	69,689
Transportation Capital Projects Fund	General Fund	Monthly allocated costs/POB	5,247
Gas Tax Fund	General Fund	Monthly allocated costs/POB	210,350
USDA Fund	General Fund	Monthly allocated costs/POB	256,760
Traffic Safety Fund	General Fund	Monthly budgeted transfers	6,500
Business and Housing Services	General Fund	Monthly Allocated Costs/POB	89,786
HUD Revolving Loan Fund	General Fund	Monthly Allocated Costs/POB	3,795
One-Time Grants Misc	General Fund	Monthly Allocated Costs/POB	171,000
Abandoned Vehicle Abatement	General Fund	Reimburse for wages and mileage	15,610
FEMA Fund	General Fund	Grant to support camp fire recovery	200,800
General Miscellaneous Donations	Camp Fire 2018 Fund	Donations to support camp fire recovery	166,328
General Miscellaneous Donations	Disaster Recovery Projects	Grants and donations to support recovery	6,745
USDA Fund	Disaster Recovery Projects	Grants and donations to support recovery	104,618
North Valley/Butte Strong	Disaster Recovery Projects	Grants and donations to support recovery	146,105
One-Time Grants Misc	Disaster Recovery Projects	Grants and donations to support recovery	20,000
Transportation Capital Projects Fund	Capital Improvement Fund	Contribution towards CIP projects	31,544
Federal CMAQ Fund	Capital Improvement Fund	Contribution towards CIP projects	1,913
Highway Safety Improvement Fund	Capital Improvement Fund	Contribution towards CIP projects	634,649
Capital Improvement Fund	Active Transportation Fund	Contribution towards CIP projects	9,529
One-Time Grants Misc	Capital Improvement Fund	Contribution towards CIP projects	198,175
Transportation Capital Projects Fund	Gas Tax Fund	Wage transfer for CIP's	561
Federal CMAQ Fund	Gas Tax Fund	Wage transfer for CIP's	20,762
Highway Safety Improvement Fund	Gas Tax Fund	Wage transfer for CIP's	30,825
Active Transportation Fund	Gas Tax Fund	Wage transfer for CIP's	511
HUD Revolving Loan Fund	Business and Housing Services	Quarterly transfer for program income	356
Cal Home Rehabilitation Fund	Business and Housing Services	Quarterly transfer for program income	20,193
State SLESF Grant	General Fund	Monthly budget transfer for CSO Rollo	157,756
HUD Revolving Loan Fund	Business and Housing Services	Payroll transfer	<u>58,451</u>
Total Non-Major Governmental Funds Transfers			<u>2,638,558</u>
Total Governmental Interfund Transfers			<u>\$ 3,130,667</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: LONG TERM DEBT

A. Changes in Long-term Liabilities

The following is a summary of changes in the Town's long-term liabilities for the fiscal year ended June 30, 2020:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due within</u> <u>One Year</u>
Government Activities:					
Bonds payable	\$ 5,037,471	\$ -	\$ (507,371)	\$ 4,530,100	\$ 494,651
Accreted interest payable	4,922,822	24,528	-	4,947,350	560,587
Capital leases	603,946	-	(313,065)	290,881	225,417
CDF Retiree Health Vesting	272,345	-	(67,697)	204,648	67,956
Compensated absences	<u>361,714</u>	<u>34,104</u>	<u>-</u>	<u>395,818</u>	<u>99,325</u>
Total Long-term Liabilities	<u>\$ 11,198,298</u>	<u>\$ 58,632</u>	<u>\$ (888,133)</u>	<u>\$ 10,368,797</u>	<u>\$ 1,447,936</u>

B. Bonds Payable

On April 1, 2007, the Town pursuant to an Agreement with the California Statewide Communities Development Authority issued \$10,918,154 of Pension Obligation Bonds. The aggregate total amount of the bonds for all agencies was \$87,475,699 which includes \$65,140,000 of Series A-1 current interest and \$22,335,699 of Series A-2 capital appreciation bonds. The Town only participated in the Series A-2 bonds. The issuance of the bonds provided monies to meet the Town's obligation to pay the Town's unfunded accrued actuarial liability (UAAL) and employer contribution amount to the California Public Employees Retirement System (PERS). The Town's obligation includes among others, the requirement to amortize the unfunded accrued liability over a multi-year period. On April 1, 2007, the Town contributed \$10,635,313 of the bond proceeds to PERS to fund a portion of the unfunded liability and the employer contribution amount for the Miscellaneous and Safety Plans that provides retirement benefits to the Town's employees and public safety officers. The Town paid cost of issuance fees of \$282,841.

Interest on Series A-2 capital appreciation bonds is payable on June 1 and December 1. The rate of interest varies from 5.160% to 5.694% per annum. Principal is payable in annual installments ranging from \$238,761 to \$648,234 commencing on June 1, 2010 and ending on June 1, 2031. The balance outstanding as of June 30, 2020 was \$4,530,100. The accreted interest on the capital appreciation bonds balance as of June 30, 2020 was \$4,947,350.

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2021	\$ 494,651	\$ 590,349	\$ 1,085,000
2022	484,425	640,575	1,125,000
2023	469,658	685,342	1,155,000
2024	459,239	735,761	1,195,000
2025	448,824	786,176	1,235,000
2026 - 2030	1,934,543	4,325,457	6,260,000
2031 - 2032	<u>238,760</u>	<u>686,240</u>	<u>925,000</u>
Total	<u>\$ 4,530,100</u>	<u>\$ 8,449,900</u>	<u>\$ 12,980,000</u>

* The amount includes accreted interest.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: LONG TERM DEBT (CONTINUED)

C. Loans payable

CDF Retiree Health Vesting

In 2013, the Town entered into a loan agreement with the Department of Forestry and Fire Protection. The note bears interest at .382%, payable in annual installments based upon a ten year amortization schedule and matures in full on July 1, 2022.

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 67,956	\$ 782
2022	68,216	522
2023	<u>68,476</u>	<u>-</u>
Total	<u>\$ 204,648</u>	<u>\$ 1,304</u>

D. Capital Lease Obligations

The Town has entered into various lease agreements as lessee for financing the acquisition of capital assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of inception date.

Santander Ford Explorer Lease

During the fiscal year 2017-2018, the Town entered into an agreement with Santander Bank to lease three ford explorer patrol vehicles and equipment. The lease requires 20 quarterly installments of \$7,927 until June 2022. The total lease payment of the lease was \$158,530. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>For the Year Ending June 30</u>	<u>Payment</u>
2021	\$ 31,706
2022	<u>31,706</u>
Total minimum lease payments	63,412
Less: amount representing interest	<u>(1,651)</u>
Present value of minimum lease payments	<u>\$ 61,761</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: LONG TERM DEBT (CONTINUED)

Enterprise Fleet Management #1

During the fiscal year 2017-2018, the Town entered into an agreement to lease a Chevy Colorado (VIN 213123). The lease requires 60 monthly installments of \$498 with a final payment of \$5,464 in February 2023. The total lease payment of the lease was for \$29,691. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ 5,977
2022	5,977
2023	<u>8,951</u>
Total minimum lease payments	20,905
Less: amount representing interest	<u>(1,797)</u>
Present value of minimum lease payments	<u>\$ 19,108</u>

Enterprise Fleet Management #2

During the fiscal year 2017-2018, the Town entered into an agreement to lease a Chevy Colorado (VIN 210305). The lease requires 60 monthly installments of \$498 with a final payment of \$5,464 in February 2023. The total lease payment of the lease was for \$29,691. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ 5,977
2022	5,977
2023	<u>8,951</u>
Total minimum lease payments	20,905
Less: amount representing interest	<u>(1,797)</u>
Present value of minimum lease payments	<u>\$ 19,108</u>

West America Equipment Lease #1

During the fiscal year 2014-2015, the Town entered into an agreement to lease several pieces of equipment for the Town. The lease required 20 quarterly installments of \$3,084. The total lease payment of the lease was for \$56,200. The lease obligation was paid off during the fiscal year 2019-2020 with final payment in the amount of \$2,990.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: LONG TERM DEBT (CONTINUED)

West America Equipment Lease #3

During the fiscal year 2016-2017, the Town entered into an agreement to lease a pumper for the Town. The lease requires 16 quarterly installments of \$20,138. The total lease payment of the lease was for \$322,204. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ <u>40,276</u>
Total minimum lease payments	40,276
Less: amount representing interest	<u>(310)</u>
Present value of minimum lease payments	\$ <u><u>39,966</u></u>

Santander Equipment Lease

During the fiscal year 2015-2016, the Town entered into an agreement with Santander Leasing, LLC to lease several pieces of equipment for the Town's IT and Police departments. The lease requires 20 quarterly installments of \$14,258. The lease obligation was paid off during the fiscal year 2019-2020 with final payment in the amount of \$56,304.

Santander Firetruck Lease

During the fiscal year 2015-2016, the Town entered into an agreement with Santander Leasing, LLC to finance the lease of a new fire department vehicle. The lease requires 24 quarterly installments of \$21,658. The total lease payment of the lease was for \$519,790. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ <u>86,632</u>
Total minimum lease payments	86,632
Less: amount representing interest	<u>(1,210)</u>
Present value of minimum lease payments	\$ <u><u>85,422</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: LONG TERM DEBT (CONTINUED)

U.S Bancorp Equipment Lease

During the fiscal year 2016-2017, the Town entered into an agreement with U.S. Bancorp Government Leasing and Finance, Inc. to lease several pieces of equipment for the Town's Police department. The lease requires 20 quarterly installments of \$10,993. The total lease payment of the lease was for \$219,855. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ 43,971
2022	<u>10,993</u>
Total minimum lease payments	54,964
Less: amount representing interest	<u>(730)</u>
Present value of minimum lease payments	<u>\$ 54,234</u>

Inland Business Systems

During the fiscal year 2016-2017, the Town entered into an agreement to lease five new Bizhub multifunction devices. The lease requires monthly installments of \$906 until July 2022.

<u>Fiscal Year Ending June 30</u>	<u>Payment</u>
2021	\$ 10,878
2022	<u>906</u>
Total minimum lease payments	11,784
Less: amount representing interest	<u>(502)</u>
Present value of minimum lease payments	<u>\$ 11,282</u>

E. Compensated Absences

Town employees accumulate earned but unused vacation and sick leave benefits, which can be converted to cash at termination of employment. The Town has estimated that the due within one year balance of compensated absences is \$99,325. The remaining amounts are reported as non-current liabilities due in more than one year on the statement of net position. No expenditure is reported for these amounts in the fund statements. In the statement of activities, the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2020, total \$296,493 for governmental activities.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pensions Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Town sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

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

The rate plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous			Safety		
	Tier I	Tier II	PEPRA	Tier I	Tier II	PEPRA
Benefit Formula	2.5% @ 55	2% @ 60	2% @ 62	3% @ 50	3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit Payments	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Retirement Age	55	60	62	50	55	57
Monthly Benefits, as a % of Eligible Compensation	2.5%	2.0%	2.0%	3.0%	3.0%	2.7%
Required Employee Contribution Rates	8.000%	7.000%	6.250%	9.000%	9.000%	11.500%
Required Employer Contribution Rates*	36.870%	9.287%	7.729%	208.568%	19.278%	13.195%

* The employer contribution rate is the sum of the plans' employer normal cost rate plus the employer unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Town's contributions to the Plan for year ending June 30, 2020 were \$1,940,581.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$23,502,428.

The Town's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.22659 %
Proportion - June 30, 2019	<u>0.22936 %</u>
Change - Increase (Decrease)	0.00277 %

For the year ended June 30, 2020, the Town recognized pension expense of \$3,708,467. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 1,940,581	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	-	1,205,811
Differences between actual and expected experience	1,560,470	33,573
Changes in assumptions	1,005,101	243,548
Adjustment due to differences in proportions	245,937	162,845
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>346,564</u>
Total	<u>\$ 4,752,089</u>	<u>\$ 1,992,341</u>

\$1,940,581 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Fiscal Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 1,045,198
2022	\$ (414,263)
2023	\$ 119,983
2024	\$ 68,249

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous & Safety Plans</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent Scale MP 2016. For more details on this table, please refer to the April 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

Other significant actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates.

Changes in Assumptions

For the measurement period June 30, 2019, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: TOWN EMPLOYEES' RETIREMENT PLAN (CONTINUED)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Asset	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability for the Plan, as of the measurement date, calculated using the discount rate for the Plan, as well as what the Town's proportionate share of net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	\$ 34,486,209	\$ 23,502,428	\$ 14,479,292

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Description of the Plan

The post-employment benefit plan is a single-employer defined healthcare plan administered by the Town. The Town provides postretirement medical benefits, as provided for in various collective bargaining agreements for retirees that meet certain criteria. Upon enrollment in the PERS medical program, health plans for employees retiring after enrollment shall be in accordance with PERS medical program regulations. Employees of the Town, who immediately upon termination, retire under the PERS retirement plan, and remain in the Town's medical plan, shall have a Town paid contribution towards the medical plan premium not to exceed the Town contribution to an active employee/employee plus spouse/employee plus 2 persons rate as prescribed in Town Resolution and PERS Health Plan Regulations.

The Town of Paradise participates in the Self-Insured Schools of California ("SISC") Trust (the "Plan") to pre-fund Other Post-employment Benefits (OPEB) liabilities reported in accordance with the Governmental Accounting Standards Board (GASB), and as specified in the Town policies and/or bargaining agreements. The SISC has made the program available to the Town and its eligible employees a Trust Fund known as the SISC Trust. The Trust Fund is intended to be a tax-exempt governmental trust established under Internal Revenue Section 115 and an irrevocable trust under applicable law of the State of California.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Health Plan:

Active employees	54
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	<u>81</u>
Total	<u><u>135</u></u>

Contributions

The Town funds the plan on a pay-as-you-go basis. For the year ended June 30, 2020, the Town paid \$781,580 on behalf of retirees, and did not contribute to the trust.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

The Town's net OPEB liability ("NOL") was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Funding Method	Entry Age Normal Cost, level percent pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.50%
Discount Rates	6.50%
Participates Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation. Employees with no current medical coverage are assumed to elect PERS Choice upon retirement, with no dependents.
Service Retirement Rates	Retirement rates for non-safety employees are taken from the 2014 CalPERS OPEB Assumptions Model for "Public Agency Miscellaneous 2.0% at 55" For police employees, retirement rates are taken from the CalPERS "Police with 3.0% at 50" table.
Benefit Cap Increases	Benefit caps for all employees are assumed to remain unchanged in all future years.
General Inflation Rate	2.75% per annum
Mortality Improvement	2017 CalPERS OPEB assumptions Model.
Healthcare Trend Rate	5.00% in the first year, trending down to 5% for years 21 and thereafter.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The discount rate is set equal to the expected long-term rate of return on the invested assets. The cash flows of the OPEB plan were projected to future years, assuming that the Town will contribute an amount at least equal to retirees' benefits plus \$50,000 per year, until the Net OPEB Liability is expected to be \$0, and then small amounts thereafter to keep the NOL at \$0. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019	\$ 10,600,903	\$ 206,817	\$ 10,394,086
Service cost	153,868	-	153,868
Interest cost	663,993	-	663,993
Differences between actual and expected experience	(424,055)	-	(424,055)
Expected investment income	-	12,915	(12,915)
Assumption changes	(19,451)	-	(19,451)
Employer contributions	-	771,250	(771,250)
Benefit payments	(771,250)	(771,250)	-
Administrative expenses	-	(323)	323
Net change during 2019-20	(396,895)	12,592	(409,487)
Balance at June 30, 2020	\$ 10,204,008	\$ 219,409	\$ 9,984,599

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the net OPEB liability of the Town, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2019:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 11,013,458	\$ 9,984,599	\$ 9,109,169

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB liability of the Town, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (4.00%)	Current Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	\$ 9,845,158	\$ 9,984,599	\$ 10,118,352

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments 5 year straight line recognition

All other amounts Straight line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service year.

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

For the fiscal year ended June 30, 2020, the Town recognized OPEB expense of \$726,799. As of fiscal year ended June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 781,580	\$ -
Differences between expected and actual experience	-	350,942
Change of assumptions	-	16,097
Net difference between projected and actual earnings on OPEB plan investments	<u>414</u>	<u>3,748</u>
Total	<u>\$ 781,994</u>	<u>\$ 370,787</u>

\$781,580 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2021	\$ (77,952)
2022	(77,952)
2023	(76,933)
2024	(76,365)
2025	(61,171)

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: FUND BALANCES

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Town of Paradise has established the following fund balance procedures:

Non-Spendable: Amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The Town has classified prepaid items and advances as nonspendable since these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: Amounts subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. This fund balance type is essentially the same definition as restricted net position under GASB Statement No. 34.

Committed: The Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use through the same type of formal action taken to establish the commitment. Town Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

Assigned: Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The policy hereby delegates the authority to assign amounts to be used for specific purposes to the Town Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

Unassigned: Residual amounts in the general fund, not classified as non-spendable, restricted, committed, or assigned. For other governmental fund types, unassigned is only used when a deficit or negative fund balance occurs.

The accounting policies of the Town consider restricted fund balance to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Town considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: FUND BALANCES (CONTINUED)

As of June 30, 2020, fund balances consisted of the following:

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Camp Fire 2018 Fund</u>	<u>Building Safety and Waste Water Services Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid	\$ 1,555	\$ -	\$ -	\$ -	\$ -	\$ 1,555
Advances	<u>1,275,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275,519</u>
Total nonspendable fund balances	<u>1,277,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,277,074</u>
Restricted for:						
Special projects	-	-	-	-	255,359	255,359
Debt service	-	-	-	-	41,563	41,563
Community development	-	1,881,721	-	-	2,778,929	4,660,650
General plan	-	-	-	-	967,746	967,746
Public safety	-	-	-	-	369,655	369,655
Streets and roads	-	-	-	-	1,112,935	1,112,935
Wastewater and drainage	-	-	-	2,678,101	760,552	3,438,653
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,120,705</u>	<u>1,120,705</u>
Total restricted fund balances	<u>-</u>	<u>1,881,721</u>	<u>-</u>	<u>2,678,101</u>	<u>7,407,444</u>	<u>11,967,266</u>
Assigned for:						
Measure C	653,723	-	-	-	-	653,723
Property abatement	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total assigned fund balances	<u>673,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673,723</u>
Unassigned	<u>221,793,413</u>	<u>-</u>	<u>(1,277,368)</u>	<u>-</u>	<u>(220,045)</u>	<u>220,296,000</u>
Total fund balances (deficit)	<u>\$ 223,744,210</u>	<u>\$ 1,881,721</u>	<u>\$ (1,277,368)</u>	<u>\$ 2,678,101</u>	<u>\$ 7,187,399</u>	<u>\$ 234,214,063</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by the voters in November 1996, will regulate the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

NOTE 12: CONTINGENCIES AND COMMITMENTS

The Town is subject to litigation arising in the normal course of business. In the opinion of management and legal counsel there is no pending litigation which is likely to have a material adverse effect on the financial position of the Town.

Grant Awards

The Town participates in certain Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the Town.

NOTE 13: RISK MANAGEMENT

The Town manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pool described below and by retaining certain risks.

The Town is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with eighteen other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The NCCSIF provides claims processing, administrative services, risk management services, and actuarial studies. A member from each city governs the NCCSIF. The Town council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The Town does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities.

NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities/town. If the JPA becomes insolvent, the Town is responsible only to the extent of any deficiency in its equity balance. Upon termination of the JPA agreement, all property of NCCSIF will vest in the respective parties which theretofore transferred, conveyed or leased said property to NCCSIF. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: RISK MANAGEMENT (CONTINUED)

The NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not recorded. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Town's insurance coverage for general liability includes claims up to \$40,000,000 and workers' compensation claims up to the statutory limit and up to \$5,000,000 for employer's liability. The Town has a self insured retention or deductible of \$50,000 per claim for general liability claims. The Town's self-insured retention is \$100,000 for worker's compensation claims. Once the Town's self-insured retention for claims is met, NCCSIF becomes responsible for payment of all claims up to the limit.

The participants as of June 30, 2020 were as follows:

Anderson	Auburn	Colusa	Corning	Dixon	Folsom	Galt
Gridley	Ione	Jackson	Lincoln	Marysville	Oroville	Paradise
Placerville	Red Bluff	Rio Vista	Rocklin	Willows	Yuba City	

Financial statements for NCCSIF may be obtained from Alliant Insurances, 2180 Harvard Street, Suite 460, Sacramento, California 95815.

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the Town that previously had reported a redevelopment agency within the reporting entity of the Town as a blended component unit. The activity of the Successor Agency Trust is now recorded in a private purpose trust fund.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the Town are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The Town's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the Town.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
Advance payable	\$ 1,295,104	\$ -	\$ (19,585)	\$ 1,275,519	\$ -
Bonds payable - 2009	4,245,000	-	(85,000)	4,160,000	90,000
Bonds payable - 2016	<u>1,440,000</u>	<u>-</u>	<u>(20,000)</u>	<u>1,420,000</u>	<u>20,000</u>
Total	\$ <u>6,980,104</u>	\$ <u>-</u>	\$ <u>(124,585)</u>	\$ <u>6,855,519</u>	\$ <u>110,000</u>

The long-term liabilities consisted of the following components for the fiscal year ended June 30, 2020:

Advance payable consisted of an advance of \$1,275,519 from the General Fund of the Town to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%.

Bonds payable consisted of the following as of June 30, 2020:

2009 Tax Allocation Refunding Bonds

On October 21, 2009, the Town issued the 2009 Tax Allocation Refunding Bonds in the amount of \$4,480,000. The refunding bond was used to refund the entire outstanding 2003 Tax Allocation Notes and the 2005 Tax Allocation Notes. The Refunding Bonds have a stated interest rate from 4.80% to 6.00% and mature on June 1, 2043. The Refunding Bonds are subject to redemption prior to their stated maturity, at the option of the Town, as a whole or in part pro rata among maturities and by lot within a maturity, on any date on or after June 1, 2019 from funds derived by the Town from any sources at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date, without premium. The original issue bond discount on these bonds is being amortized over the life of the bonds and is included with long-term debt on the balance sheet.

On February 1, 2012, the total principal balance of \$4,377,893, which was net of the \$102,107 of unamortized original issue bond discount, was transferred from the Town. The principal balance outstanding, as of June 30, 2020 was \$4,160,000.

The future principal and interest payments for the bonds payable as of June 30, 2020 were as follows:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2021	\$ 90,000	\$ 246,665	\$ 336,665
2022	95,000	241,850	336,850
2023	100,000	236,388	336,388
2024	110,000	230,638	340,638
2025	110,000	224,313	334,313
2026-2030	675,000	1,016,914	1,691,914
2031-2035	895,000	792,000	1,687,000
2036-2040	1,190,000	491,400	1,681,400
2041-2043	<u>895,000</u>	<u>109,500</u>	<u>1,004,500</u>
	\$ <u>4,160,000</u>	\$ <u>3,589,668</u>	\$ <u>7,749,668</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Tax Allocation Refunding Bonds

On October 27, 2016, the Town issued the 2016 Tax Allocation Refunding Bonds in the amount of \$1,475,000. The refunding bond was used to refund the entire outstanding 2006 Tax Allocation Notes. The Refunding Bonds have a stated interest rate from 3.8% to 4.13% and mature on June 1, 2056.

The Refunding Bonds will be subject to optional redemption, as a whole or in part from maturities specified by the Successor Agency, prior to their maturity, at the option of the Successor Agency on any date on or after June 1, 2026, from funds derived by the Successor Agency from any source, at a redemption price equal to 100% of the principal amount of the 2016 Refunding Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

The 2016 Refunding Bonds maturing on June 1, 2031, June 1, 2036, June 1, 2046, and June 1, 2056 shall be subject to redemption prior to their stated maturity, in part on a pro rata basis, from sinking installments deposited in the principal account on June 1 of each year commencing June 1, 2018, June 1, 2032, June 1, 2037 and June 1, 2047, respectively, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The principal balance outstanding, as of June 30, 2020 was \$1,420,000. The future principal and interest payments for the bonds payable as of June 30, 2020 were as follows:

Fiscal Year Ended June 30,	Bonds Payable		
	Principal	Interest	Total
2021	\$ 20,000	\$ 56,669	\$ 76,669
2022	20,000	55,909	75,909
2023	20,000	55,149	75,149
2024	20,000	54,389	74,389
2025	20,000	53,629	73,629
2026-2030	125,000	254,844	379,844
2031-2035	145,000	230,044	375,044
2036-2040	180,000	194,181	374,181
2041-2045	215,000	161,181	376,181
2046-2050	265,000	113,788	378,788
2051-2055	320,000	55,069	375,069
2056	70,000	2,888	72,888
	<u>\$ 1,420,000</u>	<u>\$ 1,287,740</u>	<u>\$ 2,707,740</u>

NOTE 15: PRIOR PERIOD ADJUSTMENT

The private-purpose trust funds prior period adjustment was recorded by the Town, effectively decreasing net position as of July 1, 2019 by \$90,000. The prior period adjustment was recorded for principal payments on the 2009 and 2016 Bonds.

NOTE 16: EXTRAORDINARY ITEMS - CAMP FIRE AND PG&E SETTLEMENT

On November 8, 2018, the Camp Fire, the most destructive wildfire in California State history, swept through the Town of Paradise and destroyed roughly 90 percent of the Town's residences and businesses. This has resulted in material effects to the Town's future revenues and finances; however, the Town is well supported and on the path to recovery. Federal, State and local partners will assist with long term recovery. Insurance and the State of California,

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16: EXTRAORDINARY ITEM - CAMP FIRE (CONTINUED)

will provide short-term lost revenue backfills. The following account balances and transactions were recorded as a result of the Camp Fire.

In fiscal year 2020, Pacific Gas & Electric Company, to compensate for losses resulting from deadly wildfires sparked by its equipment agreed to pay Town of Paradise \$270 million in gross settlement proceeds. Net of litigation costs the amount to be received as of June 30, 2020 is \$219,187,262. This amount is recorded as a receivable and current year revenue in the Town's general fund.

In fiscal years 2020 and 2019, the State of California advanced \$5 million and \$3.5 million, respectively, towards a FEMA public assistance claim. In fiscal year 2020 the Town has expended and recognized \$1,644,447 of the grant revenue. The remaining balance of the grant, \$4,692,037 is recorded as unearned revenue in the Camp Fire fund.

NOTE 17: MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date of this report, which is April 29, 2021, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<u>REVENUES</u>				
Taxes and assessments:				
Secured and unsecured property taxes	\$ 4,873,887	\$ 5,274,000	\$ 5,401,590	\$ 127,590
Sales and use taxes	1,175,483	1,350,000	1,554,127	204,127
Transient lodging taxes	80,000	40,000	36,267	(3,733)
Franchise taxes	152,659	168,157	253,379	85,222
Motor vehicle in-lieu tax	2,494,776	2,562,323	2,583,073	-
Homeowners property tax relief	60,000	23,676	23,676	-
Real property transfer taxes	30,000	53,500	65,021	11,521
Total taxes and assessments	<u>8,866,805</u>	<u>9,471,656</u>	<u>9,917,133</u>	<u>445,477</u>
Licenses, permits, and impact fees	7,500	6,000	6,321	321
Fines and forfeitures	41,000	29,250	34,668	5,418
Use of money and property	10,033	65,033	135,378	70,345
Intergovernmental revenues:				
Federal-other	2,500	242,459	-	(242,459)
State-other	<u>58,500</u>	<u>36,750</u>	<u>50,444</u>	<u>13,694</u>
Total intergovernmental revenues	<u>61,000</u>	<u>279,209</u>	<u>50,444</u>	<u>(228,765)</u>
Charges for services:				
Police	10,556	9,330	6,639	(2,691)
Fire	5,500	14,545	28,927	14,382
Community development	18,770	97,950	93,247	(4,703)
Parks and recreation	2,500	2,500	330	(2,170)
Public works	124,301	165,573	201,987	36,414
Administration	<u>100,783</u>	<u>100,925</u>	<u>621,812</u>	<u>520,887</u>
Total charges for services	<u>262,410</u>	<u>390,823</u>	<u>952,942</u>	<u>562,119</u>
Other revenues	<u>3,022,178</u>	<u>2,439,875</u>	<u>1,973,214</u>	<u>(466,661)</u>
Total Revenues	<u>12,270,926</u>	<u>12,681,846</u>	<u>13,070,100</u>	<u>388,254</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Town council	31,864	30,243	176,764	(146,521)
Town manager	364,465	336,002	630,230	(294,228)
Town attorney	194,306	224,224	225,265	(1,041)
Central service	417,563	453,069	427,113	25,956
Financial services	494,360	494,360	534,669	(40,309)
Town clerk	232,450	265,504	260,817	4,687
Risk management	127,748	158,644	160,064	(1,420)
Non-departmental	<u>371,689</u>	<u>452,430</u>	<u>601,881</u>	<u>(149,451)</u>
Total general government	<u>2,234,445</u>	<u>2,414,476</u>	<u>3,016,803</u>	<u>(602,327)</u>
Community development				
Planning	150,465	164,701	158,496	6,205
Solid waste	<u>7,621</u>	<u>7,287</u>	<u>2,297</u>	<u>4,990</u>
Total community development	<u>158,086</u>	<u>171,988</u>	<u>160,793</u>	<u>11,195</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET TO ACTUAL
GENERAL FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Public safety:				
Police				
Administration	884,351	1,017,776	1,017,218	558
Operations	3,063,958	2,892,671	2,907,565	(14,894)
Communications	813,581	760,850	730,142	30,708
Motor pool operations	219,002	187,198	164,238	22,960
Fire				
Administration	165,871	181,620	187,160	(5,540)
Emergency operations center	10,757	10,757	10,180	577
Suppression	3,922,446	3,980,659	3,504,432	476,227
Volunteers	3,647	31,175	2,003	29,172
Total public safety	<u>9,083,613</u>	<u>9,062,706</u>	<u>8,522,938</u>	<u>539,768</u>
Public works:				
Engineering	51,658	118,070	-	118,070
Public works	60,885	124,797	191,518	(66,721)
Parks and recreation	15,115	9,919	6,253	3,666
Public facilities	8,500	5,500	-	5,500
Total public works	<u>136,158</u>	<u>258,286</u>	<u>197,771</u>	<u>60,515</u>
Capital outlay	<u>92,071</u>	<u>129,160</u>	<u>586,819</u>	<u>(457,659)</u>
Debt service:				
Principal	851,011	851,011	862,307	(11,296)
Interest and fiscal charges	546,879	546,879	546,770	109
Total debt service	<u>1,397,890</u>	<u>1,397,890</u>	<u>1,409,077</u>	<u>(11,187)</u>
Total Expenditures	<u>13,102,263</u>	<u>13,434,506</u>	<u>13,894,201</u>	<u>(459,695)</u>
Excess of revenues over (under) expenditures	<u>(831,337)</u>	<u>(752,660)</u>	<u>(824,101)</u>	<u>(71,441)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	757,703	713,580	1,409,584	696,004
Transfers out	<u>(205,474)</u>	<u>(240,164)</u>	<u>(256,870)</u>	<u>(16,706)</u>
Total Other Financing Sources (Uses)	<u>552,229</u>	<u>473,416</u>	<u>1,152,714</u>	<u>984,557</u>
<u>EXTRAORDINARY GAINS</u>				
PG&E Settlement (Note 16)	<u>-</u>	<u>-</u>	<u>219,187,262</u>	<u>219,187,262</u>
Net Change in Fund Balance	<u>\$ (279,108)</u>	<u>\$ (279,244)</u>	<u>\$ 219,515,875</u>	<u>\$ 219,795,119</u>
Fund Balance - July 1, 2019			<u>4,228,335</u>	
Fund Balance - June 30, 2020			<u>\$ 223,744,210</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOME GRANT FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Use of money and property	\$ 500	\$ 500	\$ 46,850	\$ 46,350
Intergovernmental revenues	749,918	749,918	-	(749,918)
Program income	<u>560,000</u>	<u>560,000</u>	<u>573,163</u>	<u>13,163</u>
Total Revenues	<u>1,310,418</u>	<u>1,310,418</u>	<u>620,013</u>	<u>(690,405)</u>
<u>EXPENDITURES</u>				
Current:				
Community development	<u>1,579,003</u>	<u>1,579,003</u>	<u>72,777</u>	<u>1,506,226</u>
Total Expenditures	<u>1,579,003</u>	<u>1,579,003</u>	<u>72,777</u>	<u>1,506,226</u>
Excess of revenues over (under) expenditures	<u>(268,585)</u>	<u>(268,585)</u>	<u>547,236</u>	<u>815,821</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(416,371)</u>	<u>(47,664)</u>	<u>(12,948)</u>	<u>34,716</u>
Total Other Financing Sources (Uses)	<u>(416,371)</u>	<u>(47,664)</u>	<u>(12,948)</u>	<u>34,716</u>
Net Change in Fund Balance	<u>\$ (684,956)</u>	<u>\$ (316,249)</u>	<u>534,288</u>	<u>\$ 850,537</u>
Fund Balance - July 2, 2019			<u>1,347,433</u>	
Fund Balance - June 30, 2020			<u>\$ 1,881,721</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAMP FIRE 2018 FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>EXPENDITURES</u>				
Current:				
General government	961,452	1,376,272	1,965,677	(589,405)
Community development	5,544	72,476	96,203	(23,727)
Public safety	123,284	114,693	99,339	15,354
Public works	366,272	362,561	705,029	(342,468)
Capital Outlay	<u>58,726</u>	<u>59,479</u>	<u>57,959</u>	<u>1,520</u>
Total Expenditures	<u>1,515,278</u>	<u>1,985,481</u>	<u>2,924,207</u>	<u>(938,726)</u>
Excess of revenues over (under) expenditures	<u>(1,515,278)</u>	<u>(1,985,481)</u>	<u>(2,924,207)</u>	<u>(938,726)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	(256,396)	(267,625)	166,328	433,953
Transfers out	<u>-</u>	<u>(428,240)</u>	<u>(15,117)</u>	<u>413,123</u>
Total Other Financing Sources (Uses)	<u>(256,396)</u>	<u>(695,865)</u>	<u>151,211</u>	<u>847,076</u>
<u>EXTRAORDINARY ITEMS</u>				
Grant revenue (Note 16)	<u>1,397,609</u>	<u>3,301,240</u>	<u>1,644,447</u>	<u>(1,656,793)</u>
Total Extraordinary Gains	<u>1,397,609</u>	<u>3,301,240</u>	<u>1,644,447</u>	<u>(1,656,793)</u>
Net Change in Fund Balance	\$ <u>(374,065)</u>	\$ <u>619,894</u>	<u>(1,128,549)</u>	\$ <u>(1,748,443)</u>
Fund Balance (Deficit) - July 1, 2019			<u>(148,819)</u>	
Fund Balance (Deficit) - June 30, 2020			\$ <u>(1,277,368)</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
BUILDING SAFETY AND WASTE WATER SERVICES FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Use of money and property	\$ 1,916,095	\$ 4,566,545	\$ 4,913,323	\$ 346,778
Fines and forfeitures	15,000	1,000	10,800	9,800
Use of money and property	2,000	7,500	62,338	54,838
Charges for services	-	-	358,487	358,487
Other revenues	<u>25,000</u>	<u>25,118</u>	<u>16,177</u>	<u>(8,941)</u>
Total Revenues	<u>1,958,095</u>	<u>4,600,163</u>	<u>5,361,125</u>	<u>760,962</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	416	(416)
Community development	1,383,700	3,097,533	3,093,064	4,469
Parks and recreation	-	-	5,034	(5,034)
Public safety	-	-	1,357	(1,357)
Public works	434,331	504,405	486,842	17,563
Capital Outlay	23,061	15,000	8,426	6,574
Debt Service	<u>12,502</u>	<u>12,502</u>	<u>12,502</u>	<u>-</u>
Total Expenditures	<u>1,841,092</u>	<u>3,616,938</u>	<u>3,607,641</u>	<u>9,297</u>
Excess of revenues over (under) expenditures	<u>117,003</u>	<u>983,225</u>	<u>1,753,484</u>	<u>770,259</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	62,206	-	(62,206)
Transfers out	<u>(191,313)</u>	<u>(176,725)</u>	<u>(207,174)</u>	<u>(30,449)</u>
Total Other Financing Sources (Uses)	<u>(191,313)</u>	<u>(114,519)</u>	<u>(207,174)</u>	<u>(92,655)</u>
Net Change in Fund Balance	\$ <u>(74,310)</u>	\$ <u>868,706</u>	<u>1,546,310</u>	\$ <u>677,604</u>
Fund Balance - July 1, 2019			<u>1,131,791</u>	
Fund Balance - June 30, 2020			\$ <u>2,678,101</u>	

**TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the Town's Miscellaneous and Safety Plan, Cost Sharing Defined Benefit Pension Plan
As of June 30, 2020
Last 10 Years ***

	Measurement Period					
	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.22936 %	0.22659 %	0.21895 %	0.21960 %	0.21454 %	0.20733 %
Proportionate share of the net pension liability	\$ 23,502,428	\$ 21,834,378	\$ 21,713,980	\$ 19,003,356	\$ 14,725,536	\$ 12,901,028
Covered payroll	\$ 3,849,696	\$ 3,764,228	\$ 3,789,395	\$ 3,511,751	\$ 3,474,659	\$ 3,208,769
Proportionate share of the net pension liability as a percentage of covered payroll	610.50 %	580.05 %	573.02 %	541.14 %	423.80 %	402.06 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	75.30 %	73.30 %	74.06 %	78.40 %	79.82 %

Notes to schedule:

Changes in assumptions: In 2019, there were no changes. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

*Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

**TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN
Prepared for the Town's Miscellaneous and Safety Plan,
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2020
Last 10 Years *

	Fiscal Year-End					
	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,476,369	\$ 1,168,177	\$ 1,458,470	\$ 1,248,468	\$ 628,975	\$ 563,889
Contributions in relation to the actuarially determined contributions	<u>1,940,581</u>	<u>1,610,515</u>	<u>1,387,082</u>	<u>1,189,673</u>	<u>1,070,254</u>	<u>550,258</u>
Contribution deficiency (excess)	<u>\$ (464,212)</u>	<u>\$ (442,338)</u>	<u>\$ 71,388</u>	<u>\$ 58,795</u>	<u>\$ (441,279)</u>	<u>\$ 13,631</u>
Covered payroll	\$ 3,834,730	\$ 3,849,696	\$ 3,764,228	\$ 3,789,395	\$3,511,751	\$3,474,659
Contributions as a percentage of covered payroll	50.61 %	41.83 %	36.85 %	31.39 %	30.48 %	15.84 %

*Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

**TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2020
Last 10 Years***

	Measurement Period		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 153,868	\$ 149,386	\$ 145,035
Interest	663,993	661,804	661,041
Difference between expected and actual experience	(424,055)	-	-
Changes in assumptions	(19,451)	-	-
Benefit payments	<u>(771,250)</u>	<u>(783,788)</u>	<u>(792,419)</u>
Net change in total OPEB liability	(396,895)	27,402	13,657
Total OPEB liability, beginning	<u>10,600,903</u>	<u>10,573,501</u>	<u>10,559,844</u>
Total OPEB liability, ending (a)	<u>\$ 10,204,008</u>	<u>\$ 10,600,903</u>	<u>\$10,573,501</u>
Plan fiduciary net position			
Contributions employer	\$ 771,250	\$ 852,682	\$ 817,419
Net investment income	12,915	11,096	11,016
Benefit payments	(771,250)	(783,788)	(792,419)
Administrative expenses	<u>(323)</u>	<u>(198)</u>	<u>-</u>
Net change in plan fiduciary net position	12,592	79,792	36,016
Plan fiduciary net position, beginning	<u>206,817</u>	<u>127,025</u>	<u>91,009</u>
Plan fiduciary net position, ending (b)	<u>\$ 219,409</u>	<u>\$ 206,817</u>	<u>\$ 127,025</u>
Town's net OPEB liability, ending (a) - (b)	<u>\$ 9,984,599</u>	<u>\$ 10,394,086</u>	<u>\$10,446,476</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.15 %	1.95 %	1.20 %
Covered-employee payroll	\$ 3,849,529	\$ 4,290,581	\$ 3,854,764
Town's net OPEB liability as a percentage of covered-employee payroll	259 %	242 %	271 %

*Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.

TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
As of June 30, 2020
Last 10 Years*

	Fiscal Year-End		
	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 709,387	\$ 701,420	\$ 1,165,684
Contributions in relation to the ADC	<u>(781,580)</u>	<u>(701,420)</u>	<u>(779,349)</u>
Contribution deficiency (excess)	<u>\$ (72,193)</u>	<u>\$ -</u>	<u>\$ 386,335</u>
Covered-employee payroll	\$ 3,849,529	\$ 4,290,581	\$ 3,854,764
Contributions as a percentage of covered-employee payroll	20.30 %	16.35 %	20.22 %

*Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Special Revenue Funds			
	Active Transportation Program	Animal Control Shelter	Cal Home Rehabilitation Fund	Capital Improvement
<u>ASSETS</u>				
Cash and investments	\$ -	\$ (100)	\$ 1,477,615	\$ 271,822
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	10,202	15,852	-	-
Interest receivable	-	-	4,575	-
Due from other funds	-	1,339	-	-
Loans receivable	-	-	788,439	-
Total Assets	<u>\$ 10,202</u>	<u>\$ 17,091</u>	<u>\$ 2,270,629</u>	<u>\$ 271,822</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 2,549	\$ -	\$ 271,823
Accrued wages	-	5,294	-	-
Due to other funds	10,201	9,349	-	-
Unearned revenue	-	-	303,379	-
Total Liabilities	<u>10,201</u>	<u>17,192</u>	<u>303,379</u>	<u>271,823</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	-	-	788,439	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	1	-	1,178,811	-
Unassigned	-	(101)	-	(1)
Total Fund Balances (Deficits)	<u>1</u>	<u>(101)</u>	<u>1,178,811</u>	<u>(1)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 10,202</u>	<u>\$ 17,091</u>	<u>\$ 2,270,629</u>	<u>\$ 271,822</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Special Projects	Business and Housing Services
<u>ASSETS</u>				
Cash and investments	\$ 120,756	\$ -	\$ 255,359	\$ -
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	256,409	136	-	-
Interest receivable	374	-	-	-
Due from other funds	3,667	-	-	1,471
Loans receivable	-	-	-	-
Total Assets	<u>\$ 381,206</u>	<u>\$ 136</u>	<u>\$ 255,359</u>	<u>\$ 1,471</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 29,555	\$ -	\$ -	\$ 1,444
Accrued wages	19,841	-	-	5,466
Due to other funds	-	1,306	-	167,512
Unearned revenue	-	-	-	-
Total Liabilities	<u>49,396</u>	<u>1,306</u>	<u>-</u>	<u>174,422</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	331,810	-	255,359	-
Unassigned	-	(1,170)	-	(172,951)
Total Fund Balances (Deficits)	<u>331,810</u>	<u>(1,170)</u>	<u>255,359</u>	<u>(172,951)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 381,206</u>	<u>\$ 136</u>	<u>\$ 255,359</u>	<u>\$ 1,471</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	HUD Revolving Loan	SLESF	Citizen Police	Asset Seizure
<u>ASSETS</u>				
Cash and investments	\$ 252,634	\$ 49,624	\$ 19,984	\$ 4,589
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	118,650	-	-	-
Interest receivable	1,161	154	62	14
Due from other funds	-	-	-	-
Loans receivable	<u>161,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 534,191</u>	<u>\$ 49,778</u>	<u>\$ 20,046</u>	<u>\$ 4,603</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ 8,624	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	<u>18,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>18,258</u>	<u>-</u>	<u>8,624</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	<u>161,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	354,187	49,778	11,422	4,603
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>354,187</u>	<u>49,778</u>	<u>11,422</u>	<u>4,603</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 534,191</u>	<u>\$ 49,778</u>	<u>\$ 20,046</u>	<u>\$ 4,603</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Highway Safety Improvement	95 Impact Signalization	95 Impact PDFC Fund	95 Impact FDFC Fund
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 77,384	\$ 22,809	\$ 34,677
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	660,553	-	-	-
Interest receivable	-	240	70	108
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 660,553</u>	<u>\$ 77,624</u>	<u>\$ 22,879</u>	<u>\$ 34,785</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Due to other funds	660,554	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>660,554</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	-	77,624	22,879	34,785
Unassigned	(1)	-	-	-
Total Fund Balances (Deficits)	<u>(1)</u>	<u>77,624</u>	<u>22,879</u>	<u>34,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 660,553</u>	<u>\$ 77,624</u>	<u>\$ 22,879</u>	<u>\$ 34,785</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	95 Impact Road	North Valley/Butte Strong	Local Transportation	Housing Authority
<u>ASSETS</u>				
Cash and investments	\$ 665,676	\$ 380,365	\$ 29,551	\$ 192,668
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	2,061	1,215	91	597
Due from other funds	-	-	-	-
Loans receivable	-	-	-	178,643
Total Assets	<u>\$ 667,737</u>	<u>\$ 381,580</u>	<u>\$ 29,642</u>	<u>\$ 371,908</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ 177	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	89,623
Total Liabilities	-	-	177	89,623
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	-	-	-	178,643
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	667,737	381,580	29,465	103,642
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>667,737</u>	<u>381,580</u>	<u>29,465</u>	<u>103,642</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 667,737</u>	<u>\$ 381,580</u>	<u>\$ 29,642</u>	<u>\$ 371,908</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Abandoned Vehicle	95 Impact Drainage	General Plan Fee	Traffic Safety - DUI Impound Fees Fund
<u>ASSETS</u>				
Cash and investments	\$ 122,160	\$ 758,204	\$ 965,135	\$ 48,143
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable	945	-	-	-
Interest receivable	378	2,348	2,988	149
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 123,483</u>	<u>\$ 760,552</u>	<u>\$ 968,123</u>	<u>\$ 48,292</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 12	\$ -	\$ 377	\$ -
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>12</u>	<u>-</u>	<u>377</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred inflows of resources	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted	123,471	760,552	967,746	48,292
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>123,471</u>	<u>760,552</u>	<u>967,746</u>	<u>48,292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 123,483</u>	<u>\$ 760,552</u>	<u>\$ 968,123</u>	<u>\$ 48,292</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	AB109 State Funds	Clark Road Signal	Tree Replacement in Lieu	COVID-19	Disability Access and Education
<u>ASSETS</u>					
Cash and investments	\$ 17,238	\$ 6,281	\$ 252	\$ -	\$ 1,099
Restricted cash with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	53	19	1	-	3
Due from other funds	-	-	-	48	-
Loans receivable	-	-	-	-	-
Total Assets	<u>\$ 17,291</u>	<u>\$ 6,300</u>	<u>\$ 253</u>	<u>\$ 48</u>	<u>\$ 1,102</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	3,803	-
Due to other funds	-	-	-	27,728	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	-	-	<u>31,531</u>	-
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Deferred inflows of resources	-	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>					
Restricted	17,291	6,300	253	-	1,102
Unassigned	-	-	-	(31,483)	-
Total Fund Balances (Deficits)	<u>17,291</u>	<u>6,300</u>	<u>253</u>	<u>(31,483)</u>	<u>1,102</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 17,291</u>	<u>\$ 6,300</u>	<u>\$ 253</u>	<u>\$ 48</u>	<u>\$ 1,102</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	SMIP Fund	Police Department Seizures Fund	USDA	Canine Protect Fund	Fire Fund
<u>ASSETS</u>					
Cash and investments	\$ 17,019	\$ -	\$ -	\$ 29,104	\$ 14,927
Restricted cash with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	361,378	-	-
Interest receivable	53	-	-	90	46
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>\$ 17,072</u>	<u>\$ -</u>	<u>\$361,378</u>	<u>\$ 29,194</u>	<u>\$ 14,973</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ 12,518	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	-	1,302	361,378	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>12,518</u>	<u>1,302</u>	<u>361,378</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Deferred inflows of resources	-	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>					
Restricted	4,554	-	-	29,194	14,973
Unassigned	-	(1,302)	-	-	-
Total Fund Balances (Deficits)	<u>4,554</u>	<u>(1,302)</u>	<u>-</u>	<u>29,194</u>	<u>14,973</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 17,072</u>	<u>\$ -</u>	<u>\$361,378</u>	<u>\$ 29,194</u>	<u>\$ 14,973</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	Animal Control Fund	Police Fund	FEMA Reimbursement Fund	Memorial Trailway	Transportation Capital Projects
<u>ASSETS</u>					
Cash and investments	\$ 26,336	\$ 13,408	\$ -	\$ 3,476	\$ 608,771
Restricted cash with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	200,800	-	681,456
Interest receivable	26	41	-	11	1,885
Due from other funds	-	-	-	-	90
Loans receivable	-	-	-	-	-
Total Assets	<u>\$ 26,362</u>	<u>\$ 13,449</u>	<u>\$ 200,800</u>	<u>\$ 3,487</u>	<u>\$ 1,292,202</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	521
Due to other funds	-	-	200,800	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>200,800</u>	<u>-</u>	<u>521</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>681,456</u>
<u>FUND BALANCES (DEFICITS):</u>					
Restricted	26,362	13,449	-	3,487	610,225
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>26,362</u>	<u>13,449</u>	<u>-</u>	<u>3,487</u>	<u>610,225</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 26,362</u>	<u>\$ 13,449</u>	<u>\$ 200,800</u>	<u>\$ 3,487</u>	<u>\$ 1,292,202</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	SB-2 Building Homes and Job Act	Improvement Agreements	Fed CMAQ Congestion Mgmt Air Quality	One Time Misc. Grants	General Misc. Donations
<u>ASSETS</u>					
Cash and investments	\$ -	\$ 13,506	\$ -	\$ 615,429	\$ 296,899
Restricted cash with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	2,968	15,000	-
Interest receivable	-	-	-	1,905	940
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 13,506</u>	<u>\$ 2,968</u>	<u>\$ 632,334</u>	<u>\$ 297,839</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ 6,905	\$ 3	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	6,131	13,503	2,968	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>13,036</u>	<u>13,506</u>	<u>2,968</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Deferred inflows of resources	-	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>					
Restricted	-	-	-	632,334	297,839
Unassigned	(13,036)	-	-	-	-
Total Fund Balances (Deficits)	<u>(13,036)</u>	<u>-</u>	<u>-</u>	<u>632,334</u>	<u>297,839</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 13,506</u>	<u>\$ 2,968</u>	<u>\$ 632,334</u>	<u>\$ 297,839</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
	<u>Disaster Recovery Projects</u>	<u>Wastewater Design Assessment District</u>	<u>Total Non- major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 314,856	\$ -	\$ 7,727,656
Restricted cash with fiscal agent	-	-	-
Accounts receivable	-	41,563	2,365,912
Interest receivable	917	-	22,575
Due from other funds	-	-	6,615
Loans receivable	-	-	1,128,828
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 315,773</u>	<u>\$ 41,563</u>	<u>\$ 11,251,586</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 10,999	\$ -	\$ 344,986
Accrued wages	-	-	34,925
Due to other funds	-	-	1,462,732
Unearned revenue	-	-	411,260
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,999</u>	<u>-</u>	<u>2,253,903</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,810,284</u>
<u>FUND BALANCES (DEFICITS):</u>			
Restricted	304,774	41,563	7,407,444
Unassigned	-	-	(220,045)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>304,774</u>	<u>41,563</u>	<u>7,187,399</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 315,773</u>	<u>\$ 41,563</u>	<u>\$ 11,251,586</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
JUNE 30, 2020

	Special Revenue Funds			
	Active Transportation Program	Animal Control Shelter	Cal Home Rehabilitation Fund	Capital Improvement
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ 132,415	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	4,760	-	-
Use of money and property	-	-	25,232	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	18,050	-	-
Program income	-	-	415,943	-
Other revenues	-	800	-	-
	<u>-</u>	<u>156,025</u>	<u>441,175</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>156,025</u>	<u>441,175</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	9,258	94	-
Public safety	-	326,808	-	-
Public works	-	-	-	-
Streets	9,018	-	-	-
Capital Outlay	-	3,325	-	857,806
Debt service:				
Principal	-	-	-	-
	<u>9,018</u>	<u>339,391</u>	<u>94</u>	<u>857,806</u>
Total Expenditures	<u>9,018</u>	<u>339,391</u>	<u>94</u>	<u>857,806</u>
Excess of revenues over (under) expenditures	<u>(9,018)</u>	<u>(183,366)</u>	<u>441,081</u>	<u>(857,806)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	9,018	252,953	-	866,792
Transfers out	<u>-</u>	<u>(69,689)</u>	<u>(20,193)</u>	<u>(8,987)</u>
Total Other Financing Sources (Uses)	<u>9,018</u>	<u>183,264</u>	<u>(20,193)</u>	<u>857,805</u>
Net Change in Fund Balances	<u>-</u>	<u>(102)</u>	<u>420,888</u>	<u>(1)</u>
Fund Balances (Deficits) - July 1, 2019	<u>1</u>	<u>1</u>	<u>757,923</u>	<u>-</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 1</u>	<u>\$ (101)</u>	<u>\$ 1,178,811</u>	<u>\$ (1)</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Special Projects	Business and Housing Services
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	5,154	-	-
Use of money and property	2,062	-	-	-
Intergovernmental revenues	1,207,523	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Other revenues	58,390	-	-	225
Total Revenues	<u>1,267,975</u>	<u>5,154</u>	<u>-</u>	<u>225</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	314,274
Public safety	-	-	-	-
Public works	664,564	-	-	584
Streets	493,962	-	-	-
Capital Outlay	2,316	-	-	-
Debt service:				
Principal	15,019	-	-	-
Total Expenditures	<u>1,175,861</u>	<u>-</u>	<u>-</u>	<u>314,858</u>
Excess of revenues over (under) expenditures	<u>92,114</u>	<u>5,154</u>	<u>-</u>	<u>(314,633)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	52,659	-	-	91,948
Transfers out	(210,350)	(6,500)	-	(89,786)
Total Other Financing Sources (Uses)	<u>(157,691)</u>	<u>(6,500)</u>	<u>-</u>	<u>2,162</u>
Net Change in Fund Balances	<u>(65,577)</u>	<u>(1,346)</u>	<u>-</u>	<u>(312,471)</u>
Fund Balances (Deficits) - July 1, 2019	<u>397,387</u>	<u>176</u>	<u>255,359</u>	<u>139,520</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 331,810</u>	<u>\$ (1,170)</u>	<u>\$ 255,359</u>	<u>\$ (172,951)</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	HUD Revolving Loan	SLESF	Citizen Police	Asset Seizure
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	6,406	847	341	79
Intergovernmental revenues	99,594	154,181	-	-
Charges for services	-	-	-	-
Program income	3,795	-	-	-
Other revenues	-	-	15,741	-
	<u>-</u>	<u>-</u>	<u>15,741</u>	<u>-</u>
Total Revenues	<u>109,795</u>	<u>155,028</u>	<u>16,082</u>	<u>79</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	41,145	-	-	-
Public safety	-	-	2,386	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	8,624	-
Debt service:				
Principal	-	12,767	-	-
	<u>-</u>	<u>12,767</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>41,145</u>	<u>12,767</u>	<u>11,010</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>68,650</u>	<u>142,261</u>	<u>5,072</u>	<u>79</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(62,601)	(157,756)	-	-
	<u>(62,601)</u>	<u>(157,756)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(62,601)</u>	<u>(157,756)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>6,049</u>	<u>(15,495)</u>	<u>5,072</u>	<u>79</u>
Fund Balances (Deficits) - July 1, 2019	<u>348,138</u>	<u>65,273</u>	<u>6,350</u>	<u>4,524</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 354,187</u>	<u>\$ 49,778</u>	<u>\$ 11,422</u>	<u>\$ 4,603</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Highway Safety Improvement	95 Impact Signalization	95 Impact PDFC Fund	95 Impact FDFC Fund
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	775	1,425	1,231
Fines and forfeitures	-	-	-	-
Use of money and property	-	1,321	389	592
Intergovernmental revenues	665,473	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Other revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>665,473</u>	<u>2,096</u>	<u>1,814</u>	<u>1,823</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>665,473</u>	<u>2,096</u>	<u>1,814</u>	<u>1,823</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(665,474)	-	-	-
	<u>(665,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(665,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1)</u>	<u>2,096</u>	<u>1,814</u>	<u>1,823</u>
Fund Balances (Deficits) - July 1, 2019	<u>-</u>	<u>75,528</u>	<u>21,065</u>	<u>32,962</u>
Fund Balances (Deficits) - June 30, 2020	<u><u>\$ (1)</u></u>	<u><u>\$ 77,624</u></u>	<u><u>\$ 22,879</u></u>	<u><u>\$ 34,785</u></u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	95 Impact Road	North Valley/Butte Strong	Local Transportation	Housing Authority
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	8,857	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	11,367	6,700	505	3,290
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Program income	-	-	-	-
Other revenues	-	520,985	2,732	-
	<u>-</u>	<u>520,985</u>	<u>2,732</u>	<u>-</u>
Total Revenues	<u>20,224</u>	<u>527,685</u>	<u>3,237</u>	<u>3,290</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	2,733	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,733</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>20,224</u>	<u>527,685</u>	<u>504</u>	<u>3,290</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	3,917
Transfers out	-	(146,105)	-	-
	<u>-</u>	<u>(146,105)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(146,105)</u>	<u>-</u>	<u>3,917</u>
Net Change in Fund Balances	<u>20,224</u>	<u>381,580</u>	<u>504</u>	<u>7,207</u>
Fund Balances (Deficits) - July 1, 2019	<u>647,513</u>	<u>-</u>	<u>28,961</u>	<u>96,435</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 667,737</u>	<u>\$ 381,580</u>	<u>\$ 29,465</u>	<u>\$ 103,642</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds			
	Abandoned Vehicle	95 Impact Drainage	General Plan Fee	Traffic Safety - DUI Impound Fees
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	9,938	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	2,092	12,947	16,481	822
Intergovernmental revenues	1,892	-	-	-
Charges for services	-	-	526,300	4,500
Program income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>3,984</u>	<u>22,885</u>	<u>542,781</u>	<u>5,322</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community development	1,557	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Capital Outlay	-	-	-	12,805
Debt service:				
Principal	-	-	-	-
Total Expenditures	<u>1,557</u>	<u>-</u>	<u>-</u>	<u>12,805</u>
Excess of revenues over (under) expenditures	<u>2,427</u>	<u>22,885</u>	<u>542,781</u>	<u>(7,483)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(15,610)	-	-	-
Total Other Financing Sources (Uses)	<u>(15,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(13,183)</u>	<u>22,885</u>	<u>542,781</u>	<u>(7,483)</u>
Fund Balances (Deficits) - July 1, 2019	<u>136,654</u>	<u>737,667</u>	<u>424,965</u>	<u>55,775</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 123,471</u>	<u>\$ 760,552</u>	<u>\$ 967,746</u>	<u>\$ 48,292</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	AB109 State Funds	Clark Road Signal	Tree Replacement in Lieu	COVID-19	Disability Access and Education
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	294	107	4	-	19
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	728
Program income	-	-	-	-	-
Other revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>294</u>	<u>107</u>	<u>4</u>	<u>-</u>	<u>747</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	-	-	-	33
Community development	-	-	-	-	-
Public safety	-	-	-	13,012	-
Public works	-	-	-	17,547	-
Streets	-	-	-	71	-
Capital Outlay	-	-	-	853	-
Debt service:					
Principal	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,483</u>	<u>33</u>
Excess of revenues over (under) expenditures	<u>294</u>	<u>107</u>	<u>4</u>	<u>(31,483)</u>	<u>714</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>294</u>	<u>107</u>	<u>4</u>	<u>(31,483)</u>	<u>714</u>
Fund Balances (Deficits) - July 1, 2019	<u>16,997</u>	<u>6,193</u>	<u>249</u>	<u>-</u>	<u>388</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 17,291</u>	<u>\$ 6,300</u>	<u>\$ 253</u>	<u>\$ (31,483)</u>	<u>\$ 1,102</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	SMIP Fund	Police Department Seizures Fund	USDA	Canine Protect Fund	Fire Fund
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	1,789	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	291	-	-	497	255
Intergovernmental revenues	-	-	361,378	-	-
Charges for services	-	-	-	-	-
Program income	-	-	-	-	-
Other revenues	-	-	-	83	702
	<u>-</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>702</u>
Total Revenues	<u>2,080</u>	<u>-</u>	<u>361,378</u>	<u>580</u>	<u>957</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	-	-	-	2,522	-
Public works	-	-	-	-	-
Streets	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>2,080</u>	<u>-</u>	<u>361,378</u>	<u>(1,942)</u>	<u>957</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(361,378)	-	-
	<u>-</u>	<u>-</u>	<u>(361,378)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(361,378)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,080</u>	<u>-</u>	<u>-</u>	<u>(1,942)</u>	<u>957</u>
Fund Balances (Deficits) - July 1, 2019	<u>2,474</u>	<u>(1,302)</u>	<u>-</u>	<u>31,136</u>	<u>14,016</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 4,554</u>	<u>\$ (1,302)</u>	<u>\$ -</u>	<u>\$ 29,194</u>	<u>\$ 14,973</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	Animal Control Fund	Police Fund	FEMA Reimbursement Fund	Memorial Trailway	Transportation Capital Projects
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	142	229	-	59	10,395
Intergovernmental revenues	-	-	200,800	-	-
Charges for services	-	-	-	-	-
Program income	-	-	-	-	-
Other revenues	<u>5,826</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>5,968</u>	<u>329</u>	<u>200,800</u>	<u>59</u>	<u>10,395</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	15,079
Streets	-	-	-	-	4,717
Capital Outlay	-	-	-	-	-
Debt service:					
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,796</u>
Excess of revenues over (under) expenditures	<u>5,968</u>	<u>329</u>	<u>200,800</u>	<u>59</u>	<u>(9,401)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(200,800)</u>	<u>-</u>	<u>(37,352)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(200,800)</u>	<u>-</u>	<u>(37,352)</u>
Net Change in Fund Balances	<u>5,968</u>	<u>329</u>	<u>-</u>	<u>59</u>	<u>(46,753)</u>
Fund Balances (Deficits) - July 1, 2019	<u>20,394</u>	<u>13,120</u>	<u>-</u>	<u>3,428</u>	<u>656,978</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 26,362</u>	<u>\$ 13,449</u>	<u>\$ -</u>	<u>\$ 3,487</u>	<u>\$ 610,225</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds				
	SB-2 Building Homes and Job Act	Improvement Agreements	Fed CMAQ Congestion Mgmt Air Quality	One Time Misc. Grants	General Misc. Donations
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and impact fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	-	-	10,509	5,185
Intergovernmental revenues	-	-	23,729	820,761	-
Charges for services	-	-	-	-	-
Program income	-	-	-	-	-
Other revenues	-	-	-	211,000	200
	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,000</u>	<u>200</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>23,729</u>	<u>1,042,270</u>	<u>5,385</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	-	-	1,710	-
Community development	13,036	-	-	20,761	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Streets	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>13,036</u>	<u>-</u>	<u>-</u>	<u>22,471</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(13,036)</u>	<u>-</u>	<u>23,729</u>	<u>1,019,799</u>	<u>5,385</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(23,729)	(389,175)	(173,073)
	<u>-</u>	<u>-</u>	<u>(23,729)</u>	<u>(389,175)</u>	<u>(173,073)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(23,729)</u>	<u>(389,175)</u>	<u>(173,073)</u>
Net Change in Fund Balances	<u>(13,036)</u>	<u>-</u>	<u>-</u>	<u>630,624</u>	<u>(167,688)</u>
Fund Balances (Deficits) - July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710</u>	<u>465,527</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ (13,036)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,334</u>	<u>\$ 297,839</u>

TOWN OF PARADISE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
JUNE 30, 2020

	Capital Projects Fund	Debt Service Fund	
	Disaster Recovery Projects	Wastewater Design Assessment District	Total Non- major Governmental Funds
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ 41,563	\$ 173,978
Licenses, permits, and impact fees	-	-	24,015
Fines and forfeitures	-	-	9,914
Use of money and property	5,056	-	124,515
Intergovernmental revenues	300,000	-	3,835,331
Charges for services	-	-	549,578
Program income	-	-	419,738
Other revenues	-	-	816,784
	<u>-</u>	<u>-</u>	<u>816,784</u>
Total Revenues	<u>305,056</u>	<u>41,563</u>	<u>5,953,853</u>
<u>EXPENDITURES</u>			
Current:			
General government	-	-	1,743
Community development	-	-	400,125
Public safety	-	-	344,728
Public works	32	-	697,806
Streets	-	-	510,501
Capital Outlay	277,718	-	1,163,447
Debt service:			
Principal	-	-	27,786
	<u>-</u>	<u>-</u>	<u>27,786</u>
Total Expenditures	<u>277,750</u>	<u>-</u>	<u>3,146,136</u>
Excess of revenues over (under) expenditures	<u>27,306</u>	<u>41,563</u>	<u>2,807,717</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	277,468	-	1,554,755
Transfers out	-	-	(2,638,558)
	<u>-</u>	<u>-</u>	<u>(2,638,558)</u>
Total Other Financing Sources (Uses)	<u>277,468</u>	<u>-</u>	<u>(1,083,803)</u>
Net Change in Fund Balances	<u>304,774</u>	<u>41,563</u>	<u>1,723,914</u>
Fund Balances (Deficits) - July 1, 2019	<u>-</u>	<u>-</u>	<u>5,463,485</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 304,774</u>	<u>\$ 41,563</u>	<u>\$ 7,187,399</u>

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ACTIVE TRANSPORTATION PROGRAM
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>REVENUES:</u>				
Intergovernmental revenues	\$ <u>36,400</u>	\$ <u>36,400</u>	\$ <u>-</u>	\$ <u>(36,400)</u>
Total revenues	<u>36,400</u>	<u>36,400</u>	<u>-</u>	<u>(36,400)</u>
<u>EXPENDITURES:</u>				
Streets	<u>-</u>	<u>-</u>	<u>9,018</u>	<u>(9,018)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>9,018</u>	<u>(9,018)</u>
Excess of revenues over (under) expenditures	<u>36,400</u>	<u>36,400</u>	<u>(9,018)</u>	<u>(45,418)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(36,400)</u>	<u>(36,400)</u>	<u>9,018</u>	<u>45,418</u>
Total other financing sources (uses)	<u>(36,400)</u>	<u>(36,400)</u>	<u>9,018</u>	<u>45,418</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>-</u>	\$ <u>-</u>
Fund balance, July 1, 2019			<u>1</u>	
Fund balance, June 30, 2020			\$ <u>1</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL SHELTER FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Taxes and assessments	\$ 132,152	\$ 132,152	\$ 132,415	\$ 263
Fines and forfeitures	4,000	1,000	4,760	3,760
Charges for services	14,005	15,518	18,050	2,532
Other revenues	<u>200</u>	<u>-</u>	<u>800</u>	<u>800</u>
Total revenues	<u>150,357</u>	<u>148,670</u>	<u>156,025</u>	<u>7,355</u>
<u>EXPENDITURES:</u>				
Current:				
General government	-	-	9,258	(9,258)
Public safety	300,384	331,992	326,808	5,184
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>3,325</u>	<u>1,675</u>
Total expenditures	<u>305,384</u>	<u>336,992</u>	<u>339,391</u>	<u>(2,399)</u>
Excess of revenues over (under) expenditures	<u>(155,027)</u>	<u>(188,322)</u>	<u>(183,366)</u>	<u>4,956</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	215,388	250,330	252,953	2,623
Transfers out	<u>(60,361)</u>	<u>(52,906)</u>	<u>(69,689)</u>	<u>(16,783)</u>
Total other financing sources (uses)	<u>155,027</u>	<u>197,424</u>	<u>183,264</u>	<u>(14,160)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,102</u>	<u>(102)</u>	<u>\$ (9,204)</u>
Fund balance, July 1, 2019			<u>1</u>	
Fund balance (deficit), June 30, 2020			<u>\$ (101)</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAL HOME REHABILITATION FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Use of money and property	\$ 200	\$ 200	\$ 25,232	\$ 25,032
Program income	<u>300,000</u>	<u>300,000</u>	<u>415,943</u>	<u>115,943</u>
Total Revenues	<u>300,200</u>	<u>300,200</u>	<u>441,175</u>	<u>140,975</u>
<u>EXPENDITURES</u>				
Current:				
Community development	<u>-</u>	<u>-</u>	<u>94</u>	<u>(94)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>94</u>	<u>(94)</u>
Excess of revenues over (under) expenditures	<u>300,200</u>	<u>300,200</u>	<u>441,081</u>	<u>140,881</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(14,700)</u>	<u>(29,274)</u>	<u>(20,193)</u>	<u>9,081</u>
Total Other Financing Sources (Uses)	<u>(14,700)</u>	<u>(29,274)</u>	<u>(20,193)</u>	<u>9,081</u>
Net Change in Fund Balance	\$ <u>285,500</u>	\$ <u>270,926</u>	<u>420,888</u>	\$ <u>149,962</u>
Fund Balance - July 1, 2019			<u>757,923</u>	
Fund Balance - June 30, 2020			\$ <u>1,178,811</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL IMPROVEMENT FUND
JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Other revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total Revenues	_____ -	_____ -	_____ -	_____ -
<u>EXPENDITURES</u>				
Capital Outlay	<u>1,441,600</u>	<u>1,441,600</u>	<u>857,806</u>	<u>583,794</u>
Total Expenditures	<u>1,441,600</u>	<u>1,441,600</u>	<u>857,806</u>	<u>583,794</u>
Excess of revenues over (under) expenditures	<u>(1,441,600)</u>	<u>(1,441,600)</u>	<u>(857,806)</u>	<u>583,794</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,441,600	1,441,600	866,792	(574,808)
Transfers out	_____ -	_____ -	<u>(8,987)</u>	<u>(8,987)</u>
Total Other Financing Sources (Uses)	<u>1,441,600</u>	<u>1,441,600</u>	<u>857,805</u>	<u>(574,808)</u>
Net Change in Fund Balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	_____ (1)	\$ <u>_____ (1)</u>
Fund Balance - July 1, 2019			_____ -	
Fund Balance (deficit) - June 30, 2020			\$ <u>_____ (1)</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GAS TAX FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 400	\$ 200	\$ 2,062	\$ 1,862
Charges for services	45	20	-	(20)
Intergovernmental revenues	1,393,965	1,395,475	1,207,523	(187,952)
Other revenues	<u>5,000</u>	<u>20,837</u>	<u>58,390</u>	<u>37,553</u>
Total revenues	<u>1,399,410</u>	<u>1,416,532</u>	<u>1,267,975</u>	<u>(148,557)</u>
<u>EXPENDITURES:</u>				
Current:				
Public works	632,052	686,622	664,564	22,058
Streets	446,546	456,179	493,962	(37,783)
Capital outlay	-	1,280	2,316	(1,036)
Debt service:				
Principal	<u>15,020</u>	<u>15,020</u>	<u>15,019</u>	<u>1</u>
Total expenditures	<u>1,093,618</u>	<u>1,159,101</u>	<u>1,175,861</u>	<u>(16,760)</u>
Excess of revenues over (under) expenditures	<u>305,792</u>	<u>257,431</u>	<u>92,114</u>	<u>(165,317)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	20,000	82,206	52,659	(29,547)
Transfers out	<u>(208,897)</u>	<u>(191,688)</u>	<u>(210,350)</u>	<u>(18,662)</u>
Total other financing sources (uses)	<u>(188,897)</u>	<u>(109,482)</u>	<u>(157,691)</u>	<u>(48,209)</u>
Net change in fund balance	<u>\$ 116,895</u>	<u>\$ 147,949</u>	<u>(65,577)</u>	<u>\$ (213,526)</u>
Fund balance, July 1, 2019			<u>397,387</u>	
Fund balance, June 30, 2020			<u>\$ 331,810</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRAFFIC SAFETY FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Fines and forfeitures	\$ 6,000	\$ 6,000	\$ 5,154	\$ (846)
Use of money and property	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Total revenues	<u>6,002</u>	<u>6,002</u>	<u>5,154</u>	<u>(848)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>6,002</u>	<u>6,002</u>	<u>5,154</u>	<u>(848)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(6,500)</u>	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,500)</u>	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>
Net change in fund balance	\$ <u>(498)</u>	\$ <u>(498)</u>	<u>(1,346)</u>	\$ <u>(848)</u>
Fund balance, July 1, 2019			<u>176</u>	
Fund balance (deficit), June 30, 2020			\$ <u>(1,170)</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SPECIAL PROJECTS FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>EXPENDITURES:</u>				
Total expenditures	-	-	-	-
Net change in Fund balance	-	-	-	-
Fund balance, July 1, 2019			\$ 255,359	
Fund balance, June 30, 2020			\$ 255,359	

* The Town did not adopt a budget for the Special Projects Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
BUSINESS AND HOUSING SERVICES
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ 500	\$ -	\$ (500)
Other revenues	-	-	225	225
Total revenues	-	500	225	(275)
<u>EXPENDITURES:</u>				
Current:				
Public works	-	-	584	(584)
Community development	1,311,615	281,757	314,274	(32,517)
Total expenditures	1,321,033	282,957	314,858	(31,901)
Excess of revenues over (under) expenditures	(1,321,033)	(282,457)	(314,633)	(32,176)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	1,146,333	238,447	91,948	(146,499)
Transfers out	(79,895)	(56,368)	(89,786)	(33,418)
Total other financing sources (uses)	1,066,438	182,079	2,162	(179,917)
Net change in fund balance	\$ (254,595)	\$ (100,378)	(312,471)	\$ (212,093)
Fund balance, July 1, 2019			139,520	
Fund balance (deficit), June 30, 2020			\$ (172,951)	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HUD REVOLVING LOAN FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 1,100	\$ 1,100	\$ 6,406	\$ 5,306
Intergovernmental revenues	120,240	120,240	99,594	(20,646)
Program income	<u>50,000</u>	<u>50,000</u>	<u>3,795</u>	<u>(46,205)</u>
Total revenues	<u>171,340</u>	<u>171,340</u>	<u>109,795</u>	<u>(61,545)</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>40,000</u>	<u>40,000</u>	<u>41,145</u>	<u>(1,145)</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>41,145</u>	<u>(1,145)</u>
Excess of revenues over (under) expenditures	<u>131,340</u>	<u>131,340</u>	<u>68,650</u>	<u>(62,690)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(126,637)</u>	<u>(141,387)</u>	<u>(62,601)</u>	<u>78,786</u>
Total other financing sources (uses)	<u>(126,637)</u>	<u>(141,387)</u>	<u>(62,601)</u>	<u>78,786</u>
Net change in fund balance	<u>\$ 4,703</u>	<u>\$ (10,047)</u>	<u>6,049</u>	<u>\$ 16,096</u>
Fund balance, July 1, 2019			<u>348,138</u>	
Fund balance, June 30, 2020			<u>\$ 354,187</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SLESF FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 800	\$ 800	\$ 847	\$ 47
Intergovernmental revenues	<u>120,000</u>	<u>120,000</u>	<u>154,181</u>	<u>34,181</u>
Total revenues	<u>120,800</u>	<u>120,800</u>	<u>155,028</u>	<u>34,228</u>
<u>EXPENDITURES:</u>				
Current:				
Debt service:				
Principal	<u>12,767</u>	<u>12,767</u>	<u>12,767</u>	<u>-</u>
Total expenditures	<u>12,767</u>	<u>12,767</u>	<u>12,767</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>108,033</u>	<u>108,033</u>	<u>142,261</u>	<u>34,228</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(157,756)</u>	<u>(157,756)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(157,756)</u>	<u>(157,756)</u>
Net change in fund balance	<u>\$ 108,033</u>	<u>\$ 108,033</u>	<u>(15,495)</u>	<u>\$ (123,528)</u>
Fund balance, July 1, 2019			<u>65,273</u>	
Fund balance, June 30, 2020			<u>\$ 49,778</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CITIZEN POLICE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Charges for services	\$ 4	\$ 4	\$ -	\$ (4)
Use of money and property	115	115	341	226
Other revenues	<u>500</u>	<u>500</u>	<u>15,741</u>	<u>15,241</u>
Total revenues	<u>619</u>	<u>619</u>	<u>16,082</u>	<u>15,463</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>7,393</u>	<u>7,393</u>	<u>2,386</u>	<u>5,007</u>
Capital outlay	<u>8,500</u>	<u>8,500</u>	<u>8,624</u>	<u>(124)</u>
Total expenditures	<u>15,893</u>	<u>15,893</u>	<u>11,010</u>	<u>4,883</u>
Net change in fund balance	<u>\$ (15,274)</u>	<u>\$ (15,274)</u>	<u>5,072</u>	<u>\$ 20,346</u>
Fund balance, July 1, 2019			<u>6,350</u>	
Fund balance, June 30, 2020			<u>\$ 11,422</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ASSET SEIZURE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 40	\$ 40	\$ 79	\$ 39
Charges for Services	<u>300</u>	<u>300</u>	<u>-</u>	<u>(300)</u>
Total revenues	<u>340</u>	<u>340</u>	<u>79</u>	<u>(261)</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 340</u>	<u>\$ 340</u>	<u>79</u>	<u>\$ (261)</u>
Fund balance, July 1, 2019			<u>4,524</u>	
Fund balance, June 30, 2020			<u>\$ 4,603</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HIGHWAY SAFETY IMPROVEMENT FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ <u>534,000</u>	\$ <u>534,000</u>	\$ <u>665,473</u>	\$ <u>131,473</u>
Total revenues	<u>534,000</u>	<u>534,000</u>	<u>665,473</u>	<u>131,473</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>534,000</u>	<u>534,000</u>	<u>665,473</u>	<u>131,473</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(534,000)</u>	<u>(534,000)</u>	<u>(665,474)</u>	<u>(131,474)</u>
Total other financing sources (uses)	<u>(534,000)</u>	<u>(534,000)</u>	<u>(665,474)</u>	<u>(131,474)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>(1)</u>	\$ <u>(1)</u>
Fund balance, July 1, 2019			<u>-</u>	
Fund balance (deficit), June 30, 2020			\$ <u>(1)</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT SIGNALIZATION FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 1,000	\$ 1,000	\$ 775	\$ (225)
Use of money and property	<u>750</u>	<u>750</u>	<u>1,321</u>	<u>571</u>
Total revenues	<u>1,750</u>	<u>1,750</u>	<u>2,096</u>	<u>346</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>2,096</u>	<u>\$ 346</u>
Fund balance, July 1, 2019			<u>75,528</u>	
Fund balance, June 30, 2020			<u>\$ 77,624</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT PDFC FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 2,000	\$ 2,000	\$ 1,425	\$ (575)
Use of money and property	<u>170</u>	<u>170</u>	<u>389</u>	<u>219</u>
Total revenues	<u>2,170</u>	<u>2,170</u>	<u>1,814</u>	<u>(356)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>2,170</u>	\$ <u>2,170</u>	<u>1,814</u>	\$ <u>(356)</u>
Fund balance, July 1, 2019			<u>21,065</u>	
Fund balance, June 30, 2020			\$ <u><u>22,879</u></u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT FDFC FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 1,500	\$ 1,500	\$ 1,231	\$ (269)
Use of money and property	<u>310</u>	<u>310</u>	<u>592</u>	<u>282</u>
Total revenues	<u>1,810</u>	<u>1,810</u>	<u>1,823</u>	<u>13</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>1,810</u>	\$ <u>1,810</u>	<u>1,823</u>	\$ <u>13</u>
Fund balance, July 1, 2019			<u>32,962</u>	
Fund balance, June 30, 2020			\$ <u>34,785</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT ROAD FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 15,000	\$ 15,000	\$ 8,857	\$ (6,143)
Use of money and property	<u>6,000</u>	<u>6,000</u>	<u>11,367</u>	<u>5,367</u>
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>20,224</u>	<u>(776)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>20,224</u>	<u>\$ (776)</u>
Fund balance, July 1, 2019			<u>647,513</u>	
Fund balance, June 30, 2020			<u>\$ 667,737</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
NORTH VALLEY/BUTTE STRONG FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 6,700	\$ 6,700
Other Revenues	-	-	520,985	520,985
Total revenues	-	-	527,685	527,685
<u>EXPENDITURES</u>				
General government	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	527,685	527,685
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(146,105)	(146,105)
Total other financing sources (uses)	-	-	(146,105)	(146,105)
Net change in fund balance	\$ -	\$ -	381,580	\$ 381,580
Fund balance, July 1, 2019			-	
Fund balance, June 30, 2020			\$ 381,580	

* The Town did not adopt a budget for the North Valley/Butte Strong Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
LOCAL TRANSPORTATION FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 2,000	\$ 2,000	\$ 505	\$ (1,495)
Intergovernmental revenues	-	-	-	-
Other revenue	<u>1,800</u>	<u>1,800</u>	<u>2,732</u>	<u>932</u>
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,237</u>	<u>(563)</u>
<u>EXPENDITURES:</u>				
Current:				
Streets	<u>1,800</u>	<u>1,800</u>	<u>2,733</u>	<u>(933)</u>
Total expenditures	<u>1,800</u>	<u>1,800</u>	<u>2,733</u>	<u>(933)</u>
Excess of revenues over (under) expenditures	<u>2,000</u>	<u>2,000</u>	<u>504</u>	<u>(1,496)</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>504</u>	<u>\$ (1,496)</u>
Fund balance, July 1, 2019			<u>28,961</u>	
Fund balance, June 30, 2020			<u>\$ 29,465</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOUSING AUTHORITY FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Program income	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Use of money and property	<u>600</u>	<u>600</u>	<u>3,290</u>	<u>2,690</u>
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>3,290</u>	<u>(46,710)</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>3,290</u>	<u>(46,710)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	<u>7,834</u>	<u>7,834</u>	<u>3,917</u>	<u>(3,917)</u>
Total other financing sources (uses)	<u>7,834</u>	<u>7,834</u>	<u>3,917</u>	<u>-</u>
Net change in fund balance	<u>\$ 57,834</u>	<u>\$ 57,834</u>	<u>7,207</u>	<u>\$ (50,627)</u>
Fund balance, July 1, 2019			<u>96,435</u>	
Fund balance, June 30, 2020			<u>\$ 103,642</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ABANDONED VEHICLE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 1,200	\$ 1,200	\$ 2,092	\$ 892
Intergovernmental revenues	<u>14,000</u>	<u>14,000</u>	<u>1,892</u>	<u>(12,108)</u>
Total revenues	<u>15,200</u>	<u>15,200</u>	<u>3,984</u>	<u>(11,216)</u>
<u>EXPENDITURES:</u>				
Current:				
Community development	<u>1,264</u>	<u>1,264</u>	<u>1,557</u>	<u>(293)</u>
Total expenditures	<u>1,264</u>	<u>1,264</u>	<u>1,557</u>	<u>(293)</u>
Excess of revenues over (under) expenditures	<u>13,936</u>	<u>13,936</u>	<u>2,427</u>	<u>(11,509)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(15,610)</u>	<u>(5,610)</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(15,610)</u>	<u>(5,610)</u>
Net change in fund balance	<u>\$ 3,936</u>	<u>\$ 3,936</u>	<u>(13,183)</u>	<u>\$ 17,119</u>
Fund balance, July 1, 2019			<u>136,654</u>	
Fund balance, June 30, 2020			<u>\$ 123,471</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
95 IMPACT DRAINAGE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Licenses, permits, and impact fees	\$ 10,000	\$ 10,000	\$ 9,938	\$ (62)
Use of money and property	<u>6,800</u>	<u>6,800</u>	<u>12,947</u>	<u>6,147</u>
Total revenues	<u>16,800</u>	<u>16,800</u>	<u>22,885</u>	<u>6,085</u>
<u>EXPENDITURES:</u>				
Current:	-	-	-	-
Community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 16,800</u>	<u>\$ 16,800</u>	<u>22,885</u>	<u>\$ 6,085</u>
Fund balance, July 1, 2019			<u>737,667</u>	
Fund balance, June 30, 2020			<u>\$ 760,552</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL PLAN FEE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 4,000	\$ 4,000	\$ 16,481	\$ 12,481
Charges for services	<u>150,000</u>	<u>150,000</u>	<u>526,300</u>	<u>376,300</u>
Total revenues	<u>154,000</u>	<u>154,000</u>	<u>542,781</u>	<u>388,781</u>
<u>EXPENDITURES:</u>				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 154,000</u>	<u>\$ 154,000</u>	<u>542,781</u>	<u>\$ 388,781</u>
Fund balance, July 1, 2019			<u>424,965</u>	
Fund balance, June 30, 2020			<u>\$ 967,746</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRAFFIC SAFETY-DUI IMPOUND FEES FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 460	\$ 460	\$ 822	\$ 362
Charges for services	<u>2,000</u>	<u>2,000</u>	<u>4,500</u>	<u>2,500</u>
Total revenues	<u>2,460</u>	<u>2,460</u>	<u>5,322</u>	<u>2,862</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>-</u>	<u>-</u>	<u>12,805</u>	<u>(12,805)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>12,805</u>	<u>(12,805)</u>
Net change in fund balance	<u>\$ 2,460</u>	<u>\$ 2,460</u>	<u>(7,483)</u>	<u>\$ (9,943)</u>
Fund balance, July 1, 2019			<u>55,775</u>	
Fund balance, June 30, 2020			<u>\$ 48,292</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
AB109 STATE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 294	\$ _____ 294
Total revenues	_____ -	_____ -	_____ 294	_____ 294
<u>EXPENDITURES:</u>				
Public safety	_____ -	_____ -	_____ -	_____ -
Total expenditures	_____ -	_____ -	_____ -	_____ -
Excess of revenue over (under) expenditures	_____ -	_____ -	_____ 294	_____ 294
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	_____ (12,295)	_____ (12,295)	_____ 0	_____ 12,295
Total other financing sources (uses)	_____ (12,295)	_____ (12,295)	_____ 0	_____ 12,295
Net change in fund balance	\$ <u>_____ (12,295)</u>	\$ <u>_____ (12,295)</u>	_____ 294	\$ <u>_____ (12,589)</u>
Fund balance, July 1, 2019			_____ 16,997	
Fund balance, June 30, 2020			\$ <u>_____ 17,291</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CLARK ROAD SIGNAL FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ <u>55</u>	\$ <u>55</u>	\$ <u>107</u>	\$ <u>52</u>
Total revenues	<u>55</u>	<u>55</u>	<u>107</u>	<u>52</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u><u>55</u></u>	\$ <u><u>55</u></u>	<u>107</u>	\$ <u><u>52</u></u>
Fund balance, July 1, 2019			<u>6,193</u>	
Fund balance, June 30, 2020			\$ <u><u>6,300</u></u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TREE REPLACEMENT IN LIEU FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 2	\$ 2	\$ 4	\$ 2
Charges for services	-	-	-	-
Total revenues	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
<u>EXPENDITURES:</u>				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ 2</u>	<u>\$ 2</u>	<u>4</u>	<u>\$ 2</u>
Fund balance, July 1, 2019			<u>249</u>	
Fund balance, June 30, 2020			<u>\$ 253</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COVID-19 FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Other revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total revenues	_____ -	_____ -	_____ -	_____ -
<u>EXPENDITURES:</u>				
Public safety	-	-	13,012	(13,012)
Public works	-	-	17,547	(17,547)
Streets	-	-	71	(71)
Capital outlay	_____ -	_____ -	853	(853)
Total Expenditures	_____ -	_____ -	31,483	(31,483)
Excess of revenue over (under) expenditures	_____ -	_____ -	(31,483)	(31,483)
Net change in fund balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	(31,483)	\$ <u>(31,483)</u>
Fund balance (deficit), July 1, 2019			_____ -	
Fund balance (deficit), June 30, 2020			\$ <u>(31,483)</u>	

* The Town did not adopt a budget for the COVID-19 Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DISABILITY ACCESS AND EDUCATION FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 3	\$ 3	\$ 19	\$ 16
Charges for services	<u>100</u>	<u>100</u>	<u>728</u>	<u>628</u>
Total revenues	<u>103</u>	<u>103</u>	<u>747</u>	<u>644</u>
<u>EXPENDITURES:</u>				
General government	<u>10</u>	<u>10</u>	<u>33</u>	<u>(23)</u>
Total expenditures	<u>10</u>	<u>10</u>	<u>33</u>	<u>(23)</u>
Net change in fund balance	<u>\$ 93</u>	<u>\$ 93</u>	<u>714</u>	<u>\$ 621</u>
Fund balance, July 1, 2019			<u>388</u>	
Fund balance, June 30, 2020			<u>\$ 1,102</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FEMA REIMBURSEMENT FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ _____ -	\$ _____ -	\$ 200,800	\$ 200,800
Total revenues	_____ -	_____ -	200,800	200,800
Excess of revenue over (under) expenditures	_____ -	_____ -	200,800	200,800
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	_____ -	_____ -	(200,800)	(200,800)
Total other financing sources (uses)	_____ -	_____ -	(200,800)	(200,800)
Net change in Fund balance	\$ _____ -	\$ _____ -	_____ -	\$ _____ -
Fund balance (deficit), July 1, 2019			_____ -	
Fund balance (deficit), June 30, 2020			\$ _____ -	

* The Town did not adopt a budget for the FEMA Reimbursement Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SMIP FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 32	\$ 32	\$ 291	\$ 259
Licenses and permits	<u>4,000</u>	<u>4,000</u>	<u>1,789</u>	<u>(2,211)</u>
Total revenues	<u>4,032</u>	<u>4,032</u>	<u>2,080</u>	<u>(1,952)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 4,032</u>	<u>\$ 4,032</u>	<u>2,080</u>	<u>\$ (1,952)</u>
Fund balance, July 1, 2019			<u>2,474</u>	
Fund balance, June 30, 2020			<u>\$ 4,554</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE DEPARTMENT SEIZURES FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balance (deficit), July 1, 2019			<u>(1,302)</u>	
Fund balance (deficit), June 30, 2020			\$ <u><u>(1,302)</u></u>	

* The Town did not adopt a budget for the Police Department Seizures Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
USDA FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ _____ -	\$ _____ -	\$ 361,378	\$ 361,378
Total revenues	_____ -	_____ -	361,378	361,378
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	_____ -	_____ -	(361,378)	(361,378)
Total other financing sources (uses)	_____ -	_____ -	(361,378)	(361,378)
Net change in fund balance	\$ _____ -	\$ _____ -	_____ -	\$ _____ -
Fund balance (deficit), July 1, 2019			_____ -	
Fund balance (deficit), June 30, 2020			\$ _____ -	

* The Town did not adopt a budget for the USDA Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CANINE PROTECT FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 150	\$ 150	\$ 497	\$ 347
Other revenues	<u>5,000</u>	<u>5,000</u>	<u>83</u>	<u>(4,917)</u>
Total revenues	<u>5,150</u>	<u>5,150</u>	<u>580</u>	<u>(4,570)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>13,500</u>	<u>13,500</u>	<u>2,522</u>	<u>10,978</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>2,522</u>	<u>10,978</u>
Net change in fund balance	<u>\$ (8,350)</u>	<u>\$ (8,350)</u>	<u>(1,942)</u>	<u>\$ 6,408</u>
Fund balance, July 1, 2019			<u>31,136</u>	
Fund balance, June 30, 2020			<u>\$ 29,194</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FIRE FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 70	\$ 70	\$ 255	\$ 185
Other revenues	<u>1,000</u>	<u>1,000</u>	<u>702</u>	<u>(298)</u>
Total revenues	<u>70</u>	<u>70</u>	<u>957</u>	<u>887</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>70</u>	\$ <u>70</u>	<u>957</u>	\$ <u>887</u>
Fund balance, July 1, 2019			<u>14,016</u>	
Fund balance, June 30, 2020			\$ <u><u>14,973</u></u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ANIMAL CONTROL FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ 50	\$ 50	\$ 142	\$ 92
Other revenues	<u>6,000</u>	<u>6,000</u>	<u>5,826</u>	<u>(174)</u>
Total revenues	<u>6,050</u>	<u>6,050</u>	<u>5,968</u>	<u>(82)</u>
<u>EXPENDITURES:</u>				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>6,050</u>	<u>6,050</u>	<u>5,968</u>	<u>(82)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(24,474)</u>	<u>(38,952)</u>	<u>-</u>	<u>38,952</u>
Total other financing sources (uses)	<u>(24,474)</u>	<u>(38,952)</u>	<u>-</u>	<u>38,952</u>
Net change in fund balance	<u><u>\$ (18,424)</u></u>	<u><u>\$ (32,902)</u></u>	<u>5,968</u>	<u><u>\$ 38,870</u></u>
Fund balance, July 1, 2019			<u>20,394</u>	
Fund balance (deficit), June 30, 2020			<u><u>\$ 26,362</u></u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of Money and Property	\$ 120	\$ 120	\$ 229	\$ 109
Other revenues	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total revenues	<u>220</u>	<u>220</u>	<u>329</u>	<u>109</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 220</u>	<u>\$ 220</u>	<u>329</u>	<u>\$ 109</u>
Fund balance, July 1, 2019			<u>13,120</u>	
Fund balance, June 30, 2020			<u>\$ 13,449</u>	

* The Town did not adopt a budget for the Police Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
MEMORIAL TRAILWAY
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ <u>30</u>	\$ <u>30</u>	\$ <u>59</u>	\$ <u>29</u>
Total revenues	<u>30</u>	<u>30</u>	<u>59</u>	<u>29</u>
<u>EXPENDITURES:</u>				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u><u>30</u></u>	\$ <u><u>30</u></u>	<u>59</u>	\$ <u><u>29</u></u>
Fund balance, July 1, 2019			<u>3,428</u>	
Fund balance, June 30, 2020			\$ <u><u>3,487</u></u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRANSPORTATION CAPITAL PROJECTS FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 10,395	\$ _____ 10,395
Total revenues	_____ -	_____ -	_____ 10,395	_____ 10,395
<u>EXPENDITURES:</u>				
Public works	\$ _____ 14,302	\$ _____ 16,560	\$ _____ 15,079	\$ _____ 1,481
Streets	_____ 4,144	_____ 5,119	_____ 4,717	_____ 402
Total expenditures	_____ 18,446	_____ 21,679	_____ 19,796	_____ 1,883
Excess of revenue over (under) expenditures	_____ (18,446)	_____ (21,679)	_____ (9,401)	_____ 12,278
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	_____ (35,686)	_____ (35,642)	_____ (37,352)	_____ (1,710)
Total other financing sources (uses)	_____ (35,686)	_____ (35,642)	_____ (37,352)	_____ (1,710)
Net change in fund balance	\$ <u>_____ (54,132)</u>	\$ <u>_____ (57,321)</u>	_____ (46,753)	\$ <u>_____ 10,568</u>
Fund balance, July 1, 2019			_____ 656,978	
Fund balance, June 30, 2020			\$ <u>_____ 610,225</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FED CMAQ CONGESTION MGMT AIR QUALITY FUND
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ -	\$ 23,729	\$ 23,729
Total revenues	-	-	23,729	23,729
<u>EXPENDITURES:</u>				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenue over (under) expenditures	-	-	23,729	23,729
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	-	-	(23,729)	(23,729)
Total other financing sources (uses)	-	-	(23,729)	(23,729)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, July 1, 2019			-	
Fund balance, June 30, 2020			\$ -	

* The Town did not adopt a budget for the FED CMAQ Congestion Mgmt Air Quality Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ONE TIME MISCELLANEOUS GRANTS
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 10,509	\$ 10,509
Other revenues	-	-	211,000	211,000
Intergovernmental revenues	-	-	820,761	820,761
Total revenues	-	-	1,042,270	1,042,270
<u>EXPENDITURES:</u>				
General government	\$ -	\$ -	\$ 1,710	\$ (1,710)
Community development	-	-	20,761	(20,761)
Total expenditures	-	-	22,471	(22,471)
Excess of revenue over (under) expenditures	-	-	1,019,799	1,019,799
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	(860,000)	(860,000)	(389,175)	470,825
Total other financing sources (uses)	(860,000)	(860,000)	(389,175)	470,825
Net change in Fund balance	<u>\$ (860,000)</u>	<u>\$ (860,000)</u>	<u>630,624</u>	<u>\$ 1,490,624</u>
Fund balance, July 1, 2019			1,710	
Fund balance, June 30, 2020			<u>\$ 632,334</u>	

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DISASTER RECOVERY PROJECTS FUND
JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 5,056	\$ 5,056
Intergovernmental	-	-	300,000	300,000
Total revenues	-	-	305,056	305,056
<u>EXPENDITURES:</u>				
Public works	-	-	32	(32)
Capital outlay	-	-	277,718	(277,718)
Total Expenditures	-	-	277,750	(277,750)
Excess of revenue over (under) expenditures	-	-	27,306	27,306
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	-	-	277,468	277,468
Total other financing sources (uses)	-	-	277,468	277,468
Net change in fund balance	\$ -	\$ -	304,774	\$ 304,774
Fund balance, July 1, 2019			-	
Fund balance, June 30, 2020			\$ 304,774	

* The Town did not adopt a budget for the Disaster Recovery Projects Fund for the year ended June 30, 2020.

TOWN OF PARADISE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL MISCELLANEOUS DONATIONS
JUNE 30, 2020

	<u>Original Budget*</u>	<u>Final Budget*</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Use of money and property	\$ -	\$ -	\$ 5,185	\$ 5,185
Other revenues	-	-	200	200
Total revenues	-	-	5,385	5,385
<u>EXPENDITURES:</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenue over (under) expenditures	-	-	5,385	5,385
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	-	-	(173,073)	(173,073)
Total other financing sources (uses)	-	-	(173,073)	(173,073)
Net change in fund balance	\$ -	\$ -	(167,688)	\$ (167,688)
Fund balance, July 1, 2019			465,527	
Fund balance, June 30, 2020			\$ 297,839	

* The Town did not adopt a budget for the General Miscellaneous Donations Fund for the year ended June 30, 2020.

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 7	\$ 206,740	\$ -	\$ 206,747
Restricted cash and investments with fiscal agents	-	420,842	-	420,842
Accounts receivable	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total assets	<u>7</u>	<u>627,585</u>	<u>-</u>	<u>627,592</u>
<u>LIABILITIES</u>				
Accrued payroll payable	-	138	-	138
Interest payable	-	22,211	-	22,211
Due to other funds	-	8,366	-	8,366
Long-term liabilities, due within one year	-	110,000	-	110,000
Long-term liabilities, due in more than one year	<u>-</u>	<u>6,745,519</u>	<u>-</u>	<u>6,745,519</u>
Total liabilities	<u>-</u>	<u>6,886,234</u>	<u>-</u>	<u>6,886,234</u>
<u>NET POSITION</u>				
Unrestricted	<u>7</u>	<u>(6,258,649)</u>	<u>-</u>	<u>(6,258,642)</u>
Total net position (deficit)	<u>\$ 7</u>	<u>\$ (6,258,649)</u>	<u>\$ -</u>	<u>\$ (6,258,642)</u>

TOWN OF PARADISE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Trust</u>	<u>Successor RDA Fund</u>	<u>RDA Debt Service Obligation Retirement Fund</u>	<u>Totals</u>
<u>ADDITIONS</u>				
Taxes and assessments	\$ -	\$ -	\$ 443,264	\$ 443,264
Investment revenue	-	5,126	-	5,126
Intergovernmental revenue	-	443,264	-	443,264
	<u>-</u>	<u>443,264</u>	<u>-</u>	<u>443,264</u>
Total additions	<u>-</u>	<u>448,390</u>	<u>443,264</u>	<u>891,654</u>
<u>DEDUCTIONS</u>				
Administrative expenses	-	7,952	-	7,952
Interest expense	-	314,556	-	314,556
Intergovernmental expenses	-	12,900	443,264	456,164
	<u>-</u>	<u>335,408</u>	<u>443,264</u>	<u>778,672</u>
Total deductions	<u>-</u>	<u>335,408</u>	<u>443,264</u>	<u>778,672</u>
Change in Net position	-	112,982	-	112,982
Net position (deficit) - July 1, 2019	7	(6,461,631)	-	(6,461,624)
Prior period adjustment (Note 15)	-	90,000	-	90,000
Net position (deficit) - July 1, 2019, restated	7	(6,371,631)	-	(6,371,624)
Net position (deficit) - June 30, 2020	<u>\$ 7</u>	<u>\$ (6,258,649)</u>	<u>\$ -</u>	<u>\$ (6,258,642)</u>

TOWN OF PARADISE
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020

	<u>Employee Bank Fund</u>	<u>Police Department Found Money Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 634	\$ 5,145	\$ 5,779
Accounts receivable (Note 16)	-	-	5,145
Interest receivable	<u>2</u>	<u>-</u>	<u>2</u>
Total assets	<u>\$ 636</u>	<u>\$ 5,145</u>	<u>\$ 10,926</u>
<u>LIABILITIES</u>			
Due to others	<u>\$ 636</u>	<u>\$ 5,145</u>	<u>\$ 10,926</u>
Total liabilities	<u><u>\$ 636</u></u>	<u><u>\$ 5,145</u></u>	<u><u>\$ 10,926</u></u>

TOWN OF PARADISE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
EMPLOYEE BANK FUND				
ASSETS				
Cash and investments	\$ 563	\$ 71	\$ -	\$ 634
Interest receivable	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total assets	<u>\$ 565</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 636</u>
LIABILITIES				
Due to others	<u>\$ 565</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 636</u>
Total liabilities	<u>\$ 565</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 636</u>
POLICE DEPARTMENT FOUND				
MONEY FUND				
ASSETS				
Cash and investments	<u>\$ 5,041</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,145</u>
Total assets	<u>\$ 5,041</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,145</u>
LIABILITIES				
Due to others	<u>\$ 5,041</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,145</u>
Total liabilities	<u>\$ 5,041</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,145</u>

**TOWN OF PARADISE
SINGLE AUDIT AND RELATED REPORTS
FOR THE YEAR ENDED
JUNE 30, 2020**

**Mann, Urrutia, Nelson CPAs & Associates, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833**

**TOWN OF PARADISE
SINGLE AUDIT AND RELATED REPORTS
FOR THE YEAR ENDED JUNE 30, 2020**

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

To the Town Council of
the Town of Paradise
Paradise, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Paradise's basic financial statements, and have issued our report thereon dated April 29, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mann, Urrutia, Nelson CPAs

Sacramento, California
April 29, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Town Council of
the Town of Paradise
Paradise, California

Report on Compliance for Each Major Federal Program

We have audited the Town of Paradise's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Paradise's major federal programs for the year ended June 30, 2020. Town of Paradise's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Paradise's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Paradise's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Paradise's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Paradise, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Town of Paradise is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Paradise's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Paradise's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Paradise's basic financial statements. We issued our report thereon dated April 29, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mann, Ursutis, Nelson CPAs

Sacramento, California
April 29, 2021

**TOWN OF PARADISE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program	Federal CFDA Number	Pass-Through Entity Identifying Number/Grant Number	Federal Expenditures
<i>CDBG - Entitlement Grants Cluster-Cluster</i>			
Department of Housing and Urban Development			
Pass-Through State of California Department of Housing and Community Development:			
Community Development Block Grants/Entitlement Grants			
Community Development Block Grant	14.218	B-15-MC-06-051	\$ 8,504
Community Development Block Grant	14.218	B-16-MC-06-051	3
Community Development Block Grant	14.218	B-17-MC-06-051	64,112
Community Development Block Grant	14.218	B-19-MC-06-051	<u>26,976</u>
Total CDBG Entitlement Grants			<u>99,595</u>
<i>Total Department of Housing and Urban Development</i>			<u>99,595</u>
<i>Total CDBG - Entitlement Grants Cluster-Cluster</i>			99,595
<i>Highway Planning and Construction Cluster-Cluster</i>			
Department of Transportation			
Highway Planning and Construction			
Congestion Mitigation & Air Quality Improvement Program	20.205		10,591
HSIP Skyway at Black Olive Signal	20.205		660,554
Systemic Intersection Safety Improvements	20.205		4,920
Pentz Pathway Phase 2	20.205		3,459
Oliver Curve Pathway project	20.205		7,335
Building Resource Center Grant	20.205		104,618
Type 3 Fire Engine	20.205		256,760
Skyway Neal Bike-Ped Project	20.205		<u>2,344</u>
Total Highway Planning and Construction			<u>1,050,581</u>
<i>Total Department of Transportation</i>			<u>1,050,581</u>
<i>Total Highway Planning and Construction Cluster-Cluster</i>			1,050,581
<i>Other Programs</i>			
Department of Housing and Urban Development			
Home Investment Partnerships Program:			
HOME Investment Partnership Program	14.239	Outstanding Loans	7,102,863
HOME Investment Partnership Program	14.239	New Loans	72,701
HOME Investment Partnership Program	14.239	Interest Income	<u>64,899</u>
<i>Total HOME Investment Partnership Program</i>			<u>7,240,463</u>
Total U.S. Department of Housing and Urban Development			7,240,463
U.S. Department of Homeland Security			
Pass-Through State of California Governor's Office of Emergency Services:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4407-DR-CA	1,644,447
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	SAFER Grant EMW- 2018-FH-000431	200,800
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EMW-2017-FP- 00457	<u>20,761</u>
Total U.S. Department of Homeland Security			<u>1,866,008</u>
<i>Total Other Programs</i>			<u>9,106,471</u>
Total Expenditures of Federal Awards			<u>\$ 10,256,647</u>

**TOWN OF PARADISE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Paradise. The Town of Paradise reporting entity is defined in Note 1 of the Town's Financial Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the Town's basic financial statements. Federal award revenues are reported principally in the Town's financial statements as intergovernmental revenues in the governmental funds.

NOTE 4: CLAIMS

The Town of Paradise has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

NOTE 5: INDIRECT COSTS

The Town of Paradise did not use the 10% de minimis indirect cost rate. Indirect Costs were determined as part of the respective Grant's approved budget.

TOWN OF PARADISE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6: LOANS OUTSTANDING WITH CONTINUING COMPLIANCE REQUIREMENTS

The Town participates in certain federal award programs that sponsor revolving loan programs, which are administered by the Town. These programs require servicing arrangements with the Town. The funds are returned to the programs upon repayment of the principal and interest. In accordance with the Uniform Guidance, the Town has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2020, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate federally funded loans outstanding at June 30, 2020:

Federal CFDA Number	Program Title	Amount Outstanding	
		June 30, 2019	June 30, 2020
14.239	HOME Investment Partnership Program		
	Beginning Balance	\$ 10,182,580	\$ 7,712,079
	Plus: New Loans	211,610	72,701
	Plus: Accrued Interest	204,125	64,899
	Less: Payments	(1,496,319)	(573,163)
	Less: Interest Forgiveness	(1,389,917)	(36,053)
	Ending Balance	<u>\$ 7,712,079</u>	<u>\$ 7,240,463</u>

**TOWN OF PARADISE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Identification of Major Programs: U.S. Department of Housing and Urban Development, HOME Investment Partnership Program, CFDA 14.239	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted <i>Government Auditing Standards</i>	No
--	----

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs for Federal Awards, which includes audit findings and defined in section 200.516 of the Uniform Guidance	No
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**TOWN OF PARADISE
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2020**

There were no findings to report for the year ended June 30, 2019.



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 6(c)

ORIGINATED BY: Ross Gilb, Administrative Services
Director/Town Treasurer

REVIEWED BY: Kevin Phillips, Town Manager

SUBJECT: Annual Review of Town of Paradise Investment Policy

COUNCIL ACTION REQUESTED:

Consider reviewing and approving Town of Paradise – 140 Investment Policy. (ROLL CALL VOTE)

Background:

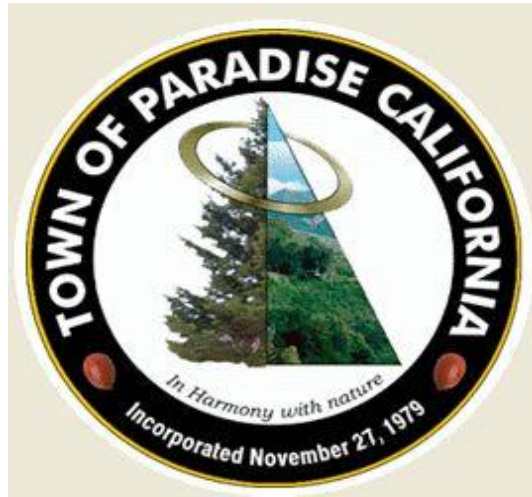
Staff is submitting an Investment Policy for Town Council's review and approval.

The investment policy was last approved by Town Council on August 8, 2017. Per the Policy, and California Government Code Section 53646, the Investment Policy is to be reviewed by the Treasurer and submitted to Town Council for consideration annually.

At this time, no changes are recommended to be made relating to the previously approved Investment Policy as the laws governing the local agency investment of the funds have had only minor statutory changes, which do not affect the terms of the Policy.

All current reserve investments adhere to this policy and will continue to be monitored closely to ensure ongoing compliance.

Town of Paradise



140 Investment Policy

**Approved by Town Council
May 11, 2021**

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II. PURPOSE

This investment policy is intended to provide guidelines for the prudent investment of the temporary idle cash of the Town of Paradise and to outline the policies for maximizing the efficiency of the Town's cash management system. The ultimate goal is to enhance the financial status of the Town of Paradise, while protecting its pooled cash.

III. SCOPE

The Town of Paradise cash management system is designed to accurately monitor and forecast revenues and expenditures, thus enabling the Town of Paradise to invest funds to the fullest extent possible. The Town of Paradise will attempt to obtain the highest yield obtainable, as long as investments meet the criteria established for safety and liquidity.

The Town of Paradise operates its pooled cash investments under the "Prudent Investor" standard pursuant to California Government Code Section 53600.3, and within the specific terms governing investments for municipal governments as set forth in California Government Code Sections 53600 through 53659.

The Town of Paradise shall strive to maintain the level of investment of all idle funds as near 100% as possible, through projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the Town Treasurer, and the Town of Paradise Investment Committee.

IV. OBJECTIVES

Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. All "allowable investments" are of a very high quality and would be considered extremely safe and conservative.

B. Liquidity

An adequate percentage of the portfolio will be maintained in liquid short term securities that can be converted to cash as necessary to meet disbursement requirements. The liquidity percentage will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary and resale markets.

C. Yield

Within the constraints of safety and liquidity, the highest and best return will be sought. The investment portfolio will be designed to attain a market average rate of return, taking into account the Town's risk constraints, the cash flow characteristics of the portfolio, and state law.

D. Maturity

The maturity of each investment shall not exceed a period of five years. Maturities shall be selected to anticipate cash needs, thus avoiding forced liquidations.

E. Diversification

The portfolio will be diversified to avoid incurring unreasonable and unavoidable risks regarding specific security types or individual financial institutions.

F. Prudence

Person(s) authorized to make investment decisions on behalf of local agencies are trustees and therefore, fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

G. Public Trust

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

H. Non-Discriminatory

The Town of Paradise shall not knowingly make or allow investments in any institution, company, corporation, subsidiary or affiliate that practices or supports, directly or indirectly through its actions, discrimination on the basis of race, religion, creed, national or ethnic origin, age, sex, sexual preference or physical disability.

V. AUTHORITY TO INVEST

California Government Code Section 53600 et seq. provides legal authorization for investment of funds of local agencies. All investments of the Town of Paradise shall conform to the provisions of those laws.

VI. REPORTING REQUIREMENTS

A. Annually

In accordance with the California Government Code Section 53646, the Town Treasurer will annually submit to the Town Council and the Investment Committee

(consisting of the Town Manager, Finance Director/Town Treasurer, and one member of Town Council,) a statement of investment policy which the Town Council shall consider at a public meeting. The policy shall be reviewed on an annual basis by the Treasurer and the Investment Committee. Any investment held at the time this Investment Policy is adopted that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, however, such monies shall be reinvested only as provided by this policy.

B. Quarterly

Pursuant to California Government Code Sections 53607 and 53646, the Town Treasurer shall submit a quarterly report (the "Report") detailing the performance of the investment portfolio to the Town Council and the Investment Committee. The Report will be submitted to the Town Council within 30 days following the end of the quarter. The Report will contain the following:

1. Type of investment
2. Issuer
3. Date of maturity
4. The par value
5. The cost of all funds invested subject to this policy
6. The current market value of securities with the source of the market valuation for all securities held by the Town, and under management of any outside party that is not also a local agency, or the State of California Local Agency Investment Fund (LAIF)
7. Rate of interest
8. A statement of compliance with the investment policy
9. Accrued interest
10. Interest earned to date
11. Average weighted book yield
12. Average term to maturity
13. Transactions
14. Percentage distribution of investment types
15. Modified duration
16. Total rate of return

VII. INTERNAL CONTROLS

The Town Treasurer, in cooperation with the Investment Committee, shall develop a system of internal investment control procedures and a segregation of responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. Internal control procedures shall address wire controls, separation of duties, delivery of securities to a third party for custodial safekeeping, and written procedures for placing investment transactions.

VIII. EXTERNAL CONTROLS

The Town's external auditor will review and verify the Town's investment activity, holdings and compliance with this Investment Policy on an annual basis, and submit a report to the Town Council relating thereto. The external auditor shall maintain errors and omissions insurance coverage.

IX. QUALIFIED DEALERS AND INSTITUTIONS

The Town shall transact business only with banks, savings and loans, and registered investment securities dealers. The purchase of any investment, other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Corporation Code Section 25004, or from a member of a federally regulated securities exchange, from a national or state chartered bank, from a savings association or federal association (as defined by Financial Code Section 5102), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The Town Treasurer and the Investment Committee shall investigate all institutions that wish to do business with the Town, in order to determine if they are adequately capitalized, make markets in securities appropriate to the Town's needs, and agree to abide by the conditions set forth in this Investment Policy. All financial institutions and broker-dealers who desire to become qualified bidders for investment transactions must provide a current audited financial statement, sign a statement that they have received a copy of this Investment Policy and will abide by its conditions, and document that they are properly regulated as indicated above.

X. COLLATERAL REQUIREMENTS

California Government Code, Sections 53652 through 53667 requires depositories to post certain types and levels of collateral for public funds above the Federal Deposit Insurance Corporation ("FDIC") insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable time certificates of deposit).

Collateral is also required for repurchase agreements. The collateral level shall be valued daily and must be maintained at a level of 102% for the life of the repurchase agreement.

XI. AUTHORIZED INVESTMENTS AND DIVERSIFICATION

Securities purchased will be maintained within the statutory requirements imposed by California Government Code Section 53601. The Government Code currently allows for the following:

	Maximum % of Portfolio	Minimum Quality	Maximum Maturity
A. Asset Backed Securities	20%	Rated "AA" or better by NRSRO	5 Years
B. Bankers Acceptances	40% (30% of any one bank)	N/A	180 Days
C. Collateralized Bank Deposits	Unlimited	N/A	5 Years
D. Commercial Paper	25% (10% of single issuer)	Highest ranking of NRSRO	270 Days
E. Local Agency Investment Fund	Unlimited	Assets exceed \$500 million	5 Years
F. Medium Term Notes	30%	Rated "A" or better by NRSRO	5 Years
G. Mutual Funds	20% (10% of any one fund)	Highest rating by two NRSRO	5 Years
H. Certificates of Deposit	30%	N/A	5 Years
I. Repurchase Agreements	20%	Primary dealers	1 Year
J. Subnationals: IBRD, IFC, IADB	30%	Rated "AA" or better by NRSRO	5 Years
K. Treasury Bills and Notes	Unlimited	N/A	5 Years
L. US Government, State(s) and Agency Securities	Unlimited	N/A	5 Years

If the California Government Code adopts more restrictive investment restrictions, then those restrictions will have precedence over those listed above.

Funds deposited with a trustee for the purpose of debt reserve or future payment of indebtedness may be invested in accordance with the covenant of the trust agreement.

Investments shall be purchased according to the minimum credit standards listed above. In the event of a downgrade in credit after the date of purchase, the Town Treasurer shall advise the Investment Committee and will make a recommendation as to the disposition of the security.

XII. PROHIBITED INVESTMENTS

The following investments are prohibited under this Investment Policy:

- A. Investments not specifically stated under "authorized investments".
- B. The Town will not invest in inverse floaters, range notes, or mortgage derived, interest-only strips.
- C. The Town will not invest in any security that could result in zero interest accrual if held to maturity.

XIII. SAFEKEEPING AND CUSTODY

Securities purchased from broker/dealer will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans. Collateral for time deposits shall be held in accordance with California law.

XIV. DELEGATION OF AUTHORITY

The Town Treasurer is authorized to invest the Town's idle funds in accordance with California Government Code Sections 53600 et seq., 16429.1 and 53684. In the absence of the Town Treasurer the investment of the funds will be delegated to the Town Manager. Investments made by the Town Manager will be restricted to the State managed California Local Agency Investment Fund ("LAIF") or to securities maturing within six months. Prior to investing in securities, the Town Manager will consider the cash flow requirements of the Town and may invest in securities maturing over six months if directed by the Treasurer in writing or verbally, if confirmed in writing within 30 days.

XV. ETHICS AND CONFLICTS OF INTEREST

The Town Treasurer and other officers, officials, and/or employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. The Treasurer, other officers, officials and/or employees involved in the investment process shall disclose to the Town Council any material interest in financial institutions with which they conduct business. They shall further disclose to the Town Council any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity. The Treasurer, other officers, officials, and/or investment employees are required to file annual disclosure statements as required by the Fair Political Practices Commission ("FPPC"). During the course of the year, if there is an event subject to disclosure that could impair impartial decisions, the Town Council will be notified in writing within ten (10) days of the event.

State of California**GOVERNMENT CODE****Section 53601**

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned,

controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, that have less than one hundred million dollars (\$100,000,000) of investment assets under management, may invest no more than 25 percent of their moneys in eligible commercial paper. Local

agencies, other than counties or a city and county, that have one hundred million dollars (\$100,000,000) or more of investment assets under management may invest no more than 40 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency’s activities.

(iii) Acceptance of a local agency’s securities or funds as deposits.

(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool

by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2020, Ch. 235, Sec. 2. (SB 998) Effective January 1, 2021. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 3 of Stats. 2020, Ch. 235.)



Town of Paradise
Council Agenda Summary

Agenda Item: 6(d)

Date: May 11, 2021

ORIGINATED BY: Katie Simmons, Disaster Recovery Director
REVIEWED BY: Kevin Phillips, Town Manager
SUBJECT: Award Reseeding Contract for Design & Scoping
LONG TERM RECOVERY PLAN: Next step in recovery after Hazardous Tree Removal

COUNCIL ACTION REQUESTED:

1. Consider awarding the contract for Reseeding Design & Scoping Plan to River Partners and authorizing the Town Manager to sign the agreement upon approval of the Town Attorney. (ROLL CALL VOTE)

Background:

On November 12, 2019, the Town Council of the Town of Paradise adopted Resolution No. 19-36 in which it approved the Butte County Local Hazard Mitigation Plan ("Mitigation Plan"). The Mitigation Plan included a reseeded program for the purpose of restoring groundcover with native species following the removal of dead and dying trees from the Camp Fire burn scar.

On November 12, 2020, Federal Emergency Management Agency ("FEMA") approved a grant for \$53,571 relating to advance assistance to the Town for planning and scoping areas for reseeded, erosion control and controlling the growth of noxious weeds throughout the Town.

Analysis:

On February 10, 2021, following approval from Town Council to accept the Hazard Mitigation grant award for advance assistance, the Town issued an RFP to seek the interest of firms in planning and scoping areas throughout the Town – particularly publicly-owned properties and ROW – for reseeded, erosion control, and the mitigation of noxious weeds.

The RFP scoped out the project as such:

- Develop planning team with Town and community.
- Perform an assessment of the reseeded areas and methods (methods for dispersal and seed mix).
- Program scoping.

- Scope the areas for reseeding and performing a site-specific assessment across the Town properties and rights of way.
- Assist the Town to prioritize critical areas to be reseeded throughout the Town.
- Establish general reseeding recommendations for homeowners which includes recommended species for the various defensible space zones.

Bids were due on March 11, 2021, and three firms submitted proposals:

1. SWA
2. Helix
3. River Partners

The Town assembled a team of Town staff and community members with expertise in reforestation and vegetation management to review the bids. This group, an advisory recommendation committee, consisted of:

1. Katie Simmons, Town of Paradise
2. Dan Efseaff, Paradise Recreation & Parks District
3. Calli-Jane DeAnda, Butte Fire Safe Council
4. Steven Fehrer, Butte Fire Safe Council
5. Melanie Norris, Town of Paradise

The advisory recommendation committee met to review the bids following the RFP closing date. The committee discussed the differing merits of the three proposals: the variety of approaches, the abilities to develop public outreach, the variety of expertise on the respondent teams, the estimated pricing, and the proposed end products. The committee agreed that with only three respondents it made sense to interview each.

Virtual interviews were established for all three firms. Various members of the committee were able to attend and/or provide feedback on the questions asked and the responses given.

While all three firms delivered unique approaches to the project, River Partners displayed a keen ability to plug into the Town and local partnerships in a way that outshone the others. With a pre-existing partnership with the Geographic Information Center (GIC) at Chico State, River Partners understands their ability to develop and leverage local and existing data which will be necessary to map and track Town properties for reseeding. The Town has an ongoing agreement with the GIC to map various data sets so there is built-in synergy.

River Partners understands public funding for projects and has experience with grants. They understand the mutable environment in Paradise and are attuned to the changing nature of the Town's ecology as post-fire conditions have set in: hazardous tree removal, higher than anticipated tree mortality rate, drought, noxious weed growth, and weed mitigation efforts. Their proposed plan focuses on vegetation succession rather than just reseeding, as well as the necessity of property owner education as an outcome to the project.

While their proposed rate was higher than the others, they assured the committee their price

was negotiable and will be lowered by the confirmation of existing data and information. Town staff aim to bring the final contract to within the budget provided by the advance assistance award.

Given the environmental and funding variables at play, the Town will communicate that an adaptive management approach is desired to ensure whatever plan is developed can be implemented in phases over time depending upon the ability of funding.

Financial Impact:

The total eligible projects costs are \$53,571.00. FEMA has obligated \$40,178.25 for up to 75% federal share reimbursement of eligible project costs as requested. The subgrantee share is \$13,392.75. The Town may pursue DR funding for the subgrantee share if the project is eligible.



RIVER
PARTNERS

*We **give new life** to river landscapes so that we **empower** people with **proven solutions** for **resilient** natural resources and communities.*

Paradise – Reseeding Plan Advanced Assistance

Bid Number 20-01.06

River Partners' mission statement is to restore habitat for the benefit of people and the environment.

Cover Letter

FEIN: 52-0812977

Julie Rentner, President
580 Vallombrosa Ave.
Chico, CA 95926
(209) 639-2012
jrentner@riverpartners.org

March 11, 2021

Natasha Beehner
nbeehner@townofparadise.com
5555 Skyway
Paradise, CA 95969

Dear Ms. Beehner:

River Partners is grateful for the opportunity to respond to your request for proposals for the Paradise Reseeding Plan Advanced Assistance. We are confident we can add value to your efforts to recover from the destruction of the Camp Fire by putting together a planning team and leading the development of a reseeding scoping assessment report. We want you to know that River Partners is excited to work with the Town of Paradise in future endeavors to restore and enhance our communities.

Over the last 22 years, River Partners has restored 15,000 acres along 75 miles of river resulting in the return of eight threatened and endangered species. River Partners' combination of farming practices (planting, cultivating, irrigating) with scientific habitat planning has been a unique contribution to restoration work in California, enabling the large-scale installation of restoration projects at low cost. Our project sites span the Central Valley and positively impact the Sacramento, San Joaquin, Merced, Tuolumne, Mokelumne, Feather, and Stanislaus river watersheds.

River Partners has forged successful partnerships with over 45 public agencies, local governments, irrigation districts and nonprofit organizations. Our home office is in Chico, so we are familiar with the myriad issues facing Butte County and we have relationships with many of the entities working to recover from the Camp Fire. Although we have an immense amount of in-house expertise, we know that every restoration project is better as a collaboration between partners and community members, and one of our biggest strengths is forging strong restoration partnerships.

If you need any additional information as you consider your options, please let me know. We are excited to share our passion for restoration with the Town of Paradise, and we look forward to the opportunity to work with you. This bid and proposal are valid for 90 days after receipt.

Thank you for your time and consideration,



Julie Rentner, President

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Consultant Firm Capabilities and Organization

River Partners has 22 years of experience in program management and facilitation of environmental restoration projects across California. We got our start working on the Sacramento River, and our original name was “Sacramento River Partners.” Since then, we have expanded to work in several watersheds across the state in a wide variety of environments. Our Board of Directors is primarily comprised of Sacramento Valley farmers, businessmen, and conservationists who are committed to ensuring that River Partners continues its work in the Sacramento Valley until all native species populations are off the endangered species list. River Partners has a culture of learning by doing, and a partnership between River Partners and the Town of Paradise would allow both our organizations to advance the science of restoration while we implement and improve on the art of restoration.

River Partners has extensive experience in the public sector and has collaborated with every state and federal agency responsible for environmental management in the Sacramento Valley. We have completed thousands of acres of restoration projects, many of which are on publicly owned land.

River Partners understands the value of engaging stakeholders in the process of project planning and development, and we have a long history of bringing a broad variety of stakeholders to the table to develop consensus around complicated natural resource issues. Our long-standing philosophy of restoring wildlife habitat always comes with careful consideration of the human impact of our work. Protecting water rights and water supply is always a top priority, as is communication with the public, support for environmental advocacy, safety, and public education.

Fiscal responsibility is important to us, and we voluntarily undergo third-party audits every fiscal year. We take pride in always scoring high on these audits.

Our applicable resources, experience, and capabilities include:

- Two decades of experience designing, permitting, and implementing projects
- Demonstrated experience acquiring, holding, and managing real estate for long-term restoration projects
- Successful partnerships with over 45 public agencies, local governments, irrigation districts and nonprofit organizations
- Successful acquisition of more than \$145 million in state and federal grant awards over our 22-year history
- Project management through every phase of restoration, from project planning and design to implementation
- A strong financial management system and a team of qualified administrators who understand the complex needs of large-scale grants and contracts and fiscal accountability
- Experience working with a variety of funders, from private to public
- A staff with diverse backgrounds in biology, ecology, flood management, hydrology, soil science, forestry, agriculture, and business.
- Broad experience working with restoration working groups and planning sessions
- A long history of successful science partnerships
- Experience soliciting community engagement in the restoration planning process

Some of the specific skills and specialties River Partners provides are included below.

Baseline condition assessment

River Partners' biology staff has developed strong expertise in rapid site assessment. We utilize our skills observing a site's potential for restoration, its context within the floodway and water delivery systems, and notable biological, cultural, and permitting constraints. Our staff is reliably versed in current literature regarding sensitive species distributions, habitat needs of target wildlife species, and ecological tolerances of riparian and wetland plants. We navigate more subtle factors as well, such as regional and local water management issues, the current rhythm of the permitting world, and regional and local conservation programs which may interact with a specific project or site.

Cost estimating

As a contractor, River Partners is constantly reviewing requests for proposals for riparian and associated upland habitat restoration projects throughout California. From inappropriate species selections to overwhelmingly dense planting patterns that prohibit effective maintenance, many current offerings from consulting firms have generally resulted in exceedingly large budgets for small projects, and impossible goals for vegetative communities and species recovery.

River Partners closes the troublesome gap in restoration designs that have not benefited from real-world implementation experiences such as ours. Our management staff brings a history of project design informed by years of adaptive management and close monitoring of project success, exposure that is unrivaled in the consulting world today. We have a strong financial management system and a team of qualified administrators who understand the complex needs of large-scale grants and contracts and fiscal accountability, including prevailing wage compliance. We use this real-world experience to develop large-scale multi-year budgets and budget amendments.

Design considerations

Our implementation staff can quickly report on the feasibility of potential project components, as well as the relative cost of various methods. For example, to deliver drip irrigation to over 300 acres of native trees and shrubs, project design must allow for the spatial arrangement of the plantings, as well as the irrigation main lines and access paths for weed control equipment. No other firm provides the breadth of knowledge that our implementation team shares with our project management staff, because no other firm has the track record we have in effective large-scale habitat restoration.

River Partners' ability to recognize challenges in initial site assessments promotes efficiencies in planning and delegation. This allows for realistic timeline development and planning strategic avoidance actions for anticipated project obstacles. For example, a two-hour pre-project site visit to a habitat restoration site with one River Partners restoration biologist and one River Partners field manager yielded:

- List of required permits for the proposed project, including recommendations for required engineering analyses to support permit applications;
- Preliminary planting list that considered nursery availability for various species and plant densities that conform to floodway maintenance requirements while accomplishing mitigation objectives for the project;
- Strategy to minimize impacts to existing sensitive resources on site including elderberry shrubs and floodplain wetlands;

- Weed control strategy that optimizes timing and weed control methods to minimize cost while respecting biological restrictions such as nesting season constraints and gaining maximum control of invasive Himalayan blackberry; and
- Project site parcel prioritization considering differing restoration potentials and flood recurrence intervals of different portions of the site.

With in-house expertise to perform such assessments, River Partners' project managers are positioned to seek out the most strategic solutions to conflicts and optimize the project outcomes. One site visit with a River Partners project manager will yield a thorough understanding of the site's environmental context, with an emphasis on strategic project management for measurable results.

Project management and facilitation

Our project management team's fundamental strength in habitat restoration is uniting our diverse backgrounds in biology, ecology, hydrology, geomorphology, agriculture, and business with years of hands-on work experience ranging from farming to environmental consulting. We maintain offices in Chico, Colusa, Sacramento, Turlock, and San Diego to service projects throughout the western US and are equipped to mobilize field offices for remote settings. From our executive officers to our technical staff, River Partners collaborates to ensure quality outcomes for all projects from small consulting contracts to multi-million-dollar program work.

Public education and outreach

Every restoration plan comes with an obligation to communicate actions and intentions to the community at large. We believe that informed local communities are better equipped to become stewards of their own lands and natural resources.

River Partners has a long history of engaging with and educating not only key stakeholders, but the people and communities that are impacted by our work. We support community leaders in educating the public about river restoration and natural resources, ecosystem science and management, and the impact of specific projects on the community. We have been active in local classrooms as well as in community meetings and other public forums. Our communications team regularly publishes blog articles and social media posts to help inform the public about our work and the positive impact that our partners are making in their communities.

Site reconnaissance/conceptual design

River Partners has extensive experience in every stage of the restoration process, including site reconnaissance and conceptual design. Our team conducts visual surveys of each potential site to record major characteristics, including topography, flood history and potential, biological and water resources, the availability of services, transportation issues, land ownership and use, and any hazardous conditions that might be present. We also conduct historic property evaluations to identify cultural resources such as archaeological sites, historic districts, cultural landscapes, ethnographic resources, etc. Information gathered during site reconnaissance provides a framework for the design team to build an initial conceptual design for each project.

Organization and assigned personnel

Our staff includes a trained Landscape Architect; a licensed landscape contractor; one Integrated Pest Management specialist with certifications in safe pesticide handling and beneficial insect sampling and consulting; four graduate-level ecologists (three MS and one PhD); two certified arborists; two scientists permitted to handle endangered species; four experienced biological and stormwater monitors equipped with drones for aerial surveys; three community facilitation specialists; three contract management specialists, and field inspectors qualified to oversee and manage project implementation.

The key staff involved in this reseeding plan will be:

Julie Rentner – President

Dr. Erin Hagen – Director of Science

Stephen Sheppard – Director of Operations

Michael Rogner – Senior Restoration Ecologist

Alex Williams – River Restoration Specialist, Project Manager

Additional restoration biologists as needed

River Partners will subcontract with the Geographic Information Center of Chico State University for additional support with any required GIS mapping tasks. This may take the form of a map book covering the Town reseeding areas, or a spatial analysis and resulting GIS files. We will also subcontract with the Big Chico Creek Ecological Reserve to bring together a team of knowledgeable external partners with experience managing revegetation efforts for fire resilience in the foothills of Butte County.

Experience Summary

San Joaquin River National Wildlife Refuge Riparian Restoration and Floodplain Reconnection

Client: U.S. Fish and Wildlife Service
Services: Planning, Design, and Restoration
Acres: 3,166
Ecotype: Riparian Woodland, Seasonal and Perennial Wetlands
Location: West of Modesto, California, Stanislaus County

In 2002, River Partners received funding from the U.S. Fish and Wildlife Service for Phase I to restore native riparian vegetation on 511 acres at the San Joaquin River National Wildlife Refuge (SJRNWR). Since then, through collaborative fundraising and planning, the restoration has grown to 2,500 acres of riparian forests and over 600 acres of managed seasonal and permanent floodplain wetlands (the restored area now totals 3,166 acres). The final step in this \$40-million effort was to breach the federal levees that separated the San Joaquin River from its historic floodplain.

Prior to implementation, River Partners' biology staff conducted a comprehensive site assessment to determine the ecological potential of the site for riparian forest restoration. The information was used to design a planting that would be resilient to environmental disturbances, such as flood and fire, while simultaneously providing habitat for wildlife species in the near term and in the long term. The planting design incorporated a diverse assemblage of native riparian species, spatially arranged to maximize the habitat benefit to wildlife. Additionally, various habitat types were included in the plan such as early successional shrub habitats, grass plantings, as well as cottonwood and valley oak riparian forests. These features restore not only the native vegetation to the site, but also mimic the diverse matrix of habitat types that occurred within the historic riparian zone prior to human disturbance.

River Partners has perfected the application of precision irrigation and adaptive weed control to create these habitats over vast acreage. Our field staff is expert in the identification of native species as well as low-cost seed collection and processing. We have planted using a variety of methods including pole cuttings, live container plants, broadcast and drill seeding. Weed control through targeted herbicide application, mowing, disking and hand treatments have been used as appropriate during the 3-year establishment period for the different phases of restoration. Each phase of this restoration has exceeded performance goals related to plant survival, cover, and species composition and structure.

Contact:

Kim Forrest, Refuge Complex Manager San Luis NWR Complex
San Luis National Wildlife Refuge
U.S. Fish and Wildlife Service
P.O. Box 2176
7376 S. Wolfsen Road
Los Banos, California 93635
(209) 826-3508
Kim_forrest@fws.gov

San Joaquin River Invasive Species Management and Jobs Creation Project

Client: US Bureau of Reclamation, San Joaquin River Restoration Program
Services: Planning, Reporting, Design, Invasive Species Treatment
Acres: 1,000+
River(s): San Joaquin River
Location: Friant Dam to Merced River Confluence: Fresno, Madera and Merced Counties

In 2011, River Partners entered into partnership with the San Joaquin River Parkway and Conservation Trust and The Nature Conservancy to design and implement a multi-benefit river restoration project along 150 miles of the San Joaquin. The project was designed to meet the invasive species management goals of the San Joaquin River Restoration Program (i.e. monitor and treat the spread of target invasive species as flows are restored to the river) and to ameliorate high unemployment rates in rural parts of Fresno, Madera and Merced Counties. The project team completed environmental permitting with the California and federal resources agencies. The project team also completed labor contract negotiations with the California Conservation Corps and Regional Conservation Corps to provide job training and labor for the project.

Invasive species mapping began in 2012, building off of existing on-the-ground and remotely sensed vegetation data. The project team convened an expert panel of invasive species researchers and practitioners to review methods, make recommendations, and provide outreach and academic support for the project. The project team negotiated access to riverside lands for over 30 landowners (private and public) and have mapped over 10,000 acres of riverside lands to date. Vegetation is mapped using handheld GPS receivers and standard data dictionaries specially generated for the project annually to track spread and efficacy of treatments.

Invasive species treatments began in 2013, and will continue for the foreseeable future. River Partners biologists are responsible for prioritizing workplans for the year, performing baseline biological surveying, predicting river flows and adapting treatment plans to flow fluctuations, monitoring treatment activities, and educating labor crews. Treatments have eliminated target weeds on over 680 acres to date. Methods include mechanical removal and energy cogeneration for perennial species, large-scale herbicide application for perennial herbs and target annual species, and a combination of mechanical and chemical control for particularly remote areas.

Contact:

Alicia Forsythe, Program Manager
San Joaquin River Restoration Program
U.S. Bureau of Reclamation, MP-152
2800 Cottage Way
Sacramento, California 95825
(916) 978-5464
aforsythe@usbr.gov

Riparian Sanctuary

Client: Princeton, Cordora, Glenn and Provident Irrigation Districts; U.S. Fish and Wildlife;
Sacramento River National Wildlife Refuge
Ecotype: Riparian woodland, scrub, and grassland
Acres: 1,000
River: East bank of the Sacramento River between River Mile 176.5 and 178
Location: 15 miles southwest of Chico in the southwest corner of Butte County

In 2004, River Partners and an interdisciplinary team began to explore measures to protect the Princeton, Cordora, Glenn and Provident Irrigation Districts' \$11 million pumping plant and fish screen facility and develop management options for the Riparian Sanctuary, a component of the Sacramento River National Wildlife Refuge (SRNWR). Around 500 acres of the Sanctuary was nearly devoid of native vegetation and dominated by non-native plants, and bank retreat posed a serious threat to the operation of the pumping plant. The pre-project situation demonstrated some of the complicated problems and opportunities facing floodplain managers. The project illustrates the opportunity of bringing people with different interests together to use good science and cooperative spirit to solve complex problems.

To address the complex and potentially controversial issues associated with restoration and facility protection options, **the first phase of this project employed an open, science-based process to educate stakeholders and foster consensus for solutions. The project has successfully yielded promising solutions that meet multiple objectives, garnering support to further investigate these solutions. In the second phase, we developed the technical information to fully evaluate recommended alternatives, to complete the design information and satisfy environmental and permit compliance to allow for implementation of measures to protect the facility and meet SRNWR habitat goals for the Sanctuary.** The second phase cleared hurdles for implementation and completed environmental compliance documents to satisfy CEQA and NEPA requirements and permit applications in preparation for project proponents to seek funding for a joint project in the future. The project has support from a diverse coalition of agricultural and environmental interests and exemplifies the progress possible when sound partnerships and science come together to evaluate options to meet multiple goals.

Contact:

Craig Isola, Deputy Project Leader
Sacramento NWRC
FWS Pacific Southwest Region
DOI Unified Region 10
752 County RD 99W
Willows, CA 95988
(530) 934-2801

Bear River Setback Levee Project

Client: Three Rivers Levee Improvement Authority
Services: Planning, Design, Reporting, Restoration, Monitoring and Mitigation
Acres: 625
River(s): Feather River and Bear River
Location: 13 miles South of Marysville, Yuba County

This massive project expanded the floodplain of the Bear River by 325 acres by setting back 2.4 miles of the north Bear River Levee and degrading 1 mile of the eastern Feather River levee to reconnect the floodplain, improve surface hydrology, and enhance ecosystem function. By integrating the project's hydraulic design constraints, environmental mitigation requirements and ecological objectives, **River Partners designed and implemented a habitat restoration and mitigation project that planted more than 120,000 native trees, 250 acres of native grasses while ultimately minimizing long-term operations and maintenance of the expanded floodway. Prior to the project River Partners was contracted by TRLIA to collect and propagate all seed materials needed for the project. River Partners designed the irrigation system, which called for over 200 miles of drip-tube, all of which was recycled following the three-year plant establishment period.**

By working directly with hydraulic engineers, our team of restoration professionals was able to guide the design of the ecosystem restoration to accomplish multiple objectives under a short timeline. The design was further enhanced by River Partners' knowledge of agricultural techniques for habitat restoration that promote success while minimizing management costs. After four years, the ecosystem restoration project has exceeded expectations in survival, vegetative cover, and species diversity while remaining on time and under budget.

Contact:
Paul Brunner, PE, Executive Director, TRLIA
(530) 749-7841
pbrunner@co.yuba.ca.us

Understanding and Approach

River Partners understands the project to entail the development of a scoping assessment report that clearly identifies burn scar areas in the Town to be reseeded, appropriate species mixes, and methods for reseeding. The report will also assist the Town in prioritizing critical areas and will establish general reseeding recommendations for homeowners to reseed defensible space zones. Maps will be prepared as needed to delineate reseeding areas. The report will include the following information:

- Executive summary
- Overview
- Needs assessment
- Options/Evaluation (minimum 3)
- Recommendations
- Specifications
- Development plan

River Partners will convene a planning team alongside the Town and community members, (as well as representatives of Cal OES and FEMA as needed) and will solicit feedback from the Big Chico Creek Ecological Reserve, Butte County RCD, local tribes, the Butte County Fire Safe Council, Paradise Recreation and Park District, and Cal Fire to ensure that the plan approach takes into consideration other fire recovery and defensible space efforts going on in the area.

The primary limitation in developing the reseeding plan will be in presenting recommendations for seed mixes that are still appropriate when it comes time for implementation. Our plan will account for the availability of local seed, which may change if implementation is delayed by more than a few months.

Another limitation is the ability to effectively involve community members and other parties in a planning group with a very short turnaround time. Participation may not be as high as it would be with greater lead time to advertise the effort and opportunities for public participation.

The last limitation relates to data availability and accuracy. If there are significant gaps in base data, or data is found to be out of date (e.g., USGS Web Soil Survey data not current enough to be reliable) then collecting that information could delay the final deliverable.

Scope

Task 1: Project team coordination

Coordination between project partners will be facilitated by River Partners' Project Manager throughout the duration of the project. Big Chico Creek Ecological Reserve will assist by providing outreach support to engage subject matter experts experienced in reseeding for fire safety. Regular coordination will be conducted by phone and email. A minimum of six project team meetings will take place. Video or phone conferences may occur, however, in-person meetings are preferred if they can be done safely.

Deliverables for task 1

- Meeting minutes
- Meeting documents

Task 2: Data gathering and site assessment

This task will be completed by River Partners' science staff and assisted by Chico State's Geographical Information Center. River Partners' staff will perform an assessment of reseeding areas to recommend reseeding methods and seed mixes and to inform the prioritization of critical reseeding areas. River Partners will analyze and augment existing data and information such as land use, soils, topography, vegetation, and wildlife use.

This information, coupled with knowledge for each species about its rooting-depth and patterns of root growth in various soil textures, will allow River Partners to:

- Develop a palette of species that will likely grow on the site
- Provide implementation recommendations regarding planting methods, weed control, irrigation needs, and monitoring

Deliverables for task 2:

- Program scoping assessment report
- Reseeding plan including area prioritization
- Map or GIS layers of Town reseeding areas

Julie Rentner

President

P (209) 639-2012 | E jrentner@riverpartners.org

Education/Training

UNIVERSITY OF HAWAII, MANOA | **M.S. Natural Resource and Environmental Management (2005)**

UNIVERSITY OF CALIFORNIA, BERKELEY | **B.S. Forestry (2002)**

Academic/Professional Appointments

RIVER PARTNERS | MODESTO, CA

Executive Vice President

10/17 to Present

Managed dozens of grant agreements to design and implement floodplain and riparian habitat restoration projects along the San Joaquin, Stanislaus, Tuolumne, Merced, Calaveras, and Kern Rivers.

RIVER PARTNERS | MODESTO, CA

San Joaquin River Partnership Coordinator

12/14 to 12/15

Directed the collaboration activities of 14 non-profit organizations focused on salmon recovery within the San Joaquin River Restoration Program including local facilitation and communication liaison amongst diverse interests.

RIVER PARTNERS | MODESTO, CA

Director of Special Projects

10/12 to 12/15

Identified, developed, funded, and designed ecologically significant riparian protection and restoration projects. Assisted in permitting, planning, and ensuring on-time and on-budget project completion.

RIVER PARTNERS | MODESTO, CA

9/09 to 10/12

Central Valley Regional Director

Developed proposals and budgets, and managed contracts with multiple state and federal agencies. Oversaw invoicing, stakeholder, and community engagement.

Licenses/Certifications

- Certified Arborist, International Society of Arboriculture (2006)
- President, Reclamation District 2092 (2017-present)

Products

- Reclamation District 2092 and DWR. Mid San Joaquin River Regional Flood Management Plan. 2014.
- Meadows, Trevor et al. "Multi-benefit weed control: The San Joaquin River invasive species management and jobs." (presentation, San Joaquin River Restoration Conference, August 2015).
- Rentner, JR. "Flood Management and Ecosystem Restoration supporting recovery of Riparian Brush Rabbit." Special Report to USFWS. 2019.

- Dybala, KE et al. "Measuring restoration success: Applying the Central Valley Joint Venture population objectives for riparian birds." (San Joaquin River Restoration Program workshop, June 2015.)
- Rentner, JR. "Lessons Learned in Habitat Restoration for the Riparian Brush Rabbit." *Fremontia* 43, May 2015.

Michael Rogner

Senior Restoration Ecologist

P. (530) 513-1935 | E mrogner@riverpartners.org

Education/Training

FLORIDA STATE UNIVERSITY | B.A. English (1992)

Academic/Professional Appointments

RIVER PARTNERS | CHICO, CA

Senior Restoration Ecologist

9/19 to Present

Work with the President, Senior Management, and Regional Staff to identify, develop, fund, and design riparian protection and restoration projects that support River Partners' mission.

RIVER PARTNERS | CHICO, CA

Senior Restoration Biologist

4/16 to 9/19

Identified, evaluated, implemented, and completed restoration activities, including supervising the collecting and processing of monitoring and experimental data, writing plans, reports and articles, project development, assisting with activities related to the restoration of riparian and aquatic habitats, and creating and presenting outreach materials.

RIVER PARTNERS | CHICO, CA

Restoration Biologist/Associate Restoration Biologist

4/07 to 4/16

Worked with Senior Biologists and Ecologists to identify, evaluate, implement, and complete restoration activities. Supervised the collecting and processing of monitoring and experimental data, managed projects, wrote plans, reports and articles, assisted with habitat restoration activities, and created and presented outreach materials.

Licenses/Certifications

- Certified Arborist (WE-9503A)

Products

- Founding Member of the Bank Swallow Technical Advisory Committee and contributor to Bank Swallow (*Riparia riparia*) Conservation Strategy for the Sacramento River Watershed, California.
- Lead author for restoration plans, including "Riparian Restoration Plan for Willow Bend," "Riparian Habitat Pre-Restoration Plan for the Lower Tijuana River Valley," and "Pre-Restoration Plan for Otay Valley Regional Park."

- Rayburn, Andrew P., Rogner, Michael, Frank, Paul. "Abundance and Distribution of Blue Elderberry (*Sambucus nigra* ssp. *caerulea*) on Lower Cache Creek: Implications for Adaptive Floodplain Management." *San Francisco Estuary and Watershed Science*. 2018.
- Rogner, Michael and F.T. Griggs. River Partners. "Tipping the balance: Using natives to combat weeds and promote ecological resilience of riparian restoration" (presentation, Middle Sacramento River Science Conference, Chico, CA, June 2013).
- Rogner, Michael and Holly Ferrara. River Partners. "Partnering with the California Conservation Corps on large scale weed removal in the Oroville Wildlife Area" (presentation, CAL IPC Symposium, Riverside, CA, Oct. 2019).

Erin N. Hagen

Science Director

E ehagen@riverpartners.org

Education/Training

UNIVERSITY OF WASHINGTON | **PhD Forest Resources (2009)**

UNIVERSITY OF WASHINGTON | **M.S. Forest Resources (2005)**

TRUMAN STATE UNIVERSITY | **B.A. Biology (2000)**

Academic/Professional Appointments

RIVER PARTNERS | CHICO, CA

Science Director

5/20 to Present

Work with the president and the biology department to oversee restoration, mitigation and consulting activities, to interact with agency staff, research scientists and the public, and to promote River Partners as a leader in riparian restoration.

ISLAND CONSERVATION | SANTIAGO, CHILE and SANTA CRUZ, CA

Director of Conservation

11/17 to 3/20

Directed conservation programs to prevent species extinctions on islands in partnership with international, regional, and local stakeholders. Contributed to organizational leadership, worked with CEO to renew strategic plan, align organizational structure, coordinate with board of directors, and manage all-staff initiatives.

ISLAND CONSERVATION | SANTIAGO, CHILE

South America Regional Director

2/17 to 10/17

Worked with Senior Biologists and Ecologists to identify, evaluate, implement, and complete restoration activities. Supervised the collecting and processing of monitoring and experimental data, managed projects, wrote plans, reports and articles, assisted with riparian and aquatic habitat restoration activities, and created and presented outreach materials.

Products

- Hagen, E., et al. "House sparrow eradication attempt on Robinson Crusoe Island, Juan Fernández Archipelago, Chile." *Island invasives: scaling up to meet the challenge* (62): 289. 2019.
- Holmes, N. D., et al. "Globally important islands where eradicating invasive mammals will benefit highly threatened vertebrates." *Plos One* 14(3). 2019.
- Keitt, B., et al. "Going to scale: Reviewing where we've been and where we need to go in invasive vertebrate eradications'." *Island invasives: scaling up to meet the challenge* (62): 633. 2019.
- Rueda, D., et al. "Preventing extinctions: planning and undertaking invasive rodent eradication from Pinzon Island, Galapagos." *Island invasives: scaling up to meet the challenge* (62): 51. 2019.
- Stringer, C., et al. "Married bliss and shotgun weddings: effective partnerships for island restoration." *Island invasives: scaling up to meet the challenge* (62): 517. 2019.

Alex Williams

River Restoration Specialist

P. (701) 318-8464 | E awilliams@riverpartners.org

Education/Training

COLORADO STATE UNIVERSITY | **M.S. Watershed Science (2014)**

VALPARAISO UNIVERSITY | **B.S. Civil Engineering (2010)**

Academic/Professional Appointments

RIVER PARTNERS | CHICO, CA

River Restoration Specialist

10/20 to Present

Advances channel and floodplain restoration projects along the middle and upper Sacramento River. Plans, designs, supervises, and monitors implementation projects and supervises restoration contractors. Works with public agencies, Native American Tribes, landowners, other collaborators, and the River Partners' Development team to develop grant proposals to fund new project activities and plan, design, permit, and monitor funded projects.

VOLUNTEERS FOR OUTDOOR COLORADO | DENVER, CO

Field Projects Coordinator; Interim Development Director

4/19 to 12/19

Managed outdoor stewardship projects such as invasive species removal, riparian habitat restoration, reforestation, and water quality improvement. Conducted site visits, feasibility analyses, and post project assessments for conservation and natural resource management activities.

U.S. NATIONAL PARK SERVICE DENVER SERVICE CENTER | DENVER, CO

Natural Resource Specialist

5/14 to /17

Provided technical expertise and professional advice on natural resource subjects including riparian corridor management, endangered species protection, and wetland impact analysis. Organized community engagement meetings and outreach materials for complex, high visibility and resource intensive projects in collaboration with sister agencies including the BLM, FWS, USFS, and EPA.

Stephen Sheppard

Director of Operations

P. (209) 639-2216 | E ssheppard@riverpartners.org

Education/Training

CALIFORNIA STATE UNIVERSITY, FRESNO | B.S. Agriculture, Minor in Plant Science

Academic/Professional Appointments

RIVER PARTNERS | CHICO, CA

Director of Operations

Project budgeting, implementation and maintenance of restoration and mitigation projects, installation and operation of groundwater wells, surface pumps, and irrigation systems. Invasive species treatment and removal.

Projects

DOS RIOS RANCH

Director of field operations

Budget and implementation on 600 acres of riparian restoration on the confluence of the San Joaquin and Tuolumne Rivers. Managed up to 1,600 acres of farming leases.

OAK VALLEY MITIGATION

Director of field operations

Budget and implementation on 44 acres of riparian mitigation in Riverside County.

DUTCH SLOUGH MARSH RESTORATION

Director of field operations

Management of installation and maintenance of 3-acre tule nursery, including management of subcontractors, irrigation system installation, and harvest, transport and planting of tule clumps. Management of 5-acre restoration project including invasive species removal, site preparation, irrigation system installation, and native plant installation, and establishment and maintenance.

SAN JOAQUIN RIVER NATIONAL WILDLIFE REFUGE

Restoration field manager

Budget, implementation and maintenance of 2,500+ acres of riparian restoration including over 20,000 linear feet of levee revegetation.

Licenses/Certifications

- Agricultural Pest Control Adviser License (#71326)
- Qualified Applicators License (#108116)
- OSHA 30-Hour Construction Safety and Health Certification

Certifications

River Partners acknowledges the following:

- a. All work performed for the Town, including all documents associated with the project, shall become the exclusive property of the Town.
- b. The selected firm is expected to perform and complete the project in its entirety.
- c. Any and all costs including travel, arising from development and delivery of a response to this RFP incurred by any proposing firm shall be borne by the firm without reimbursement by the Town.
- d. The selected Respondent shall remain an independent contractor, working under his/her own supervision and direction and is not a representative or employee of the Town. The Respondent agrees to file tax returns and pay all applicable taxes on amounts paid pursuant to this contract.
- e. The opening of proposals in response to this Solicitation is not subject to attendance by the general public. This restriction is necessitated by the fact that the contract award is subject to negotiations, and it would be unfair for competing companies to know the prices quoted by one another.
- f. The successful Respondent must be prepared to begin work promptly following execution of the contract and is expected to complete the project in its entirety.
- g. Issuance of this Solicitation in no way constitutes a commitment by the Town to award a contract. If the Town determines it is in its best interest to do so, no Respondent may be selected, and no contract may be executed.
- h. Upon acceptable negotiations and contract award, the Respondent shall be required to execute the standard Town contract as provided in Exhibit A and comply with Town insurance requirements. The Town may modify the contractual requirements of the contract prior to execution of a contract for services.
- i. The Town reserves the right to request additional information from Respondents that have submitted a response to this Solicitation and to enter into negotiations with more than one Respondent should a contract be awarded or to award a purchase order or contract to the Respondent(s) with the most favorable quotation without conducting negotiations. The Town reserves the right to award more than one contract if it is in the best interest of the Town.
- j. The Town reserves the right to reject any or all submittals received if the Town determines that it is in its best interest to do so. Further, the Town may cancel or amend this Solicitation at any time and may submit similar solicitations in the future.
- k. The Town may reject any submittal that does not meet all of the mandatory requirements of this Solicitation, is conditional or is incomplete.
- l. The Town may request clarification of any submitted information and may request additional information on any or all responses provided and may waive minor inconsistencies deemed to be irrelevant.
- m. Respondents who submitted a proposal in response to the RFP but were unsuccessful in their attempt to obtain a contract or recommendation for contract award may request a debriefing to learn the general reasons for selection of a competitor for contract award. Requests for debriefings shall be directed to the Recovery Department, 5555 Skyway,

Paradise, CA 95969, telephone (530) 872-6291. Debriefings may be conducted via telephone or virtual meeting.

- n. Respondents who have received a debriefing but, continue to feel aggrieved in connection with the solicitation or award of a contract may submit a protest to the Recovery Director, 5555 Skyway, Paradise, CA 95969. All protests must be made in writing, signed by an individual authorized to sign the submitted proposal, and must contain a statement of the reason(s) for the protest: citing the law, rule, regulation or procedure on which the protest is based. Respondent's capabilities, project characteristics and/or pricing features that were not included in the firm's proposal shall not be introduced during the protest process. The protest shall be submitted within seven (7) working days after such aggrieved firm knows or should have known of the facts giving rise thereto or within seven working days following the debriefing.
- o. Any submittal withdrawal must be made in writing prior to the required submission date and time; and must be signed by an authorized representative of the firm. An error in the submission may cause the rejection of that submittal. However, the firm may reissue a new or modified submittal prior to the date and time required for submission.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Orders 12549 and 12689, 2 C.F.R part 180, Debarment and Suspension, and 2 C.F.R. § 200.213. Copies of the regulations may be obtained by contacting the person to which this proposal is submitted.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON PAGES TWO AND THREE BELOW)

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Firm Name: River Partners

Name and Title of Authorized Representative: Julie Rentner, President

A handwritten signature in black ink, appearing to read "Julie Rentner", is written over a light blue horizontal line.

Signature of Authorized Representative: _____

Date: March 10, 2021

CERTIFICATION REGARDING LOBBYING

The undersigned [Julie Rentner] certifies, to the best of his or her knowledge, that:

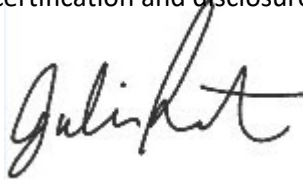
No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection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

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

The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor, River Partners, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.




Signature of Contractor's Authorized Official: _____

Name and Title of contractor's Authorized Official: Julie Rentner, President

Date: March 10, 2021

Cost

River Partners guarantees that prices quoted are equal to or less than prices recently quoted to any other local, State or Federal government entity for services of equal or lesser scope. River Partners agrees that no price increases shall be passed along to the Town during the term of this Contract not otherwise specified and provided for within this Contract; costs provided are inclusive of all ancillary items including, but not limited to all per-diem, taxes, benefits, handling, overhead, and profits.

			
Personnel Services			
Position	Hours	Rate	Total
President	4	\$ 186.00	\$ 744.00
Contracting Director	4	\$ 155.00	\$ 620.00
Director of Science	24	\$ 155.00	\$ 3,720.00
Director of Operations	20	\$ 155.00	\$ 3,100.00
Senior Restoration Field Manager	20	\$ 114.00	\$ 2,280.00
Senior Restoration Ecologist	44	\$ 103.00	\$ 4,532.00
Executive Assistant	1	\$ 83.00	\$ 83.00
River Restoration Specialist	156	\$ 83.00	\$ 12,948.00
Restoration Ecologist	36	\$ 83.00	\$ 2,988.00
Project Analyst	6	\$ 73.00	\$ 438.00
Restoration Biologist	172	\$ 66.00	\$ 11,352.00
Environmental Monitor	60	\$ 52.00	\$ 3,120.00
Total Personnel Services			\$ 45,925.00
Contract Services			
Partnership and outreach, TBD			\$ 21,500.00
Total Contract Services			\$ 21,500.00
Travel Expenses			
Field vehicle mileage			\$ 87.60
Office vehicle mileage			\$ 2,199.68
Total Travel Expenses			\$ 2,287.28
Total Budget			\$ 69,712.28

Attachment 4: Professional Service Contract Greater than \$25,000

PROFESSIONAL SERVICE CONTRACT GREATER THAN \$25,000

This Contract, dated as of the last date executed by the Town of Paradise is between the Town of Paradise, a municipal corporation of the State of California, hereinafter referred to as “TOWN”, and the professional service contractor indicated in the variable information table below, hereinafter referred to as “CONTRACTOR.”

VARIABLE INFORMATION TABLE							
Term of This Contract							
Term Begins			Term Completion Date				
On Following Date			On Following Date				
Town Department							
	Basis of Price (Do Not v More Than One of the Following Four Blocks)						
Price	\$ 69,712.28	X	Fixed Price		Annual Price	Monthly Price	Hourly Rate
Not-to-Exceed Price	\$ 69,712.28		v if Reasonable Expenses are authorized in addition to Hourly Rate				
CONTRACTOR Contact Information			TOWN Contact Information				
CONTRACTOR	River Partners		Project Manager				
Address	580 Vallombrosa Ave.		Address				
City, State & ZIP	Chico, CA 95926		City, State & ZIP				
Telephone	(209) 639-2012		Telephone				
Email	jrentner@riverpartners.org		Email				

WHEREAS, TOWN, through the TOWN Department identified above, desires to have work described in the Attachment III - Scope of Work performed; and

WHEREAS, CONTRACTOR possesses the necessary qualifications to perform the work described herein;

NOW THEREFORE BE IT AGREED between the parties to this Contract that this Contract is subject to the provisions contained in the following attachments, which are made a part of this Contract. Should there be any conflicts between this Contract and the attachments that are incorporated herein precedence shall first be given to the provisions of this Contract followed by the attachments, in descending order, as indicated below:

Attachment I – Terms and Conditions (including Exhibit “A”)
Attachment II – Insurance Requirements for Professional Services Contract
Attachment VI – Professional Credentials
Attachment III – Scope of Work

By signature below, the department head or his or her deputy certifies that no unauthorized alterations have been made to the Attachment I – “Terms and Conditions” and/or the Attachment II – “Standard Insurance Requirements.”

_____	_____	_____
Typed or Printed Name	Signature	Date

This Contract and the above listed Attachments represent the entire undertaking between the parties.

TOWN:

By _____
Date

CONTRACTOR:

By _____
Date

REVIEWED FOR CONTRACT POLICY COMPLIANCE

REVIEWED AS TO FORM:

By _____

By: _____

ATTACHMENT I TERMS AND CONDITIONS

1. **Scope of Work.** The work to be undertaken is identified in the attached “**Attachment III Scope of Work**” which is made a part of this Contract.
2. **Reimbursement.** The work shall be performed for the Fixed price, Annual price, Monthly price or Hourly rate as indicated above in the variable information table, but shall not exceed the Not-

to-Exceed Price if included in the variable information table. Reasonable expenses if authorized and specified in addition to the Hourly Rate if both the Hourly Rate block and the block authorizing Reasonable Expenses are checked in the variable information table. Payment shall be made after the Project Manager or designee reviews and approves the work and after submittal of an invoice by the CONTRACTOR. Expenses and or materials if stipulated shall be paid only upon prior approval and with receipts and only after review and authorization by the Project Manager.

3. **Town Project Manager.** The TOWN Project Manager or designee for this undertaking who will receive payment invoices and answer questions related to the coordination of this undertaking is identified above in the variable information table.
4. **Independent Contractor.** CONTRACTOR is an independent contractor, working under his/her own supervision and direction and is not a representative or employee of TOWN nor is the CONTRACTOR a partner or in any way directly affiliated with the TOWN. CONTRACTOR agrees to file tax returns, report compensation and pay all applicable taxes on amounts paid pursuant to this Contract.
5. **Ownership.** The TOWN retains the exclusive right of ownership to the work, products, inventions and confidential information produced for the TOWN by the CONTRACTOR, and the CONTRACTOR shall not disclose any information, whether developed by the CONTRACTOR or given to the CONTRACTOR by the TOWN. The parties agree that the TOWN will own the work, products, inventions or information produced by the CONTRACTOR pursuant to this Contract.
6. **Confidentiality.** The CONTRACTOR shall comply as follows and in accordance with the required performance of this contract:
 - a. All applications, records, data or any information concerning any individual made or kept by any public office, officer or department obtained by the CONTRACTOR in the performance of duties or as a consequence of performing said duties, shall be the confidential property of the TOWN and shall not be communicated, transmitted, reproduced or in any other way conveyed to any person not directly a party to this contract, its terms and conditions in accordance with all applicable laws and regulations including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and any implications thereof including destruction of records or data as appropriate under compliance criteria.
 - b. No person will publish or disclose or permit or cause to be published or disclosed any data, facts, figures, list of persons or any other form of information obtained by the CONTRACTOR in the performance of duties or as a consequence of performing said duties. No person shall publish, disclose, or use or permit, or cause to be published, disclosed or used any confidential information pertaining to any individual or group of individuals obtained by the CONTRACTOR in the performance of duties or as a consequence of performing said duties.

- c. CONTRACTOR agrees to inform all employees, agents, associates and partners on the above provisions and that any person knowingly and intentionally violating the provisions of this clause is guilty of a misdemeanor. CONTRACTOR shall bear equal responsibility for any violation of the provisions of this paragraph.
 - d. CONTRACTOR agrees and understands that if confidential information concerning any individual made or kept by any public office, officer or department is obtained by the CONTRACTOR and included on any memory device that may be housed in a computer, or other device (such as a "PDA") may become subject to Federal HIPAA requirements and/or any state or local regulations that apply which could result in surrender of the hard drive, sanitization or the destruction thereof in accordance with Department of Defense (DoD) 5220.22-M standard and/or industry standards current to time of the release of the equipment which ever represents the greatest level of (permanent) information destruction. At the very least, at the end of this contract, CONTRACTOR may be required to stipulate to the fact that no such files exist.
7. **Termination.** This Contract may be terminated by either the TOWN or CONTRACTOR by a thirty (30)- day written notice. Authorized costs incurred by the CONTRACTOR will be reimbursed up to the date of termination. Notwithstanding anything stated to the contrary herein, this Contract shall expire on the Completion Date indicated in the above Variable Information Table unless the Completion Date is modified by written amendment to this Contract.
8. **Indemnification.** CONTRACTOR agrees to accept responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release the TOWN, its officers, agents and employees from and against any and all actions, claims, damages, disabilities or expenses that may be asserted by any person or entity, including CONTRACTOR, to the extent arising out of or in connection with the negligent acts or omissions or willful misconduct in the performance by CONTRACTOR hereunder, whether or not there is concurrent negligence on the part of the TOWN, but excluding liability due to the active negligence or willful misconduct of the TOWN. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for CONTRACTOR or its agents under worker's compensation acts, disability benefit acts, or other employee benefits acts. CONTRACTOR shall be liable to TOWN for any loss of or damage to TOWN property arising out of or in connection with CONTRACTOR's negligence or willful misconduct.
9. **Right to Monitor/Audit and Associated Liability.** It being understood by the parties hereto that the TOWN's funding source herein may be TOWN, State and/or Federal appropriation, and therefore CONTRACTOR is responsible for administering the program as described herein, CONTRACTOR agrees to accept responsibility for receiving, replying to and/or complying with an any audit of this project which may be deemed appropriate or required in compliance with TOWN, State or Federal mandates and to reimburse the TOWN for any liability upon the TOWN for any discrepancy resultant from said audit exceptions or for any liability that result from a breach of contract, misrepresentation or inaccuracy.

- 10. Record Retention and Availability.** CONTRACTOR shall maintain and preserve all records related to this agreement in its possession (or will assure the maintenance of such records in the possession of any third party performing work related to this agreement) for a minimum period of three (3) years from the effective date of this agreement, or until all State and/or Federal audits are complete, whichever is later. Upon request, CONTRACTOR shall make available copies of these records to TOWN, State or Federal Governments' personnel, including but not limited to the State Auditor General. In the event that this contract is related to a FEMA grant record retention shall be three years from the date of the Grant Close-out letter.
- 11. Insurance Requirements.** CONTRACTOR shall procure and maintain for the duration of this Contract, insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the Work hereunder by CONTRACTOR, CONTRACTOR's agents, representatives, employees and subcontractors. At the very least, CONTRACTOR shall maintain the insurance coverage, limits of coverage, and other insurance requirements as described in **Attachment II** to this Contract.
- 12. Changes to the Contract.** Changes to this Contract may only be approved by written amendment to this Contract. No alteration or variation of any term or condition of this agreement shall be valid unless made in writing, signed by the parties hereto in accordance with TOWN Policies and Procedures. No oral understanding or agreement not incorporated as a duly authorized written amendment shall be binding on any of the parties hereto.
- 13. Representations and Warranties.** CONTRACTOR by execution represents the skill, knowledge, proficiency and expertise to perform as herein stipulated and warrants that the credentials presented herein Attachment VI are authentic, current and duly granted.
- 14. Contractor's Standard of Care.** TOWN has relied upon the professional ability, experience, and credentials presented and represented by the CONTRACTOR as a material inducement to enter into this Contract. CONTRACTOR hereby warrants that all of CONTRACTOR's work will be performed in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable Federal, State and local laws, it being understood that acceptance of CONTRACTOR's work by TOWN shall not operate as a waiver or release. Where applicable, the CONTRACTOR shall maintain the appropriate certification(s), license(s) or accreditation(s) through the life of this contract, as submitted and stipulated herein Attachment VI and make them available for audit upon request by the TOWN.
- 15. Termination for Exceeding Maximum Level of Expenditures.** Contracts exceeding the monetary limits delegated to the Purchasing Agent, or authorized deputies, are not valid unless duly executed by the Town Manager. If this Contract was executed for the TOWN of Paradise by the Purchasing Agent, or authorized deputy, this Contract shall automatically terminate on the date that the provision of services or personal property or incurring of expenses, the cumulative total of which, exceeds the amount prescribed by Government Code Section 25502.5 for personal

services contracts or the amount prescribed by Public Contract Code Section 22032 (b) for public works contracts.

16. Termination for Exceeding Maximum Term. Contracts exceeding the five-year term delegated to the Purchasing Agent, or authorized deputies, are not valid unless duly executed by the Chair of the Board of Supervisors. If this Contract was executed for the TOWN of Paradise by the Purchasing Agent, or authorized deputy, this Contract shall automatically terminate on the date that the term exceeds five years. Amendments to this Contract, or new Contracts for essentially the same purpose, shall not be valid beyond the five-year limitation unless duly executed by the Chair of the Board of Supervisors.

17. Compliance with Laws. CONTRACTOR shall comply with all Federal, State and local laws, rules and regulations including, without limitation, and not limited to any nondiscrimination laws. Specifically, the CONTRACTOR by executing this agreement stipulates and certifies that as an individual or as an entity, complies in good faith as well as all actions the following regulatory requirements at least but not limited to:

- a. Non-discrimination with regard to minority, women, and disabled veteran-owned business enterprises; hiring practices on the basis of race, color or national origin, gender, handicaps or age.
- b. Environmental protection legislation and in particular regarding clean air and water, endangered species, handling or toxic substances and the public right to know.
- c. Drug Free workplace, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act and Public Health Service Act
- d. National Labor Relations Board Public Contract Code 10296.
- e. Domestic Partners – Public Contract Code 10295.3.
- f. ADA 1990 42 USC 12101 et seq.

18. Applicable Law and Forum. This Contract shall be construed and interpreted according to California law and any action to enforce the terms of this Contract for the breach thereof shall be brought and tried in the Superior Court of the County of Butte.

19. Contractor Performance and the Breach Thereof. The TOWN may terminate this agreement and is relieved of the payment of any consideration to CONTRACTOR should CONTRACTOR fail to perform the covenants herein contained at the time and in the manner herein provided. CONTRACTOR shall be notified in a timely manner of default and provided 30 days in which to remedy the default. If at the end of the 30 days, if remedy is not made or does not satisfy the default, the TOWN shall notify the CONTRACTOR of the breach and thereby the termination of this contract. In the event of such termination, the TOWN may proceed with the work in any manner deemed proper by the TOWN. The cost to the TOWN shall be deducted from any sum due the CONTRACTOR under this agreement and the balance, if any, shall be retained by the TOWN.

20. Contradictions in Terms and Conditions. In the event of any contradictions in the terms and/or conditions of this Contract, these Attachment I TERMS AND CONDITIONS shall prevail.

21. No Delegation Or Assignment. Provider shall not delegate, transfer or assign its duties or rights under this Agreement, either in whole or in part, directly or indirectly, by acquisition, asset sale, merger, change of control, operation of law or otherwise, without the prior written consent of TOWN and any prohibited delegation or assignment shall render the contract in breach. Upon consent to any delegation, transfer or assignment, the parties will enter into an amendment to reflect the transfer and successor to CONTRACTOR. TOWN will not be obligated to make payment under the Agreement until such time that the amendment is entered into.

22. Conflict of Interest. CONTRACTOR and CONTRACTOR'S employees shall have no interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this contract.

a. This contract is entered into by TOWN upon the express representation that CONTRACTOR has no other contracts in effect with TOWN except as described on Exhibit "A" hereto attached. Exhibit "A" is hereby made part of this contract by it reference herewith and hereby subjugated to these General Terms and Conditions (Attachment I).

b. CONTRACTOR understands and will adhere to the TOWN's policy that no contracts shall knowingly be issued to any current TOWN employee or his/her immediate family or to any former TOWN employee or his/her immediate family until two years after separation from employment, without notifying the Director of the Department of Human Resources in writing:

Director of Human Resources
5555 Skyway
Paradise, CA 95969

c. CONTRACTOR stipulates by execution of this contract that they have no business or other interest that provides any conflict with the interest of the Town of Paradise in the matters of this agreement. CONTRACTOR recognizes that it is a breach of ethics to not disclose any interest that may be a conflict to the TOWN for the advice of Town Attorney on the matter prior to executing this contract.

23. Canon of Ethics. CONTRACTOR by execution of this contract agrees to act in the best interest of and on behalf of the Town of Paradise and its constituents in all matters, honest, fair, prudent and diligent as dictated by reasonable standards of conduct for their profession.

24. Severability. The terms and conditions of this contract shall remain in force and effect as a whole separate from and even if any part hereof the agreement is deemed to be invalidated.

25. No Implied Waiver. In the event that The TOWN at any point ignores or allows the CONTRACTOR to break an obligation under the agreement, it does not mean that TOWN waives its future rights to require the CONTRACTOR to fulfill those obligations.

26. Entirety of Agreement. This contract inclusive of all Attachments herein is stipulated and made part of the contract constitutes the entire agreement between these parties.

EXHIBIT "A"

Acknowledgement of OTHER TOWN Contracts

List any and all contracts that you have with TOWN agencies. If none, you must stipulate "none." This cannot be left blank or omitted from the contract.

ATTACHMENT II INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES

***Please provide a copy of Attachment II to your insurance agent.**

Contractor shall procure and maintain for the duration of this contract, insurance against claims for injuries to persons or damages to property that may arise from or be in connection with the performance of the work hereunder by Contractor, Contractor's agents, representatives, employees and subcontractors. Before the commencement of work Contractor shall submit Certificates of Insurance and Endorsements evidencing that Contractor has obtained the following forms of coverage:

A. MINIMUM SCOPE AND LIMITS OF INSURANCE - Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability:** ISO's Commercial Automobile Liability coverage form CA 00 01.
 1. Commercial Automobile Liability: Covering any auto (Code 1) for corporate/business owned vehicles, or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage.

2. Personal Lines automobile insurance shall apply if vehicles are individually owned, with limits no less than \$100,000 per person, \$300,000 each accident, \$50,000 property damage.
3. **Workers' Compensation Insurance:** As required by the State of California with Statutory Limits and Employer's Liability Insurance with limits of no less than **\$1,000,000** per accident for bodily injury and disease. *(Not required if Contractor provides written verification he or she has no employees.)*
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to Contractor's profession, with limits no less than **\$1,000,000** per occurrence or claim, **\$2,000,000** aggregate.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Town requires and shall be entitled to the broader coverage and/or higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Town.

B. OTHER INSURANCE PROVISIONS - The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. The Town of Paradise, its officers, officials, employees and volunteers are to be covered as additional insureds on the CGL and Commercial Auto policies with respect to liability arising out of work or operations performed by or at the direction of the Contractor, including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage can be provided in the form of an endorsement to Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38 and CG 20 37 forms if later revisions used).
2. For any claims related to this contract, Contractors insurance coverage shall be primary insurance coverage at least as broad as ISO Form CG 20 01 04 13 as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Town, its officers, officials, employees and volunteers shall be excess of Contractors insurance and shall not contribute with it.
3. Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the Town.

A. WAIVER OF SUBROGATION: Contractor hereby grants to Town a waiver of any right to subrogation which any insurer of said Contractor may acquire against the Town by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Town has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Town for all work performed by the Contractor, its employees, agents and subcontractors.

- B. SELF-INSURED RETENTIONS:** Self-insured retentions must be declared to and approved by the Town. The Town may require Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Town.
- C. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Town.
- D. VERIFICATION OF COVERAGE:** Contractor shall furnish Town with original certificates of insurance including all required amendatory endorsements (or copies of the applicable policy language affecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Town reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- E. SPECIAL RISKS OR CIRCUMSTANCES:** Town reserves the right to modify these requirements including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- F. SUBCONTRACTORS:** Contractor shall include all subcontractors as insured under its policies or require all subcontractors to be insured under their own policies. If subcontractors are insured under their own policies, they shall be subject to all the requirements stated herein, including providing the Town certificates of insurance and endorsements **before** beginning work under this contract.
- G. CLAIMS MADE POLICIES:** If any of the required policies provide coverage on a claims-made basis:

 - 1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - 2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - 3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor

must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

4. A copy of the claims reporting requirements must be submitted to the Town for review.

ATTACHMENT VI PROFESSIONAL CREDENTIALS

The CONTRACTOR herein presents the required and essential credentials for performance of this contract and warrants them to be authentic, current and duly granted.

List required and essential credentials which will be available in the contract file and may or may not be hereto attached and which may be but are not limited to:

Professional Degrees
Licenses
Certifications
Bonds

ATTACHMENT III Scope of Work

Unless indicated otherwise herein, the CONTRACTOR shall furnish all labor, materials, transportation, supervision and management and pay all taxes required to complete the project described below:

At (fill in the appropriate point) prior to the end of the contract term an assessment may be made of the value of the professional services herein delineated and thus far received. At the conclusion of the assessment, it may be determined that the CONTRACTOR owes certain fulfillment and/or deliverables for which the remaining payments may be withheld up to 20% of the contract. The assessment may determine that there is additional work to be amended to this scope of work. In the event of an amendment, the CONTRACTOR shall be notified and the amendment submitted and duly authorized in accordance with TOWN Policy and Procedure. Otherwise, pertaining to this contract’s scope of work it is the CONTRACTOR’s responsibility to remain within the term and amount of the contract. If the terms and/or conditions of this contract including the amounts, rates, time and/or duration are exceeded in any way without fully executed amendment, the CONTRACTOR may not be reimbursed.

NOTE: If detail rate schedules or other documents are appropriate to the Scope of Work and separate from this Attachment III they must be stipulated in this Attachment by specific reference and thereby made part of this contract, labeled accordingly (Attachment III, Exhibit A, (or

whatever the appropriate specific reference), etc.). They must also be included in the pagination of this contract. Consequently, it is necessary to scan them into the body of the contract where pagination control can make them inclusive.

Duties and obligations of the CONTRACTOR:

Since this is a professional service contract, this is the appropriate point in the contract to stipulate any subjective expectation that may be implied by their profession but once explicated become performance elements of the contract.

State all specific elements of the contract for which specific payment due as objectively as possible. Whether contract is based on hourly, daily, weekly, monthly rates; flat rate for deliverables; project milestone incremental payments; charges for use of particular (i.e., therapeutic) equipment or implements; any reports, criteria and schedule

If expenses are allowed, specify what is reasonable and/or reimbursable AND always state that expenses (unless per diem) must be preapproved and accompanied by receipts. There should be a cap to the expenses.

If “materials” are required, specify what they will (or might be) and some approximation not to exceed amount. Unless the materials are provisions of the “house” of the contractor, they will require receipts to be presented with invoice stipulating their charge.

State any circumstances under which no payment will be made.

State if payments are contingent on specific delineation on the invoice(s) such as coding or regulatory designated description.

Recommend that rates be laid out in table format if possible for clarity and ease of processing payments.

State specifically that payments stipulated are the Contractor’s only compensation.

Duties and obligations of the TOWN:

TOWN’s obligations may be: ◦ Make any relevant notification promptly ◦ Provide data promptly
◦ Provide schedules or set up meetings or respond to presentation of information promptly ◦ Pay upon provision as herein stipulated and after presentation of appropriate receipts and/or invoice.

◦ If possible avoid stipulating payment within specific period. If absolutely necessary state no less than 30 days and 60 days is not atypical. ◦ Town does not pay interest or penalties.

5.5 Attachment 5: Cost Evaluation Form

COST EVALUATION

Proposing entities prepare a cost proposal.

Proposing entity's staffing plan shall include the positions necessary to fulfill the requirements of the project.

The proposing entity must guarantee that prices quoted are equal to or less than prices recently quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the Town during the term of this Contract not otherwise specified and provided for within this Contract; cost provided are inclusive of all ancillary items including, but not limited to all per-diem, taxes, benefits, handling, overhead, and profits. Please provide overtime rates in the Proposal. For Mileage, an all-inclusive mileage rate is to be used which will cover fuel, maintenance, repairs, and insurance. No additional charges are to be billed.



Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 6(e)

ORIGINATED BY: Garrett Sjolund, Fire Chief
REVIEWED BY: Kevin Phillips, Town Manager
Mark Habib, Town Attorney
SUBJECT: To consider amending PMC section 8.58.060 - Defensible space/hazardous fuel management requirements.
LONG TERM RECOVERY PLAN: N/A

COUNCIL ACTION REQUESTED:

Upon conclusion of public discussion of this agenda item adopt either the recommended action or an alternative action.

RECOMMENDATION: Adopt a **MOTION TO:**

1. Consider waiving the first reading of Town Ordinance No. _____ and read by title only; and
2. Introduce Town Ordinance No. _____. "An Ordinance Amending Paradise Municipal Code Section 8.58.060 relating to "defensible space requirements"; (ROLL CALL VOTE)
3. Provide an alternative directive to Town staff.

Background:

Attached with this council agenda summary for your consideration and recommended adoption for introduction purposes is a copy of an ordinance document recently prepared by town staff and reviewed by the Town Manager and Town Attorney. Recommended text amendments to the ordinance are redlined.

On April 13, 2021 the Council discussed Paradise Municipal Code Section 8.58.060; defensible space/hazardous fuel management requirements section "E" referring to the time of transfer of ownership of a parcel from the owner to another. In discussion with the Fire Chief it became apparent that section E of the ordinance is no longer necessary as California State Civil Code 1102.19 is effective July 1, 2021. An amended Section E has been added to refer to Public Resources Code section 4291.

Analysis:

The attached ordinance proposes the amendment to Section 8.58.060 of the PMC relating to defensible space requirements at the time of transfer of ownership of a parcel from the owner to another as California State Civil Code 1102.19 becomes effective July 1, 2021 .

Lastly, the Town Planning Director has determined that this proposed ordinance is a class of project that has been determined not to have a significant effect on the environment. Therefore, the proposed ordinance action is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15308 (Actions by Regulatory Agencies for Protection of the Environment). **NOTE:** This subject CEQA determination finding is embodied within the attached proposed ordinance document.

Financial Impact:

There is no financial impact associated with the first reading and introduction of the ordinance.

Attachment:

Ordinance

California State Civil Code 1102.19

Current Paradise Municipal Ordinance removal:

8.58.060 - Defensible space/hazardous fuel management requirements.

~~E. At the time of transfer of ownership of a parcel from the owner to another, the buyer shall sign and agree to the terms of this [Section 8.58.060](#). Based on a monthly list of parcels sold within the town of Paradise, thirty (30) days after the transfer of each parcel the town shall determine whether the parcel complies with this section.~~

As of July 1, 2021 CA State Civil Code States:

RTICLE 1.5. Disclosures Upon Transfer of Residential Property [1102 - 1102.19]

(Article 1.5 added by Stats. 1985, Ch. 1574, Sec. 2.)

1102.19.

(a) On and after July 1, 2021, a seller of a real property subject to this article that is located in a high or very high fire hazard severity zone, as identified by the Director of Forestry and Fire Protection pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, shall provide to the buyer documentation stating that the property is in compliance with Section 4291 of the Public Resources Code or local vegetation management ordinances, as follows:

(1) In a local jurisdiction that has enacted an ordinance requiring an owner of real property to obtain documentation that the property is in compliance with Section 4291 of the Public Resources Code or a local vegetation management ordinance, the seller shall provide the buyer with a copy of the documentation that complies with the requirements of that local ordinance and information on the local agency from which a copy of that documentation may be obtained.

(2) In a local jurisdiction that has not enacted an ordinance for an owner of real property to obtain documentation that a property is in compliance with Section 4291 of the Public Resources Code or a local vegetation management ordinance, and if a state or local agency, or other government entity, or other qualified nonprofit entity, provides an inspection with documentation for the jurisdiction in which the property is located, the seller shall provide the buyer with the documentation obtained in the six-month period preceding the date the seller enters into a transaction to sell that real property and provide information on the local agency from which a copy of that documentation may be obtained.

(b) On and after July 1, 2021, if the seller of a real property described in subdivision (a) has not obtained documentation of compliance in accordance with paragraph (1) or (2) of subdivision (a), the seller and the buyer shall enter into a written agreement pursuant to which the buyer agrees to obtain documentation of compliance with Section 4291 of the Public Resources Code or a local vegetation management ordinance as follows:

(1) In a local jurisdiction that has enacted an ordinance requiring an owner or buyer to obtain documentation of compliance with Section 4291 of the Public Resources Code or a local vegetation management ordinance, the buyer shall comply with that ordinance.

(2) In a local jurisdiction that has not enacted an ordinance requiring an owner or buyer to obtain documentation of compliance, and if a state or local agency, or other government entity, or other qualified nonprofit entity, provides an inspection with documentation for the jurisdiction in which the property is located, the buyer shall obtain documentation of compliance within one year of the date of the close of escrow.

(c) Nothing in this section, including the existence of an agreement between a buyer and seller pursuant to subdivision (b), shall limit the ability of a state or local agency to enforce defensible space requirements pursuant to Section 51182 of the Government Code, Section 4291 of the Public Resources Code, or other applicable statutes, regulations, and local ordinances.

TOWN OF PARADISE
ORDINANCE NO. ~~597~~ ____

**AN ORDINANCE AMENDING PARADISE MUNICIPAL CODE SECTION 8.58.060 RELATING TO
DEFENSIBLE SPACE AND HAZARDOUS FUEL MANAGEMENT**

The Town council of the Town of Paradise does Ordain as follows:

SECTION 1. Section 8.58.060 of the Paradise Municipal Code is amended to read as follows:

8.58.060 Defensible Space/Hazardous Fuel Management Requirements

A. Any person that owns, leases, controls, operates, or maintains any real property in the Town of Paradise shall continuously do the following:

1. Maintain immediately around and adjacent to any building or structure free of combustible materials. Combustible materials shall not be stored under decks and the area under decks shall be maintained free of vegetative material. Fencing material constructed of combustible material shall not be within five (5) feet from any structure. Only low-growing vegetation with high-moisture content, such as flowers and ground covers and green lawns, free of dead vegetative debris, shall be allowed within five (5) feet of any structure.
2. Remove or prune flammable plants and shrubs near windows and under eave vents (a recommended no-planting zone).
3. Clean roofs and gutters of dead leaves, debris and pine needles. In addition to the management of combustible material around a structure, the following shall be required: 1) Replace or repair any loose or missing shingles or roof tiles to prevent ember penetration. 2) Provide and maintain a screen over the outlet of every chimney or stovepipe that is attached to any fireplace, stove, or other device that burns any solid or liquid fuel. The screen shall be constructed of nonflammable material with openings that are not more than 1/2 inch.
4. Maintain an area adjacent to any structure with a one-hundred (100)-foot fire break made by removing and clearing away all flammable vegetation or other combustible growth from the structure on each side thereof or to the property line, whichever is closer. Within the one hundred (100)-foot fire break: 1) weeds and dry grass shall be required to be mowed to a height of four (4) inches; 2) ladder fuels (vegetation, brush and small trees under mature trees) shall be removed; 3) trees shall be pruned up to six (6) feet from the ground. For shorter height trees, pruning shall not exceed 1/3 of the overall tree height. Tree placement shall be planned to ensure the mature canopy is no closer than ten (10)

feet to the edge of the structure. Trees and shrubs shall be limited to small clusters of a few each to break up the continuity of the vegetation across the landscape. This subsection does not apply to single tree specimens, ornamental shrubbery, or similar plants which are used as ground cover and provided they do not form a means of rapidly transmitting fire from the native growth to any building or structure.

5. Remove the portion of any tree which extends within ten (10) feet of the outlet of any chimney or stovepipe. Maintain any tree adjacent to or overhanging any structure free of dead and dying wood.
 6. Clear flammable vegetation on each side of a street or driveway for a horizontal distance of ten (10) feet and a vertical height of fourteen (14) feet. Cut vegetation within ten (10) feet of a street or driveway on the property to four (4) inches above ground. The Fire Chief, or his or her designee, may require a distance greater than ten (10) feet. This applies to public and private driveway(s) and any public or private streets that border or bisect property.
- B. No property owner shall permit on improved or unimproved parcel any accumulation of combustible materials, dead, dying or diseased trees, or green waste within thirty (30) feet of the property line when such accumulation endangers or encroaches on the required Defensible Space for structures or buildings on an adjacent property. The Fire Chief, or his or her designee, may require a distance greater than thirty (30) feet but not to exceed one hundred (100) feet, when it is determined that the greater distance is necessary to provide Defensible Space for structures or building on an adjacent property.
- C. An unimproved parcel of one and one-half (1.5) acres or less in size shall be required to provide fuel modification to the entire parcel. Fuel modification requirements shall consist of the following:
1. Weeds, dry grass and brush are required to be mowed to a height of four (4) inches.
 2. Ladder fuels (vegetation, brush and small trees under mature trees) shall be removed.
 3. Trees shall be pruned up to six (6) feet from the ground. For shorter height trees, pruning shall not exceed 1/3 of the overall tree height. Tree placement shall be planned to ensure the mature canopy is no closer than ten (10) feet to the edge of any structure.

Unimproved parcels greater than one and one-half (1.5) acres in size shall be required to maintain a fuel break a minimum (30) feet from the property line. The fuel break requirements shall consist of the same requirements as unimproved parcel of one and one-half (1.5) acres or less.

D. In the event the Fire Chief, or his or her designee, finds that additional fuel management is necessary to significantly reduce the risk of transmission of flame or heat to adjacent properties and means of egress and ingress, the Fire Chief, or his or her designee, may mandate fuel modification of an area more or less than the preceding widths or heights of this section.

~~E. At the time of transfer of ownership of a parcel from the owner to another, the buyer shall sign and agree to the terms of this section 8.58.060. Based on a monthly list of parcels sold within the Town of Paradise, thirty (30) days after the transfer of each parcel the Town shall determine whether the parcel complies with this section.~~

E. Whenever an owner of real property transfers ownership of such real property, the seller shall provide documentation to the buyer that the real property is in compliance with Public Resources Code section 4291.

SECTION 2. Pursuant to California Environmental Quality Act (CEQA) Guidelines section 15308 this ordinance is exempt from CEQA in that it is a Class 8 categorical exemption for actions taken by a regulatory agency to establish procedures for the protection of the environment.

SECTION 3. This ordinance shall take effect thirty (30) days after the date of its passage. Before the expiration of fifteen (15) days after its passage, this ordinance or a summary thereof shall be published in a newspaper of general circulation published and circulated within the Town of Paradise along with the names of the members of the Town Council of Paradise voting for and against same.

PASSED AND ADOPTED BY THE Town Council of the Town of Paradise, County of Butte, State of California, on this ~~8th~~ day of ~~September 2020~~, by the following vote:

AYES: ~~_____ Steve Crowder, Melissa Schuster, Mike Zuccolillo and Greg Bolin, Mayor~~

NOES: None

ABSENT: ~~Jody Jones~~

ABSTAIN: None

~~Greg Bolin, Mayor~~

ATTEST:

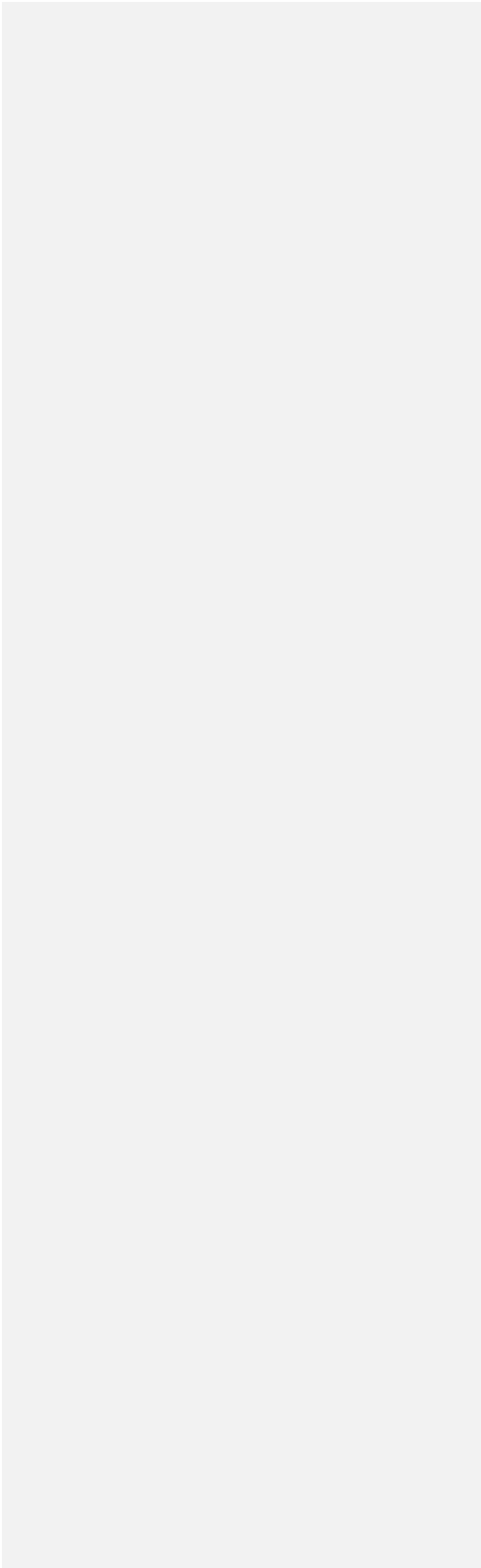
DINA VOLENSKI, CMC, Town Clerk

APPROVED AS TO FORM:

~~DWIGHT L. MOORE~~, Town Attorney

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TOWN OF PARADISE
ORDINANCE NO. ~~597~~





Town of Paradise
Council Agenda Summary
Date: May 11, 2021

Agenda Item: 6(f)

ORIGINATED BY: Katie Simmons
REVIEWED BY: Kevin Phillips
SUBJECT: Contract Amendment for Tetra Tech
LONG TERM RECOVERY PLAN: Yes, Tier 1, Removal of Hazard Trees

COUNCIL ACTION REQUESTED:

1. Consider approving Second Amendment to Agreement between the Town of Paradise and Tetra Tech. (ROLL CALL VOTE)

Background:

On June 30, 2020, the Town of Paradise entered into an Agreement with Tetra Tech (Contractor) to provide professional arborist services to support the Private Hazard Tree Removal Program. The initial amount of the Agreement was not to exceed (NTE) \$500,000 for arborist services by Contractor for the Town.

On November 2 2020, the Town of Paradise approved a First Amendment to the Agreement with Tetra Tech to increase the NTE by \$335,000 to \$835,000.

Analysis:

The Town and Contractor have determined that the Agreement NTE amount needs to be increased by \$120,000 to \$955,000. This additional amount will extend contract services an additional 4 months from the date of the last billing through the planned completion of the Government Hazard Tree Removal Program and the Private Program. The Contractor has already scaled back to a limited number of hours daily and weekly to accommodate a reduced number of private inspections for properties enrolled in the Private Program, but to also complete courtesy roadside assessments on unenrolled parcels to lower the Town's overall abatement risk. This work will continue through the end of the current Tree Programs to ensure the Town has minimized abatement to the extent possible, leveraging Tetra Tech data in communications with property owners to ensure maximum voluntary compliance with the Hazardous Tree Removal Ordinance.

Financial Impact:

90% of the expenses related to the Private Hazard Tree Removal Program are reimbursable through FEMA Public Assistance, 7.5% by CAL OES and the remaining 2.5% is covered by the Town of Paradise.

**SECOND AMENDMENT TO AGREEMENT
BETWEEN THE TOWN OF PARADISE AND TETRA TECH, INC.**

This Second Amendment to Agreement is made on May __, 2021, to the Agreement dated June 30, 2020 by and between the Town of Paradise, a California municipal corporation ("Town"), and Tetra Tech, Inc. ("Contractor").

RECITALS

A. The initial amount of the Agreement was not to exceed \$500,000 for arborist services by Contractor for the Town.

B. On November 2, 2020, Town and Contractor agreed that the Agreement not-to-exceed amount needed to be increased by \$335,000 to \$835,000.

C. Town and Contractor have agreed to amend the Agreement so that the not-to-exceed amount should be increased by \$120,000 to \$955,000.

AGREEMENT

NOW, THEREFORE, Town and Contractor agree as follows:

1. The Agreement shall be amended as follows:
 - 1.1. Notwithstanding any other provisions in the Agreement, the amount payable by Town to Contractor shall be increased by \$120,000 for a not-to-exceed amount of \$955,000.
2. All other provisions of the Agreement shall remain in full force and effect.
3. If there is a conflict between this First Amendment and the Agreement, this First Amendment shall be controlling.

Town of Paradise

Tetra Tech, Inc.

Kevin Phillips, Town Manager

By:_____

Approved as to Form:

Attest.

Mark A. Habib, Town Attorney

Dina Volenski, Town Clerk